GROUPE MÉDIA TFO

2012-2013 ANNUAL REPORT

2012-2013 ANNUAL REPORT

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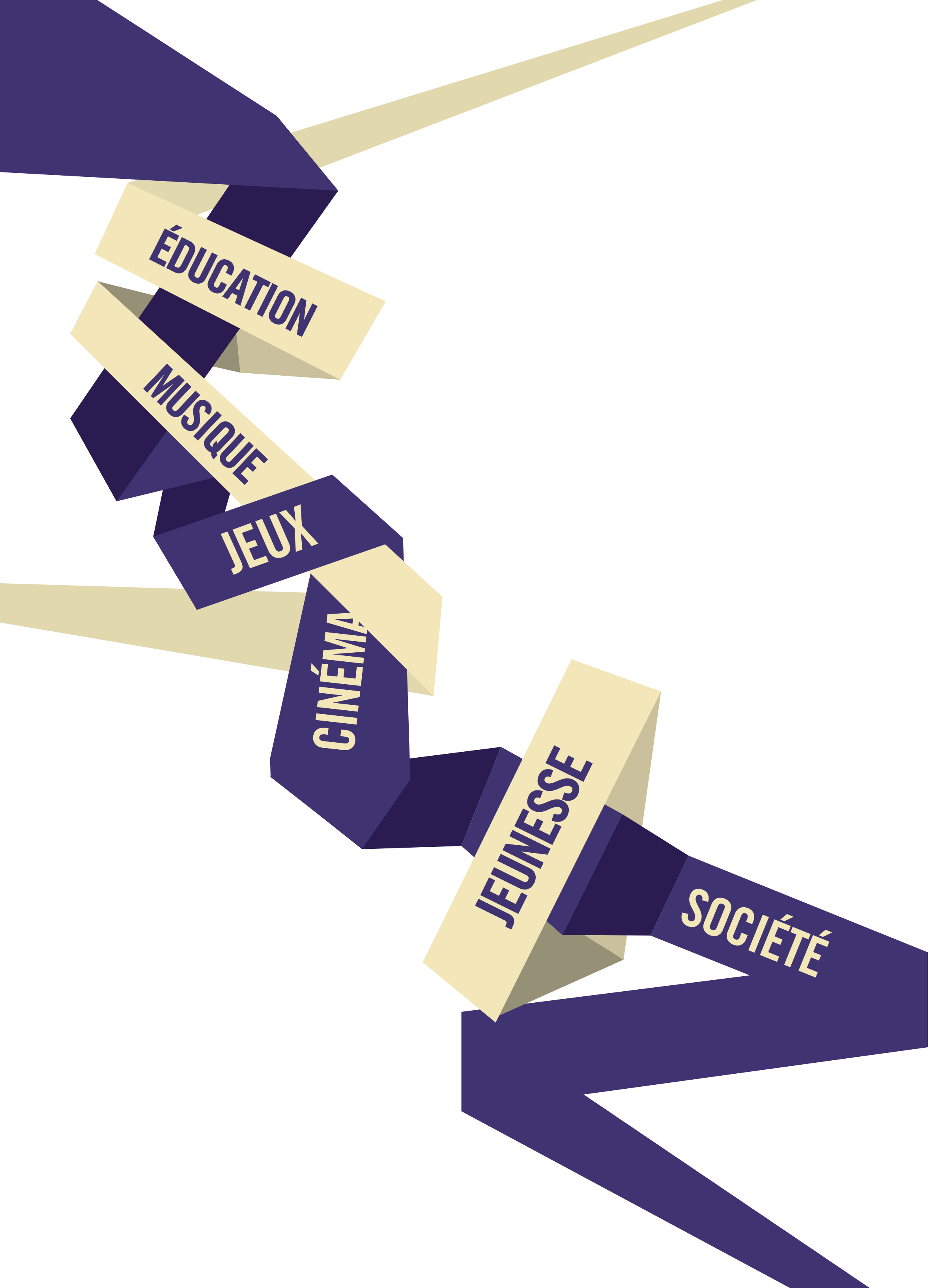
TORONTO ON M4Y 2M5
CANADA

TFO.ORG



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A MESSAGE
FROM THE CHAIR
OF THE BOARD

LEADER IN DIGITAL EDUCATIONAL CONTENT

I am pleased to present, on behalf of the Board of Directors, Groupe Média TFO's 2012-2013 Annual Report.

This was a watershed year for Groupe Média TFO's drive to assert its leadership in the production and distribution of French-language educational content. To sum up 2012-2013 in a few words, it was a year of dialogue with Francophone communities.

In an environment characterized by increasing competition and ever-more-abundant content, Groupe Média TFO continued its growth and development in 2012-2013 and scored a series of unprecedented successes, not the least of which was increased audience engagement. Our growth demonstrates the enthusiastic support of Franco-Ontarian communities for a modern, dynamic, forward-looking conception of the French fact.

Our expertise is winning accolades. For example, www.appolearning.com, the most useful search engine for educational apps and games according to the New York Times, has ranked two Groupe Média TFO apps – the Mini TFO and La Cible apps – among the top five French-language apps in their category in the world. They were the only Canadian apps to make either list. With this distinction and others, TFO joins the ranks of the world leaders in educational software.

TFO's success would not have been possible without the support of the Ministry of Education and the engagement of all our on-air and off-air staff. I would also like to express my gratitude to my colleagues on the Board of Directors for their dynamism, their ideas and their attachment to the Francophone community. I welcome Carole Myre, Lucie Moncion and Paul Lefebvre, who joined the Board during the year, to the team and I extend heartfelt thanks to Paul Lalonde, Janine Griffore, Léonie Tchatat and Diane Desaulniers, whose terms expire during 2013, for their dedication.

We are committed to pursuing our mission of reaching more and more Francophones while continuing to proudly uphold our educational and cultural values by offering audiences unique, original content.

Gisèle Chrétien

Gisèle Chrétien

A MESSAGE FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

GROUPE MÉDIA TFO MAKES ITS MARK IN THE DIGITAL AGE

In 2012-2013, Groupe Média TFO expanded its foot print in the digital media marketplace and confirmed its position as a leading producer and distributor of French-language digital educational content.

Since joining TFO in September 2010, I have visited numerous communities all around Ontario, meeting and talking with many proud Francophones. These meetings with community leaders, educators, parents and numerous elected officials provided the opportunity to explain TFO's repositioning strategy and listen attentively to their views. From these discussions, ICI TFO recently renamed TFO 24.7, was born.

We have also focused on other key content initiatives with particular emphasis on enhancing our Mini TFO educational programming for preschoolers. As a result, the Mini TFO channel on YouTube hit the 1 million views mark on December 25, 2012 and continues to attract more and more viewers every week. This is a remarkable achievement that confirms the relevance and appeal of our preschooler content. To provide increased access, our Mini TFO content is now available, through a new partnership with the National Film Board (NFB). Moreover, two of our educational applications were ranked among the top five in the world by *appolearning.com*, the most useful search engine for educational apps and games, according to the *New York Times*.

Seeking to offer attractive content to adolescents and teenagers, we developed and launched BRBR, our new platform dedicated to French-Canadian emerging music. BRBR transformed the music media landscape and won industry acclaim, only months after it was launched. Émilie Côté of *La Presse* wrote in November 2012: "BRBR has filled a gaping void in television coverage of emerging music." BRBR was also one of the programs responsible for TFO's record total of 22 nominations at the 2013 Prix Gémeaux (the French-language Gemini Awards).

