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ONTARIO IS HOME TO WORLD-CLASS TALENT AND AWARD-WINNING CONTENT.

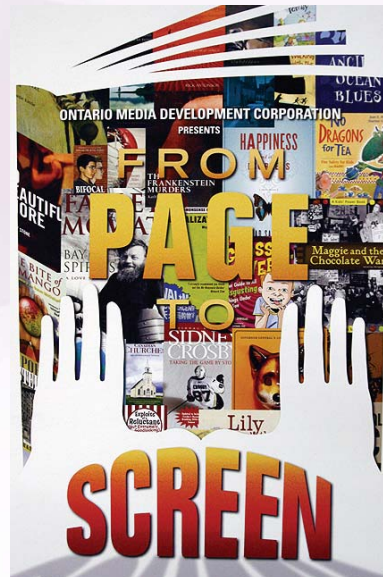
→ Sarah Polley's feature film director debut for *Away From Her* garnered seven Genie Awards, and Gordon Pinsent won for Best Actor. The film also picked up a Golden Globe and a Screen Actors Guild Award, as well as two Oscar © and a British film Academy nominations.



↓ OMDC hosted a public reading event for the 20th Anniversary of the Trillium Book Awards/Prix Trillium with readings from current and past winning authors including: Jane Urquhart, Margaret Atwood, Wayson Choy and Bill Whitehead on behalf of the late Timothy Findley.



↑ Royal Wood was one of several Ontario bands that performed at *Music Makes It!*, a cross-sector event aimed at promoting Ontario music for film, television and video games.



← Over 40 companies participated in OMDC's *From Page To Screen*, a successful cross-sector event designed to promote the screen adaptation of Ontario books.

Our Mission

The Ontario Media Development Corporation, an Agency of the Ontario Ministry of Culture, is the government's central catalyst for Ontario's cultural media cluster.

Our predecessor, the Ontario Film Development Corporation (OFDC), was established in 1986–87 with a budget of \$5.4 million. In that first year, OFDC invested in 40 Ontario-made film and television productions, 81 scripts in development, and 27 special projects, helping generate more than \$40.7 million in production.

The government created the Ontario Media Development Corporation in 2000, with a broader mandate: we promote, enhance and leverage investment, jobs, and original content creation in Ontario's book publishing, film and television, interactive digital media, magazine and music industries.

As well as assuming the responsibilities of OFDC, OMDC was also given responsibility for administering Ontario's other cultural media Tax Credits, including, in 2001, the Ontario Book Publishing Tax Credit and Ontario Sound Recording Tax Credit.

OUR MANDATE IS TO STIMULATE EMPLOYMENT AND INVESTMENT IN ONTARIO BY:

- contributing to a business environment that is conducive to the growth of the cultural media industry and of new employment, investment and production opportunities

- facilitating and supporting innovation, invention and excellence in Ontario's cultural media industry by stimulating creative production, format innovation and new models of collaboration among sectors of the cultural media industry

- fostering and facilitating cooperation among entities within the cultural media industry and between the public and private sectors to stimulate synergies in product development and the creation of products with original Canadian content

- helping promote and market Ontario's cultural media industry as a world-class leader

- administering provincial tax credit programs and such other programs and initiatives as may be required by legislation or by a Minister of the Government of Ontario

- acting as a catalyst for information, research and technological development in the cultural media industry provincially, nationally and internationally.

Message from the Chair



To the Minister: The Honourable Aileen Carroll
Minister of Culture

Dear Minister Carroll

On behalf of the Board of Directors of the Ontario Media Development Corporation, I am pleased to submit our Annual Report for the year 2007–08.

We are grateful for your Ministry's and the Government's continuing support. We look forward to working with you in the year ahead in helping to ensure the growth and vitality of Ontario's creative media industries.

Respectfully submitted,

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

Kevin Shea
Chair

Message from the President and CEO



This past year has been an extraordinarily successful one both for Ontario's creative media industries and for the Ontario Media Development Corporation.

Ontario talent and product continued to win recognition and respect around the world. Ontario director Sarah Polley's *Away From Her* – an OMDC Film Fund-supported film – has earned over \$4 million to date and garnered seven Genie Awards and a Golden Globe, as well as Oscar® and other nominations. Internationally recognized writers Margaret Atwood, Austin Clarke, Richard B. Wright and Jane Urquhart helped us celebrate the Trillium Book Award's 20th anniversary at the Luminato Festival.

We helped talent and product from Ontario's creative media industries reach new audiences – the OMDC Export Fund helped more than 100 Ontario companies in five sectors – book, film, interactive digital, music, and television – reach over 100 markets, and garner over \$90 million in sales.

Our tax credits programs supported projects with a total value of over \$2.6 billion dollars. We continue to work to improve and streamline our business processes to ensure optimum efficiency and client service.

Building on the success of our long-standing tax credit and export support programs and on our knowledge of our sector, we continue to innovate. We increasingly embrace the concept of clusters, groups of interrelated industries which together support the growth of pools of skills, technologies, and management and finance techniques that can help firms become more productive and competitive. The 2008 Ontario Budget recognized the importance of the entertainment and creative cluster to Ontario's economy. Fostering collaboration among creative

media firms has become a central part of our activities. The Entertainment and Creative Cluster Partnerships Fund, launched two years ago and which we co-manage with the Ministry of Culture, invested \$1.7 million in 13 projects in 2007–08 with a total value of \$3.9 million.

Another innovative, cross-sector collaboration initiative, From Page to Screen, an OMDC networking and brokered meeting session, connected book publishers and their content to film and television producers.

We are also looking to the future. In 2007–08, we launched a long-term strategic planning project. Working in a consultative way with our broad array of stakeholders in government and industry, our aim is not only to improve our programming and administration, but to create a new sense of purpose and commitment as we move forward – especially important in challenging economic times and when we are seeing retrenchment by other orders of government.

Finally, on behalf of the OMDC and the creative media firms whose work we support, I would like to recognize and express our appreciation to the Ministry of Culture which funds our activities, and our staff without whose dedication none of these accomplishments would have been possible.

Respectfully submitted,

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

Karen Thorne-Stone
President and Chief Executive Officer

The Year in Review

Highlights



Through our cross-sector and sector-specific funding programs (the OMDC Partnerships, Book, Magazine, Music, Film, Interactive Digital Funds and the Video Game Prototype Initiative), we provided direct support to Ontario's cultural media industries of \$9.8 million in 2007–2008, resulting in total investments of over \$112 million.



Through the OMDC Export Fund, we provided support of \$928,225 to 116 Ontario companies across five sectors targeting over 100 markets, resulting in a reported \$90 million in actual revenue by Ontario firms.



Through Ontario's 6 OMDC administered tax credit programs, we provided \$181 million in tax credits to 1,251 projects with a total value of \$2.6 billion.

RENEWING OUR LEADERSHIP

In July, 2007, Karen Thorne-Stone joined OMDC as our new President and Chief Executive Officer.

Karen brings a wealth of knowledge and experience to OMDC. She was previously Film Commissioner of the City of Toronto, and also served as the city's Executive Director of Economic Development. She supported the successful negotiations for the state-of-the-art film studio complex on Toronto's waterfront and developed an economic strategy for the screen-based sector. She also spearheaded the development of a brand image for Toronto, and set up a marketing plan to increase the city's global profile and positioning as a competitive business and tourism destination.

Karen has been involved in the creation and advancement of strategic plans for other critical economic clusters in Ontario, including: aerospace, financial services, ICT, biotechnology, film and design. We welcome Karen Thorne-Stone to OMDC.

FOSTERING CROSS SECTOR COLLABORATION AND COMMUNICATION

The 2008 Ontario Budget states "Ontario's entertainment and creative cluster is a cornerstone of Ontario's new innovative economy," and, "The economic health of this cluster enhances creativity and innovation in the province, while in turn boosting economic growth by attracting businesses, skilled workers and highly mobile professionals and investors."

A cluster is a group of interrelated industries in the same region which together support the growth of a pool of skills, technologies, finance, management and marketing techniques that can help individual firms within the cluster become more productive and internationally competitive.

Clusters often entail collaboration – among firms and sectors, and with academic and other non-business institutions. Fostering collaboration has become a central and important part of OMDC's activities – especially important because Ontario has strengths across many creative media sectors.

The Entertainment and Creative Cluster Partnerships Fund

Two years ago, Ontario launched the Entertainment and Creative Cluster Partnerships Fund with the aim of removing barriers to growth by encouraging strategic partnerships among stakeholders within and between sectors in our cluster – the book, magazine, film, television, interactive digital media and music sectors. OMDC co-manages the Fund with the Ministry of Culture for the Government of Ontario.

