

ontario media development corporation

omdc



**ANNUAL REPORT
2009 | 2010**



Ontario Media Development Corporation

culture is our business

Table of Contents

Who We Are	1
Message from the Chair	2
Message from the President and Chief Executive Officer	3
Ontario's Cultural Media Industries.	4
Our Information and Electronic Future	6
Creative Collaboration and Cross Sectoral Synergies	8
Ontario's Cultural Media in the Global Marketplace	10
Celebrating Ontario's Achievements	12
Innovative Financial Support	14
Research	17
Doing Business Better	18
Looking Ahead.	20
22 nd Annual Trillium Book Award Finalists/Winners.	21
OMDC Program Recipients 2009-10.	22
Board of Directors	31
Management's Responsibility for Financial Statements	32
Auditor's Report	33
Statement of Financial Position	34
Statement of Operations	35
Statement of Changes in Net Assets	36
Statement of Cash Flows.	37
Notes to Financial Statements	38

OUR MISSION: The Ontario Media Development Corporation, an agency of the Ontario Ministry of Tourism and Culture, is the central catalyst for Ontario's cultural media cluster. It promotes, enhances and leverages investment, jobs and original content creation in the province's book and magazine publishing, film and television, music and interactive digital media industries.



Ontario Media Development Corporation (OMDC)

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The Ontario Media Development Corporation stimulates investment and employment in six cultural media industries in Ontario: book and magazine publishing, film and television, music and interactive digital media.

We do this through:

- **Funds – the Book Fund, the Film Fund, the Magazine Fund, the Music Fund, the Interactive Digital Media Fund, the Export Funds, the Entertainment and Creative Cluster Partnerships Fund, and the Intellectual Property Development Fund**
- **Tax Credits – the Ontario Film & Television Tax Credit (OFTTC), the Ontario Production Services Tax Credit (OPSTC), the Ontario Computer Animation and Special Effects tax credit (OCASE), the Ontario Interactive Digital Media Tax Credit (OIDMTC), the Ontario Book Publishing Tax Credit (OBPTC) and the Ontario Sound Recording Tax Credit (OSRTC).**
- **The Ontario Film Commission**
- **Cross-sector initiatives including – From Page To Screen, Music Makes It! and The International Financing Forum (IFF)**
- **Targeted support to a range of industry organizations, markets and festivals**
- **Support, participation and sponsorship of a wide range of marketing, outreach, education and research activities.**

Message from the Chair

The Hon. Michael S. Chan
Minister of Tourism & Culture

Dear Minister Chan,

On behalf of the Board of Directors of the Ontario Media Development Corporation, I am pleased to submit the Annual Report for 2009-10.

In 2009-2010, Ontario's cultural media industries continued to perform well – despite the economic slowdown – relative both to the Ontario economy and our global competitors. This growth reflects both the strength of the sectors and the depth of Ontario's talent pool.

The Government of Ontario has long recognized the importance of supporting and investing in creative media firms. For over twenty years, the Ontario Media Development Corporation and its predecessor have promoted development of the film and television industries and, since 2000, the book and magazine publishing, music and interactive digital media industries.

In the spring of this year – after our 2009-2010 fiscal year was over – the government announced its intention of providing the OMDC with stable funding through a long term base allocation. Not only is this commitment a ringing endorsement of the OMDC and its approach to supporting Ontario's cultural media industries, it will help us increase our effectiveness in serving Ontario creative media firms which will benefit from new opportunities and adapt to new competitive realities.

On behalf of the Board and staff of the OMDC, we wish to acknowledge and thank the Government of Ontario for their continuing support.

We look forward to working with our clients and stakeholders across all Ontario's creative media industries in the year ahead.

Respectfully submitted



Kevin Shea
Chair



Message from the President and Chief Executive Officer

In 2009-10, Ontario's cultural media industries continued to outpace the provincial economy as a whole in terms of both job and revenue growth. Some sub-sectors posted outstanding growth: film and television production spending grew by over 40%. The strong and growing appeal of Ontario as an excellent place to make films was demonstrated by foreign production spending which grew by an astounding 114 per cent, to \$272 million. Part of this growth was doubtless due to the success of OMDC programs and the commitment of the Ontario government in attracting foreign production to Ontario.

Book and magazine publishing, music and interactive digital media industries also prospered in 2009-10. Altogether a year that we in the cultural media sector – and all Ontarians – can be proud of.

This year's OMDC Annual Report is organized under six key themes that drive our activities: *Our information and Electronic Future, Creative Collaboration and Cross Sectoral Synergies, Ontario's Cultural Media in the Global Marketplace, Celebrating Ontario's Achievements, Innovative Financial Support and Research.*

A few of the 2009-10 fiscal year highlights that you'll find in these pages:

- The OMDC Film Fund provided support of \$4 million, generating total spending of \$98 million and about 5,500 jobs.
- Through the Entertainment and Creative Cluster Partnerships Fund ("the Partnerships Fund"), we provided \$2.9 million in funding to a combined 94 partners and 17 projects, leveraging \$7.1 million in additional spending.
- We successfully launched the Intellectual Property Development Fund ("the IP Fund") which helps screen-based companies move ideas from development to production.
- To better serve our clients and stakeholders, we launched our Online Application Portal (OAP) and our Online Research Library (ORL).
- OMDC's Tax Credits department issued more than 1,300 certificates with a value of \$268 million for projects valued at \$2.7 billion

Last year's provincial budget (March 2009) included significant enhancements to the Ontario Book Publishing Tax Credit (OBPTC), the Ontario Computer Animation And Special Effects tax credit (OCASE), the Ontario Interactive Digital Media Tax Credit (OIDMTC) and the Ontario Production Services Tax Credit (OPSTC), which became effective this year.

My thanks to the Ministry of Tourism & Culture for its continuing support, and to OMDC's dedicated Board and staff, for their commitment to ensuring that Ontario is recognized globally as a leading jurisdiction in which to invest, create and export cultural media content.

Respectfully submitted,



Karen Thorne-Stone



Ontario's Cultural Media Industries

film & TV production up by 41%



Flashpoint

With employment of over 295,000, Ontario has the third-largest entertainment and creative sector in North America, after California and New York.

2009 was another banner year: Ontario's film and television industry contributed \$946.4* million to the provincial economy in 2009 – up by 41 per cent over 2008.

(*according to OMDC statistics as at December 31, 2009)

"I'm delighted to say that the efforts of the Film Commission were key in securing the decision to shoot *Red* in Toronto. Our initial inclination had been to shoot this film here, or in Montreal. Though we have all worked in Toronto before, each film has individual needs, that require specific re-looks in a location, to determine if we can shoot there. Once in Toronto we soon established that the facilities and support here meant that we had to look no further. The presence of a proactive and supportive Film Commission that seeks to bring work and economic benefit to the city was instrumental in assuring us that Toronto was the best home for our film."

JAKE MYERS, PRODUCER OF RED, SUMMIT ENTERTAINMENT



(L.to R.) Jake Myers, Producer of *Red*, Karen Thorne-Stone, President & CEO of OMDC, Kevin Shea, Chair of OMDC and Donna Zuchlinski, OMDC Manager of Film, answer questions about 2009 film activity at the Fairmont Royal York Hotel where *Red* was filming.



Scott Pilgrim vs. The World



Resident Evil: Afterlife

Foreign productions in 2009 included: Universal Studios' *Scott Pilgrim vs. The World*, set in Toronto and starring Brampton native Michael Cera; and NBC/Universal's new television series *Warehouse 13*.

On the domestic side, the fourth installment in the *Resident Evil* franchise, *Resident Evil: Afterlife*, shot in Stereoscopic 3D.

Ten OMDC Film Fund-supported projects shot in 2009-10 including: *Oliver Sherman* and *Longfellow* (both shot in Northern Ontario); *A Beginner's Guide to Endings*; *The Bang Bang Club*; *Barney's Version*; *Beat The World*; *Force of Nature: The David Suzuki Movie*; *If I Were You*; *Score: A Hockey Musical*; and *The Whistleblower*.

2009-10 Film and TV Production Activity

Ownership

Domestic		\$654,383,434
Foreign		\$225,381,325

2009-10 Breakdown of Production Activity by Format

Format by Ownership

Features (Domestic)		\$97,789,316
Features (Foreign)		\$111,487,208
MOW's (Domestic)		\$86,452,457
MOW's (Foreign)		\$38,166,336
TV Series (Domestic)		\$470,141,661
TV Series (Foreign)		\$75,727,781

2009-10 Breakdown of Production Activity by Production Type

Production Type by Ownership

Live Action (Domestic)		\$599,618,459
Live Action (Foreign)		\$220,836,022
Animation (Domestic)		\$54,764,974
Animation (Foreign)		\$4,545,302

The OMDC Magazine Fund provided \$1.6 million to 34 projects with budgets totaling \$2.8 million.



Book and magazine publishing, music and interactive digital media industries also grew in 2009. The entire entertainment and creative cluster produced \$15 billion in revenue and contributed \$12.2 billion to the province's GDP.

The record shows that Ontario is an efficient and viable production centre that can compete in the global marketplace. Ontario has highly trained talent and support staff from respected colleges and universities and a well-developed cultural media infrastructure.

And through the OMDC, Ontario offers a range of collaborative support programs and tax credits.

Government recognizes the importance of the sector – and the central role of the OMDC in supporting growth and innovation in Ontario's cultural industries. This year the Ontario government again endorsed our work by renewing the Entertainment and Creative Cluster Partnerships Fund with a budget of \$12 million over four years.

