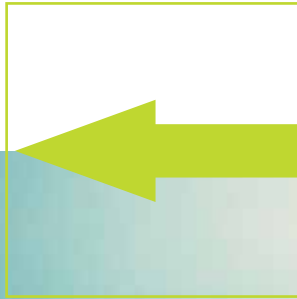


Annual Report

2008
2009



Doing things better and differently to advance the music careers of young artists.



An initiative by private radio broadcasters

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partners



629112 SASKATCHEWAN
BLACKBURN RADIO
COGECO DIFFUSION
CORUS ENTERTAINMENT
GOLDEN WEST BROADCASTING
HALIBURTON BROADCASTING GROUP
HARVARD BROADCASTING
JIM PATTISON GROUP
LARCHE COMMUNICATIONS
MZ MEDIA
MUSKOKA-PERRY
R.B. COMMUNICATIONS
RADIO DIFFUSION SOREL-TRACY
VISTA BROADCAST GROUP
WESTMAN MEDIA COOPERATIVES



VERSION FRANÇAISE DISPONIBLE SUR
WWW.FONDSRADIOSTAR.COM

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vice president's message



This was the second year of the revamped edition of the Fonds RadioStar program, and the results confirm just how appropriate the changes introduced in 2007-2008 have been.

The priority extended to emerging artists took centre stage more than ever, with 90% of approved funding being granted to artists having released three or less albums throughout their career. This is up from the 88% of total funding these artists received in 2007-2008, and the 78% they received the previous year. The trend toward supporting projects from a wider range of music genres continued unabated, while pop and pop rock lost ground to rising music category stars like hip hop and contemporary folk.

Yes, the reform has proven fruitful overall. Nevertheless, record labels are still underutilizing the web tools available to them and their marketing strategies continue to be the same. The music industry is in a holding pattern. Consequently, the fund must now turn its attention to newly emerging challenges by focusing on measures intended to further stimulate innovation and daring in the way record labels market their music and artists.

This will require the fund to urgently explore new avenues and invoke resources capable of moving the process forward, both in terms of music's current consumer positioning and the opportunities the web offers for promoting and selling music. The process will invariably depend upon the input of resources from various circles.

As I conclude my term as President, a mandate originally intended for two years but extended due to my successor's departure, I invite the fund's new incoming President and my fellow Board members to pursue the objectives in the spirit that guided the fund's makeover: doing things better and differently for the sake of advancing the music careers of young artists.



Pierre Rodrigue
Vice President



fonds radiostar

objectives



BACKGROUNDER

During the CRTC's 1997 Commercial Radio Policy Hearing, the Canadian Association of Broadcasters (CAB) recommended, as part of their proposal regarding concrete benefits resulting from transfers of ownership or control of radio undertakings, the establishment of a new Canadian music marketing and promotion fund. The proposal was entrenched in the CRTC's 1998 Policy on Commercial Radio (Public Notice CRTC 1998-41), allowing for 3% of the transaction value to be allocated to that fund when such transfers occur.

November 9, 2000, the CRTC approved a CAB and ADISQ joint proposal outlining the Fonds RadioStar's terms and structure. A similar proposal was ultimately tabled for the English-speaking market, giving rise to the Radio Starmaker Fund in March 2001.

Since August 2001, the Fonds RadioStar has been supporting by way of financial contributions the marketing of French-language sound recordings in Canada. From the outset, the fund has been managed by the Fondation MUSICACTION, under the direction of the Fonds RadioStar Board of Directors. The fund's program and rules, which are completely separate from those of MUSICACTION, are managed independently.

In December 2006, the new CRTC Policy on Commercial Radio recommitted the allocation of 3% of the value of radio acquisition transactions to the Fonds RadioStar and its English-language counterpart, the Radio Starmaker Fund.

- The purpose of the fund is to promote Canadian French-language music, referring requests for projects in a language other than French as well as instrumental music projects to the Radio Starmaker Fund.
- The fund's goal is to supply private radio broadcasters with quality, diversified francophone music.
- Funding is reserved for national marketing endeavours, i.e. aimed at the Canadian market.
- Designed primarily for emerging artists, the fund is intended "to advance the careers of Canada's rising stars producing popular Canadian content."
- Funding is allocated to Canadian owned and controlled record labels, with the exception of Canadian artists residing outside Quebec, who are entitled to receive funding directly.
- Fonds RadioStar funding must constitute additional support, designed to complement existing funding from record labels as well as various public and private sources earmarked for the initial marketing phases.