Response to this program has been enthusiastic. In its second year, the Fund invested \$1.7 million in 13 projects – an average of \$132,000 per project – with a total value of \$3.9 million. The 13 initiatives together represent 107 companies, institutions and organizations from Ontario's book, film and television, music and interactive digital media cluster. Among the projects we funded:

- **nGen**, a collaboration among Niagara College, Silicon Knights, City of St. Catharines, Region of Niagara, Niagara Enterprise Agency and Interactive Ontario on a business generator and capacity builder in the interactive media sector
- **Toronto Green Screen**, an initiative of Planet in Focus in partnerships with Toronto Film Studios Inc., IATSE Local 873, FilmOntario, Ontario Film and Television Consortium, Panavision Canada, Deluxe Laboratories, C.F.T.P.A. Toronto Office, City of Toronto Economic Development – Culture & Tourism Division, DGC Ontario, ACTRA Toronto, and PS Production Services Ltd. that will enable Toronto (and eventually all Ontario) film and television productions to be independently certified as environmentally friendly.

“Producing films in an environmentally responsible manner is challenging. The key to success is having crews and facilities primed to meet green initiatives now and in the future,” says Gale Ann Hurd, the film's producer. “From my recent experience filming *The Incredible Hulk* in Ontario, Green Screen Toronto [which is supported by the OMDC's Partnerships Fund] is setting the pace and the rest of the world is following.”

- **Virtual Music Community**, an Ottawa-based project of l'Association des professionnels de la chanson et de la musique (APCM) to help Franco-Ontarian musicians sell music on the Internet using the i-Tunes linked-Select Digital service.

From Page to Screen

Another innovative, cross-sector collaboration initiative, *From Page to Screen*, an OMDC networking and brokered meeting session, connected book publishers and their content to film and television producers.

Held at the Arts & Letters Club in Toronto in February 2008, the day-long event resulted in over 175 brokered meetings between publishers and film and TV producers. The reception following the meetings was attended by many Ontario authors.

After the event, Margie Wolfe, President and Publisher of Second Story Press said, “Thanks to the OMDC for hosting such a worthwhile and interesting event. I've had three producers write already to say how valuable they found the meetings, and I heartily concur.”

Music Makes It!

A joint initiative by OMDC, North by Northeast Music Festival and Conference, and several other organizations, *Music Makes It!* arranged 700 business meetings among 300 participants from the music, film, television, interactive and advertising sectors. The day-long meetings concluded with a showcase reception.

CELEBRATING TALENT

One of the ways OMDC supports development of the creative media industries in Ontario is by recognizing, celebrating and promoting our home-grown talent.

Away From Her

In April, 2007, OMDC and Telefilm Canada hosted a screening and reception for Toronto Director Sarah Polley's film *Away From Her*. We co-sponsored the *Genie Awards* nominees' reception in February and, in March, 2008, a brunch with film distributor Mongrel Media to celebrate the film's Oscar® and Genie nominations.

In her Genie acceptance remarks, Sarah Polley said that her film

“...would never have been made without public support through organizations like Telefilm and the Ontario Media Development Corp...I feel lucky to have had the rare experience, as a first-time film maker, of being able to find my own voice... I think that is what is special about making a film with public money. And I'm very grateful for it. We can never, ever stop fighting for it.”

Sarah Polley received the Claude Jutra Award for her feature debut *Away From Her* which was honoured with six Genie Awards, and Julie Christie's performance in the film earned her Golden Globe and Screen Actors Guild awards, as well as a BAFTA (British Academy) and Oscar® nominations.

Away From Her – an OMDC Film Fund-supported film – has earned over \$4 million since its Canadian opening.

Trillium Book Award

June, 2007, marked the 20th anniversary of Ontario's Trillium Book Award/Prix Trillium, which the OMDC manages. The award recognizes literary excellence of Ontario authors. Over 150 invited guests attended a luncheon honouring this year's and selected past winners. An evening event, open to the public, was held later at the Enwave Theatre at Harbourfront as part of the Luminato Festival. Over 400 people heard writers Margaret Atwood, Austin Clarke, Richard B. Wright and Jane Urquhart talk about who had influenced them as writers.

This year's winners:

- Trillium Book Award (English-language category): Mark Frutkin (Ottawa) – *Fabrizio's Return* (Knopf Canada)
- Trillium Book Award (French-language category): Daniel Castillo Durante (Ottawa) – *La passion des nomades* (XYZ Éditeur) and Paul Savoie (Toronto) – *Crac* (Les Éditions David)
- Trillium Book Award for Poetry (English-language category): Ken Babstock (Toronto) – *Airstream Land Yacht* (House of Anansi Press)

- Trillium Book Award for Children's Literature (French-language category): Françoise Lepage (Ottawa) – *Poupeska* (Les Éditions L'Interligne).

Celebrating Ontario's film industry

OMDC hosted the annual *Celebrate Ontario* event saluting Ontario films and filmmakers on September 7, 2007 during the Toronto International Film Festival®. Over 400 stakeholders heard *Fugitive Pieces* Director Jeremy Podeswa thank OMDC for its support on behalf of the record six OMDC Film Fund-supported films at TIFF®. The other OMDC sponsored films at the Festival: Paolo Barzman's *Emotional Arithmetic*, Leonard Farlinger's *All Hat*, Laurie Lynd's *Breakfast With Scot*, Allan Moyle's *Weirdsville*, and Clement Virgo's feature *Poor Boy's Game*.

HELPING ONTARIO FIRMS REACH AN INTERNATIONAL AUDIENCE

OMDC's Export Funds and other initiatives help Ontario creative media reach a worldwide audience by:

- Sponsoring international market support in partnership with other governments and industry associations
- Providing financial assistance and support to firms for an Ontario presence at international markets and events.
- Initiating strategic activities at targeted markets.

"The OMDC has done a great deal to help our business grow since the beginning and programs like the OMDC Export Fund have allowed us to form some of our most important business relationships," said Tom Frencel, President of Capybara Games.

Music industry mission to Japan

OMDC was a sponsor of and participant in the Canadian Independent Record Production Association (CIRPA) Trade Mission to Japan in November 2007, with 21 Canadian music companies, including 12 from Ontario. As part of the mission, we hosted The Ontario Reception and Showcase of Ontario artists at the Canadian Embassy.

"The Ontario Media Development Corporation and its music staff deserve congratulations from the entire music community in Ontario for their support of the CIRPA Music Mission to Japan," said Duncan McKie, President of CIRPA. "Without their financial support and cooperation, and their willingness to work with the industry to achieve its goals, the Mission would not have been possible."

Among the results of the mission: Marquis Classic signed a license agreement with Being Inc., a leading Japanese label which will release Dione Taylor's CD *I Love Being Here With You* in Japan in November 2008.

OMDC was a participant and helped 15 companies attend the Game Developers Conference in San Francisco in February 2008.

MARKETING AT HOME

On behalf of Ontario's creative media sector, OMDC took part in 43 markets, trade shows and events.

Some highlights;

772 Ontario delegates registered at the *Hot Docs Canadian International Documentary Film Festival* in April 2007, which produced sales of over \$3.4 million, almost half of which were from Ontario.

OMDC sponsored the keynote presentation at the Canadian Business Press Luncheon and the Magazines Canada seminars, *Getting on the Radar* and *Meet the Buyers and Planners* at this June's Mags University event.

OMDC sponsored *Writer to Readers: Linking the Content Creators to the End Users* at Book Expo Canada, a forum for publishers to learn about best practices, including advanced technology that can help reach new markets

The *Television Animation Conference* at the Ottawa International Animation Festival attracted 118 delegates and generated over \$5.3 million in sales.

OMDC is a long time partner of the *Toronto International Film Festival (TIFF)*® which in 2007 drew 500 Ontario delegates and generated sales of over \$2.9 million for Ontario films.

OMDC ran the second annual *International Financing Forum* during TIFF®, with more than 65 participants and 250 meetings.

OMDC hosted the fifth *International Marketplace* at Canadian Music Week in March 2008, with 183 delegates from 19 companies. Canadian Music Week generated sales of \$5 million, 69% of which were with Ontario firms.

We were again a Presenting Partner for *ICE 2008 – the Interactive Content Exchange*, March 26 – 28, 2008, a forum for the exchange of ideas and business opportunities in the digital media sector which this year drew over 400 participants and generated sales of \$1.75 million.