The women and men who work at Groupe Média TFO have done a remarkably effective work to position the organization as a leader in the production and distribution of digital educational and youth content in French. In 2012-2013, our efforts were rewarded by the growing engagement of our audiences and by the industry's recognition of the quality of our work. So it is with great enthusiasm that I invite you to read this report on what we have achieved in 2012-2013.

Glenn O'Farrell

WHO WE ARE

Groupe Média TFO produces and distributes quality French-language educational and cultural media content and makes this content available on multiple media platforms. TFO thus contributes to the civic and cultural development of Ontario's Francophone community.

OUR VISION

TFO is recognized as an indispensable institution for the Franco-Ontarian community.

OUR MISSION

TFO stimulates French life in Ontario and elsewhere by providing high-quality educational and cultural multimedia content and services.

OUR ORGANIZATIONAL VALUES

- Respect
- Teamwork
- Creativity and initiative
- Professionalism
- At the service of Francophone communities in Ontario

OUR STRATEGIC OBJECTIVES

Be recognized as the most important producer and distributor of media content in French Ontario's educational and cultural communities.

Deliver products and services that match the expectations of our target audiences.

Deliver products and services that meet the expectations of our target audiences.

Play a key role in the sustainable development of French Ontario's human and economic resources.

Maximize TFO's operational efficiency and ensure its financial viability.

BOARD
OF DIRECTORS

GISÈLE CHRÉTIEN
Chair (Hanmer)
Member since April 1, 2007.
Term ends on July 24, 2014.
* 1-C, 2-M, 3-M

PAUL LALONDE
Vice Chair (Toronto)
Member since April 1, 2007.
Term ends on July 24, 2013.
* 2-C, 1-M

JACQUES SCHRYBURT
Director (Orléans)
Member since August 10, 2010.
Term ends on June 30, 2013.
* 3-C, 1-M, 2-M

JANINE GRIFFORE
Director (Chatham)
Member from June 13, 2007
to November 23, 2012.
* 2-M

LÉONIE TCHATAT
Director (Mississauga)
Member since June 13, 2007.
Term ends on July 24, 2013.

DIANE DESAULNIERS
Director (Ottawa)
Member since April 1, 2007.
Term ends on July 24, 2013.
* 3-M

LUCIE MONCION
Director (North Bay)
Member since April 18, 2012.
Term ends on April 17, 2015.
* 3-M

CAROLE MYRE
Director (Embrun)
Member since April 18, 2012.
Term ends on April 17, 2015.
* 2-M

PAUL LEFEBVRE
Director (Sudbury)
Member since May 2, 2012.
Term ends on May 1, 2015.
* 2-M

ISABELLE PAQUET
Secretary of Board of Directors

* Board of Directors Committees
1. Executive Committee 2. Finance and Performance Committee
3. Audit Committee M Committee Member C Committee Chair

The total compensation paid to the members of the Board of Directors (including the Chair) in fiscal 2012-2013 was $14,437.50, which is the amount recommended by the Lieutenant Governor in Council.

GROUPE MÉDIA TFO
ORGANIZATION CHART

President and Chief Executive Officer
GLENN O'FARRELL

Vice President and Chief Operating Officer
CHRISTIANE SCHER
- Human resources
- Television technical production
- Administrative services

Senior Director, Web/TV Content
OPEN*
- In-house productions
- Interactive media content
- Interactive media technical production
- Pre-buys and acquisitions, children's programming
- Special projects

Chief Marketing Officer
PASCAL ARSENEAU
- Marketing
- Communications
- Educational services
- Business development

Chief Technology Officer/Chief Information Officer
ÉRIC MINOLI
- Technical facilities
- Information systems
- Technical projects

Chief Financial Officer
JOHANNE JOLY (LISA LARSEN, acting)
- Legal Affairs
- Payroll
- Finance

* As of March 31, 2013

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TFO CONTENT:
COMPELLING AND RELEVANT

In 2012-2013, Groupe Média TFO reorganized its programming into three distinct but complementary categories: Youth/Education, Culture and Society. This restructuring enabled TFO to focus its editorial approach on the needs of its key audiences: children seeking educational content that is fun and of high quality, and adults, whose interests lean towards Culture and Society.

Also during the year, a number of new in-house productions were launched: BRBR (TFO's flagship music program), Carte de visite and ICI TFO.

Audiences also noticed the growing prominence of music in TFO's programming. The launch of new musical programming during the year reflects TFO's understanding of the vital role of music as a learning tool for children and also as a vehicle of cultural expression and identity. In keeping with its educational and cultural mission, TFO offers audiences rich musical content on a variety of platforms to address its clients' wide-ranging interests.

Over the year 2012-2013, TFO increased its market presence by emphasizing the importance of offering Ontario Francophones and Francophiles high-quality content that adopts a varied approach and meets the needs of a variety of audiences. Groupe Média TFO continues its shift toward developing and distributing content that is no longer confined to the television screen, but instead uses digital media and the Internet to reach French-speaking and non-French speaking audiences across geographic and linguistic boundaries.

FOR THE LITTLE ONES

Mini TFO is an interactive kindergarten for children aged 2 to 6. It provides an educational environment in which children can have fun and learn through games and various types of playful and educational exploration, guided by their favourite hosts, Josée and Louis.

Mini TFO exceeded its targets during the year, registering spectacular results on social media. **Mini TFO**'s exponential growth was driven by TFO's strategic focus on providing a single, reliable destination where parents can find online content for their children. TFO is committed to offering content that matches children's viewing habits: children are quickly adopting mobile technology to play games, watch television shows, read books, listen to music and interact with their favourite stars.