BOARD OF DIRECTORS

President	Luc Piette	<i>Vice President, EDC Musique</i>
Vice-president	Pierre Rodrigue	<i>Vice President, Sales & Marketing Astral Media Radio</i>
Treasurer	Stéphanie Moffatt	<i>President, Mo'fat Management</i>
Secretary	Sylvie Courtemanche	<i>Vice President, Governmental Relations CORUS</i>
Director	Richard Lachance	<i>Vice President Radio Cogeco</i>
Director	Marc Ménard	<i>Professeur École des médias UQAM</i>
Director	Geneviève Moreau	<i>Music Director, Réseau Énergie Astral Media Radio</i>
Director	Mark Lazarre	<i>President, Productions Benannah</i>
Director	Michel Sabourin	<i>President, Disques Atlantis</i>

FUND MANAGEMENT

General Management	Andrée Ménard
Program Coordination	Louise Chenail
Information	Jacinthe Roy
Administration	Nicole Rouabah
External Auditor	Denis Thérien CA



Antoine Gratton, *Le problème avec Antoine* (detail)



the program



On June 8, 2007, the Board of Directors adopted a significantly redefined Fonds RadioStar program, which came into effect the financial year of 2007-2008. The changes were major, and were made in compliance with the guiding principles of the program, which are:

- Promoting diversified Canadian French-language music
- Supporting eligible Canadian emerging artists
- Reserving funding for second marketing phases following the applicant's own initial marketing spending
- Serving as complementary funding to the applicant's own investment

The new criteria, which continued to apply in 2008-2009, are as follows:

- Access to funding is now primarily governed by minimum sales requirements, which are based on music category and career album sales. The requirements for a first album are lower than for a second release, and so on. This criterion makes it possible to guarantee an applicant is in a position to make a significant initial investment and to determine a project's real potential for success.
- Receiving additional funding for a second marketing phase is also conditional upon achieving the required sales requirements, which are of course higher than for the first phase.
- Funding is limited to 2/3 of the budget for eligible expenses, not including all initial marketing related spending.
- In keeping with the program's mission to support emerging artists, performing artists with album sales of 300,000 copies or more are no longer eligible for the program.





Cœur de pirate, photo credit: John Londono
Taktika, photo credit: François Gauthier
Marie-Pierre Arthur, photo credit: Pascale Boislard
Kamakazi, photo credit: Bruno Lauzon
David Jalbert, photo credit: Jean-Marie Chouinard

financial results

FINANCIAL RESOURCES

Monies for the Fonds RadioStar and Radio Starmaker Fund come primarily, but not exclusively, from broadcaster contributions resulting from radio acquisition transactions, as required by the CRTC. A minimum of 3% of the value of such transactions must be disbursed to both of these two Canadian music marketing funds. For francophone market transactions, 80% of the 3% is directed to the Fonds RadioStar. In the case of transactions affecting the English-language market, the Fonds RadioStar receives 20% of benefits.

The CAB collects the 3% of the value of the transactions, and then redistributes these monies to both funds as per CRTC approved payment methods. Each year, the CAB contributes funds earmarked for the advancement of French-language music to the Fonds RadioStar.

These contributions totalled \$3,259,525 in 2008-2009. The combined total since the fund's creation in 2001-2002 is \$21,259,658. Contributions to the Fonds RadioStar are expected to reach \$33M by 2016.

ADMINISTRATION FEES

The administration fees for this eighth financial year have been set at 5.7%. The fund's average administrative fees since the inception is 8.6 %. As outlined in the document the CRTC approved in November 2000, by the end of the fund's existence, administration fees will not exceed more than 10% of broadcaster contributions.

COMMITMENTS

Since the program's inception, 501 projects have been received and 435 projects have been accepted, for an approval rate of 87%. The approval rate, which was 78% in 2006-2007 due to the record number of applications received, was 98% this year. This was largely the result of the program's extensive review and the new funding application criteria.

The expected scaled back contributions from radio broadcasters prompted the Board to spread the available sums over a greater number of years, thus extending the life of the fund and guaranteeing a steady availability of funding each year. In 2008-2009, the Fonds RadioStar's financial commitments amounted to \$1,739,910, compared with \$1,949,849 the previous year, \$3,315,015 in 2006-2007 and \$3,104,566 in 2005-2006.