In 2007–08, we also provided support to over 25 trade organization initiatives.

Open Book: Toronto, October–December 2007

Developed by the Organization of Book Publishers of Ontario with both strategic and financial support from OMDC, *Open Book* is a new domestic marketing initiative that seeks to strengthen the public's connection to books and authors published by Ontario publishers through special events, an interactive website, and an integrated advertising, publicity and marketing campaign.

Attracting film and television to Ontario

The Film Commission at OMDC markets Ontario's natural and built settings and value for money as a film and television location to domestic and international clients. The Group provides free location scouting and assistance to productions considering Ontario, and innovative marketing tools, including the *Digital Locations Database*.

OMDC provided location scouting and support services to over 160 productions, including *The Incredible Hulk*, one of the largest films ever to shoot in Ontario, and New Line Cinema's *The Time Traveller's Wife*, which starred St. Thomas, Ontario native Rachel McAdams.

"Our creative team was so impressed with the OMDC's efforts to put together a winning proposal for the City that all the pieces began to fall into place," said Justis Green, Executive Producer for *The Time Traveler's Wife*. "We believe that without the significant support of the OMDC this project would not have filmed in Toronto. We look forward to filming in Toronto again in the future."

Operated in partnership with FilmOntario and the City of Toronto, the Toronto/Ontario Film Office in Los Angeles markets Ontario to Hollywood film and television production to Ontario and helps domestic producers and suppliers access the LA marketplace. In 2007–08, 16 productions representing \$124.5 million in economic activity filmed in Ontario after receiving help from the Film Office.

The rise of the Canadian dollar, aggressive competition from US jurisdictions, the ACTRA strike in the spring of 2007 and the Writers Guild of America labour disruption in early 2008 together resulted in a decrease in foreign service production activity of about 11% from 2006, although the total number of productions including service and domestic, was up by 10%.

SUPPORTING ONTARIO'S CREATIVE MEDIA THROUGH OUR TAX SYSTEM

OMDC co-administers with the Ministry of Finance refundable tax credits for the film, television, digital media, book publishing and music industries.

OMDC issued 1,086 tax credit certificates in 2007–2008, an increase of 4% from the year before, covering 1,251 projects. We received a total of 1,079 applications this year, up 9% from the previous year.

In 2007–2008, the government announced major enhancements to the program. The Government also committed to working with the film industry to explore ways of advancing financial support for producers to the start of production.

SUPPORTING INNOVATION AT THE CUTTING EDGE: THE DIGITAL FUTURE

The digital revolution has given birth to a new high-growth creative media sector in Ontario: the interactive digital media (IDM) industry. The potential is enormous. There are also challenges: Ontario firms will need to develop new approaches and skills to tap new markets and take full advantage of the digital future.

We are also supporting digital innovation in our own operations: OMDC was awarded a Gold Award of Excellence, Level III for its Digital Library Rebuild Project at the Public Sector Quality Fair 2007. This system enables film and television producers to view over 7,800 digital locations, consisting of more than 140,000 individual digital images.

OMDC Video Game Prototype Initiative

This year OMDC launched the Video Game Prototype Initiative (VGPI), a pilot to provide established video game developers with seed funding for the creation of a game prototype. Successful applicants receive a repayable contribution of up to \$500,000 to a maximum of 50% of eligible expenses.

“VGPI will enable Ontario game developers to take more financial and creative control over major game development projects and help ensure the benefits of these projects stay in Ontario,” says Michael Schmalz, Chief Financial Officer of Digital Extremes, one of the programs’ first recipients.

“Most of Silicon Knights’ team are graduates of Ontario colleges and universities, and are the best and brightest in their fields,” says Denis Dyack, President and founder of Silicon Knights, which also received funding this year. “This grant will encourage talent to stay in Ontario.”

BROKERING KNOWLEDGE

Ontario as a matter of policy supports research, innovation and the knowledge-intensive sectors. OMDC undertakes research and offers the benefits of its expertise as a resource to our cultural industries. To help set research priorities, we meet regularly with our Screen-based, Music, Interactive Digital Media, Book Industry and Magazine Advisory Committees.

Among the research projects we funded in 2007–2008:

- *2012: Stimulating Growth in Ontario’s Digital Game Industry*, a study of Ontario’s Digital Game Industry, jointly funded by the OMDC, Ministry of Economic Development & Trade, the Ministry of Research & Innovation, and Interactive Ontario
- Computer Animation Studios of Ontario *Economic Profile of Ontario Computer Animation and Visual Effects Industry*, an economic profile with baseline indicators for future analysis
- Magazines Canada’s *Magazine/Web Synergy Research Initiative*, on the multiplier effects arising from the combination of print and online magazine advertising
- An economic impact study of the Toronto International Film Festival
- Strategic studies for each of the book, magazine and music industries to identify growth opportunities and factors for success.

Research projects funded by OMDC in previous years released in 2007–08:

- Canadian Interactive Alliance, *Canadian Interactive Industry Profile* (May 2007)
- Association of Canadian Publishers, *The Impact of Digitization on the Book Industry* (August 2007)
- Documentary Organization of Canada, *Getting Real: An Economic Profile of the Canadian Documentary Production Industry, Volume 3, 2007* (September 2007)

Other industry research projects funded by OMDC and underway in 2007–08 include *Canadian Internet Project 2* and *Toward Measuring the Impact of the Canadian Music Industry on the Canadian Economy*.

SUPPORTING CANADIAN CONTENT

On October 19, 2007, OMDC submitted a response to the CRTC Call for Comments for the Review of the regulatory framework for broadcasting distribution undertakings (BDUs) and discretionary programming services.

Our submission outlined support for Canadian content in Ontario production and broadcasting, and asked the Commission to maintain expenditure requirements, Canadian content levels, and the protection of the existing operating environment for discretionary services.

LOOKING TO THE FUTURE: A STRATEGIC PLAN FOR THE OMDC

Growth and change have been hallmarks of the Ontario Media Development Corporation, as we adapt to meet the changing needs of our sector. In 2007–08 OMDC began work on a Five Year Strategic Plan, with SECOR Consulting Ltd.

The purpose of the Plan was to increase our understanding of global trends in the creative media industries, assess their impacts on Ontario firms, and determine how we might strengthen our support for the sectors in a fast-changing environment.

In the fall, SECOR undertook extensive consultation and data collection, including:

- Stakeholder focus groups by sector and across the six sectors served by the OMDC

- An e-mail survey of 400 firms, individuals and trade organizations in the cultural industries with over 100 respondents
- Consultations and meetings with Board members, government and industry experts
- Consultations and meetings with OMDC senior management and specialists.

In December, OMDC's Board of Directors approved the strategic plan in principle. The Board, senior management, and the consultants then met for a full-day retreat, held at the Park Hyatt Hotel on January 21, 2008, to discuss the Plan. The session focused on setting priorities, implementation plans, tactics and communications strategies.

The Strategic Planning Committee of the Board met in March, 2008 to review and comment on a draft implementation plan proposed by management, and the OMDC is consulting with the Ministry of Culture to map out next steps for the years ahead.

Programs and Activities

ENTERTAINMENT AND CREATIVE CLUSTER PARTNERSHIPS FUND

The Fund invested \$1.7 million in 13 initiatives, leveraging \$2.2 million total investment, \$1.30 for every OMDC dollar. Awards ranged from \$19,000 to \$280,000, with an average of \$132,000.

(The Entertainment and Creative Partnerships Fund is adjudicated by a government Jury; all other OMDC Funds are adjudicated by industry juries.)

[PRIMARY PARTNERS] Access Copyright

[SECONDARY PARTNERS] Vanwell Publishing Limited, Irwin Law Inc.

[ADDITIONAL PARTNERS] Emond Montgomery Publications Limited

[PROJECT TITLE] **E-Content Portal**

[DESCRIPTION] Access Copyright in conjunction with Vanwell Publishing, Irwin Law and Emond Montgomery are conducting a pilot whereby hardcopy published works in the fields of law and Canadian military history will be digitized and made available through a portal (end-user interface) to be used to produce print or digital course packs for students in post-secondary courses.

Once these works are converted to a digital format they will be housed in a database accessible through a web portal where professors can select chapters from the database to create a customized course pack for their classes.