In the Ontario Media Development Corporation, Ontario has an experienced and respected leader that continues to serve as a catalyst for the global competitiveness of the sector.

Our Information and Electronic Future

interactive digital m

All over the world and across all sectors the pervasive influence of digital technology continues to grow. Digital technologies are particularly important to our sector – with internet and mobile device delivery of movies, TV shows, music, books, magazines and games. Ontario is well-placed to thrive in this new world, with our first class educational institutions, our R&D base, our emphasis on innovation and our expertise in fields such as digital animation, game development and wireless communications. It is essential that Ontario remain at the forefront.

Other examples of our support for our digital future:

- Through the Partnerships Fund, we funded the Magazines Canada Digital Newsstand, which allows consumers to buy subscriptions, single copies and back issues of digital editions with the simple click of a button. Digital magazines are also available for download on iPhone. Over 100 Canadian titles are currently available and the number continues to grow. The program also helped make Ontario magazines accessible to a global market.
- The Mobile Experience Innovation Centre is a public-private consortium engaging leaders in mobile research, design and innovation. Funded by the OMDC through the Partnerships Fund, the MEIC includes six academic institutions and over 30 organizations from across the mobile industry, and is led by OCAD University.

The OMDC Interactive Digital Media Fund provided \$3.8 million to 33 projects with a combined total budget of \$11.4 million.



Exclaim! Magazine is engaging in a marketing project using social media sites and search engine optimization to improve its online presence and drive traffic to its site, with the aim of increasing online advertising and revenue.

Establishing Ontario as a leader in digital media and innovative content development remains a key

priority of the Ontario Media Development Corporation. We provide targeted support for the digital media industry and for the development of digital content in other media – books, magazines, film, television and music.



As of March 2009, Phase 2 of the MEIC was launched, to facilitate research and prototyping between industry and academia. Through three-month initiatives in mobile design, user experience, foresight and business model innovation, the MEIC develops partnerships to link faculty, students, small businesses and corporations.

- Through the Partnerships Fund, we supported *City Sonic*, a series of short films about extraordinary artists shot in places where their musical lives were transformed, and available online and on hand held devices.
- We introduced digital capacity streams in the Book, Music and Magazine Funds, as the contents of these media become increasingly digital. Ontario firms in all three media can now access OMDC funding to improve their digital marketing and distribution capabilities.

One such digital project, funded through the Book Fund, is enabling Kids Can Press to find new ways to promote their backlist titles through upgrades to their kidsanpress.com website that include: an accelerated reader reading level section; new community pages, video content and blog reviews specifically for teachers and librarians; and an online creator self-marketing kit for authors and illustrators, as well as consumer promotions through targeted websites, e-newsletters, blogs and social media technologies.

- In 2009-10, we also began preparations for the *Digital Dialogue Conference*, a gathering of several hundred senior-level content creators working in book and magazine publishing, film and television, interactive digital media and music, to discuss key issues facing Canada's creative sector and the shaping of a National Digital Strategy.



Serena Ryder on
City Sonic go to:
<http://www.citysonic.tv/>

Creative Collaboration and Cross Sectoral Synergies

Governments everywhere have long recognized the importance of sectoral “clusters” in driving economic development. A cluster is a group of interrelated industries and firms in the same region which together support the growth of a pool of skills, technologies, finance, management and marketing techniques that can help firms in the region become more competitive.

Clusters often involve collaboration among firms and sectors, and with academic and other non-business institutions. Fostering collaboration is a central and important part of OMDC’s activities – especially important because Ontario has strengths across many creative media sectors and sells in many markets.

In October, OMDC senior staff met with a trade group from France who were in Ontario to investigate OMDC “best practices” supporting creative cluster development and to explore opportunities for cooperation.

Originally established in 2006 as a three-year, \$7.5 million initiative to stimulate growth in Ontario’s entertainment and creative industries, the Entertainment and Creative Cluster Partnerships Fund promotes collaborative capacity-building, marketing, innovation and skills development. It helps Ontario’s entertainment and creative industries invest in smart ways to grow and increase their competitive advantage in the global marketplace.

This year, the program was extended for four years with enriched funding of \$12 million.

We are particularly proud that the OMDC team that co-administers the Partnerships Fund with the Ministry of Tourism and Culture was nominated for an Ontario Amethyst Award for outstanding public service.

In 2009-2010, the OMDC provided a total of \$2.9 million in funding support through the Partnerships Fund, leveraging an additional \$7.1 M from 94 partners to support 17 innovative projects.

“Ontario music companies must access and succeed in the international marketplace in order to prosper. The Partnerships Fund provides the support needed to establish and expand cultural trade which ultimately benefits our musicians and Ontario music lovers. This investment will pay substantial returns for years to come for which we can thank the Government of Ontario and the OMDC.”

DUNCAN McKIE, PRESIDENT AND CEO CANADIAN INDEPENDENT MUSIC ASSOCIATION (CIMA)

A partnership of local and overseas partners, Spotlight on India was Canadian Music Week's initiative to exploit new territories, market through new channels, expose new musical genres and help Ontario businesses enter or expand in the Indian market.

Funded through the Entertainment and Creative Cluster Partnerships Fund, the program brought 25 key music and broadcasting industry executives from India to discuss business partnerships with Ontario businesses.



India Delegation at 2010 CMW

“OMDC’s support has helped to gain a foothold in this fast developing market where digital music sales and touring are potentially huge. Since Spotlight on India at CMW, a number of music companies from Ontario have been building stronger business connections in India.”

NEILL DIXON, PRESIDENT OF CMW

As well as directly supporting creative sectors and cross-sectoral collaboration through the Partnerships Fund, OMDC fosters collaboration in other ways, sometimes joint-venturing with other organizations.

Our fourth annual International Financing Forum (IFF) – joint ventured with UK Trade and Investment and Telefilm Canada – was held over two days during the Toronto International Film Festival on September 13 -14. Forty-three producers — 22 Canadian and 21 from Australia, Brazil, UK, France, Germany, Ireland, Spain, Wales and the US — met in a series of more than 300 brokered meetings. The opening session on September 13 featured a panel discussion entitled “Forget Everything You Know... It’s a New World” with international executives Ted Hope and Thomas Mai and was moderated by *Screen International’s* Mike Goodridge. The event received excellent coverage from business publications and arts reporters.



In March, OMDC partnered with NXNE to present *Music Makes It: Extreme Music Licensing for Film, Television, Interactive Digital Media & Music Companies*. Building on the success of the first event in 2008, *Music Makes It* featured one-on-one meetings, showcases and networking opportunities with executives from the music, interactive digital media, advertising, feature film, documentary and television industries, to the creative and commercial benefit of each sector.



Lily Frost



Justin Nozuka



In March, OMDC presented the third *From Page to Screen* a networking/brokered meeting event to connect book publishers and their content to film & TV producers. Held at the Bram & Bluma Appel Salon at the Toronto Reference Library, the event brought together 27 publishers and 54 producers. Six book option deals have been completed to date as a result of the event.

Ontario's Cultural Media in the Global Marketplace

export Fund \$1.5 million in funding to over 156 companies

The OMDC Export Fund provides eligible Ontario companies with funding to pursue export development activities, including market event attendance and targeted sales trips that support their export strategy. The program has five strands: books, film, television, music and interactive digital media. In 2009-10, the Export Fund provided \$1.5 million in total funding to over 156 Ontario firms.



Danny Fernandes



Jully Black

OMDC's Export Fund supported 23 companies to attend MIDEM in Cannes, January 24th – 28th. In addition to providing funding to support the Canada Stand and supporting an Ontario artist showcase at MIDEM, OMDC hosted a reception together with 40 music industry stakeholders on January 25th with over 200 in attendance.

In addition to direct funding, OMDC markets Ontario's cultural media at a wide range of international events, sometimes in cooperation with other Canadian delegations, including Cannes Film Festival, MIPCOM, MIP-TV, Berlin Film Festival, Game Developers Conference, Frankfurt Book Fair, SXSW, AFCL Locations Trade Show, the American Film Market and many others.



OMDC's Film Commission works hard to attract and support feature film and television productions from Canada and around the world. Commission staff arrange to scout locations, open doors and work with other agencies and officials on behalf of producers – all at no cost. OMDC's award-

winning Digital Locations Database offers instant 24/7 access from anywhere in the world to more than 8,000 digital locations, representing over 173,000 individual images.

In October Kelly Graham-Scherer began work as the new representative in our Los Angeles Marketing Office, which is jointly funded by OMDC and the City of Toronto. The office provides on-the-ground marketing support to OMDC's efforts to attract U.S. screen-based business as well as providing facilitation services to domestic industry stakeholders interested in accessing the Hollywood marketplace.

HOT DOGS

Supported by OMDC, the *Hot Docs Canadian and International Documentary Festival* ran from April 30th to May 10th, another successful and record-setting year, and provided Ontario documentary film makers an opportunity to showcase their work to the world. OMDC's CEO Karen Thorne-Stone presented the International Feature Documentary Prize at the awards ceremony.

The OMDC Film Fund film *Rush: Beyond The Lighted Stage* was the opening gala for the Festival this year.



Rush: Beyond The Lighted Stage

Celebrating Ontario's Achievements

winners in 2009

Six English and five French books were short-listed for the 22nd annual Trillium Award/22^e édition du Prix littéraire annuel Trillium.

The Trillium Book Award/Prix Trillium encourages excellence in literature and is among the most highly regarded national and international literary prizes anywhere. Past winners have included world renowned authors such as Margaret Atwood, Wayson Choy, Alice Munro, Michael Ondaatje, Maurice Henri and Michèle Matteau.