OFF-THE-CHARTS GROWTH

TFO.ORG/MINI

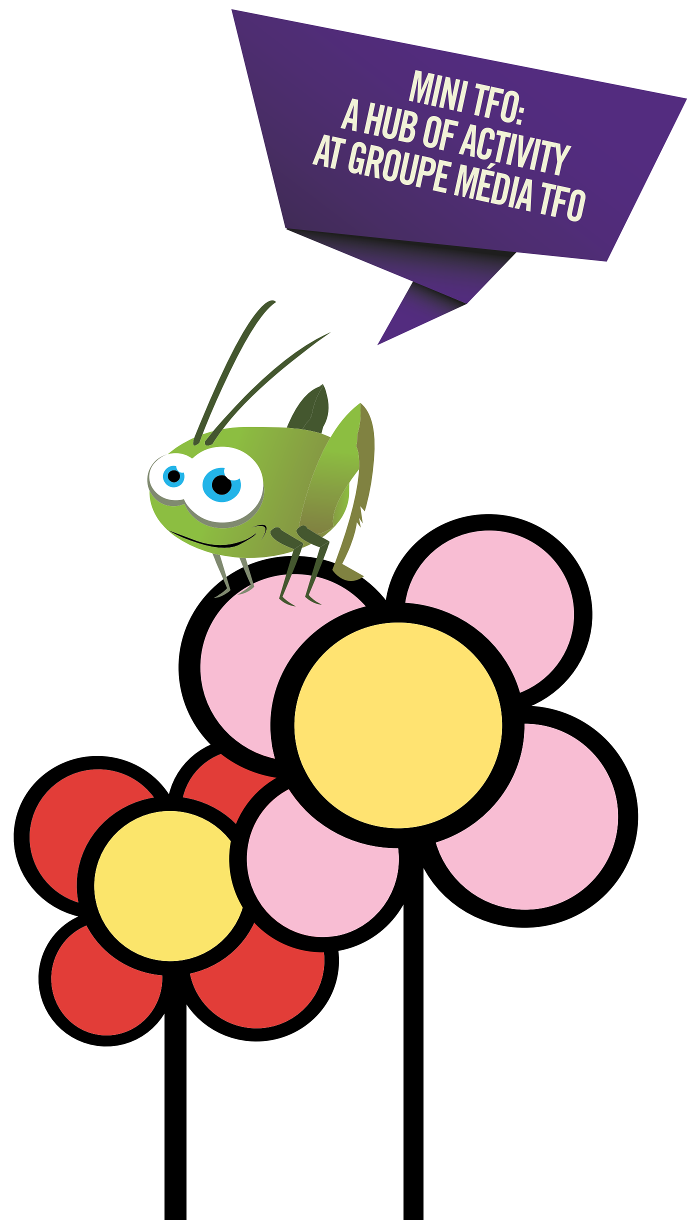
800,000 VISITS **2012-2013**

68,000 VISITS PER MONTH

youtube.com/MINI

1,352,021 VIEWS IN **2012-2013**

167% INCREASE FROM 2011-2012



MINI TFO APPS

Children can find a series of programming-related videos and contests on the tfo.org/minitfo web site, play games and engage in a wide variety of activities involving observation, creativity, music and more.

In view of the growing popularity of **Mini TFO** products, TFO concentrated its efforts on developing and producing an app that provides children with an immersive, interactive experience in the enchanted world of **Mini TFO.**

The popularity of the **Mini TFO** app is due to the way it combines videos for preschoolers with simple games, such as colouring pages and puzzles, all with a French interface. It also helps give children a head start on bilingualism.

www.appolearning.com, the most useful search engine for educational apps and games according to the New York Times, has ranked two Groupe Média TFO apps, including the Mini TFO app, among the top five in the world.

“TFO owes its position in the digital education landscape to the hard work of its creative teams, who have forged a brand image for TFO that sets it apart from the crowd and have endowed it with a unique personality in a fiercely competitive market,” says Glenn O’Farrell, President and Chief Executive Officer of Groupe Média TFO.

MINI TFO AND MUSIC

Almost 30 short musical videos were created during the year. Josée and Louis were joined by well-known guests such as soprano Natalie Choquette. Big names in Franco-Canadian music, including Tricia Foster, Gabrielle Goulet, Amélie et les Singes Bleus, JAM, Swing and Les Chiclettes, dropped by to accompany Josée and Louis.

Nearly 20 clips featuring Djennie Laguerre, better known by her stage name “Madame Bonheur,” were also produced. She will join Josée and Louis for the 2013 season.

MINI TFO ON THE NFB WEB SITE

Content from Mini TFO is now available on the National Film Board (NFB) web site at onf.ca/chaines/mini_tfo.

The creation of this showcase for Mini TFO cross-media productions cements the partnership between Groupe Média TFO and the NFB and helps bring high-quality products to both organizations’ Francophone audiences.

MINI TFO HITS THE ROAD

In December 2012, Mini TFO brought a few moments of magic and humour to children at three Ontario hospitals when beloved children’s performers Louis and Josée presented a pre-Christmas show at Health Sciences North in Sudbury, Sick Kids in Toronto and the North York General Hospital.

FIRST MINI TFO EARLY CHILDHOOD EDUCATION CENTRE OPENS AT COLLÈGE BORÉAL’S TORONTO CAMPUS

A partnership between Collège Boréal and TFO led to the creation of the first Mini TFO laboratory and training centre for students in the Early Childhood Education program.

YOUTH/EDUCATION

CHILDREN'S PROGRAMS

At **Mégallô**, TFO's live show for children aged 9 to 12, the notable events of the year included the arrival of three new hosts, Alexandre, Alexandra and Delphine. They imbued the program with a new spirit, pursuing its educational mission through sketches and blogs. Music also played an important role in **Mégallô**'s approach; studio guests included the Brothers Dubé and the headliner Simple Plan.

In a major change, **Mégallô** is being renamed **FLIP TFO** as of September 2013. The new show for the 9-12 age group promises an entertaining interactive experience for pre-teen Francophones and Francophiles in Ontario. In addition to airing on TFO, it will be available on computer, tablet and smartphone.

TFO's unique programming for children continued to delight young audiences this year. **Devine qui vient jouer?** and **1, 2, 3 Géant!** were among the most popular shows for young children. **Là est la question!**, **JAM**, **Au défi** and **Motel Monstre** had strong followings among children aged 6 to 9.

DOWNLOADS

	2012-2013	Cumulative*
MINI TFO	20,599	33,320
DEVINE QUI VIENT JOUER	10,452	16,021
MOTEL MONSTRE	400	400
ANIMÉLO	2,410	3,737
LA CIBLE	549	940
LÀ EST LE JEU	619	619
TOTAL	**35,029**	**55,037**

*Since the launch of the app (March 31, 2013)

Motel Monstre
Prix Gémeaux nominee, 2013

TFO INSIDE AND OUTSIDE THE CLASSROOM

NEW TFO EDUCATION PLATFORM

TFO Education, the Groupe Média TFO franchise that is known for the French-language educational content that it provides to Francophone school boardsthroughout Ontario, , saw dramatic changes during 2012-2013.

The highlight of the year was the launch of the new TFO Education web site, which allows for greater flexibility in the use of materials, including content-sharing, customization, an improved search engine and access to rich educational content.

The new TFO Education platform lets teachers and students access educational resources at all times. Teachers can now prepare their lessons using a single tool: TFO Education.

TFO Education boasts a database of more than 4,000 video and multimedia titles for preschool to Grade 12. Teachers can also save all the class preparation resources that they have accumulated to their user accounts, while students can use the available materials for their assignments.

Education must adapt to the digital age in order to meet the needs of teachers and students. In line with this priority, TFO Education has strengthened its relations with the educational community, including Collège Boréal, Canadian Parents for French and the Association canadienne d'éducation de langue française (ACELF).

TFO.ORG/EDUCATION

REVAMPED, RETOOLED

1,084

USER ACCOUNTS

280,000 visits

Approximately **30,000 visits/month** during the school year

@TFOEDUCATION

1,000 FOLLOWERS

All figures as of March 31, 2013

TFO Education Forum: Patriotes Children's Choir

COLLÈGE BORÉAL AND TFO EDUCATION: PROMOTING KNOWLEDGE CONVERGENCE

As a producer of educational resources, Groupe Média TFO has reached out and established its first partnership with the post-secondary educational community with the post-secondary educational community to help make TFO Education resources available to teachers and students. The students will have access to the educational materials used in classrooms. This leading-edge approach supports knowledge-sharing by building bridges between post-secondary students and their future workplaces.

As a result of this partnership, students in the Early Childhood Education program at Collège Boréal's Toronto campus will be able to access TFO educational resources directly at any time via the tfo.org/mini and tfo.org/education web sites.