[PRIMARY PARTNERS] Association of Canadian Publishers

[SECONDARY PARTNERS] Organization of Book Publishers of Ontario (OBPO)

[ADDITIONAL PARTNERS] Gibson Publishing Connections

[PROJECT TITLE] **Canadian Publishers Digital Asset Augmentation**

[DESCRIPTION] This project will facilitate the entry of a variety of Canadian book publishers into emerging digital markets. The project will support the conversion of about 2000 Canadian titles into XML format, together with an infrastructure and business plan for exploiting the converted works beyond the existing scope of institutional markets.

[PRIMARY PARTNERS]	l'Association des professionnels de la chanson et de la musique (APCM)
[SECONDARY PARTNERS]	Sonymage Communications, Stef Paquette Communications
[PROJECT TITLE]	Virtual Music Community
[DESCRIPTION]	<p>The Virtual Music Community project will help Franco-Ontarian artists sell music recordings on the internet, in order to create a true meeting place for artists, to raise the profile of Franco-Ontarian culture and to increase the income of members, who are artists from the community.</p> <p>This project will help create a more extensive communication and promotion network to serve artists and sell their works using well established means such as the i-Tunes-linked Select Digital service.</p>

[PRIMARY PARTNERS]	Brock University
[SECONDARY PARTNERS]	Niagara College, Interactive Ontario Industry Association
[ADDITIONAL PARTNERS]	Silicon Knights Inc., Corporation of the City of St. Catharines, Niagara Economic Development Corporation, Niagara Enterprise Agency
[PROJECT TITLE]	nGen: the Niagara INteractive Media Generator
[DESCRIPTION]	<p>The creation of an interactive media generator in Niagara which will initially bring talent and enterprise together around the creation of three interactive projects: a “serious game” related to the War of 1812; a web-based social networking project promoting the Niagara music scene; an investment attraction tool targeting companies in the digital media sector.</p> <p>These content-driven projects are crucial points on the pathway to the development of nGen’s infrastructure, and demonstrations of how nGen can create cooperative structures to create interactive media projects, share human and technical resources, and encourage entrepreneurs in efforts to spur economic development.</p>

[PRIMARY PARTNERS]	Canadian Music Week
[SECONDARY PARTNERS]	Canadian Recording Industry Association (CRIA), Canadian Music Publisher's Association
[ADDITIONAL PARTNERS]	Canadian Independent Record Production Association (CIRPA)
[PROJECT TITLE]	The Digital Music + Media Summit
[DESCRIPTION]	The Digital Music + Media Summit (DMS) provides an enhanced learning experience designed for industry leaders and an unparalleled networking opportunity with some of the world's brightest minds in the digital music and media fields. DMS will act as a cross-sector bridge between these worlds, with the goal of forming relationships that will result in increased revenues for all parties and enhancement of the consumer's experience with digital content across all platforms.
[PRIMARY PARTNERS]	Documentary Organization of Canada
[SECONDARY PARTNERS]	Hot Docs – Canadian International Documentary Festival, Interactive Ontario Industry Association, Ontario College of Art and Design, Ryerson University: Faculty of Communication and Design and School of Image Arts
[ADDITIONAL PARTNERS]	Center for Social Media, School of Communication, American University, Doc Agora Association, Bell Broadcast and New Media Fund, Bravo! FACT, Canadian Film Centre-Telus Interactive Art and Entertainment Program
[PROJECT TITLE]	DocAgora Ontario
[DESCRIPTION]	<p>DocAgora Ontario (DAO) project is an innovative initiative vital and unique in the current evolution of the documentary industry. It aims to increase awareness of current developments of new media and the resulting impact on the documentary industry, to connect international and local documentary communities as well as to bring together filmmakers and new media professionals.</p> <p>DAO aims to create a marketplace and alternative models for cross platform documentary/new media projects. Within the initial two-year period, DAO aims to offer training to Ontario producers to create cutting-edge projects to be showcased worldwide.</p> <p>DAO will work in conjunction with international parties, major television and film festivals, and Ontario-based companies to increase partnerships across the entertainment sectors, thus strengthening our industry as a whole.</p>

[PRIMARY PARTNERS]	ECW Press Ltd. & Annick Press Ltd.
[SECONDARY PARTNERS]	Canadian Film and Television Production Association
[ADDITIONAL PARTNERS]	Documentary Organization of Canada, Second Story Feminist Press Inc., Producer's Roundtable of Ontario, Organization of Book Publishers of Ontario (OBPO), Cormorant Books Inc., Kids Can Press Ltd., Coach House Books Inc.

[PROJECT TITLE]	Books-to-Screen Database
[DESCRIPTION]	<p>This project seeks to support book publishers and all screen-based media producers, primarily those in the film and television sectors, and including new media creators.</p> <p>Through this project, book publishers will have increased access to film and television producers, thereby opening up new opportunities to target their content to the purchasers of film and television rights. Ideally, rights to more Canadian books will be optioned. On the flip side, screen-based media producers will have easier and quicker access to fresh, new content that is catalogued in one place and regularly updated.</p>

[PRIMARY PARTNERS]	Les Éditions du Vermillon & Éditions du GREF
[SECONDARY PARTNERS]	Regroupement des éditeurs canadiens-français
[ADDITIONAL PARTNERS]	Centre FORA, Bouton d'or d'Acadie, Éditions Perce-Neige, Pris de Parole, Éditions David

[PROJECT TITLE]	Livres pour le Canada français
[DESCRIPTION]	<p>Over the course of 2008 and 2009, the project will include the following activities: marketing and distribution of French-Canadian books in all of French Canada, which is new; joint efforts to market the books of French-Canadian publishers which, to date, have mainly focused on Quebec. The target is French-Canadian bookstores, libraries, educational institutions, and organizations that represent hard-to-reach audiences. Marketing efforts will use the internet, the media (television, radio, print media), and joint catalogues based on a theme.</p>

[PRIMARY PARTNERS]	Interactive Ontario Industry Association
[SECONDARY PARTNERS]	Big Blue Bubble Inc., Bitcasters Inc., Copybara Games Inc., Digital Extremes, REDJADE Inc., Silicon Knights Inc., Artech Digital Entertainments, Battle Goat Studios, Dark Matter Entertainment, Groove Media Inc
[ADDITIONAL PARTNERS]	Brock University, Niagara College, Seneca College of Applied Arts & Technology, Entertainment Software Association of Canada; International Game Developers Association – Toronto Chapter; SECOR Consulting
[PROJECT TITLE]	Game ON!
[DESCRIPTION]	Game ON! is a strategic framework and a set of programs and services, bringing together Ontario’s leading video games industry leaders, educators, trainers and government agencies for the purpose of “powering ON” the Ontario games industry.
[PRIMARY PARTNERS]	Ontario College of Art and Design
[SECONDARY PARTNERS]	Canadian Film Centre Media Lab, George Brown College, Ryerson University, marblemmedia Interactive Inc., Ecentricarts Inc., Bitcasters Inc., 33 Magnetic Inc., Decode Entertainment Inc., Interactive Ontario Industry Association, University of Ontario Institute of Technology
[ADDITIONAL PARTNERS]	Achilles Media Ltd., Yahoo! Canada, Telus Mobility, Design Exchange, Quebecor Inc, TVOntario, Virgin Mobile, GestureTek Inc., Devlinia Interactive Inc., Triptych Media Inc.
[PROJECT TITLE]	Mobile Innovation Centre
[DESCRIPTION]	The Mobile Experience Innovation Centre project aims to develop a centre of excellence for mobile content and services design and commercialization in Ontario. The project will undertake to understand the role of user experience and usability design in the creation of compelling content and services. It will identify the current state of mobile experience design practice globally, the market opportunities for mobile content design solutions, share knowledge across the breadth of the mobile industry based in Ontario at a number of industry forums, identify specific project opportunities for industry-industry and industry-academic collaboration. This activity will feed the development of a business case and business plan for an institutional framework that will facilitate ongoing activity in the identification and execution of mobile experience design innovation.