The 2009 winners were announced on June 16 at a luncheon held at the Park Hyatt. The two major English and French winners each received \$20,000; and the English-language poetry and French-language children's winners each received \$10,000; their publishers received \$2,500 to promote the winning titles and all finalists received a \$500 honorarium. Interest in the Trillium awards continues to grow: over 300 people attended this year's public readings, and media coverage, at over 50 million impressions, substantially exceeded coverage in the previous year.



(Left to right) Paul Prud'Homme, Marguerite Andersen, Jeremy Dodds and Pasha Malla

The 2009 TRILLIUM BOOK AWARDS were:

ENGLISH-LANGUAGE: Pasha Malla, *The Withdrawal Method* (House of Anansi Press)

FRENCH-LANGUAGE: Marguerite Andersen, *Le figuier sur le toit* (Les Éditions L'Interligne)

ENGLISH-LANGUAGE POETRY: Jeremy Dodds, *Crabwise to the Hounds* (Coach House Books)

FRENCH-LANGUAGE CHILDREN'S LITERATURE: Paul Prud'Homme, *Les Rebuts : Hockey 2* (Les Éditions du Vermillon)

OMDC's President & CEO Karen Thorne-Stone
with Director Brigitte Berman and
OMDC Chair Kevin Shea at Celebrate Ontario



Celebrate Ontario, our annual salute to Ontario films and filmmakers at the Toronto International Film Festival®, was held on September 11th and drew almost 600 leaders from industry, government and media.



James McGowan, Grace Park and Graham Abbey stars of the TV Series, *The Border* at Celebrate Ontario



The *Polaris Music Prize* has emerged as a significant promotional vehicle for Ontario and Canadian labels and artists. This year, OMDC produced a limited-run compilation CD of the Ontario labels and artists which were nominated as *Polaris* "long list" finalists. The CD was distributed as a cross-promotion at Celebrate Ontario and was used at other industry events.

In March, OMDC supported the Genie Awards by sponsoring the nominations reception. Six OMDC Film Fund-supported films were nominated: *Adoration*, *Cairo Time*, *Inside Hana's Suitcase*, *One Week*, *Victoria Day* and *You Might As Well Live*. *One Week* won Best Performance by an Actor in a Leading Role: Joshua Jackson.



One Week

Innovative Financial Support

innovative projects

Supporting Innovation for Growth

Over the past few years, OMDC has been able to support companies by investing in a series of innovative projects that contribute to company growth and expansion. One such company is Arts & Crafts Productions, one of Ontario's most successful independent record labels, home to internationally renowned acts such as Broken Social Scene, Feist, The Stills and The Constantines. OMDC has been instrumental in the success and development of Arts & Crafts over the past six years. Beginning as a two-person operation, the financial assistance of OMDC through the Music Fund, Export Fund and Ontario Sound Recording Tax Credit (OSRTC) has allowed the label to grow into a thriving cultural and commercial entity, presently employing 15 employees on either a full-time or contract basis.



Jeffrey Remedios

“IT SIMPLY WOULD NOT HAVE BEEN POSSIBLE FOR OUR COMPANY TO GROW AND PROSPER WITHOUT THE FINANCIAL AND ORGANIZATIONAL ASSISTANCE THE OMDC HAS BEEN ABLE TO OFFER.”

JEFFREY REMEDIOS, PRESIDENT, ARTS & CRAFTS PRODUCTIONS INC.

From Dream to Screen

The Intellectual Property Development (IP) Fund is a one-year pilot program administered by the Ontario Media Development Corporation. Announced in the 2009 provincial budget, the aim of the Fund is to “invest \$10 million in a pilot program, administered through OMDC, that would refund a portion of the costs associated with intellectual property development to Ontario-based companies in the screen-based industries.”

The IP Fund helps screen-based companies with a proven record – in television, film, mobisodes, webisodes, video games, internet properties and others – move ideas from development into production.

Guidelines and application for the new Fund were announced on December 10th. Media coverage was good and stakeholder interest strong. Five information sessions were held in January and February in Toronto and one in Ottawa.

The OMDC Film Fund was launched in 2005 with the aim of fostering the production and development of films in Ontario. The Fund enables Ontario-based producers to complete their financing by providing up to \$25,000 for development projects and up to \$400,000 for production funding. Since 2005, more than \$15 million has been invested to support 113 domestic feature film projects.

OMDC backed films at the *Toronto International Film Festival*[®] (September 10-19, 2009)

- OMDC-funded film *Cairo Time* took home top honours at the Toronto International Film Festival[®] (TIFF), winning *Best Canadian Feature Film* and won a *2009 Film Circuit People's Choice Awards*. Both *Cairo Time* and OMDC-funded film *Defendor* were selected for TIFF's 2009 *Canada's Top Ten Films*.
- Eight features supported by OMDC's Film Fund screened at the 2009 Toronto International Film Festival[®] including: *Cairo Time*; *Cooking With Stella*; *Defendor*; *High Life*; *Hugh Hefner: Playboy, Activist and Rebel*; *Leslie, My Name is Evil* and *Year of the Carnivore*.
- OMDC-funded *Splice* was an official selection at this year's Sundance Film Festival which led to a June 20th release by Warner Brothers, and one of the highest grossing opening weekends ever for an English Canadian film.



Cairo Time



Defendor

Through our portfolio of funds, including the OMDC Export Fund, the OMDC IDM Fund, and the Screen Content Initiative, OMDC has been able to support the growth of Capybara Games, an independent award-winning game studio in Toronto. OMDC has worked with the company since its inception and has enabled their growth



from a six-person operation to having 26 full-time employees. *Critter Crunch*, supported by the OMDC's IDM Fund, is an original game for PlayStation 3's digital download service and the company's first foray into console game development. As a result of relationships built with OMDC support and funding leveraged through the OMDC IDM Fund they were able to employ a team of sixteen staff to make *Critter Crunch*, developing it to their high quality standards, publishing it themselves (therefore earning a significantly higher royalty) and maintaining ownership of their intellectual property in the province of Ontario. *Critter Crunch's* success has directly led to deals being signed with Ubisoft and other leading game publishers for new game products currently in development.

Innovative Financial Support *continued*

Strengthening Our Tax Credit Programs

In cooperation with the Canada Revenue Agency, the OMDC manages six tax credit programs. The programs generally provide a refundable tax credit of 20 to 40% for qualifying expenditures.

In June, as part of its growth and job creation plan, the government announced enhancements to the production services tax credit. The changes would expand the Ontario Production Services Tax Credit (OPSTC) to incorporate all qualifying production costs incurred in Ontario, including qualifying labour costs as well as the purchase or rental of qualifying tangible properties, such as equipment and studio rentals.

As a direct result of the tax credit enhancements, OMDC attracted or retained five major productions, including: M. Night Shyamalan's *Devil, Red* starring Bruce Willis, Morgan Freeman and Helen Mirren; *Dream House* with Daniel Craig and the second season of NBC/Universal's TV series *Warehouse 13*.

Enhancements to the Ontario Book Publishing Tax Credit (OBPTC), the Ontario Computer Animation and Special Effects tax credit (OCASE) and the Ontario Interactive Digital Media Tax Credit (OIDMTC) which were announced in the Provincial Budget of March 26, 2009 and the fall *Ontario Outlook and Fiscal Review*, were passed into law by legislative and regulatory amendments on December 15, 2009 and March 16, 2010.

In 2009-10, the OMDC and the Canada Revenue Agency delivered tax credits for the book publishing, film and television, music and interactive digital media sectors worth an estimated \$268 million in support of projects with budgets totaling \$2.7 billion.

Tax Credit Chart for 2009-10

2009-10 Total	Applications received	Number of Certificates Issued	Number of Projects	Total Value of Estimated Tax Credits	Project Value
OBPTC	345	343	343	\$2,718,866	\$11,078,533
OSRTC	119	347	102	\$1,490,026	\$8,062,107*
OFTTC	362	382	382	\$175,407,078	\$1,107,022,844
OPSTC	93	83	83	\$63,165,648	\$1,370,206,693
OCASE	70	82	266	\$15,288,910	\$125,063,434
OIDMTC	163	72	227	\$9,641,914	\$62,292,354
Grand Total for all Tax Credits 09/10	1,152	1,309	1,403	\$267,712,442	\$2,683,725,965

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.

** In 2010/2011 the methodology for reporting Project Values for OSRTC changed and this column reflects the restated numbers based on the new methodology.*

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

Research

innovation and knowledge

Ontario as a matter of policy supports research, innovation and the knowledge-intensive sectors – of which the creative media industries are a part. The OMDC itself supports and conducts research that fosters the development and growth of the cultural media industries. As well as commissioning our own research, we provide research project funding to industry trade organizations and other stakeholders.

Introduced in the 2008-2009 fiscal year, our profiles of the six cultural media industries – book publishing, film, interactive digital media, magazine publishing, music and television – are now regularly updated and available on the OMDC website.

We also provide funding to industry partners for research projects. In 2009-10, these included, among others:

- *The Canadian Interactive Industry Profile, June, 2009*
- *Ontario Library Investment Project: Marketing Canadian Books for Ontario Children, September, 2009*
- *Ontario Profile 2009: An Economic Profile of Domestic Film, Television and Cross-Platform Interactive Media Production in Ontario, December, 2009*
- *Publishing Stabilization Program: A Discussion Paper, May 2009*

An additional study commissioned by OMDC during the year, the Sector Allocation Project, was published in May 2009.