APPLICATIONS AND APPROVALS

	2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002	Total
Applications Submitted	52	51	103	79	64	53	46	53	501
Amount Requested	\$1,898,160	\$2,018,033	\$4,773,602	\$3,321,515	\$3,021,311	\$3,171,982	\$2,158,990	\$2,153,585	\$22,517,178
Applications Approved	51	51	80	78	63	43	33	36	435
Amount Offered	\$1,739,910	\$1,949,849	\$3,315,015	\$3,104,566	\$2,848,958	\$2,013,175	\$1,506,415	\$1,236,314	\$17,714,202
Amount Disbursed	\$1,321,687	\$1,990,583	\$2,827,781	\$2,316,105	\$2,331,725	\$1,311,619	\$1,038,105	\$501,276	\$13,638,881



RESIDUAL BALANCE OF FUNDING COMMITMENTS

Disbursements carried out during a financial year generally represent initial funding for projects approved during the year and final rounds of funding for projects approved in the past. Given the time required to market sound recordings, much like the approval period required by RadioStar, few projects are begun and finalized in the same financial year. This results in a residual balance of funding commitments at the end of each financial year. In 2008-2009, the fund disbursed \$1,321,687, compared with \$1,990,583 the previous year, bringing the balance of funding commitments to \$1,024,798.

DISBURSEMENTS BY EXPENSES

A review of the applicants' expense reports for projects completed in 2008-2009 shows that image production expenses continue to lead the way, totalling 19.1%, up from 15.2 % last year. Television advertising expenses once again rank second, at 15.3 % (14.5% in 2007-2008), tied however this year with live show expenses, whose 2007-2008 total was 10.7 %.

EXPENSES

	2008-2009		2007-2008	
	Amount	%	Amount	%
Image Production	\$276,367	19.1	\$381,960	15.2
Promotion	101,883	7.0	233,489	9.3
Media Relations	113,853	7.9	266,040	10.6
Radio promotions	69,004	4.8	153,985	6.2
Web	97,463	6.7	104,733	4.2
Television	222,367	15.3	362,928	14.5
Radio	115,710	8.0	188,808	7.5
POS displays	84,768	5.8	219,608	8.8
Print	95,274	6.6	206,983	8.3
Billboard	0	0	30,525	1.2
Tour support	50,258	3.5	87,867	3.5
Live shows	221,513	15.3	269,162	10.7
Total	\$1,448,460	100	\$2,506,088	100

Stéphanie Lapointe, photo credit: Jorge Camarotti



evaluation of results

SUPPORTING NEW ARTISTS

Throughout 2008-2009, the Fonds RadioStar remained true to its objective of providing priority funding to developing artists. 50% of funding approved was for first albums from Canadian francophone artists, 22% was allocated to second releases, and 18% went to third releases, for a total of 90% of monies earmarked for emerging artists. Artists having released 4 or more albums represented only 10% of approved funding, compared with 12% in 2007-2008 and 22 % in 2006-2007, the year before the major changes were introduced to the program.

NEW ARTISTS

	2008-2009			2007-2008		
	Applications Approved	Amount offered	% Amount Approved	Applications Approved	Amount offered	% Amount Approved
1 st album	25	\$875,344	50	22	\$900,818	46
2 nd album	13	387,470	22	12	449,613	23
3 th album	8	307,218	18	11	375,000	19
4 albums and above	5	169,878	10	6	224,418	12
Total	51	\$1,739,910	100	51	\$1,949,849	100

NEW ARTISTS

	2006-2007			2005-2006		
	Applications Approved	Amount offered	% Amount Approved	Applications Approved	Amount offered	% Amount Approved
1 st album	30	\$1,354,106	41	33	\$1,226,281	39
2 nd album	22	903,111	27	27	1,136,609	37
3 th album	8	340,000	10	8	327,706	11
4 albums and above	20	717,798	22	10	413,970	13
Total	80	\$3,315,015	100	78	\$3,104,566	100

REGIONAL ALLOCATIONS

In 2008-2009, five artists from French-speaking minority communities in Canada obtained funding, compared with four in 2007-2008, and five in 2006-2007 and 2005-2006. Two are from New Brunswick, two from Ontario, and one from Nova Scotia.