In Fall 2013, these students will also receive training in the use of TFO educational resources in the classroom. Says Glenn O'Farrell, President and Chief Executive Officer of Groupe Média TFO, "This unique teaching approach grew out of our collaboration with Collège Boréal, aimed at providing students with a stimulating, enriching learning environment.

Denis Hubert-Dutrisac, President of Collège Boréal, adds, "Thanks to the innovative approach taken by this new project we have launched with our partner, Groupe Média TFO, our students will be at the cutting edge of educational technology and will be fully equipped to support the development and enrichment of future generations."

TFO Education continued working with the Manitoba Department of Education to encourage the province's French-language school boards to use the TFO Education platform and its resources.

As part of its effort to introduce new technology into the classroom, the Conseil scolaire francophone de la Colombie-Britannique joined forces with TFO Education by facilitating access to Groupe Média TFO apps on the tablets distributed to students.

TFO EDUCATION'S CONTRIBUTION TO RESEARCH AND KNOWLEDGE

In February 2012, TFO Education held its first education forum, Forum TFO Éducation. The event brought together all of TFO Education's partners. Education stakeholders discussed new teaching applications made possible by technological platforms.

The launch of TFO Education's new interactive, accessible platform, which is aligned with current school system needs, was the starting point for the Forum and provided its theme: learning outside the classroom. "Seeing education leaders gather to passionately discuss their initiatives was very stimulating for us," said Julie Caron, Manager, Educational Services, Groupe Média TFO. "The idea behind the TFO education forum was to offer participants a program of discussion and discovery."

TFO AWARD FOR MULTIMEDIA IN FRENCH-LANGUAGE SCHOOLS: RECOGNIZING EXCELLENCE

For the second year in a row, TFO Education presented the TFO Award for Multimedia in French-language Schools to a teacher who demonstrated excellence in pedagogy during the year. The award recognizes teachers who make outstanding use of innovative educational methods to stimulate student learning.

"The TFO Education award pays tribute to teachers who make a difference in their students' lives through original teaching practices," said Julie Caron, Manager, Educational Services, Groupe Média TFO.

On September 25, 2012, the TFO Award for Multimedia in French-language Schools was presented to Jason Lemieux, 33, a teacher at École élémentaire catholique St-Paul (Conseil scolaire de district catholique de l'Est ontarien) in Plantagenet, Ontario. Jason teaches French, math and social skills in social adjustment classes for students in grades 1 through 6. He has turned his interest in technology into a source of inspiration in the classroom. Technology is increasingly ubiquitous in school; in Jason's class, it is celebrated and rewarded.

BRBR
Prix Gémeaux nominee, 2013

BRBR: EXPOSURE FOR NEW MUSIC

"BRBR fills a television void when it comes to emerging music."
Émilie Côté, *La Presse*

The arrival of **BRBR** (pronounced barbar) on the Francophone scene meets a real market need by providing a showcase for emerging Franco-Ontarian and Franco-Canadian artists.

The concept is simple: a rich, interactive cross-media platform that brings Canadian independent music to the public.

BRBR is broadcast on the web, YouTube and television. It features interviews, columns and reviews. **BRBR** also has an active presence on social media.

L'ESSENTIEL
DE LA MUSIQUE INDIE
FRANCO-CANADIENNE

TFO.ORG/BRBR
30,000 VIEWS IN 6 MONTHS

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youtube.com/BRBRTFO
152,724 VIEWS

---

facebook.com/BRBRTFO
2,000

Figures as of March 31, 2013

MUSICIANS FLOCK TO BRBR

In its first season, **BRBR** met more than 150 artists and taped more than 175 performances. The new show made an immediate impact, and its presence on social media is growing exponentially.

BRBR: THE TRENDY NEW FACE OF EMERGING FRANCO-CANADIAN MUSIC

After just one season, **BRBR** has already made a name for itself in the music industry and made its presence felt at many events.

During Canadian Music Week, **BRBR** hosted independent Francophone performing artists at a show called Le French Tickler, held in Toronto on March 21, 2013. "BRBR aims to spotlight Canada's talented emerging Francophone and Francophile artists and create a community of music lovers," says David Baeta, series producer for BRBR. "Our show during Canadian Music Week typified BRBR's commitment to indie music in Canada."

BRBR supports the Franco-Ontarian music scene as a proud media partner of Réseau Ontario's Contact Ontarois, of La Slague and of La Nuit émergente, the first festival of its kind in French Ontario, presented by La Nuit sur l'étang.

During the year, **BRBR** was also front and centre at the major music festivals. In September 2012, BRBR host Melissa Hetu was invited to serve on the jury for the Polaris Music Prize. **BRBR** was also part of the Quebec Indie Music Awards in November 2012, where it presented the Breakthrough Artist of the Year Award, and the Francouvertes, where it presented a prize to one of the finalists.

In 2013-2014, **BRBR** plans to maintain its momentum and develop an enhanced web strategy.

The movie *Un Homme qui crie*

CINÉ TFO: THE BEST IN FILM

"The best film programming of any channel."
Marc Cassivi, *La Presse,* September 16, 2012

453 FILMS

Ciné TFO, TFO's cinema series, presented a rich line-up of the best movies in 2012-2013. During the year, it screened a total of 453 films from the most respected directors, an increase of 124 from 2011-2012, plus a wealth of complementary content: blogs, interviews with directors and the weekly movie news program **Plein les vues**. Ciné TFO also raised its profile with its partners through its presence at Canada's major film festivals.

"Ciné TFO lets movie buffs satisfy their love of cinema every day," says Lucie Amyot, head of film programming at TFO. "This year, our major innovation was programming remastered classics. The restoration of masterpieces from the past has sparked new interest among movie fans and television audiences. For example, we are showing Renoir's films as they are remastered, letting viewers relive the big-screen experience in high definition. To sum it up, Ciné TFO's programming brings movie lovers a film festival in their living rooms!"

OTHER HIGHLIGHTS OF 2012-2013

TFO enriched its programming with diverse content that reflects viewers' daily lives and interests, from television series to high-quality documentaries. Its widely acclaimed productions included:

Côté théâtre: Four plays taped in Ontario, presented exclusively by TFO on television and on the web, with educational use rights for two of the four.

La portée des mots: singer-composers tell the story of one of their songs – Damien Robitaille talks about Astronaute, Tricia Foster about Caché, Stef Paquette about On se r'voit a`soir.

Parent un jour, parent toujours: A look at child-rearing and the parenting experience in today's world.

Identité 2.0: A series about identity-building issues and successes in French-speaking Canadian communities outside of Quebec.

Performing arts: TFO carried nearly 50 music, opera and ballet performances during the 2012-2013 opera season. Memorable shows included Marie Chouinard's version of the ballet Le sacre du printemps and the Opéra de Lyon production of Carmen, directed by Olivier Py and featuring Josè Maria Lo Monaco and Yonghoon Lee.

DISTINCTIVE PUBLIC AFFAIRS PROGRAMS WITH EXCLUSIVE CONTENT

360

360, a fast-moving new weekly public affairs program hosted by Gisèle Quenneville, has a fresh look but remains rooted in TFO's long experience in current affairs coverage.

360 and its network of experts on social matters cover public affairs in-depth and from multiple points of view. Invited guests take a critical look at events and answer questions from viewers. With her firm grasp of the issues and stable of top-notch contributors, Gisèle Quenneville serves up stimulating and informed discussion week after week.