We held our second annual Research Showcase on Thursday, May 28th at the Park Hyatt Hotel. The event drew more than 75 key stakeholders from government and industry, along with OMDC Board members, to hear the latest findings from study partners and to preview upcoming projects.



Norm Bolen,
*President & CEO of Canadian
Media Production Association*



**Kristian Roberts, Nordicity Group Ltd.,
Senior Consultant**



Mark Jamison,
CEO of Magazines Canada

Doing Business Better

improving processes

Part of our long-term strategic plan is to continually improve our processes to better serve OMDC clients. We work closely with our clients, and meet regularly with stakeholders and key influencers. We also meet regularly with our five sector Industry Advisory Committees.

We conduct sessions to provide information on how to apply for and benefit from OMDC support, including our frequent in-house Ontario Film and Television Tax Credits workshops, and other high-level sessions on, for example, the Ontario Sound Recording Tax Credit and the Ontario Interactive Digital Media Tax Credit.

OMDC Industry Development staff held open information sessions on six separate program funds during 2009-10, including a new conference call option for the Partnerships Fund information sessions to accommodate stakeholders from outside of Toronto.

We consulted extensively with stakeholders in the screen-based industries, the Ministries of Tourism and Culture and Finance to develop guidelines and program details for the pilot Intellectual Property Development Fund announced in the March 2009 Provincial Budget.

We regularly conduct research to help us refine and sharpen the focus of our programs; in 2009, we hired consultants to help inform our allocation of funding across sectors. We also conducted think tank sessions and stakeholder sessions in support of the Directions in for Financing Cultural Media Industries research project.

Also this year, we launched the OMDC Online Application Portal (OAP). We are changing the way we do business, making it easier for clients to apply for tax credits and other programs with a paperless, secure portal. Officially launched on February 22nd, 2010, the OAP enables stakeholders to apply (including uploading and storing corporate documents), track the status of applications, and communicate with us. An added benefit of the OAP is that it makes it easier for stakeholders to collaborate on applications – fostering collaboration and synergies is one of our key themes.

Through the new Online Research Library, stakeholders, clients and members of the public now have access to industry research and statistics in a fully searchable on-line library. The Library was launched on November 18, to rave reviews.

Doing Business Better *continued*

We continuously seek to improve service to our clients. For example, we reduced the time between a complete application filing for a tax credit to final certification of the credit from 6.4 weeks in 2008-09 to 5.7 weeks in 2009-10.

Finally, we continue to champion Ontario's cultural media industries to other levels of government. This year we made submissions to the Canadian Radio and Television Commission, the Canadian Copyright Consultations, the Canada Media Fund Industry Consultations and Statistics Canada.

NEW OMDC ONLINE APPLICATION PORTAL

"The OMDC's Online Application Portal was very easy to use – apart from the huge time savings of submitting everything electronically versus endless photocopying and printing under the old system, it was easily many times faster to fill it in online versus filling out the forms manually. Better yet, I think the real savings comes in the future, from being able to use the same information in later filings now that the system already has a record of my information that I can update as needed."

Jim Laird, CFA Managing Director & CFO, Bedlam Games Inc.

"The Online Research Library is part of our ongoing efforts to enhance the services OMDC provides as a recognized centre of knowledge and expertise for the creative media sector," said Karen Thorne-Stone, OMDC's President & CEO. "By making important research more widely accessible, we hope to further strengthen Ontario's creative industries' ability to compete successfully in global markets." The direct link to the library is: <http://researchlibrary.omdc.on.ca>.



Looking Ahead

2010-11 goals

Two years ago, OMDC undertook a major study to assess domestic and global trends in the cultural media industries, with a view to developing a five-year strategic plan for the agency. The objective was to ensure that OMDC continues to be relevant to the sectors we serve, to be positioned to respond effectively to emerging challenges, and to take full advantage of opportunities to strengthen Ontario's book, magazine, film, television, music and interactive digital media industries as cultural and economic leaders in Canada and globally.

Based on the strategic planning initiative, our 2010-11 goals and objectives are to:

- Support content development, market Ontario companies and products domestically and internationally, and promote Ontario as a centre of excellence
- Improve access to capital
- Increase market intelligence and be an information hub for stakeholders and government
- Encourage collaboration and communication and be a champion for the sectors
- Support digital evolution.

We look forward to working with industry, stakeholders and our partners in government in the year ahead.



“The Ontario Media Development Corporation is thrilled to help bring the JUNO Awards back to Toronto for its milestone anniversary,” said OMDC President and CEO Karen Thorne-Stone. “Ontario is recognized as a global leader in the music and cultural media industries and the JUNO Awards provide a wonderful opportunity to showcase our fabulous music industry – a key component of Ontario’s burgeoning knowledge economy.”

Presented by the Canadian Academy of Recording Arts and Sciences (CARAS) and CTV, the JUNO Awards have evolved from a one-day awards event into a weeklong celebration brimming with local music festivities attracting thousands of music fans from across the country and abroad. The Awards’ extravaganza dubbed *JUNO Week*, will take place *March 21-27, 2011*, culminating in the live CTV broadcast of The JUNO Awards, Sunday, March 27.

22nd Annual Trillium Book Award Finalists/Winners

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 Children in the French language each receive \$10,000 and their publishers receive \$2,000. All finalists receive a \$500 honorarium. The 22nd Annual Trillium Book Award generated 56 million media impressions.

English Finalists for the Trillium Book Award/Prix Trillium:

Kevin Connolly, *Revolver* (**House of Anansi Press**)
Helen Humphreys, *Coventry* (**HarperCollins Publishers**)
Ibi Kaslik, *The Angel Riots* (**Penguin Group Canada**)
Pasha Malla, *The Withdrawal Method* (**House of Anansi Press**)*
Nino Ricci, *The Origin of Species* (**Doubleday Canada**)
Charles Wilkins, *In the Land of Long Fingernails* (**Penguin Group Canada**)

French Finalists for the Trillium Book Award/ Prix Trillium:

Marguerite Andersen, *Le figuier sur le toit* (**Les Éditions L'Interligne**)*
Hédi Bouraoui, *Cap Nord* (**Les Éditions du Vermillon**)
Daniel Marchildon, *L'eau de vie* (**Les Éditions David**)
Melchior Mbonimpa, *La terre sans mal* (**Prise de parole**)
Nancy Vickers, *Aeterna Le jardin des immortelles* (**Les Éditions David**)

Finalists for the Trillium Book Award for Poetry in English language:

Jeremy Dodds, *Crabwise to the Hounds* (**Coach House Books**)*
Joanne Page, *Watermarks* (**Pedlar Press**)
Adam Sol, *Jeremiah, Ohio* (**House of Anansi Press**)

Finalists for the Trillium Book Award for Children's Literature in French language:

Michèle Laframboise, *La Quête de Chaaas tome 1* (**Éditions Médiaspaul**)
Françoise Lepage, *Les chercheurs d'étoiles* (**Les Éditions L'Interligne**)
Paul Prud'Homme, *Les Rebuts : Hockey 2* (**Les Éditions du Vermillon**)*

* winners

OMDC Program Recipients 2009-10

Entertainment and Creative Cluster Partnerships Fund

In 2009-10, the **Entertainment and Creative Cluster Partnerships Fund** (Partnerships Fund) **fourth round** of this fund provided support to 17 initiatives, awarding grants totalling \$2.9 million to leverage an additional \$7.1 million from 94 partners. 85 per cent of projects were completed as of March 31, 2010.

Entertainment and Creative Cluster Partnerships Fund Recipients' List – Fourth Round

Co-administered by Ontario Media Development Corporation (OMDC) & Ministry of Tourism and Culture

PROJECT TITLE: **Ontario Digital Games Business Incubator Network**

PRIMARY PARTNERS: Algoma University

SECONDARY PARTNERS: Digital Arts and Technology Association (DATA), Brock University, Cerebral Vortex Games Inc., Digital Extremes Ltd., PlayBrains Inc.

ADDITIONAL PARTNERS: Sault Ste. Marie Innovation Centre, Ontario College of Art and Design (OCAD), City of Toronto, Communitech: Waterloo Region Technology Association, Fanshawe College, Conestoga College Institute of Technology and Advanced Learning, Side Effects Software Inc., London Economic Development Corporation (LEDC), Niagara Interactive Media Generator (nGEN), Ottawa Centre for Research and Innovation (OCRI)

PROJECT TITLE: **Canadian Publishers Digital Services Implementation Project (CPDS)**

PRIMARY PARTNERS: Association of Canadian Publishers (ACP)

SECONDARY PARTNERS: Organization of Book Publishers of Ontario (OBPO)

PROJECT TITLE: **Virtual Music Export Office**

PRIMARY PARTNERS: Canadian Independent Music Association (CIMA)

PROJECT TITLE: **Spotlight on India Focus on Asia**

PRIMARY PARTNERS: Canadian Music Week

SECONDARY PARTNERS: Music Managers Forum Canada, Canadian Music Publishers Association (CMPA), Canadian Independent Music Association (CIMA)

ADDITIONAL PARTNERS: Indian Music Industry (IMI)

PROJECT TITLE: **CASO Web Based Development Tools aka "CASO Cluster Hub"**

PRIMARY PARTNERS: Computer Animation Studios of Ontario (CASO)

PROJECT TITLE: **DOCShift: Real Stories to Multiple Platforms**

PRIMARY PARTNERS: Documentary Organization of Canada

SECONDARY PARTNERS: Ryerson University, Hot Docs – Canadian International Documentary Festival

ADDITIONAL PARTNERS: National Film Board (NFB)

PROJECT TITLE: **X3 Source**

PRIMARY PARTNERS: Exclaim! Media

SECONDARY PARTNERS: Glassbox Television Inc., Arts & Crafts Productions Inc.