approved projects

Artist	Applicant	Region	\$ Amount
Alfa Rococo	Productions Alfa Rococo	Montréal	15,000
Amylie	Disques Audiogramme	Lanaudière	60,000
Arthur Marie-Pierre	Bonsound	Gaspésie	46,096
Artistes variés / Quand le country dit bonjour... vol. 2	MP3 Disques	Plusieurs régions	30,000
Artistes variés / Hommage à Ronald Bourgeois	À l'Infini Communications	Plusieurs régions	30,000
Artistes variés / AO la légende fantastique	Go Musique	Plusieurs régions	46,600
Artistes variés / Piano féminin	Disques Musicor	Plusieurs régions	30,000
Blou	À l'Infini Communications	Nouvelle-Écosse	30,000
Boucher Daniel	Gestion Son Image	Gaspésie	30,000
Caracol	Disques Indica	Québec	28,500
Caracol	Grosse Maman Productions	Québec	10,000
Cœur de pirate	Disques Dare to Care	Montréal	33,196
Dales Hawerchuk	C4 Productions	Saguenay- Lac St-Jean	29,447
Dalpe Jipé	Sphère Musique	Estrie	59,000
Dee Ale	Groupe K. Pone	Mauricie	37,669
Dufresne Diane	Productions Jean-Pier Doucet	Montréal	24,586
Durand Catherine	Tandem.mu	Montréal	50,000
Gaudet Mathieu	Disques Imaginaires	Laurentides	47,897
Gaudet Mathieu	Disques Imaginaires	Laurentides	10,000
Gratton Antoine	Sphère Musique	Montréal	60,000
Ivy	Disques Indica	France /Chaudière- Appalaches	22,000
Ivy	Productions Inty	France /Chaudière- Appalaches	10,000
Jalbert David	Productions Alain Dupuis	Montréal	60,000
Jodoin Geneviève	Disques Atlantis	Centre du Québec	50,000
Kamakazi	Slam Disques	Montréal	41,155
Kodiak	Disques Indica	Montréal et Québec	29,000
Kodiak	Mega Musique	Montréal et Québec	15,000
Koriass	Disques 7° Ciel	Laurentides	50,000
Lapointe Stéphanie	Disques Musicor	Montréal	50,000
Le Bouthillier Wilfred	Disques Musicor	Nouveau-Brunswick	30,000

Artist	Applicant	Region	\$ Amount
Léon Martin	Cie Larivée Cabot Champagne	Québec	23,765
Letarte Maryse	Disques Artic	Montréal	50,000
Lindsay Andrea	Bavota Communications	Ontario	11,000
Madame Moustache	Gestion Son Image	Plusieurs régions	43,204
Movèzerbe	District Musique	Québec	40,799
Numéro#	Saboteur Musique	Montréal	12,965
Painchaud Jonathan	Sphère Musique	Gaspésie-Îles- de-la-Madeleine	21,727
Paradis Josiane	Productions de l'Onde	Montréal	24,088
Payz Play	Disques Anubis	Montréal	10,000
Perreau Yann	Bonsound	Lanaudière	50,000
Poulin Alexandre	Prodat	Montréal	28,306
Radio Radio	Bonsound	Nouveau-Brunswick	52,459
Sbrocca Christian	EDC Musique	Montréal	50,000
Sens	Productions SimonSays	Montréal, Laurentides et Lanaudière	58,941
Sir Pathétik	High Life Music	Mauricie	35,292
Swing	Swing	Ontario	60,000
Taktika	Explicit Productions	Chaudière- Appalaches	14,000
Taktika	Jo Fresh Productions	Chaudière- Appalaches	8,953
Thalie Lynda	Disques Musicor	Algérie / Montréal	34,265
Villeneuve Annie	Entourage Musique	Saguenay- Lac St-Jean	30,000
Villeneuve Suzie	EDC Musique	Saguenay- Lac St-Jean	15,000

\$1,739,910



Artistes variés, *Quand le country dit bonjour... vol. 2* (detail)

funding by music category

Alternative

Used here in the sense of an emerging genre

Country

Genre that groups together country and western music styles

Contemporary Folk

Musical genre covering the full range of new trends in folk music

Hip Hop

Musical genre derived from new music trends that include rap and hip hop

Children's

Musical genre mostly geared toward kids

Urban

Musical genre derived from new music trends namely rooted in techno, house/ dance, drum'n bass, jungle, tribal, ambient/trance/chill, trip hop, acid jazz and all electronica related genres