[PRIMARY PARTNERS]	Organization of Book Publishers of Ontario (OBPO)
[SECONDARY PARTNERS]	Association of Canadian Publishers
[ADDITIONAL PARTNERS]	Humber Institute of Technology & Advanced Learning
[PROJECT TITLE]	Gutenberg 2.0
[DESCRIPTION]	<p>The book publishing industry has been changing dramatically in the last few years. The technological disruptions seen in other cultural sectors are now making their effects felt in book publishing. The industry’s leading trade organizations have identified training in new technologies and new business models as key to the industry’s long-term viability.</p> <p>This project proposes a course for publishers and upper-level management employees of publishing houses that would teach the practical application of new technologies and, more importantly, how to adapt and survive technological disruption. Another component of this course will be connecting these industry veterans with people who are just now entering the book publishing industry.</p>

[PRIMARY PARTNERS]	Ottawa-Gatineau Film & Television Development Corporation
[SECONDARY PARTNERS]	Sound Venture Productions, GAPC Entertainment
[ADDITIONAL PARTNERS]	City of Ottawa, Nordicity Group Limited, CTV Ottawa
[PROJECT TITLE]	Feasibility Study For a Multi-Media Production Centre
[DESCRIPTION]	<p>A feasibility study with respect to creating a multi-media (Television, Film, Music, Animation, Gaming) production centre (MPC) that would address one of the key infrastructure deficits in the Ottawa region.</p>

[PRIMARY PARTNERS]	Planet in Focus
[SECONDARY PARTNERS]	Toronto Film Studios Inc., IATSE Local 873, FilmOntario Ontario Film and Television Consortium, Panavision Canada Corporation, Deluxe Laboratories, C.F.T.P.A. – Toronto Office, City of Toronto – Economic Development – Culture & Tourism Division, DGC Ontario, ACTRA Toronto, PS Production Services Ltd.
[PROJECT TITLE]	Toronto Green Screen Initiative
[DESCRIPTION]	<p>The initiative aims to create a set of sustainable best practices protocols leading to a certification program for the Toronto film and television industry, using a third party verification mechanism, under which green-abiding productions would be accredited. The purpose is to place Toronto on the leading edge of green and sustainable film production at a time when demand for green solutions and standards are extremely high from within the industry (locally, nationally and internationally) and from the public at large.</p> <p>The project will also create a Green Production Guide as well as a Green Resource Guide for Ontario-based productions.</p>

OMDC BOOK FUND

The Book Fund supports Ontario-based publishers to promote business growth and market works by Canadian authors to domestic and foreign markets. In 2007–08, 44 publishers received just over \$1 million in funding. Every dollar of OMDC funding produced \$6.92 in sales.

OMDC Book Fund Recipients

Annick Press Ltd.	McArthur & Company Publishing Ltd
Between The Lines Inc.	McClelland & Stewart Ltd.
Brick Books Inc.	Oberon Press
Broadview Press Inc.	Pembroke Publishers Ltd
Canadian Scholars' Press Inc.	Pippin Publishing Corporation
Chestnut Publishing Group	Porcupine's Quill Inc.
Coach House Books Inc.	R.K. Publishing Inc.
Crabtree Publishing Company Ltd.	Rainbow Horizon's Publishing Inc.
Dundurn Press Ltd	Robert Rose Inc.
ECW Press Ltd.	Sara Jordan Publishing
Éditions Prise de parole	Second Story Feminist Press Inc.
Firefly Books Ltd.	Sumach Press Inc.
Fitzhenry & Whiteside Ltd.	The Boston Mills Press Inc.
Groundwood Books Ltd.	The Mercury Press Publishers Inc.
House of Anansi Press Inc.	Thomas Allen & Sons Ltd.
Inanna Publications and Education Inc.	Thompson Educational Publishing Inc.
Insomniac Press Ltd.	Transmedia Enterprises Inc. c.o.b. Napoleon Publishing/RendesVous Press
James Lorimer & Company Ltd.	TSAR Publications
Kids Can Press Ltd.	Tundra Books
Les Éditions David Inc.	University of Toronto Press Inc.
Les Éditions du Vermillon	Wilfrid Laurier University Press
Les Éditions l'Interlignes Inc.	
Maple Tree Press Inc.	

Programs and Activities

OMDC MAGAZINE FUND

The Fund awarded \$785,000 to 34 projects with total combined budgets of over \$1.4 million by Ontario independent magazine publishers. Every dollar invested by OMDC generated an additional \$0.83 in financing for magazine publishing projects focussed on business development including boosting circulation and sales.

OMDC Magazine Fund Recipients

Alternatives Inc.	Outpost Inc.
Azure Publishing Inc.	Quarto Communications
Canadian Art Foundation	Real Women
Canadian Geographic Enterprises	Red Maple Foundation
Canadian Horse Publications Inc.	Salon Communications
Corporate Knights Inc.	Scrapbook & Cards Today Inc.
Disability Today Publishing Group Inc.	SkyNews Inc.
Exclaim!	Snow Goer Media
Family Communications Inc.	Solstice Publishing Inc.
Geriatrics & Aging	Spacing Media Inc.
Green Living Enterprises	St. Joseph Media
Gripped Inc.	The Walrus Foundation
Literary Review of Canada	Verge Magazine Inc.
Media Matters Inc.	W.I. Media
Merit Marketing	What's Up Kids Family Magazine Ltd.
North Island Publishing Ltd.	Your Workplace
Observer Publications Inc.	Zdrowy Style Magazine Inc.

OMDC MUSIC FUND

The Fund provides funds of up to \$25,000 to Ontario-based recording labels to help in the growth of their business through new initiatives. Its goal is to strengthen independent recording labels in the province. The OMDC Music Fund provided \$235,084 in support to 11 Ontario labels.

OMDC Music Fund Recipients

Casablanca Media Publishing Inc.
Dine Alone Music Inc.
High Romance Music Ltd. c.o.b. True North Records
Last Gang Records Inc.
Linus Entertainment Inc.
Ole Media Management
Outside Music Inc.
Six Shooter Records Inc.
Sonic Unyon Records
The Children's Group Inc.
Urbnet Communications Inc.

OMDC FILM FUND

The OMDC Film Fund enables Ontario-based producers to apply for up to \$25,000 for late stage development support, and up to \$400,000 for production funding, on a last-in basis. OMDC invested over \$4 million in 17 Ontario-produced films (14 dramas and three documentaries) to provide support in the production phase and seven dramatic and one documentary projects for late-stage development funding. Every dollar invested by OMDC generated an additional \$24.32 in production financing.

OMDC Film Fund Recipients

OMDC Film Fund Dramatic Film Production Recipients

[DRAMATIC FILM PROJECT]	[COMPANY]	[PRODUCER/DIRECTOR]
ADORATION	Adoration Productions Inc.	Atom Egoyan, Producer/Director
THE BANG BANG CLUB	Barna-Alper Productions Inc.	Laszlo Barna, Producer Steven Silver, Director
BLINDNESS	Rhombus Media Inc.	Niv Fichman, Producer Fernando Meirelles, Director
CAIRO TIME	Foundry Films	Daniel Iron, Producer Ruba Nadda, Director
DEFENDOR	Darius Films Inc.	Nicholas D. Tabarrok, Producer Peter Stebbings, Director
GOOBY	Gooby Entertainment Inc.	Wilson Coneybeare, Producer/Director
HEAVEN ON EARTH	Hamilton-Mehta Productions Inc.	David Hamilton, Producer Deepa Mehta, Director
HIGH LIFE	Triptych Media Inc.	Robin Cass, Producer Gary Yates, Director
ONE WEEK	Mulmur Feed Co. Ltd.	Michael McGowan, Producer/Director
POMONA QUEEN	Sudden Storm Entertainment Ltd.	Jesse Ikeman, Producer Jeremiah Chechik, Director

OMDC Film Fund Dramatic Film Production Recipients (continued)

[DRAMATIC FILM PROJECT]	[COMPANY]	[PRODUCER/DIRECTOR]
SPLICE	Copperheart Entertainment Inc.	Steve Hoban, Producer Vincenzo Natali, Director
TORONTO STORIES	New Real Films	Jennifer Jonas, Producer Directors: David Weaver, David Sutherland, Sook-Yin Lee and Aaron Woodley
WHAT'S COOKING	Hamilton-Mehta Productions Inc.	David Hamilton, Producer Deepa Mehta, Director
YOU MIGHT AS WELL LIVE	Mutt Productions Inc.	Mark Musselman, Jonas Bell Pasht and Ari Lantos Producers; Simon Ennis, Director

OMDC Film Fund Dramatic Film Development Recipients

[DRAMATIC FILM PROJECT]	[COMPANY]	[PRODUCER/DIRECTOR]
BLACK MADONNA	Plausible Communications Corporation d.b.a Prospero Picture	Martin Katz, Producer
BONE	The Film Works	Paul Stephens, Producer
DERMOT'S GHOST	The Film Works	Paul Stephens, Producer
LOVECRAFT	Copperheart Entertainment Inc.	Steve Hoban, Producer
THE RIVER OF BLOOD	Dusty Foot Films Inc.	Andrew Rosen, Producer
THE SONGBIRD	Enigmatico Films Inc.	Patricia Fogliato, Producer
THE TROLL UNDER THE TABLE	Capri Films Inc.	Gabriella Martinelli, Producer