ADDITIONAL PARTNERS: Universal Music Canada, CBC Radio3

PROJECT TITLE: **Ontario Long-Form Interactive Narratives Initiatives**

PRIMARY PARTNERS: FITC Events

SECONDARY PARTNERS: York University, Canadian Film Centre (CFC), Women In Film and Television - Toronto (WIFT); Digital Arts and Technology Association (DATA)

ADDITIONAL PARTNERS: C3 Inc.

PROJECT TITLE:	DOC DigiMarket Initiative Phase Two
PRIMARY PARTNERS:	Hot Docs – Canadian International Documentary Festival
SECONDARY PARTNERS:	Centennial College, Documentary Organization of Canada
ADDITIONAL PARTNERS:	KinoSmith, Real Screen
PROJECT TITLE:	International Visitors Programme
PRIMARY PARTNERS:	International Readings at Harbourfront Inc.
SECONDARY PARTNERS:	House of Anansi Press Inc., McArthur & Company Publishing Limited
PROJECT TITLE:	Canadian Magazines International (CMI)
PRIMARY PARTNERS:	Magazines Canada
PROJECT TITLE:	NXNEi
PRIMARY PARTNERS:	North by Northeast Conferences Inc. (NXNE)
SECONDARY PARTNERS:	FITC Events, NOW Magazine Inc.
ADDITIONAL PARTNERS:	Interactive Ontario Industry Association, SXSW Interactive, Glassbox Television Inc.
PROJECT TITLE:	Ontario: Read It Here
PRIMARY PARTNERS:	Organization of Book Publishers of Ontario (OBPO)
SECONDARY PARTNERS:	Project Bookmark Canada
ADDITIONAL PARTNERS:	Humber College – The Creative Book Publishing Program
PROJECT TITLE:	Fast Forward to a Digital Future – Education and Training for Ontario Animation
PRIMARY PARTNERS:	Sheridan Institute of Technology and Advanced Learning
SECONDARY PARTNERS:	Computer Animation Studios of Ontario (CASO)
PROJECT TITLE:	2020 Media Futures
PRIMARY PARTNERS:	Strategic Innovation Lab, OCAD
SECONDARY PARTNERS:	Corus Entertainment Inc., Breakthrough New Media Inc., marbledmedia Interactive Inc., Association of Canadian Publishers (ACP)
ADDITIONAL PARTNERS:	Sheridan College, York University, National Film Board (NFB), Communitech: Waterloo Region Technology Association, Glassbox Television Inc., Nordicity Group Ltd., Achilles Media Inc., Gesturetek, Maple Leaf Sports & Entertainment, Ontario Centres of Excellence
PROJECT TITLE:	Designing Digital Media for the Internet of Things (DDiMIT)
PRIMARY PARTNERS:	University of Toronto – Knowledge Media Design Institute (KMDI)
SECONDARY PARTNERS:	University of Western Ontario - Laboratory for Humanistic Fabrication
ADDITIONAL PARTNERS:	Interactive Ontario, Ontario College of Art and Design (OCAD), Brock University, Three S Productions – Home of BunnyEars.tv, Aesthetec Studio Inc., marbledmedia Interactive Inc., Torch Partnership Inc., Emerging Methods
PROJECT TITLE:	3D FLIC (3D Film Innovation Consortium)
PRIMARY PARTNERS:	York University – Faculty of Fine Arts
SECONDARY PARTNERS:	Canadian Film Centre (CFC)
ADDITIONAL PARTNERS:	Cinespace Film Studios, Ontario Centres of Excellence, Computer Animation Studios of Ontario (CASO), Starz Animation Toronto, 3D Camera Company, PS Production Services Ltd., Creative Post Inc., Side Effects Software Inc.

OMDC Book Fund

The OMDC Book Fund invested over \$2 million in 30 Ontario publishers to support new marketing initiatives. The total budgets of the 42 projects that received support totaled \$3,304,128. For every dollar invested by OMDC, an additional 65 cents was leveraged in funding.

OMDC Book Fund Recipients

- | | | |
|----------------------------------|--|--|
| 1. Annick Press Ltd. | 12. Insomniac Press Ltd. | 23. Rainbow Horizons Publishing Inc. |
| 2. Biblioasis Inc. | 13. Irwin Law Inc. | 24. Robert Rose Inc. |
| 3. Brick Books Inc. | 14. James Lorimer & Company Ltd. | 25. Sara Jordan Publishing |
| 4. Broadview Press Inc. | 15. Kids Can Press Ltd. | 26. Second Story Feminist Press Inc. |
| 5. Canadian Scholars' Press Inc. | 16. Les Editions David Inc. | 27. Thompson Educational Publishing Inc. |
| 6. Coach House Books Inc. | 17. McArthur & Company Publishing Ltd. | 28. University of Ottawa Press |
| 7. Cormorant Books Inc. | 18. McClelland & Stewart Ltd. | 29. University of Toronto Press Inc. |
| 8. Dundurn Press Limited | 19. Owlkids Books Inc. | 30. Wilfrid Laurier University Press |
| 9. ECW Press Ltd. | 20. Pembroke Publishers Limited | |
| 10. Greenwood Books Limited | 21. Porcupine's Quill Inc. | |
| 11. House of Anansi Press Inc. | 22. Prise de parole Inc. | |

OMDC Film Fund

The OMDC Film Fund invested \$4 million in 25 Ontario-produced films (12 dramatic features and two documentaries) in the production phase and eight dramatic features and three documentary projects for late-stage development funding. Every dollar invested by OMDC generated an additional \$ 25.32 in production financing.

OMDC Film Fund Dramatic Film Production Awards

Film Project	Company	Producer
A Beginner's Guide to Endings	Darius - BGE Productions Inc.	Nicholas D. Tabarrok
A Dangerous Method	Prospero Pictures	Martin Katz
A Whale in Montana	Vortex Comics Incorporated	Bill Marks
Beat The World	Inner City Films Development Inc.	Amos Adetuyi
The Colony	Alcina Pictures Ltd.	Paul Barkin
If I Were You	Paragraph Pictures Inc.	David Gordian
I'm Yours	New Real Films Inc.	Jennifer Jonas
Longfellow	DViant Films Ltd.	Luca Matrundola
November Gale	Seafarer Films Inc.	Gerry Arbeid
Oliver Sherman	The Film Works Limited	Paul Stephens
Score: A Hockey Musical	Mulmur Feed Co. Ltd.	Michael McGowan
The Whistleblower	Whistleblower Canada Inc.	Christina Piovesan

OMDC Film Fund Documentary Production Awards

Film Project	Company	Producer
Force of Nature: The David Suzuki Movie	Legacy Lecture Productions Ltd.	Laszlo Barna
The Guantanamo Trap	Xenophile Media Inc.	Patrick Crowe

OMDC Film Fund

OMDC Film Fund Dramatic Film Development Awards

Film Project	Company	Producer
The Death of Sweet Mister	Calder Road Films	Brent Barclay
High Alert	High Alert Productions	Sandra Cunningham
I Shot The Sheriff	Conquering Lion Pictures Inc.	Damon D'Oliveira
The Lizard Cage	Sienna Films Inc.	Jennifer Kawaja
On The Blood	Schafer/Thurling Productions Ltd.	Joan Schafer
Permission	Copperheart Entertainment Inc.	Steve Hoban
Pig Tale	Foundry Films Inc.	Daniel Iron
Take This Waltz	Joe's Daughter	Susan Cavan

OMDC Film Fund Documentary Development Awards

Film Project	Company	Producer
Evolve Love: The Meaning IS Life	FierceLight Films Inc.	Cherilyn Hawrysh
My Aces, My Faults	Sphinx Productions	Ron Mann
Rise Again	Big Screen Entertainment Inc.	Rob Stewart

OMDC Interactive Digital Media Fund

The OMDC Interactive Digital Media (IDM) Fund is designed to provide Ontario interactive digital media content companies with access to the final piece of funding required to move their content projects into production. Successful applicants will receive a non-refundable contribution of up to \$150,000 to a maximum of 50% of the project budget to create a market-ready interactive digital media content product. OMDC supported 33 projects with \$3.8 million creating 5,000 weeks of work. For every dollar invested by OMDC these projects leveraged \$1.99

OMDC Interactive Digital Media Fund – Cycle 1

1. Avastar Social – Social Game Universe Inc.
2. Battle Blasters – Little Guy Games Inc.
3. Bump! Mobile Travel Guides – Bumper 2 Bumper Media Inc.
4. Captain Space Bunny – Vast Studios Inc.
5. ConnectX – Artech Digital Entertainments Inc.
6. Connor Undercover: Spy Alliance – Heroic Interactive Inc.
7. Heartbeat – Capybara Games Inc.
8. Home Sweet Home DS – Big Blue Bubble Inc.
9. Living Garden – Springbay Studio Ltd.
10. Love Letters to the Future – Xenophile Media Inc.
11. Masters of Mystery 2 Crime of Fashion – Big Blue Bubble Inc.
12. Night of the Scarecrows – Alien Concepts Inc.
13. Platoonz – Antic Entertainment Inc.
14. Skatoony.ca – marbledmedia Interactive Inc.
15. Superbrothers: Sword Sworcery EP – Capybara Games Inc.
16. TasteBudsTV.com Season 2 – marbledmedia Interactive Inc.
17. Tickle Tap Apps – zinc Roe Inc.
18. Winter Game Fantasy – OmniG Software Inc.