Worldbeat

Musical genre that groups together styles derived from, but not limited to, South America, Central America, Asia, Africa, the Middle East and Caribbean as well as aboriginal music

Pop rock

Musical genre that covers a wide range of styles, including acoustic rock, contemporary folk and folk rock

Pop

Over and above vocal performances, mainstream musical genre that covers easy listening to adult pop

Rock

Musical genre that covers music with a heavier, more accentuated beat

Traditional

Musical genre that houses roots music



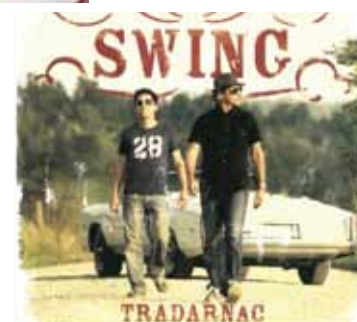
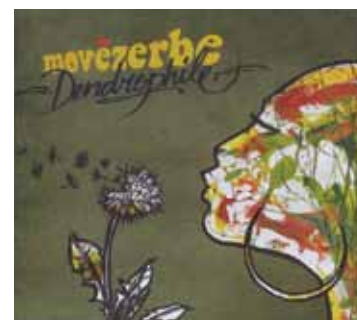
Annie Villeneuve, photo credit: Michel Cloutier



The year 2008-2009 saw a sharp increase in approved applications in the contemporary folk category, which ranked third with 9 applications, up from only 1 in 2007-2008. Pop rock led the way with 13 applications, compared with 23 last year, followed by hip hop with 10 applications, 4 more than in 2007-2008.

As for the allocation of funding, pop rock was first again, accounting for 23.7% of approved funding, followed by contemporary folk at 20.4%. Hip hop ranked third, accounting for 14.5% of funding, virtually the same as the 14.7% it recorded in 2007-2008. Hip hop accounted for 6.1% of funding in 2006-2007, and less than 2% until 2005-2006. Funding levels for pop rock and alternative music were also similar to last year's.

Year after year, the funding continues to reflect the growing diversity of the music industry.



FUNDING BY MUSIC CATEGORY

	2008-2009					2007-2008				
	Applications Submitted	Amount Requested	Applications Approved	Amount Offered	As a %	Applications Submitted	Amount Requested	Applications Approved	Amount Offered	As a %
Alternative	4	\$121,447	4	\$121,447	7.0	3	\$131,310	3	\$126,990	6.5
Country	2	77,369	2	73,204	4.2	2	72,373	2	72,373	3.7
Contemporary Folk	9	404,797	9	354,596	20.4	1	31,897	1	29,087	1.5
Hip Hop	10	277,909	9	252,373	14.5	6	288,513	6	287,278	14.7
Jazz	0	0	0	0	0.0	0	0	0	0	0.0
Children's	0	0	0	0	0.0	2	85,268	2	80,000	4.1
Worldbeat	2	80,865	2	80,865	4.6	1	27,009	1	21,247	1.1
Urban	2	56,815	2	53,764	3.1	2	33,591	2	28,442	1.5
Pop rock	7	233,146	7	231,930	13.3	8	269,379	8	265,000	13.6
Pop	13	474,369	13	411,635	23.7	23	949,050	23	924,022	47.4
Rock	2	101,443	2	100,096	5.8	2	69,643	2	55,410	2.8
Traditional	1	70,000	1	60,000	3.4	1	60,000	1	60,000	3.1
TOTAL	52	\$1,898,160	51	\$1,739,910	100	51	\$2,018,033	51	\$1,949,849	100

20 awards at ADISQ gala

Wilfred Le Bouthillier, photo credit: Julien Faugère

success stories



The Fonds RadioStar funded many 2008-2009 ADISQ award winning projects.