360 is a trail-blazing show that is distinguished by its incisive reports and exclusive guests. During the Ontario Liberal leadership race, 360 was the only public affairs television program to host in-depth interviews with all the contenders.

1,000

FANS FOLLOW 360'S POSTS EVERY DAY

Figures as of March 31, 2013

Carte de visite

In **Carte de visite**, TFO's new interview program, host Gisèle Quenneville conducts in-depth interviews with her invited guests. This years, 18 different Francophone personalities sat down to talk at length with Gisèle about their lives and their doings in Canada's Francophone community.

Past guests have included National Film Board Commissioner Tom Perlmutter, Lieutenant General Roméo Dallaire, Daniel Lavoie and Aboriginal filmmaker Alanis Obomsawin. They have talked about themselves forthrightly, unpretentiously, often with emotion, giving viewers a chance to learn about different aspects of French-Canadian culture through its builders.

Gisèle Quenneville
360 and **CARTE DE VISITE**

ICI TFO

In 2012-2013, TFO launched **ICI TFO**, a new web series about the Franco-Ontarian community and its leaders. **ICI TFO** covers the issues and challenges encountered by Francophones across the province through video shorts posted on the Internet. It provides a documentary record of news about Ontario's Francophone communities.

Nearly 150 videos were produced in 2012-2013. A partnership with the Assemblée de la francophonie de l'Ontario (AFO) helped distribute the clips to Franco-Ontarian audiences.

Following up on the success of **ICI TFO**, TFO is introducing a new concept in Fall 2013: **TFO 24.7** will be a full-fledged online platform for comprehensive daily coverage of Ontario affairs. Our audiences will be kept fully informed about cultural, social, economic and political events in all regions of Ontario. **ICI TFO** will also be a new hub for discussion and debate on social media.

The creation of this new interface is in keeping with Groupe Média TFO's mission of optimizing its delivery of content from Ontario and elsewhere in order to engage audiences and meet their needs.

Ruby TFO

Ruby TFO is a must-see weekly magazine for wired women who want to stay on top of the latest trends in Ontario. Hosted by Nadia Campbell, **Ruby TFO** looks at culture, fashion, cooking and politics, as well as social issues. It also offers exclusive on-line content.

OVER 300 FANS ATTEND RUBY TFO EVENT IN TORONTO

In December 2013, TFO's weekly women's magazine show, **Ruby TFO**, reached out to its audience by holding a "girls- only" social event in Toronto in partnership with ApéroChic, a monthly after-work gathering for Francophone and Francophile professionals. The event included a makeup session, fusion cuisine, and socializing, and the ladies had a blast!

RUBY TFO SETS WOMEN BLOGGING

Ruby TFO, made waves in the social media after this program's team went to Montreal to meet and share experiences and ideas with female bloggers from the worlds of fashion, culture, travel, and health care.

Nadia Campbell
RUBY TFO: Prix Gémeaux nominee, 2013

INDUSTRY RECOGNITION

NOMINATIONS IN 2012-2013

Prix Gémeaux 2013
22 nominations

RECORD NUMBER OF NOMINATIONS

Prix Gémeaux 2012
21 nominations

Shaw Rocket Prize 2012
Là est la question!

Digi Awards 2012
tfo.org
“Best in Canadian Culture” category

AWARDS IN 2012-2013

Clio Awards 2012
Groupe Média TFO’s brand image
created by Lowe Roche
Bronze Awards in “Design: Corporate Identity” category

Prix Numix 2012
rubytfo.tv
“Convergence: Public Affairs and Magazine” category

Prix Numix 2012
julietteendirect.tfo.org
“Web TV: Youth” category.

Youth Media Alliance (YMA) Awards of Excellence 2012
Là est la question!
People’s Choice Award

Youth Media Alliance (YMA) Awards of Excellence 2012
Juliette en direct (Season 1)
Grand Prize

Prix Gémeaux 2012
Juliette en direct
“Best Original Series Produced for New Media: Children” category

2

MARKETING: REACHING PEOPLE WHERE THEY ARE

The main thrust of our marketing strategy is fostering audience engagement with TFO's platforms. The Marketing team worked to support Groupe Média TFO's content distribution efforts with innovative promotional initiatives.

One priority is to build audience loyalty by creating new opportunities to discover TFO's content. For example, TFO's Facebook page has a steadily increasing number of fans, indicating strong interest among Francophones in TFO's activities and content.

LA JE-NE-SAIS-QUOI
TÉLÉ

TFO

"La je-ne-sais-quoi télé" campaign raises TFO's profile

In 2012-2013, Groupe Média TFO strengthened its positioning as a broadcaster of choice on the Canadian media landscape.

In the wake of its rebranding, Groupe Média TFO launched the "La je-ne-sais-quoi télé" awareness campaign in Ontario and Quebec in Fall 2012.

As Glenn O'Farrell, President and Chief Executive Officer of Groupe Média TFO, explains, "This advertising campaign was part of a major effort to modernize TFO and position it as an organization that offers contemporary Francophone and Francophile audiences unique products and services, our clients are looking for relevant, intelligent content both in traditional media and on new platforms. We offer content that is fresh and exciting, and now we have adopted a new image and a new voice that expresses who we are."

This campaign has piqued viewers' curiosity and their desire to learn from TFO's unique, industry-acclaimed French-language content.

Making a splash

This integrated advertising campaign ran on all platforms and was seen in all of Ontario's major centres, from Toronto and Ottawa to Sudbury and Timmins. The public noticed the eye-catching ads on the sides of buses, in the pages of major dailies such as Le Droit and the Globe and Mail, and on highway billboards.

IN PRINT MEDIA

ON THE WEB

ON TV

Carinne Leduc,
spokesperson for the television campaign

DIALOGUE WITH OUR AUDIENCE

FACEBOOK.COM/TFOCANADA

RECORD VISIBILITY: TFO STATUS POST VIEWED BY OVER

3 MILLION PERSONS

Figure as of March 25, 2013

In 2013-2013, Groupe Média TFO followed up on its promotional initiatives with an intensive social media campaign that yielded a substantial increase in its online audience. TFO now has a total of nearly 16,000 followers on social media (Facebook, Twitter and YouTube combined), a staggering 502% increase.

The aim of the advertising push was to harness the potential of social media to support the distribution of TFO's content to its Francophone and Francophile audiences and to improve their access to this content. TFO's energetic social media strategy told new audiences about its high-quality educational content, maintaining a constant online presence aimed at Francophones in Ontario and across Canada.

The considerable effort invested in social media campaigns during 2012-2013 reflects Groupe Média TFO's determination to differentiate itself by taking an innovative approach and engaging its internal and external audiences in promoting its content.

EMPLOYEE ENGAGEMENT WITH TFO'S SOCIAL MEDIA PLATFORMS

In Fall 2012, TFO launched an intensive employee-driven social media campaign. Employees became TFO's leading ambassadors, promoting the content that they produced and increasingly incorporating social media into their professional practices.

The cultural change generated by this campaign ties in with TFO's production philosophy. Content is no longer developed using a traditional linear approach: from the earliest stages of development up to the time they air or go live, TFO productions are designed using a 360° approach.