OMDC Interactive Digital Media – Cycle 2

1. 29Secrets – Maple Media Ltd.
 2. Android Pinball – Digital Extremes Ltd.
 3. Chuck & Hoggy – Little Guy Games
 4. Dyad – Right Square Bracket, Left Square Bracket Inc.
 5. Garage Inc.– Breakthrough New Media Inc.
 6. Genomics Digital Lab: Animals – InViVo Communications Inc.
 7. GeoFreakZ – CCI Digital Inc.
 8. Kid vs. Kat Online – DHX Interactive Inc.
 9. Project Ethiopia – TEACH Magazine
 10. Spellirium – Untold Entertainment Inc.
 11. Tales From Space: About A Blob – DrinkBox Studios Inc.
 12. The UnderGarden – Artech Digital Entertainments Inc.
 13. Untitled – Capybara Games Inc.
 14. Untitled – Resolve Labs Inc.
 15. Wild Kratts Interactive – Kratt Brothers Company Limited
-

OMDC Magazine Fund

OMDC provided \$1.6 million to 32 Ontario-based magazine publishers through the OMDC Magazine Fund. Total funding for Ontario-based magazine publishers amounted to \$2,852,267 million. Every dollar invested by OMDC generated an additional 78 cents in financing for magazine publishing projects focused on business development, including boosting circulation and sales.

OMDC Magazine Fund Recipients

1. 2 For Life Media Inc.
 2. A Needle Pulling Thread
 3. Actual Media Inc.
 4. AGW Publishing Inc.
 5. Alternatives Inc.
 6. Applied Arts Magazine
 7. Baxter Publications Inc.
 8. Canadian Art Foundation
 9. Canadian Geographic Enterprises
 10. CLB Media Inc.
 11. Disability Today Publishing Group Inc.
 12. Exclaim! Media
 13. Family Communications Inc.
 14. Gripped Publishing Inc.
 15. IT World Canada
 16. Literary Review of Canada
 17. Lloydmedia Inc.
 18. North Island Publishing Ltd.
 19. Observer Publications Inc.
 20. Our Times Labour Publishing
 21. Outpost Inc.
 22. Pound Magazine Corporation
 23. Presbyterian Record Inc.
 24. Quarto Communications Limited Partnership
 25. Riptide Resources Inc.
 26. Salon Communications Inc.
 27. SBC Media Inc.
 28. Spacing Media Inc.
 29. Toronto Life Publishing Company Ltd.
 30. Verge Magazine Inc.
 31. WholeNote Media Inc.
 32. Your Workplace
-

OMDC Music Fund

The OMDC Music Fund provided \$793,902 to 20 independent music labels and music publishers to finance business development projects. This fund supported 35 projects with total project budgets of \$1,293,668.

OMDC Music Fund Recipients

1. Arts & Crafts Productions Inc.
 2. Bumstead Productions Ltd.
 3. Casablanca Media Publishing
 4. Coalition Entertainment (Records) Inc.
 5. Curve Music Inc.
 6. Dine Alone Music Inc.
 7. Do Right Music
 8. Earl Rosen and Associates Ltd. o/a Marquis Classics
 9. Finkelstein Management Company
 10. Last Gang Records Inc.
 11. Linus Entertainment Inc.
 12. MapleCore Ltd.
 13. Ole Media Management
 14. Outside Music Inc.
 15. Pandynamium Management Inc.
 16. Paper Bag Records
 17. Six Shooter Records Inc.
 18. Somerset Entertainment Ltd.
 19. Upper Class Recordings Inc.
 20. Urbnet Communications Inc.
-

OMDC Export Fund

The Export Fund has five strands – books, film and television, music and interactive digital media – and in 2009-10 provided over \$1.5 million 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 2009–10, the Export Fund supported 156 companies to attend 149 international markets. Confirmed sales by 2009–10 Export Fund participants stood at \$98.3 million as of September 30, 2010.

OMDC Export Fund – Book Recipients

1. Annick Press Ltd.
2. Between the Lines Incorporated
3. Biblioasis Inc.
4. Bookland Press Inc.
5. Canadian Scholars' Press Inc.
6. Coach House Books Inc.
7. Cormorant Books Inc.
8. Crabtree Publishing Company Limited
9. Dundurn Press Limited
10. ECW Press Ltd.
11. Firefly Books Ltd.
12. Fitzhenry & Whiteside Limited
13. Groundwood Books Limited
14. House of Anansi Press Inc.
15. Insomniac Press Ltd.
16. James Lorimer & Company Limited
17. Kids Can Press Ltd.
18. Les Editions du Vermillon
19. McArthur & Company Publishing Limited
20. McClelland & Stewart Ltd.
21. Mosaic Press
22. Owlkids Books Inc.
23. Rainbow Horizons Publishing Inc.
24. Robert Rose Inc.
25. Sara Jordan Publishing
26. Second Story Feminist Press Inc.
27. Tundra Inc.
28. University of Toronto Press Inc.
29. Wilfrid Laurier University Press

OMDC Export Fund – Film Recipients

1. Alcina Pictures Ltd.
2. Amaze Film + Television Inc.
3. Big Screen Entertainment Inc.
4. Capri Films Inc.
5. Cave 7 Productions Inc.
6. Conquering Lion Pictures Inc.
7. Copperheart Entertainment Inc.
8. Corey Marr Productions Inc.
9. Darius Films Inc.
10. First Generation Films
11. Foundry Films Inc.
12. Hellhound Productions Inc.
13. January Films Ltd.
14. Lumanity Productions Inc.
15. Markham Street Films Inc.
16. New Real Films
17. Platinum Image Film
18. Plausible Communications Corporation d.b.a. Prospero Pictures
19. Quiet Revolution Pictures Inc.
20. Sienna Films
21. Six Island Productions Inc.
22. SK Films Inc.
23. Sphinx Productions
24. Straight Edge Films Inc.
25. The Film Works Ltd.
26. Triptych Media Inc.
27. WhizBang Films Inc.

OMDC Export Fund – Television Recipients

1. Aircraft Pictures Ltd.
2. Amberwood Entertainment Corporation
3. Amythos Films
4. Associated Producers Ltd.
5. Caché Film and Television Inc.
6. Canamedia Inc.
7. CCI Entertainment Inc.
8. Chris Knight Enterprises Inc.
9. Coptor Productions Inc.
10. Cream Productions Inc.
11. Eureka Productions Inc. c.o.b. Gorica Productions
12. Frantic Films Ontario Inc. aka Red Apple Productions Inc.
13. GAPC Entertainment Inc.
14. Guru Animation Studio Ltd.
15. In Sync Video
16. Kensington Communications Inc.
17. Keyframe Digital Productions Inc.
18. Makin' Movies Inc.
19. Media Headquarters Film & Television Inc.

OMDC Export Fund – Television Recipients (continued)

- | | | |
|---|---|----------------------------------|
| 20. Microtainment Plus Productions Inc. | 28. Sarrazin Productions Inc. | 35. The People’s Picture Company |
| 21. Nomad Films Inc. | 29. Shaftesbury Films Inc. | 36. Up Front Entertainment Inc. |
| 22. Primevista Television Inc. | 30. Sinking Ship Entertainment Inc. | 37. White Pine Pictures Inc. |
| 23. Primitive Entertainment Inc. | 31. Step Three Productions Limited | 38. Yowza Digital Inc. |
| 24. PTV Productions Inc. | 32. Stornoway Films | |
| 25. Real To Reel Productions Inc. | 33. Storyline Entertainment Inc. | |
| 26. Rebel Media Ventures International | 34. Temple Street Productions
Incorporated | |
| 27. SailorJones Media Inc. | | |

OMDC Export Fund – Interactive Digital Media Recipients

- | | | |
|----------------------------------|---------------------------------------|-------------------------------|
| 1. Alien Concepts Inc. | 12. CineFocus Canada Interactive Inc. | 23. Resolve Labs Inc. |
| 2. Antic Entertainment Inc. | 13. Dark Matter Entertainment Inc. | 24. Spooky Squid Games Inc. |
| 3. Artech Digital Entertainments | 14. Decode Entertainment Inc. | 25. Springbay Studio Ltd. |
| 4. BattleGoat Studios | 15. Digital Extremes Ltd. | 26. The Nightingale Company |
| 5. Bedlam Games Inc. | 16. Digital Frog International Inc. | 27. Untold Entertainment Inc. |
| 6. Big Blue Bubble Inc. | 17. Drinkbox Studios Inc. | 28. Vast Studios Inc. |
| 7. Bitcasters Inc. | 18. Frozen North Productions Inc. | 29. vive Technologies Inc. |
| 8. Breakthrough New Media Inc. | 19. Hop To It Productions Inc. | 30. Xenophile Media Inc. |
| 9. Bumper 2 Bumper Media Inc. | 20. Magitech Corporation | 31. zinc Roe Inc. |
| 10. Capybara Games Inc. | 21. Marble Media Inc. | |
| 11. Cerebral Vortex Games Inc. | 22. OmniG Software Inc. | |