ARTIST	AWARDS
Alfa Rococo	Album of the Year – Pop Best new artist
Artistes variés / Duos Dubois	Album of the Year – Best selling Album
Artistes variés / Quand le country dit bonjour . . . Volume 2	Album of the Year – Country
Bélanger Daniel	Live Show of the Year – Singer-Songwriter Show Director of the Year
Isabelle Boulay	Female Performer of the Year Live Show of the Year – Performer Most Successful Québec Artist Outside Québec
Cowboys Fringants	Album of the year – Contemporary Folk
Gatineau	Album of the Year – Hip-Hop
Karkwa	Songwriter of the Year Musical Group of the Year Album of the Year – Alternative Music Video of the Year – Échapper au sort
Major Catherine	Album Producer of the Year
Marie-Mai	Album of the year – Rock
Moffatt Ariane	Album of the Year – Pop rock Song of the Year – Je veux tout Music Arranger of the Year



Amylie, photo credit: Roger Proulx



certifications

CD CERTIFICATIONS

Artist	Album	Certification	Year
Artistes variés	Quand le country dit bonjour	Gold	2006
Artistes variés	Duos Dubois	Double Platinum	2007
Bédar Dany	Fruits de ma récente nuit blanche	Platinum	2004
Bédar Dany	Écoute-moi donc	Platinum	2005
Bélanger Daniel	L'échec du matériel	Gold	2007
Boulay Isabelle	De retour à la source	Platinum	2007
Chicane	Ent'nous autres	Gold	2003
Cœur de pirate	Cœur de pirate	Gold	2009
Corneille	Parce qu'on vient de loin	Platinum	2005
Cowboys Fringants	La Grand-Messe	Double Platinum	2006
Desjardins Boom	Boom Desjardins	Gold	2004
Dobacaracol	Soley	Gold	2006
Don Juan	Don Juan	Double Platinum	2004
Dumas	Le cours des jours	Gold	2006
Kaïn	Nulle part ailleurs	Platinum	2006
Kaïn	Les saisons s'tassent	Gold	2008
Lapointe Éric	Coupable	Platinum	2004
Lapointe Pierre	Pierre Lapointe	Platinum	2006
Lapointe Pierre	La forêt des mal-aimés	Platinum	2006
Le Bouthillier Wilfred	Wilfred Le Bouthillier	Double Platinum	2004
Loco Locass	Amour oral	Gold	2005
Marie-Mai	Dangereuse attraction	Gold	2008
Marie-Mai	Inoxydable	Gold	2005
Mes Aïeux	En famille	Double Platinum	2006
Mix Mania	Mix Mania	Double Platinum	2003
Moffatt Ariane	Aquanaute	Platinum	2005
Moffatt Ariane	Tous les sens	Gold	2008
Pelchat Mario	Noël avec Jireh Gospel	Gold	2004
Quilico Gino	Noël	Gold	2003
Shock Stefie	Le décor	Gold	2004
Thibert Marie-Élaine	Marie-Élaine Thibert	Triple Platinum	2005
Thibert Marie-Élaine	Comme ça	Platinum	2007
Toupin Marie-Chantal	Maudit bordel	Platinum	2004
Toupin Marie-Chantal	Non négociable	Platinum	2006
Trois Accords	Gros mammoth album trio	Platinum	2004
Trois Accords	Grand champion international de course	Gold	2007
Villeneuve Annie	Quand je ferme les yeux	Platinum	2005
Villeneuve Annie	Annie Villeneuve	Gold	2009

DVD CERTIFICATIONS

Artist	Album	Certification	Year
Respectables	Live au Centre Bell	Gold	2007
Marie-Mai	La tournée	Gold	2008

Since the inception of the Fonds RadioStar program, some artists have also been certified by the Canadian Recording Industry Association, for début albums in many cases.



CERTIFICATIONS

	CD	CD*	DVD	Song**
Gold	50,000	40,000	5,000	20,000
Platinum	100,000	80,000	10,000	40,000
Double Platinum	200,000	160,000	20,000	80,000
Triple Platinum	300,000	240,000	30,000	120,000
Diamond	1,000,000	800,000	100,000	400,000

* Marketed after May 1, 2008

** Downloaded song



Kaïn, photo credit: Marcelo Troche



financial statements 2008-2009

auditor's report

To the directors of
Fonds RadioStar

I have audited the balance sheets of Fonds RadioStar as at August 31, 2009 and 2008, as well as the statements of earnings and changes in net assets and statements of cash flow for the years then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion concerning these financial statements based on my audit.