TFO.ORG

225% INCREASE IN PAGE VIEWS BETWEEN MARCH 2012 AND **MARCH 2013**

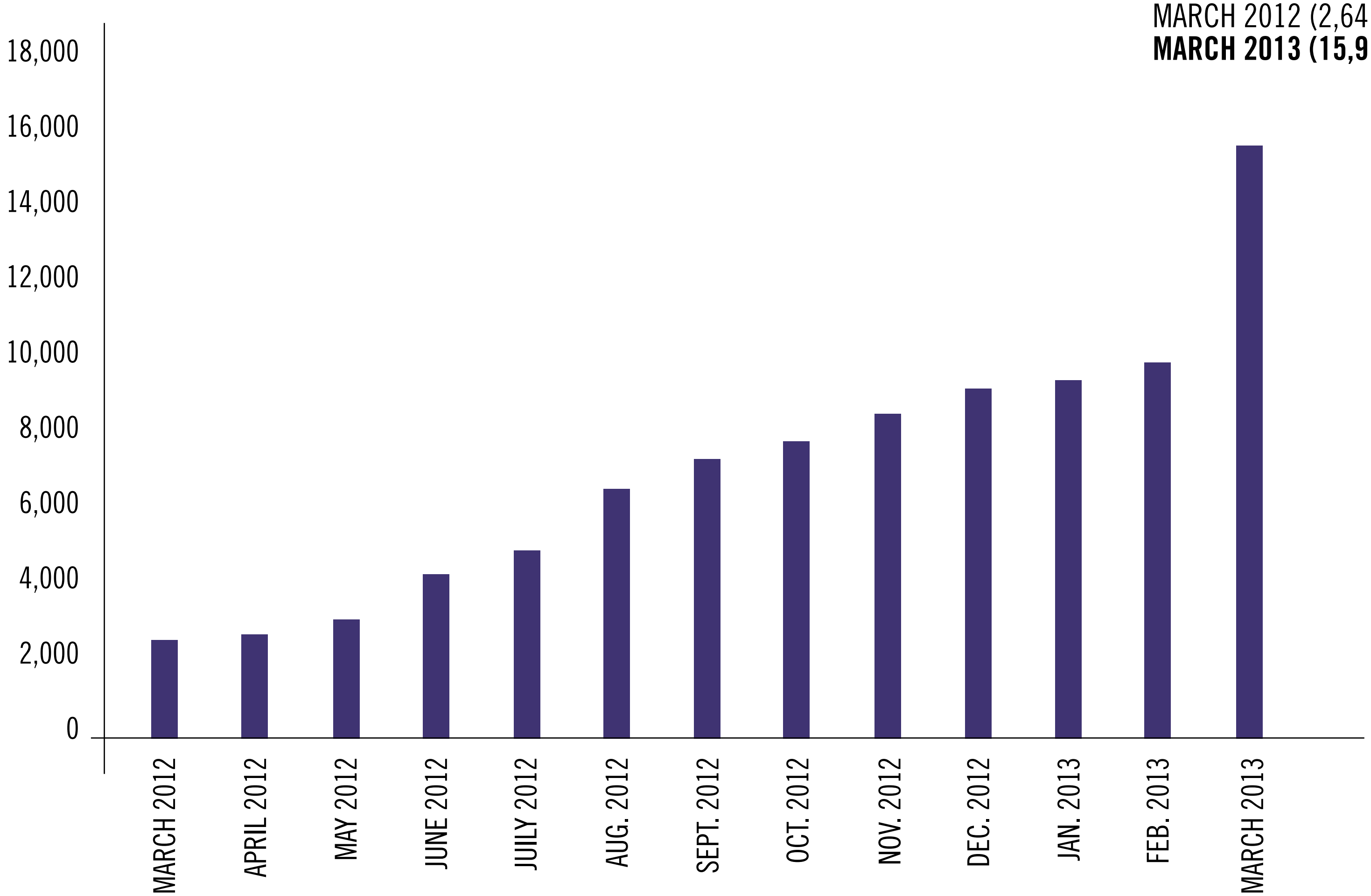
Visits	2,424,210	1,685,877	(+43.8 %)
Unique visitors	1,335,162	931,311	(+43.4 %)
Page views	13,008 740	6,736,251	(+93.1 %)
Average visit duration	5:52	4:58	(+18.1 %)

PUBLIC ENGAGEMENT

Francophone audiences watch TFO regularly. This is borne out by the measurable year-long growth in audience engagement.

TFO ON SOCIAL MEDIA, 2012-2013

(YouTube subscribers, Facebook fans, Twitter followers)



502%

INCREASE IN SOCIAL MEDIA COMMUNITY

MARCH 2012 (2,641)
MARCH 2013 (15,912)

BUSINESS DEVELOPMENT

In 2012-2013, a new Business Development Division was created within the Marketing Department to help diversify revenue streams and increase content distribution.

NEW EXTERNAL REVENUE STREAMS

The Business Development Division generated revenues from new commercial activities. In February 2013, it conducted a free preview campaign on Quebec's leading cable networks.

CABLE TV
REVENUES
$2,465,425
IN 2012-2013

STRONG CREATIVE PARTNERS

The Business Development Division also implemented a new approach to building relationships with the Franco-Ontarian community and the culture and music industries. During 2012-2013, we focused on sharing content with these partners by leveraging TFO's content distribution channels.

Nearly 50 partnerships were negotiated during this year by TFO's various divisions: Education, Cinema, Youth, Music and Society.

SUPPORTIVE EMPLOYEES

During the year, the Business Development Division stepped up efforts directed at TFO employees by creating the Club TFO program. At year's end, the program had exceeded its target, increasing donations by more than 25% to a total of $29,376.

In 2013-2014, the Business Development Division will use its resources to market TFO's TV, web and social media platforms while continuing its audience engagement, measurement and assessment efforts.

3

LEVERAGING THE POWER OF TECHNOLOGY

Making TFO's content readily available on multiple platforms gives audiences improved access to a wide range of regularly updated French-language content.

This year, to optimize access to its content on all platforms, TFO conducted an upstream analysis of production and technological infrastructure challenges. This analysis led to a reassessment of production models aimed at increasing the amount of available content by improving production methods.

OPERATIONS DIVISION

MORE FRENCH-LANGUAGE CONTENT
PRODUCED IN LESS TIME

In 2012-2013, the Operations Division helped TFO reach a wider television and online audience by implementing streamlined production processes to reduce the lead time for bringing content to multiple platforms.

New working methods that emphasize spontaneity and immediacy in both content production and online distribution were introduced, effecting a shift from conventional technical production processes towards an approach that enables TFO to produce more French-language content in less time.

CUTTING PRODUCTION TIME

Under the traditional linear approach, it took three days to produce content, from taping it to posting it online after converting it from television to web format.

Now the Operations Division has developed production processes that let it instantly convert television broadcast content for posting on the web and social media.

INCREASING VERSATILITY

Groupe Média TFO has developed a training plan to support these new working processes. A total budget of $479,623, or 3.4% of payroll, was allocated to professional development this year. Training sessions were offered in all divisions, including Web/TV Content, Marketing, Operations, Information and Technology Systems, and Finance and Control.

403 TRAINING
SESSIONS FOR EMPLOYEES DURING THE YEAR

INFORMATION AND TECHNOLOGY SYSTEMS

MORE DISTRIBUTION PLATFORMS

During the year, Information and Technology Systems worked on building infrastructure to support TFO's new production processes. This infrastructure had to meet two key requirements: spontaneity and fluidity.