OMDC Export Fund – Music Recipients

- | | | |
|--|---|---|
| 1. Alma Records | 12. Dine Alone Music Inc. | 23. Outside Music Inc. |
| 2. Anthem Records Inc. | 13. Distort Inc. | 24. Pandynamium Artist Management Inc. |
| 3. Arts & Crafts Productions Inc. | 14. Do Right Music Inc. | 25. Paper Bag Records |
| 4. Awesome Productions and
Management Inc. o/a Awesome
Music | 15. Earl Rosen and Associates Limited
o/a Marquis Classics | 26. RGK Entertainment Group Inc. |
| 5. The Borealis Recording Company Ltd. | 16. Finkelstein Management
Company | 27. Six Shooter Records Inc. |
| 6. Bumstead Productions Ltd. | 17. Last Gang Records Inc. | 28. Somerset Entertainment Ltd. |
| 7. Bunk Rock Music Inc. | 18. Linus Entertainment Inc. | 29. Sonic Unyon Records and
Distribution |
| 8. Canadian Music Centre Inc. | 19. Marked Music Inc. | 30. Starfish Entertainment Inc. |
| 9. Casablanca Media Publishing Inc. | 20. Mels Rockpile Management | 31. Upper Class Recordings Inc. |
| 10. Coalition Entertainment | 21. Music Network | |
| 11. Curve Music Inc. | 22. Ole Media Management (GP) Inc. | |

Industry Development Program*

Ontario Media Development Corporation provides support to Ontario's cultural entrepreneurs by partnering with established trade and event organizations to offer initiatives, events and activities that stimulate the growth of the cultural media industries. These initiatives must promote the potential for measurable commercial transactions or other business-focused opportunities for Ontario companies that create and sell content in the book and magazine, film and television, music and interactive digital media industries and any combination of these industries.

Industry Development Program recipients:

Achilles Media Ltd.– nextMEDIA – *Monetizing Digital Media 2009*
Association of Canadian Publishers – *Bologna Children's Book Fair*
Association of Canadian Publishers – *El-Hi Market Research: Towards a Technology Strategy*
Association of Canadian Publishers – *OLA Super Conference*
Association of Canadian Publishers – *TD National Reading Summit*
Book and Periodical Council – *Book Summit 2009: Books, Business and the Culture of Free*
Canadian Business Press – *Magazines University and Workshops*
Canadian Films in the Schools Inc. – *Reel Canada – Canadian Film in the Schools*
Canadian Film Centre – *Worldwide Short Film Festival*
Canadian Independent Music Association CIMA – *Canada Stand at MIDEM 2009*
Canadian Independent Music Association – *Canada Stand at SXSW 2010*
Canadian Music Week – *International Marketplace*
Canadian Screen Training Centre – *SIFT-2009*
Computer Animation and Special Effects Studios of Ontario (CASO) – *CASO Kidscreen Animation Mission*
CASO – *CASO LA Visual Effects Mission*
CASO – *CASO Visionary Lunch Series*
Cinéfest: The Sudbury Film Festival Inc. – *Cinéfest Sudbury Film Festival – Industry Forum 2009*
Digital Interactive Gaming London Inc. – *DIG London Conference*
Documentary Organization of Canada – *DOC Mentorship at Hot Docs 2010*
Hot Docs – Canadian International Documentary Festival – *Hot Docs*
Interactive Ontario Industry Association – *Edinburgh Mission*
Interactive Ontario Industry Association – *GameON! Finance*
Interactive Ontario Industry Association – *iLunch Series – Year Eight*
Interactive Ontario Industry Association – *KidScreen Mission*
Interactive Ontario Industry Association – *Mipcom Junior Mission*
International Readings at Harbourfront Inc. – *International Festival of Authors I.V. Program*
Magazines Canada – *Best on Page Canadian Awards Overlay*
Magazines Canada – *Business Media Development*
Magazines Canada – *Circulation Marketing Project*
Magazines Canada – *Digital Resources Development*
Magazines Canada – *Direct Marketing Campaign*
Magazines Canada – *Digital Transformation Consortium*
Magazines Canada – *Friends of Canadian Magazines Network*
Magazines Canada – *MagNet: Canada's Magazine Conference*
Magazines Canada – *Ontario Industry Growth Program*
McLuhan Global Network Conferences – *Vortex – The Video Game Competition*
Music and Film in Motion/Musique et film en mouvement – *Northern Ontario Music and Film Awards Conference 2009*
Music Managers Forum Canada – *MMF Canada's Management Workshop at CMW 2010*
North by Northeast Conferences Inc. – *The Rivoli Sessions at NXNE*
North by Northeast Conferences Inc. – *Music Makes It*
Organization of Book Publishers of Ontario – *E-Books Into Libraries*
Organization of Book Publishers of Ontario – *OLA Super Conference 2010*
Organization of Book Publishers of Ontario – *Ontario Book Wholesalers and Publishers*
Organization of Book Publishers of Ontario – *Open Book External Review*
Organization of Book Publishers of Ontario – *Open Book: Toronto*
Organization of Book Publishers of Ontario – *Regional Book Fairs 2009*
Ottawa International Animation Festival – *Television Animation Conference*
Planet in Focus Inc. – *10th Annual Planet in Focus: International Environmental Film & Video Festival*
Stylus Group Inc. – *2009 Stylus Spinfest 'It Starts with the DJ' Conference*

Industry Development Program *continued*

Toronto Artscape Inc. – *Creative Places + Spaces 2009: Collaboration Marketplace*

Toronto International Film Festival Inc. – *Film Circuit 2009*

Toronto International Film Festival Inc. – *Sales Office*

Toronto Reel Asian International Film Festival – *Toronto Reel Asian International Film Festival*

Toronto Urban Music Festival Inc. – *Urban Music Industry Forum*

Urban Music Association of Canada – *Urban X-Posure: Triple Threat*

Women In Film and Television - Toronto – *Development Incubator*

The Word On The Street Inc. – *Word on the Street Connecting Festivals Coast to Coast*

* NOTE: This program incorporates the previous OMDC Trade Organization Support and Domestic Markets and Events programs.

Intellectual Property Development Fund (IP Fund)

The Intellectual Property Development Fund (IP Fund) assists Ontario corporations by providing a refund of 30% of prior costs incurred in direct support of eligible early stage development activities to bring screen-based content properties closer to production or market ready stage. Qualifying Ontario corporations may apply for expenditures incurred over the course of a taxation year that relate to a slate of early stage development activities undertaken by the corporation. Eligible expenditures are those incurred after March 31, 2009 up to and including March 31, 2010. OMDC began to receive applications for the IP Fund in January 2010. By fiscal end, OMDC issued eight IP Fund certificates to six companies (companies could file interim and year-end applications); for a total of \$224,272 in rebates.

Companies which received IP Fund rebates in 2009-10 included:

- Bedlam Games Inc.
- Enigmatico Films Inc.
- Markham Street Films Inc.
- Motel Pictures Inc.
- Sienna Films Development Inc.
- Sudden Storm Entertainment Ltd.

OMDC Research Grants

OMDC offers financial support directly to incorporated not-for-profit industry organizations undertaking research initiatives that support or complement the mandate of OMDC. In 2009-10, OMDC awarded \$231,300 in research grants to nine studies.

OMDC Research Grant recipients for 2009-10:

Canadian Association of Film Distributors and Exhibitors, *Study on the Financial Contributions Made by Canadian Television Broadcasters to Canadian Theatrical Feature Films*, \$20,000

Canadian Business Press, *The Information Sources Study*, \$10,000

Canadian Film and Television Production Association, *Towards a Framework for Digital Rights*, \$40,000

Canadian Film in the Schools dba REEL Canada, *Study on Film Distribution in Canadian Schools*, \$30,000

Computer Animation Studios of Ontario, *A Strategy for the Ontario Digital Animation and Visual Effects Industry*, \$45,000

Documentary Organization of Canada, *Getting Real IV*, \$25,000

interactive ontario, *E-learning Cultural Collaboration Assessment*, \$30,700

Organization of Book Publishers of Ontario, *Working Capital Publishing Stabilization Program*, \$15,600

School of Design, George Brown College, *Feasibility Study for a Game Design and Digital Media Incubator*, \$15,000

Board of Directors

Ontario Media Development Corporation (2009–10)

Kevin Shea, Chair | Owner and President, *SheaChez Inc.* – appointed and designated August 24, 2006; re-appointed and re-designated August 24, 2009

Peter Steinmetz | Vice Chair, Partner, *Cassels, Brock & Blackwell* – appointed to the Board March 25, 1992; designated Vice-Chair February 7, 1994; re-appointed and re-designated February 7, 2007; retired February 6, 2010.