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

In my opinion, these financial statements present the financial position of the Organization as at August 31, 2009 and 2008 and the results of its operations and cash flow for the years then ended fairly in all material respects, in accordance with Canadian generally accepted accounting principles.



Denis Thérien, CA auditor

September 17, 2009



statements of earnings and changes in net assets



FOR THE YEARS ENDED AUGUST 31	2009	2008
REVENUE		
Contributions from radio broadcasters	\$ 3,259,525	\$ 2,743,551
Management fees – CAB	(14,175)	(21,000)
	3,245,350	2,722,551
Interest	201,538	231,590
	3,446,888	2,954,141
EXPENDITURES		
Salaries and benefits	104,329	139,199
Legal and management fees	1,203	4,156
Professional fees	8,273	6,358
Rent and other charges	39,506	39,506
Communications	38,588	40,337
Insurance	2,540	2,543
Meeting expenses	644	1,695
	195,083	233,794
SURPLUS AVAILABLE FOR ASSISTANCE CONTRIBUTIONS	3,251,805	2,720,347
Assistance contributions	1,321,687	1,990,583
EXCESS OF REVENUE OVER EXPENDITURES	1,930,118	729,764
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	4,782,915	4,053,151
UNRESTRICTED NET ASSETS, END OF YEAR	\$ 6,713,033	\$ 4,782,915

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

balance sheets



AS AT AUGUST 31	2009	2008
ASSETS		
CURRENT		
Cash	\$ 83,126	\$ 776,600
Demand deposit, 2.95% and 2.23% maturing September 12, 2009 and December 9, 2009	1,600,000	4,000,000
Term deposit, 2.5%, maturing December 9, 2009	1,000,000	
Accounts receivable (Note 5)	75,367	29,791
Prepaid expenses	1,681	1,592
	2,760,174	4,807,983
LONG-TERM INVESTMENT		
Term deposit, 1.77%, maturing June 26, 2011 redeemable without penalty as from June 26, 2010	4,000,000	
	\$ 6,760,174	\$ 4,807,983
LIABILITIES		
CURRENT		
Accrued liabilities	\$ 47,141	\$ 25,068
NET ASSETS		
Unrestricted net assets	6,713,033	4,782,915
	\$ 6,760,174	\$ 4,807,983

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

APPROVED ON BEHALF OF THE BOARD

Luc Piette
President

Stéphanie Moffatt
Treasurer



statements of cash flow



FOR THE YEARS ENDED AUGUST 31	2009	2008
OPERATING ACTIVITIES		
Contributions received from radio broadcasters	\$ 3,245,350	\$ 2,722,551
Interest received	151,962	238,803
	3,397,312	2,961,354
Assistance contributions paid	(1,317,687)	(1,988,218)
Purchase of goods and services paid	(73,867)	(80,358)
Employee salaries paid	(99,232)	(140,233)
	(1,490,786)	(2,208,809)
	1,906,526	752,545
INVESTMENT		
Term Deposits	(5,000,000)	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,093,474)	752,545
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,776,600	4,024,055
CASH AND CASH EQUIVALENTS, END OF YEAR (Note 6)	\$ 1,683,126	\$ 4,776,600

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

Notes accompanying the financial statements

FOR THE YEARS ENDED AUGUST 31, 2009 AND 2008

1. STATUTES AND PURPOSE OF THE ORGANIZATION

Fonds RadioStar was incorporated on February 16, 2001 pursuant to Part II of the Canada Business Corporations Act.

The primary mandate of Fonds RadioStar, which is a non-profit organization, is to assist promising emerging talent by providing significant financial support for projects involving the promotion of recording companies that are likely to have a considerable impact on the careers of French-Canadian artists. The support that the Organization provides is complementary to existing assistance programs, and adds momentum to marketing efforts. Fonds RadioStar pays non-refundable contributions to eligible recording companies.

2. FINANCING OF THE ORGANIZATION

Fonds RadioStar products are generated by financial contributions from broadcast companies to the Canadian Association of Broadcasters (CAB).

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are presented in accordance with Canadian generally accepted accounting principles and the following significant policies:

Recognition of Revenue

Fonds RadioStar uses the deferral method for recording its contributions. Contributions to Fonds RadioStar and its Anglophone counterpart, Radio Starmaker Fund, originate from financial contributions that are required of broadcast companies by the Canadian Radio-television and Telecommunications Commission (CRTC) in connection with transactions involving the acquisition of broadcast companies. A minimum of 3% of these transactions must be paid to the two new Canadian music marketing funds.