OMDC Film Fund Documentary Production Film Recipients

[DOCUMENTARY FILM PROJECT]	[COMPANY]	[PRODUCER/DIRECTOR]
EXAMINED LIFE	Sphinx Productions	Ron Mann, Producer Astra Taylor, Director
INSIDE HANA'S SUITCASE	Rhombus Media Inc.	Larry Weinstein. Producer/Director
THE PARADOX OF HUGH HEFNER	2156040 Ontario Inc.	Peter Raymont, Producer Brigitte Berman, Director

OMDC Film Fund Documentary Development Recipients

[DOCUMENTARY FILM PROJECT]	[COMPANY]	[PRODUCER/DIRECTOR]
FOR A NEW SEVILLE/ POUR UNE NOUVELLE SEVILLE	Asli Films Inc.	Kathy Wazana, Producer

OMDC INTERACTIVE DIGITAL MEDIA FUND

OMDC supported 10 applications for the Interactive Digital Media Fund (IDM Fund), and invested a total of \$865,437.00. The approximate value of the projects receiving support through the Fund was \$3.1 million. OMDC leveraged of \$2.58 for every dollar invested through the IDM Fund and an estimated 1,805 weeks of work were created.

OMDC Interactive Digital Media Fund Recipients

Artech Digital Entertainments Inc.
Battlegoat Studios Inc.
Big Blue Bubble Inc.
Capybara Games Inc
Cerebral Vortex Games Inc.
marblemedia Interactive Inc.
Metanet Software Inc.
Queasy Games Inc.
Sinking Ship (Adventure II) Productions Inc.
The Nightingale Company

OMDC VIDEO GAME PROTOTYPE INITIATIVE

The program provided supported to Silicon Knights Inc. and Digital Extremes in the amount of \$1 million that leveraged an additional \$1.03 in production financing for every dollar invested. The recipients will develop console-based videogame prototypes to demonstrate the commercial viability of their new game designs.

TRILLIUM BOOK AWARD/PRIX TRILLIUM

The 20th annual Trillium Book Awards/Prix Trillium received over 300 submissions. This year's winning authors were:
Trillium Book Award (English-language category):

Mark Frutkin (Ottawa) – *Fabrizio's Return* (Knopf Canada); Trillium Book Award (French-language category): Daniel Castillo Durante (Ottawa) – *La passion des nomades* (XYZ Éditeur) and Paul Savoie (Toronto) – *Crac* (Les Éditions David); Trillium Book Award for Poetry (English-language category): Ken Babstock (Toronto) – *Airstream Land Yacht* (House of Anansi Press); Trillium Book Award for Children's Literature (French-language category): Françoise Lepage (Ottawa) – *Poupeska* (Les Éditions L'Interligne).

Finalists for the 20th annual Trillium Book Award/Prix Littéraire Annuel Trillium

ENGLISH FINALISTS:

- Anar Ali, *Baby Khaki's Wings* (Penguin Group Canada)
- Dionne Brand, *Inventory* (McClelland & Stewart)
- Bernice Eisenstein, *I Was a Child of Holocaust Survivors* (McClelland & Stewart)
- * Mark Frutkin, *Fabrizio's Return* (Knopf Canada)
- Charlotte Gray, *Reluctant Genius* (HarperCollins Canada)
- Wayne Johnston, *The Custodian of Paradise* (Knopf Canada)

FRENCH FINALISTS

- Marguerite Andersen, *Doucement le bonheur* (Prise de parole)
- * Daniel Castillo Durante, *La passion des nomades* (XYZ Éditeur)
- Claude Forand, *Ainsi parle le Saigneur* (Les Éditions David)
- Daniel Poliquin, *La Kermesse* (Les Éditions du Boréal)
- * Paul Savoie, *Crac* (Les Éditions David)

ENGLISH FINALISTS FOR POETRY

- * Ken Babstock, *Airstream Land Yacht* (House of Anansi Press)
- Adam Dickinson, *Kingdom, Phylum* (Brick Books)
- Anita Lahey, *Out to Dry in Cape Breton* (Véhicule Press)

FRENCH FINALISTS FOR THE TRILLIUM BOOK AWARD FOR CHILDREN'S LITERATURE

Mireille Desjarlais-Heyneman, *La nuit où le Soleil est parti* (Les Éditions du Vermillon)

Céline Forcier, *Un canard majuscule* (Les Éditions du Vermillon)

* Françoise Lepage, *Poupeska* (Les Éditions L'Interligne)

* Winners

OMDC EXPORT FUNDS

OMDC Export Fund provided support to 116 Ontario companies across five sectors (22 book, 21 film, 20 interactive digital, 21 music, and 32 television) who made 308 trips to attend 101 markets. The result was that OMDC support of just under \$1 million to these activities led directly to Ontario companies reporting over \$90 million in actual sales and pre-sales.

Number of Ontario company trips supported by Export Fund at international markets

Books	69
Film/Television	127 (55 film, 72 TV)
Interactive Digital Media (IDM)	53
Music	59
Total	308

Ontario publishers attended many international markets and festivals such as: Bologna Book Fair (Italy), Book Expo America (New York), Frankfurt Book Fair (Germany), Guadalajara Book Fair (Mexico) and The London Book Fair (England) to name a few.

Ontario film and television companies attended many markets in festivals around the world including American Film Market (Santa Monica, California), Berlin Film Festival (Germany), The Sundance Film Festival (Utah), International Documentary Forum Amsterdam (Holland), MIPCOM and MIP-TV (Cannes, France) and the Sunnyside of the Doc (Marseilles, France).

Ontario's interactive digital media companies attended key markets such as Austin Game Developers Conference (Texas), BETT Show (UK), E3 (San

Francisco), Game Developers Conference (San Francisco), Tokyo Game Summit (Japan) and South by Southwest Interactive (Texas).

Ontario's music companies participated in Canadian Independent Record Production Association (CIRPA) Trade Mission to Japan as well as attending key markets such as MIDEM (Cannes, France), Popkomm (Berlin, Germany) and South by Southwest (Austin, Texas).

Additionally, 77 Ontario television companies were supported on the Canada Stand at the *MIPTV* and *MIPCOM TV* Markets in Cannes, the largest and most significant sales events on the TV calendar, and 11 companies were supported on the UK Music Mission. Over 50 Ontario delegates attend MIDEM, the largest music market in the world, where OMDC supports the CIRPA-run Canada Stand.

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 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 DOMESTIC MARKETS AND EVENTS SUPPORT

Atlantic Film Festival Strategic Partners
Canadian Music Week (CMW)
CFTPA's Prime Time In Ottawa
Cinéfest Sudbury Film Festival – Industry Forum
Hot Docs
International Financing Forum (IFF) at TIFF®
nextMEDIA – Monetizing Digital Media
North By Northeast Music + Film Festival + Conference
North By Northeast – Music Makes It!
OMDC's From Page To Screen Event
Reelworld Distributor Breakfast
Reel Canada – Canadian Film in the Schools
Television and Animation Conference (TAC)
Toronto International Film Festival (TIFF®) Sales Office
Vortex One Day Program

OMDC TRADE ORGANIZATION SUPPORT

Association of Canadian Publishers (ACP) – Forest of Reading
Association for Canadian Publishers (ACP) – IBBY China Delegation
Book and Periodical Council – Support for Book Summit Programming
Book and Periodical Council – Support for Publishers to attend Book Summit
BookNet, BookNet Technology Forum
Canadian Business Press – Magazines University (MagsU)
Canadian Independent Record Production Association (CIRPA) – Japan Music Mission
CIRPA – South by Southwest (SXSW)
DOC – Hot Docs Mentorship

Interactive Ontario (IO) support to Game Developer's Conference
Interactive Ontario (IO) – GameON! Ontario Games Showcase
Interactive Ontario – GameON! Finance
Interactive Ontario – ICE 2008
Interactive Ontario (IO) iLunch Series
Interactive Ontario – The UK Mission
Magazines Canada – Cooperative Direct Marketing Campaign
Magazines Canada – Great Canadian Magazines Tent at Word on the Street
Magazines Canada – MagNet
Magazines Canada – Newsstand Marketing Project
Magazines Canada – Ontario Magazine Industry Growth Program
North by North East (NXNE)
Organization of Book Publishers of Ontario (OBPO) Strategic Support
OBPO Library Wholesalers Marketing Project
21st Annual Ontario Council of Folk Festivals Conference
Summer Institute of Film and Television (SIFT)
Toronto International Film Festival® Film Circuit
Women in Film and Television – Toronto (WIFT-T) – Development Incubator
WIFT-T – Extreme Management Program

FILM AND TELEVISION MARKETING OUTREACH

In November, OMDC staff were guests of the Ottawa-Gatineau Film and Television Office at the first Ottawa Networking Event. The OMDC Outreach Forum, chaired by OGFT General Manager Roch Brunette, informed Ottawa-Gatineau's screen-based content producers about OMDC's programs and services. Over 35 dele-

Programs and Activities

gates, representing 25 companies learned about OMDC programs and services.