Nyla Ahmad | Vice-President, *New Venture Operations & Strategic Partnerships, Rogers Communications Inc.* – appointed August 12, 2009

Alexandra Brown | *Alex B. & Associates* – appointed February 7, 2007 designated Vice-Chair and re-appointed February 7, 2010

Susan de Cartier | President, *Starfish Entertainment* – appointed March 10, 2010

Nathon Gunn | CEO, *Bitcasters* – appointed February 21, 2007; re-appointed February 7, 2010

Leesa Kopansky | Executive Director, *Lights, Camera, Access!* – appointed February 21, 2007, re-appointed February 7, 2010

Bryan Leblanc | President/Creative Director, *Whiterock Communications* – appointed April 28, 2004; re-appointed June 6, 2007; retired February 6, 2010

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

Marguerite Pigott | Creative Development Group Lead, *Super Channel*; Principal, *Megalomedia Productions Inc.* – appointed August 12, 2009

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

Nicole St. Pierre | Head of Business and Legal Affairs, *Mercury Filmworks* – appointed March 3, 2010

Mark Sakamoto | Manager, Business, Rights and Content Management, *CBC A&E* – August 21, 2008

Jeffrey Shearer | Publisher, *On The Bay Magazine* – appointed October 7, 2004; re-appointed February 7, 2007; retired February 6, 2010

John B. Simcoe | Partner, *PricewaterhouseCoopers* – appointed February 7, 2003; re-appointed February 7, 2006; re-appointed February 7, 2009

Stephen Stohn | President, *Epitome Pictures* – appointed February 7, 2001; re-appointed February 7, 2004; re-appointed February 6, 2007; retired February 7, 2010

Blake Tohana | Executive Vice-President and CFO, *Magna Entertainment Inc.* – appointed March 10, 2010

Sheldon S. Wiseman | President & CEO, *Amberwood Entertainment Corporation* – appointed April 14, 2004; re-appointed; February 7, 2007; retired February 6, 2010

Total remuneration to the Board of Directors for the fiscal year ending March 31, 2010 was \$31,400.00

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 and Chief Executive Officer



Raina Wells
Director, Business Affairs and Research (A)

Auditor's Report

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

I have audited the statement of financial position of the Ontario Media Development Corporation as at March 31, 2010 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, 2010 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 27, 2010

Statement of Financial Position

As at March 31, 2010

	2010 (\$ 000's)	2009 (\$ 000's)
ASSETS		
Cash and cash equivalents (Note 3)	31,822	18,063
Short-term investments (Note 3)	2,566	–
Accounts receivable	24	33
Prepaid expenses	48	30
Accrued interest	33	10
Current assets	34,493	18,136
Capital assets (Note 4)	732	422
	35,225	18,558
LIABILITIES		
Accounts payable - programs	2,809	2,647
Accounts payable - other	589	705
Due to the Province	180	274
Current liabilities	3,578	3,626
DEFERRED REVENUE (Note 5)	11,594	2,396
ACCRUED EMPLOYEE BENEFITS OBLIGATION (Note 8)	599	499
COMMITMENTS (Note 7)		
NET ASSETS		
Invested in capital assets	732	422
Unrestricted	18,722	11,615
	19,454	12,037
	35,225	18,558

The accompanying notes are an integral part of these statements.

On behalf of the Board:



Chair



Member, Audit Committee

Statement of Operations

Statement of Operations
For the Year ended March 31, 2010

	2010 (\$ 000's)	2009 (\$ 000's)
REVENUE		
Ministry of Tourism and Culture (Note 5)	33,557	19,381
Tax credit administrative fees	1,043	983
Return of investment under assistance programs	128	157
Interest	100	670
Other	112	446
	34,940	21,637
EXPENSES		
Industry development initiatives	11,654	9,840
Operating expenses (Note 6)	8,655	7,922
Interactive Digital Media Fund	3,161	-
Entertainment and Creative Cluster Partnerships Fund	2,378	2,958
Toronto International Film Festival Group grants	1,330	1,320
Intellectual Property Development Fund	224	-
Research initiatives	121	261
	27,523	22,301
Excess (deficiency) of revenue over expenses	7,417	(664)

The accompanying notes are an integral part of these statements.

Statement of Changes in Net Assets

Statement of Changes in Net Assets
For the Year ended March 31, 2010

	2010 (\$ 000's)			2009 (\$ 000's)
	Invested in Capital Assets	Unrestricted	Total	Total
Balance, beginning of year	422	11,615	12,037	12,701
Excess (deficiency) of revenue over expenses	(438)	7,855	7,417	(664)
Investment in capital assets	748	(748)	–	–
Balance, end of year	732	18,722	19,454	12,037

The accompanying notes are an integral part of these statements.

Statement of Cash Flows

Statement of Cash Flows

For the Year ended March 31, 2010

	2010 (\$ 000's)	2009 (\$ 000's)
Cash flows from (used in) operating activities		
Excess (deficiency) of revenue over expenses	7,417	(664)
Amortization of capital assets	438	287
	<u>7,855</u>	<u>(377)</u>
Changes in non-cash working capital		
Short-term investments	(2,566)	–
Accounts receivable	9	76
Prepaid expenses	(18)	30
Accrued interest	(23)	75
Accounts payable and Due to the Province	(48)	133
Accrued employee benefits obligation	100	75
Deferred revenue	9,198	(7,630)
	<u>6,652</u>	<u>(7,241)</u>
Net cash from (used in) operating activities	14,507	(7,618)
Cash flows used in financing and investing activities		
Net purchase of capital assets	(748)	(277)
Net increase (decrease) in cash	13,759	(7,895)
Cash and cash equivalents at beginning of year	18,063	25,958
Cash and cash equivalents at end of year	31,822	18,063

The accompanying notes are an integral part of these statements.

Notes to Financial Statements

March 31, 2010

1. BACKGROUND

The Ontario Media Development Corporation (the 'Corporation') is an agency of the Ministry of Tourism and 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
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.

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, bankers' acceptances and bearer deposit notes from Canadian chartered banks with terms of maturity of less than 93 days.

(f) Short-term Investments

Short-term investments are comprised of bankers' acceptances from Canadian chartered banks with terms of maturity of 93 days to one year.

(g) 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.

(h) 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 fairvalues, 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, cash equivalents and short-term investments are 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

Notes to Financial Statements

March 31, 2010

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. FINANCIAL INSTRUMENTS

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.

Cash and cash equivalents include \$31.489 million (2009 - \$17.854 million) of bankers' acceptances and bearer deposit notes from Canadian chartered banks with interest rates ranging from 0.2%-0.4%. Short-term investments of \$2.566 million (2009 - \$0) consist of bankers' acceptances from Canadian chartered banks with interest rates ranging from 0.3% - 0.4%.

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.

4. CAPITAL ASSETS

	2010 (\$000's)			2009 (\$000's)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and Office Equipment	324	196	128	154
Computer Hardware	175	85	90	19
Customized Computer Software	1,011	521	490	223
Leasehold Improvements	54	30	24	26
	1,564	832	732	422

5. MINISTRY OF TOURISM AND CULTURE FUNDING

The Ministry of Tourism and Culture provided a \$7.955 million (2009 - \$7.951 million) base operating grant and one-time funding of \$20 million which has been recognized as revenue in the fiscal year. Deferred revenue represents unspent resources related to special purpose funding from the Ministry of Tourism and Culture. Changes to the deferred revenue are as follows:

	2010 (\$000's)			2009 (\$000's)	
	Entertainment and Creative Cluster Partnerships Fund	Intellectual Property Development Fund	Interactive Digital Media Fund	Total	Total
Opening balance	1,396	–	1,000	2,396	10,026
Funding received	2,800	10,000	2,000	14,800	3,800
Recognized as revenue	(2,378)	(224)	(3,000)	(5,602)	(11,430)
Closing balance	1,818	9,776	–	11,594	2,396

The Government of Ontario announced the Corporation will receive a base operating grant of \$14.950 million in the 2010-11 fiscal year and \$22.950 million for fiscal years thereafter.

Notes to Financial Statements

March 31, 2010

6. OPERATING EXPENSES

	2010 (\$ 000's)	2009 (\$ 000's)
Salaries, wages and benefits		
- Tax credit administration	1,792	1,649
- Industry development	1,564	1,495
- Business affairs and research	1,142	1,114
- Other	674	578
	5,172	4,836
Corporate expenses and operations	943	873
Consulting services	311	332
Amortization of capital assets	438	287
Advertising, promotion & publications	348	292
Program support	1,194	1,028
Travel	249	274
	8,655	7,922

7. COMMITMENTS

(a) Program Commitments

The Corporation has approved grants and loans in the amount of \$7,244,000 (2009 - \$6,123,000) 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 committed under operating leases for premises, computers and office equipment to future minimum payments as follows:

	(\$ 000's)
2011	673
2012	667
2013	667
2014	408
2015	29
	2,444

(c) Information Technology Project Commitment

The Corporation is committed to the completion of an information technology project in the amount of \$68,000 which will be paid out of existing funds in the next fiscal year.

Notes to Financial Statements

March 31, 2010

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'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 \$301,000 (2009 - \$260,000) 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 \$111,000 (2009 - \$49,000) 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:

	2010 (\$ 000's)	2009 (\$ 000's)
Total liability for severance and vacation	756	645
Less: Due within one year and included in accounts payable - other	(157)	(146)
Accrued employee benefits obligation	599	499

(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.

9. 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 2009. For the OMDC, this disclosure is as follows:

Name	Title	Salary	Taxable benefits
Raina Feldman	Director, Business Affairs & Research	\$107,612	\$175
Kristine Murphy	Director, Industry Development	\$135,759	\$224
Karen Thorne-Stone	President & Chief Executive Officer	\$176,055	\$285

10. 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.

11. COMPARATIVE FIGURES

Certain comparative figures presented in the financial statements have been restated to conform to the current year's presentation.

Supplemental Information (unaudited)

For the Year ended March 31, 2010

The following chart illustrates that 90.5% of OMDC's expenditures for the year ended March 31, 2010 are program-related.

Expenditure Breakdown For the Year ended March 31, 2010	Corporate \$000's	Program Related \$000's	2010 Total \$000's
Direct Support (from Statement of Operations):	–	18,868	18,868
From Note 6:			
Salaries, Wages and Benefits	1,317	3,855	5,172
Corporate Expenses and Operations	844	99	943
Consulting Services	32	279	311
Amortization of Capital Assets	101	337	438
Advertising, Promotion & Publications	249	99	348
Program Support	–	1,194	1,194
Travel	79	170	249
Total Expenditures	2,622	24,901	27,523
% of total	9.5%	90.5%	100.0%