Generally speaking, for transactions involving Francophone stations, 80% of the 3% is paid to Fonds RadioStar; and for transactions involving Anglophone stations, 20% of the 3% is paid to Fonds RadioStar. The Canadian Association of Broadcasters (CAB) collects 3% of the value of the transactions, which it redistributes to the two funds in accordance with the payment terms that are approved by the CRTC. These financial contributions are reported using a cash-based accounting system.

Income Taxes

Pursuant to the Income Tax Acts of Canada and Quebec, Fonds RadioStar is classified as a non-profit organization, and therefore, is not subject to income tax.

Contributed Services

Members of the Organization's Board of Directors attend Board meetings without monetary compensation. The value of the time donated by these individuals is not recorded in the financial statements, because it would be difficult to measure its fair market value.

Cash and cash equivalents

For cash flow purposes, cash and cash equivalents include cash and cash equivalents that are not restricted as to their use. Cash includes cash. Cash equivalents include term or demand deposits investments that are held for short-term cash requirements, but not those that are held for investment purposes. More precisely, they include investments for which the value will not change significantly and for which the maturity does not exceed three months from the date of acquisition.

Use of estimates

The preparation of the financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates and assumptions.



Notes accompanying the financial statements

FOR THE YEARS ENDED AUGUST 31, 2009 AND 2008

4. AMENDMENTS MADE TO THE APPLICATION OF ACCOUNTING CONVENTIONS

Effective September 1, 2008, the organization adopted the new recommendations of the Canadian Institute of Chartered Accountants with respect to Chapter 1535 regarding the disclosure of information relating to capital, Chapter 3855, Financial Instruments – accounting and evaluation, and Chapter 3861, Financial Instruments – information to disclose and presentation.

Information to disclose with respect to capital

With respect to its capital management, the organization's objective is to preserve its ability to pursue operations so as to continue to fulfil its purpose as described in Note 1 in keeping with its financial resources, and to use its residual balance for commitments and make assistance contributions for new projects that are submitted.

Under the terms of external rules, the organization is not subject to requirements concerning its capital.

Financial instruments

Subsequent to the adoption of these new standards, the organization classified nearly all of its short-term assets and liabilities as assets and liabilities held for transaction purposes, and bank deposits and investments held until maturity. These changes had no effect on the organization's financial statements.

5. ACCOUNTS RECEIVABLE

	2009	2008
Applicant – assistance contributions	\$ 1,000	\$ 5,000
Accrued interest	74,367	24,791
	\$ 75,367	\$ 29,791

6. CASH AND CASH EQUIVALENTS AT END OF YEAR

	2009	2008
Cash	\$ 83,126	\$ 776,600
Demand deposit	1,600,000	4,000,000
	\$ 1,683,126	\$ 4,776,600

7. RELATED PARTY TRANSACTIONS

The organization carried out the following operations with related parties:

	2009	2008
Contribution from radio broadcasters	\$ 2,306,768	\$ 2,184,321
Assistance contributions	\$ 57,500	\$ 3,044

The parties are related due to the fact that their representatives are directors of the Organization. These related companies satisfy all of the criteria established by the Organization, and as such, they do not benefit from any particular statute or privilege over another through their representation on the Board of Directors.

Management declares that these transactions were executed under the same terms as transactions with non-related parties.

8. COMMITMENTS

Contributions

Fonds RadioStar is contractually committed to advance contributions totalling \$ 1,024,798 (2008: \$ 1,043,082). Of this amount, \$ 57,500 (2008: \$ 19,854) represents commitments to related companies.

9. FINANCIAL INSTRUMENTS

Fair value

The carrying amount of financial instruments is equivalent to their fair value because of their short-term nature.

Risks

Based on the financial instruments it holds, the organization does not anticipate incurring any risks related to market, credit, illiquidity, or cashflow.

10. CONTRIBUTIONS FROM RADIO BROADCASTERS

As at August 31, 2009, radio broadcasters must pay the organization contributions totalling \$ 2,577,889 in compliance with the conditions imposed on them by the Canadian Radio-Television and Telecommunications Commission (CRTC).