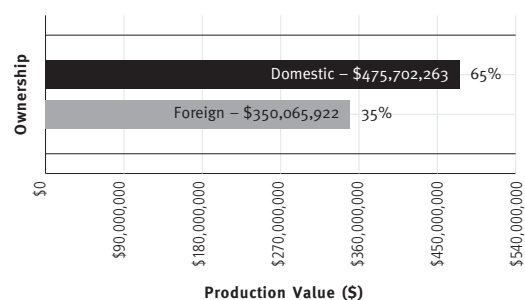
OMDC sent delegates to the Northern Ontario outreach forum in Sudbury and made presentations about OMDC screen-based programs and services during Cinéfest.

In April 2007, staff of Ontario Film Commission, along with Toronto, Hamilton, and Mississauga attended the Locations Expo Trade Show in Santa Monica. Supported by the Department of Canadian Heritage, the joint Canadian exhibit won best overall booth at the show, which featured 187 commissions from around the world and was attended by 3,400 industry decision-makers.

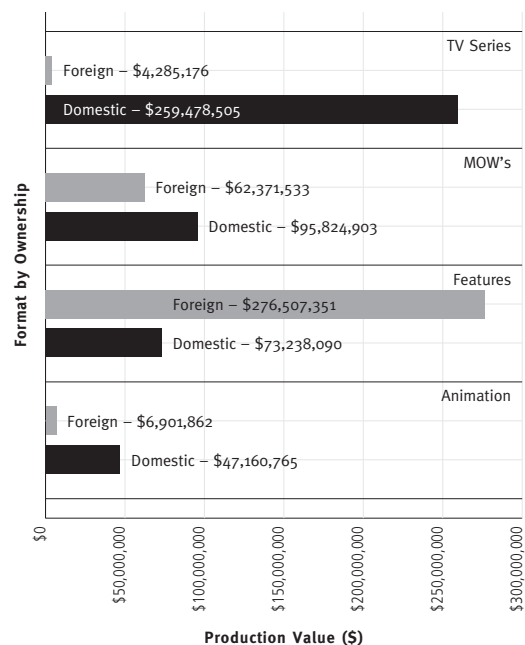
OMDC-supported Los Angeles Film Office consultant's Judy Ranan and Vicky Choy were in Toronto in October 2007 to meet with partners from the City of Toronto and FilmOntario. They provided briefings to representatives from the Ontario Ministries of Culture, Finance and Economic Development and Trade and also met with representatives from the film and television, animation and visual effects sector and the interactive digital media industries.

On January 9–11, 2008 OMDC President and CEO Karen Thorne-Stone and OMDC Manager of Film Donna Zuchlinski participated in a joint marketing mission to Los Angeles (co-sponsored with the City of Toronto and FilmOntario) which included an industry networking event and high level meetings with studio and network clients.

2007/2008 PRODUCTION ACTIVITY



2007/2008 Breakdown of Production Activity by Format



Ownership	Production Value (\$)	Percentages
Foreign	350,065,922	42%
Domestic	475,702,263	58%
Total	825,768,186	100%

TAX CREDITS

Ontario Film and Television Tax Credit

A 35%* 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

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

Ontario Computer Animation and Special Effects Tax Credit

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

A 25%* refundable tax credit (or 30% for qualifying small corporations) available to eligible Ontario-based Canadian and foreign-controlled corporations on eligible Ontario expenditures for interactive digital media products created in Ontario.

Ontario Book Publishing Tax Credit

A 30% refundable tax credit available to eligible Ontario-based Canadian corporations on eligible expenditures for eligible literary works by Canadian authors.

Ontario Sound Recording Tax Credit

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

* Enhanced rates as introduced in the December Economic Outlook Fiscal Review and March Budget.

Proposed Enhancement of tax credits

- OFTTC rate for domestic productions to be increased from 30 to 35% for labour expenditures incurred after December 31, 2007 and before January 1, 2010.
- OPSTC to be increased from 18 to 25% for labour expenditures incurred after December 31, 2007 and before January 1, 2010.
- OIDMTC tax credit rate for size-eligible corporations and companies providing fee-for-service work to be increased from 20 to 25 percent for qualifying expenditures incurred after March 25, 2008 and before January 1, 2012. The 30 percent rate for small corporations which was in place until December 31, 2009 to be extended for expenditures incurred after that date and before January 1, 2012.
- Eligibility period for eligible labour expenses to be extended from two to three years.

Tax credit administrative changes

Under CTAR (the Corporate Tax Administration Redesign), Ontario's corporate tax system is being harmonized with the federal government for all companies filing tax returns for years ending in 2009. OMDC and Ministry of Finance staff are working with federal officials in preparation for this change.

Tax credit applications

Applications for tax credits this year were at their highest level since 2002–2003. The overall average cycle time

for the year was 17.9 weeks, which is an 1.5 week increase over the prior year. The variance is accounted for by the 9% overall increase in applications received over the prior year.

Tax credit outreach

Tax Credits organized or participated in 21 presentations (and an additional 4 sessions in conjunction with other OMDC departments) ranging from information sessions and workshops to participation on panels at industry conferences and events.

TAX CREDIT CHART FOR 07/08

	2007/08 Total				
	Applications received	Number of Certificates Issued	Number of Projects	Total Value of Estimated Tax Credits	Project Value
OBPTC	347	274	274	\$ 2,018,146	\$ 7,216,504
OSRTC	154	289	92	\$ 1,552,493	\$ 11,026,762
OFTTC	369	350	350	\$ 126,974,761	\$ 922,702,277
OPSTC	67	60	60	\$ 32,362,660	\$ 1,435,787,068
OCASE	54	58	254	\$ 11,408,470	\$ 225,628,633
OIDMTC	88	55	221	\$ 6,731,253	\$ 39,684,641
Grand Total for all Tax Credits 07/08	1,079	1,086	1,251	\$ 181,047,783	\$ 2,642,045,885

Notes:

OCASE and OIDMTC applications are based on the applicant's fiscal year of activity and may include multiple productions. Up to three 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.

OMDC Board of Directors

OMDC's Board of Directors sets the Corporation's strategic directions. Members are appointed by Order-in-Council.

KEVIN SHEA [OMDC CHAIR]	Owner and President, SheaChez Inc. – appointed and designated August 24, 2006
PETER STEINMETZ [OMDC VICE-CHAIR]	Lawyer/Partner, Cassels, Brock & Blackwell – designated February 7, 1994; re-designated February 7, 2007
ALEXANDRA BROWN	Head of Communications & Public Affairs, eBay Canada – appointed February 7, 2007
NATHON GUNN	CEO, Bitcasters – appointed February 21, 2007
VALERIE HUSSEY C.M.	Valerie Hussey Consulting – appointed February 27, 2002; re-appointed February 7, 2005; retired February 6, 2008
LEESA KOPANSKY	Executive Director, Lights, Camera, Access! – appointed February 21, 2007
BRYAN LEBLANC	President/Creative Director, Whiterock Communications – appointed April 28, 2004; re-appointed June 6, 2007
KIUMARS REZVANIFAR	President, KVC Communications Group – appointed August 24, 2006
BOB RICHARDSON	President, Devon Group – appointed November 10, 2005; reappointed February 7, 2008
MELINDA ROGERS	Senior Vice President, Strategy & Development, Rogers Communications Inc. – appointed February 26, 2001; re-appointed February 7, 2007
JEFFREY SHEARER	Publisher, On The Bay Magazine – appointed October 7, 2004; re-appointed February 7, 2007
JOHN B. SIMCOE	Partner, PricewaterhouseCoopers – appointed February 7, 2003; re-appointed February 7, 2006
ANNE-MARIE SMITH	CEO, Lonestar Music Services – appointed February 7, 2006
STEPHEN STOHN	President, Epitome Pictures – appointed February 7, 2001; re-appointed February 7, 2007
SHELDON WISEMAN	President & CEO, Amberwood Entertainment Corporation – appointed April 14, 2004; re-appointed February 7, 2007

Total remuneration to the Board of Directors for the fiscal year ending March 31, 2008 was \$ 31,162.50

Management's Responsibility for Financial Statements

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

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

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

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



Karen Thorne-Stone
President and Chief Executive Officer



Cherith Rachel Muir
Director, Business Affairs and Research (A)

August 1, 2008

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, 2008 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, 2008 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
August 1, 2008

Statement of Financial Position

As at March 31, 2008

	2008	2007
	(\$000's)	(\$000's)
ASSETS		
Cash and cash equivalents	25,958	28,896
Accounts receivable	109	100
Prepaid expenses	60	54
Accrued interest	85	472
Current Assets	<u>26,212</u>	<u>29,522</u>
Capital Assets (Note 3)	432	600
	<u>26,644</u>	<u>30,122</u>
LIABILITIES		
Accounts payable – programs	2,327	974
Accounts payable – other	585	441
Due to the Province	581	547
Current Liabilities	<u>3,493</u>	<u>1,962</u>
DEFERRED REVENUE (Note 4)	10,026	20,495
ACCRUED EMPLOYEE BENEFITS OBLIGATION (Note 8)	424	357
COMMITMENTS (Note 7)		
NET ASSETS		
Invested in capital assets	432	600
Unrestricted	12,269	6,708
	<u>12,701</u>	<u>7,308</u>
	<u>26,644</u>	<u>30,122</u>

The accompanying notes are an integral part of these statements.

On behalf of the Board:



Chair



Member, Audit Committee

Statement of Operations

For the Year ended March 31, 2008

	2008	2007
	(\$000's)	(\$000's)
REVENUE		
Ministry of Culture	20,911	16,845
Interest	1,371	1,152
Tax credit administrative fees	853	842
Return of investment under assistance programs	207	36
Other	71	33
	<u>23,413</u>	<u>18,908</u>
EXPENSES		
Industry Development Initiatives	8,133	5,590
Operating expenses (Notes 5 and 6)	6,925	6,333
Toronto International Film Festival Group grants	1,345	1,290
Entertainment and Creative Cluster Partnerships Fund (Note 4)	1,191	1,359
Research Initiatives	426	264
	<u>18,020</u>	<u>14,836</u>
Excess of revenue over expenses	<u>5,393</u>	<u>4,072</u>

The accompanying notes are an integral part of these statements.

Statement of Changes in Net Assets

For the Year ended March 31, 2008

	2008		2007	
	(\$000's)		(\$000's)	
	Invested in Capital Assets	Unrestricted	Total	Total
Balance, beginning of year	600	6,708	7,308	3,236
Excess of revenue over expenses	(452)	5,845	5,393	4,072
Investment in capital assets	284	(284)	—	—
Balance, end of year	432	12,269	12,701	7,308

The accompanying notes are an integral part of these statements.

Statement of Cash Flows

For the Year ended March 31, 2008

	2008	2007
	(\$000's)	(\$000's)
Cash flows from operating activities		
Excess of revenue over expenses	5,393	4,072
Amortization of capital assets	452	503
	<u>5,845</u>	<u>4,575</u>
Changes in non-cash working capital		
Accounts receivable	(9)	(43)
Due from Ministry	–	23,000
Prepaid expenses	(6)	23
Accrued interest	387	(459)
Accounts payable and Due to the Province	1,531	459
Accrued employee benefits obligation	67	20
Deferred revenue	(10,469)	(2,505)
	<u>(8,499)</u>	<u>20,495</u>
Net cash generated from (used in) operating activities	<u>(2,654)</u>	<u>25,070</u>
Cash flows used in financing and investing activities		
Net purchase of capital assets	(284)	(330)
Net increase (decrease) in cash	(2,938)	24,740
Cash and cash equivalents at beginning of year	28,896	4,156
Cash and cash equivalents at end of year	<u>25,958</u>	<u>28,896</u>

The accompanying notes are an integral part of these statements.

1. BACKGROUND

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

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

(b) Capital Assets

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

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

(c) Revenue Recognition

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

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

(d) Contributed Services

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

(e) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, current bank accounts and short-term 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.

(g) Financial Instruments

The Corporation follows the Canadian Institute of Chartered Accountants (CICA) new accounting standards pertaining to financial instruments. These standards establish guidance for the recognition and measurement of financial assets and liabilities and how financial instrument gains and losses should be accounted for. Under these new standards, all 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.

Under these standards, all financial instruments are required to be measured at fair value upon initial recognition except for certain related party transactions. After initial recognition, financial instruments should be measured at their fair values, except for financial assets classified as held to maturity or loans and receivables and other financial liabilities, which are measured at cost or amortized cost.

These new standards did not have an impact on the carrying values of the Corporation's financial assets and liabilities because:

- Cash and cash equivalents is classified as held for trading and recorded at fair value.
- Accounts receivable are classified as loans and receivables and are valued at face value which approximates fair value given their short term maturities.
- Accounts payable and Due to the Province are classified as other financial liabilities and are recorded at face value which approximates fair value given their short term maturities.

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.

3. CAPITAL ASSETS

			2008	2007
			(\$000's)	(\$000's)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and Office Equipment	298	169	129	156
Computer Hardware	74	50	24	14
Customized Computer Software	890	650	240	335
Website	8	5	3	16
Leasehold Improvements	434	398	36	79
	1,704	1,272	432	600

4. DEFERRED REVENUE

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

			2008	2007
			(\$000's)	(\$000's)
	Special Funding	Entertainment and Creative Cluster Partnerships Fund	Total	Total
Opening balance	20,050	445	20,495	23,000
Funding received	472	2,300	2,772	6,854
Recognized as revenue	(12,050)	(1,191)	(13,241)	(9,359)
Closing balance	8,472	1,554	10,026	20,495

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. \$7.0 million of this amount has been recognized in 2008, together with the \$5.05 million received in 2007.

5. OPERATING EXPENSES

	<u>2008</u>	<u>2007</u>
	(\$000's)	(\$000's)
Salaries, Wages and Benefits		
– Tax Credit Administration	1,405	1,367
– Industry Development	1,336	1,267
– Business Affairs and Research	1,025	910
– Other	617	531
	<u>4,383</u>	<u>4,075</u>
Corporate Expenses and Operations	523	438
Consulting Services	373	206
Amortization of Capital Assets	452	503
Advertising, Promotion & Publications	216	204
Program Support	754	700
Travel	224	207
	<u>6,925</u>	<u>6,333</u>

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 \$5,179,000 (2007 – \$2,815,000) 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 totalling \$235,000 for premises and \$218,000 for computers and office equipment. The lease for premises expires October 31, 2008, and the Corporation has entered into negotiations with the Lessor on the terms of the new lease. The leases for computers and office equipment expire at various times during the next four 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, 2008 were \$246,000 (2007 – \$213,000) 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 \$122,000 (2007 – \$11,000) 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:

	<u>2008</u>	<u>2007</u>
	(\$000's)	(\$000's)
Total liability for severance and vacation	596	474
Less: Due within one year and included in accounts payable – other	<u>(172)</u>	<u>(117)</u>
Accrued employee benefits obligation	<u>424</u>	<u>357</u>

(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 2007. For the OMDC, this disclosure is as follows:

Name	Title	Salary	Taxable benefits
Cherith Muir	Director, Business Affairs & Research	\$113,974.90	\$199.00
Kristine Murphy	Director, Industry Development	\$134,166.89	\$231.69

10. CHANGES IN ACCOUNTING STANDARDS

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

11. COMPARATIVE FIGURES

Certain of the 2007 amounts presented for comparative purposes have been reclassified to conform with the presentation adopted in the current year.

The following chart illustrates that 88.8% of OMDC's expenditures for the year ended March 31, 2008 are program-related.

Expenditure Breakdown	2008		
	(\$000's)	(\$000's)	(\$000's)
	Corporate	Program Related	Total
Direct Support (from Statement of Operations):	–	11,095	11,095
From Note 5:			
Salaries, Wages and Benefits	1,248	3,135	4,383
Corporate Expenses and Operations	312	211	523
Consulting Services	187	186	373
Amortization of Capital Assets	155	297	452
Advertising, Promotion & Publications	63	153	216
Program Support	–	754	754
Travel	46	178	224
Total Expenditures	2,011	16,009	18,020
% of total	11.2%	88.8%	100.0%