NEW INFRASTRUCTURE TO ENABLE SPONTANEITY AND FLUID PRODUCTION

To support the new production methods, Information and Technology Systems acquired two powerful tools:

On the web, Wordpress facilitates the development of online platforms and the publication of online content;

For post-production, the Production Asset Management (PAM) tool makes it possible to publish content to the various web platforms directly from the journalist's workstation or the editing station.

NEW CONTENT-DISTRIBUTION PLATFORM

Information and Technology Systems worked with the Operations Division to support the technical migration by developing four new non-traditional delivery platforms in conjunction with the National Film Board (NFB), Bell, Telus and Cogeco.

4

THE BOTTOM LINE

COLLABORATION AND SUPPORT

During 2012-2013, the Finance and Control Department pursued a collaborative, open-door approach, expanding its role as a professional ally that provides TFO's various divisions with financial advice.

The Finance and Control Department offers a set of services designed to provide all TFO divisions with the best solutions. The department offered a record number of training sessions during the year, achieving a 5 percentage point increase in the satisfaction rate compared with the previous year.

To provide each department with personalized support, a streamlined budget planning and expenditure reporting system was introduced. This new financial planning system has given managers an effective tool for making informed decisions about their programs' performance and for measuring their costs, in accordance with their current and future needs. At year end, an evaluation of this new system confirmed its success: 96% of all TFO managers had consulted it in the course of the year.

The Finance and Control Department's objectives for 2013-2014 are to strengthen lines of communication with the other departments and to develop a budget review process to support long-term decision-making by management.

ONTARIO FRENCH-LANGUAGE EDUCATIONAL COMMUNICATIONS AUTHORITY
(OFLECA)

FINANCIAL STATEMENTS

MARCH 31, 2013 AND 2012

TABLE OF CONTENTS

MANAGEMENT'S REPORT

Management of the Ontario French-language Educational Communications Authority (OFLECA) is responsible for the financial statements, the notes to the financial statements and all other financial information contained in this financial report.

Management has prepared the financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations. In order to achieve the objective of fair presentation in all material respects, reasonable estimates and professional judgements were used. Management believes the financial statements present fairly the OFLECA's financial position as at March 31, 2013, March 31, 2012 and April 1, 2011 as well as the results of its operations and its cash flows for the years ended March 31, 2013 and March 31, 2012.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, Management has developed and maintains a system of internal controls designed to provide reasonable assurance that the OFLECA's assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of financial statements.

The Board of Directors is responsible for ensuring that the OFLECA's Management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board of Directors carries out its responsibility for review of the financial statements principally through the Audit Committee. The Audit Committee meets with Management and the external auditors to discuss the results of audit examinations and financial reporting matters and to satisfy itself that each party is properly discharging its responsibilities. The external auditors have full access to the Audit Committee with or without the presence of Management.

The financial statements for the years ended March 31, 2013 and March 31, 2012 have been audited by Marcil Lavallée, Chartered Accountants, Licensed Public Accountants, the independent external auditors appointed by the members of the OFLECA. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their professional opinion on the financial statements.

Glenn O'Farrell
Chief Executive Officer

Lisa Larsen, CPA, CA
Chief Financial Officer, Interim

Toronto, Ontario
June 21, 2013

INDEPENDENT AUDITOR'S REPORT

MARCIL LAVALLÉE

To the Directors of
Ontario French-language Educational Communications Authority

We have audited the accompanying financial statements of the Ontario French-language Educational Communications Authority (OFLECA), which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011 as well as the statements of operations, changes in net assets and cash flows for the years ended March 31, 2013 and March 31, 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also include s evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained during our audits is sufficient and appropriate to provide a basis for our audit opinion.

Marcil Lavallée
Comptables agréés
Chartered Accountants

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Our Canadian and International Partners

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of the Ontario French-language Educational Communications Authority as at March 31, 2013, March 31, 2012 and April 1, 2011 as well as the results of its operations and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

Marcil Lavallée.

Chartered Accountants, Licensed Public Accountant

Ottawa, Ontario
June 21, 2013

STATEMENTS OF FINANCIAL POSITION

MARCH 31, 2013 AND 2012 AND APRIL 1, 2011

	2013	2012	April 1, 2011
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	**$ 8,463,660**	$ 7,106,217	$ 5,016,261
Accounts receivable (Note 5)	**6,312,176**	5,021,910	4,445,723
Prepaid expenses	**595,480**	446,225	184,195
	15,371,316	12,574,352	9,646,179
RESTRICTED CASH (Note 6)	**4,511,415**	4,753,933	6,938,042
BROADCASTING RIGHTS (Note 7)	**15,934,253**	14,871,822	12,955,106
IN-HOUSE PROGRAMMING (Note 8)	**8,502,475**	3,247,950	-
ASSET – EMPLOYEE FUTURE BENEFITS (Note 9)	**160,900**	290,100	-
CAPITAL ASSETS (Note 10)	**9,679,981**	11,615,408	13,649,231
	38,789,024	34,779,213	33,542,379
	$ 54,160,340	$ 47,353,565	$ 43,188,558
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities (Note 11)	**$ 4,926,724**	$ 4,981,903	$ 5,844,371
Deferred contributions (Note 12)	**3,646,107**	5,145,010	2,853,460
	8,572,831	10,126,913	8,697,831
LIABILITY – EMPLOYEE FUTURE BENEFITS (Note 9)	**1,344,300**	1,156,700	937,200
DEFERRED CONTRIBUTIONS – BROADCASTING RIGHTS (Note 13)	**16,632,090**	15,511,822	14,955,106
DEFERRED CONTRIBUTIONS – IN-HOUSE PROGRAMMING (Note 14)	**8,502,475**	3,247,950	-
DEFERRED CONTRIBUTIONS – CAPITAL ASSETS (Note 15)	**15,173,786**	13,374,865	15,408,689
	41,652,651	33,291,337	31,300,995
	50,225,482	43,418,250	39,998,826
NET ASSETS			
Internally Restricted			
- TFO Fund (Note 6)	**1,519,008**	1,519,008	1,519,008
Unrestricted	**2,415,850**	2,416,307	1,670,724
	3,934,858	3,935,315	3,189,732
	$ 54,160,340	$ 47,353,565	$ 43,188,558

Commitments (note 22) *and Contingencies* (note 23)

ON BEHALF OF THE BOARD

President of the Board

Vice-President of the Board and President of the Audit Committee

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED MARCH 31, 2013 AND 2012

	2013	2012
REVENUE		
Contributions		
- Operating grants (Note 16)	**$ 11,109,247**	$ 11,355,996
- Funding for special projects (Note 17)	**1,107,926**	1,552,260
- Corporate and government (Note 18)	**2,748,568**	3,391,399
Other revenue (Note 19)	**3,324,310**	3,344,999
Amortization of deferred contributions		
- Broadcasting rights (Note 13)	**5,551,486**	5,322,122
- In-house programming (Note 14)	**2,141,071**	1,082,650
- Capital assets (Note 15)	**3,212,745**	3,042,923
	29,195,353	29,092,349
EXPENSES		
Content and programming	**6,497,463**	7,445,382
Production and technology	**6,203,917**	7,495,881
Administration	**4,843,275**	3,248,719
Amortization of broadcasting rights	**5,551,486**	5,322,122
Amortization of capital assets	**3,212,745**	3,042,923
Amortization of in-house programming	**2,141,071**	1,082,650
Employee future benefits	**745,853**	449,515
	29,195,810	28,097,192
EXCESS (DEFIENCY) OF REVENUE OVER EXPENSES	**$ (457)**	$ 995,157

STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED MARCH 31, 2013 AND 2012

	Internally Restricted – TFO Fund	**Unrestricted**	**2013 Total**	2012 Total
BALANCE, BEGINNING OF YEAR	$ 1,519,008	$ 2,416,307	$ 3,935,315	$ 3,189,732
Excess (deficiency) of revenue over expenses	-	(457)	(457)	995,157
Restriction – Pension Fund (Note 6)	-	-	-	(249,574)
BALANCE, END OF YEAR	**$ 1,519,008**	**$ 2,415,850**	**$ 3,934,858**	**$ 3,935,315**

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2013 AND 2012

	2013	2012
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	$ (457)	$ 995,157
Nets assets allocation to the Pension Fund		(249,574)
Adjustments for:		
Amortization of broadcasting rights	5,551,486	5,322,122
Amortization of capital assets	3,212,745	3,042,923
Amortization of in-house programming	2,141,071	1,082,650
Employee future benefits	316,800	(70,600)
Amortization of deferred contributions – broadcasting rights	(5,551,486)	(5,322,122)
Write-off – broadcasting rights	(371,668)	-
Amortization of deferred contributions – capital assets	(3,212,745)	(3,042,923)
Write-off – deferred contributions capital assets	(759,458)	-
Amortization of deferred contributions – in-house programming	(2,141,071)	(1,082,650)
	(814,783)	674,983
Net change in non-cash working capital items (Note 4)	(2,993,603)	590,865
Programming grant	7,043,422	5,878,838
Capital grant	5,771,124	1,009,099
In-house programming grant	7,395,596	4,330,600
	(16,401,756)	12,484,385
INVESTING ACTIVITIES RELATED TO CAPITAL ASSETS AND INTANGIBLE ASSETS		
Acquisition of broadcasting rights	(6,613,917)	(7,238,838)
Acquisition of capital assets	(1,277,318)	(1,009,100)
Acquisition of in-house programming	(7,395,596)	(4,330,600)
	(15,286,831)	(12,578,538)
INVESTING ACTIVITY		
Variation in restricted cash	242,518	2,184,109
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,357,443	2,089,956
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	7,106,217	5,016,261
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 8,463,660	$ 7,106,217

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2013 AND 2012 AND APRIL 1, 2011

1. STATUTE AND NATURE OF OPERATIONS

The Ontario French-language Educational Communications Authority (the Authority) is a Crown corporation created by a decree on April 1, 2007. The Authority, an independent French language broadcasting network, is a charitable organization and therefore exempt from income taxes. The Authority's main objectives are to provide French language educational broadcasting and telecommunications to the general public, to provide for the francophone community's interests and needs, and to develop the knowledge and skills of this community.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations (PSAS-GNFPO). The Authority has elected to apply Section 4200 series for government-not-for-profit organizations (GNFPO). The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening statement of financial position as at April 1, 2011 for the purposes of the transition to PSAS-GNFPO.

Basis of presentation
The financial statements have been prepared using the historical cost basis.

Management estimates
The preparation of financial statements in compliance with the PSAS-GNFPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual amounts could differ from these estimates. Areas of key estimation include amortization periods of the capital assets and broadcasting rights and actuarial estimation of post-employment benefits.

Revenue recognition
Contributions
The Authority follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue in the statement of operations when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions which are, explicitly or implicitly, externally restricted for the purchase of capital assets or broadcasting rights or internally developed television broadcasting subject to amortization are deferred on the statement of financial position and recognized as revenue on the statement of operations on the same basis and over the same periods as the related assets

Contributions which are, explicitly or implicitly, externally restricted for specific expenses to be incurred in future years are deferred on the statement of financial position and recognized as revenue on the statement of operations in the period in which the related expenses are incurred.

Subscriptions
Revenue from signal subscriptions is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income
Interest income is recognized as revenue when earned.

Contributions received in the form of supplies and services
The Authority accounts for the contributions received in the form of supplies and services when the fair value of these contributions can be reasonably estimated, and when the Authority should have obtained the supplies and services for its regular operations in another way.

Financial instruments
All the financial instruments are initially recognized at cost and subsequently measured at amortized cost using the effective interest method, less any impairment losses on financial assets. Gains and losses related to the derecognition of these financial assets and financial liabilities are recognized in the statement of operations in the period in which they arise.

Financial assets and financial liabilities recognized at amortized cost include cash and cash equivalents, restricted cash, accounts receivable as well as accounts payable and accrued liabilities..

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

The Authority's policy is to present cash and investments with a term equal to or less than three months in cash and cash equivalents

Capital assets

Capital assets are recorded at cost, net of accumulated amortization.

Amortization is calculated using the straight-line method over the estimated useful lives of assets as follows:

	Useful life
Transmitters	17 years
Transmitter monitoring equipment	7 years
Technical equipment	7 years
Computer equipment	5 years
Office furniture and equipment	15 years
Leasehold improvements	Duration of the lease

Broadcasting rights, in-house programming and production costs

Broadcasting rights, in-house programming and production costs are accounted for as follows:

In-house programming is defined as internally developed television broadcasting. Completed and in-progress programming having a future economic value through rebroadcasting and the use of web-based interactive tools is accounted for on an individual basis at cost, deducted from accumulated amortization and cumulative loss in value. Cost includes the cost of supplies and services and the portion of the labour and other direct expenses related to programming. Programming costs are recognized in the statement of operations with the television and new media services expense based on their expected amortization period or when programming is sold or unusable.

Broadcasting rights and production costs

Broadcasting rights and productions under co-production, pre-purchase and acquisition contracts are accounted for at cost.

Intangible assets are amortized over a period of four years on a straight-line basis.

Write-down of capital assets, broadcasting rights and in-house programming

When capital assets, broadcasting rights and in-house programming no longer contribute to the Authority's ability to provide services, the excess of the carrying amount of such assets over their residual value, if any, is recognized in the statement of operations.

Employee future benefits

The Authority accrues its obligations under the employee defined benefit plans, net of the fair value of plan assets. In order to do so, the Authority has adopted the following policies:

- The actuarial determination of the accrued benefit obligations for pensions and other retirement benefits uses the projected benefit method prorated on service. This determination incorporates management's best estimate of future salary levels, discount rate, other cost escalation, retirement ages of employees and other actuarial factors;
- For the purpose of calculating the expected return on plan assets, those assets are valued at fair value;
- An actuarial gain (loss) arises from the difference between the actual long-term rate of return on plan assets for a period and the expected long-term rate of return on plan assets for that period or from changes in actuarial assumptions used to determine the accrued benefit obligations. Actuarial gains (losses) for each period are recognized on a systematic basis and are amortized over the average remaining service life of active employees covered by the pension plan, which is 13 years. The average remaining service period of the active employees covered by the other retirement benefit plans is 17 years.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency translation
Monetary assets and liabilities in foreign currency are translated at the exchange rate in effect at the balance sheet date, whereas other assets and liabilities are translated at the exchange rate in effect at the transaction date. Revenue and expenses in foreign currency are translated at the average rate in effect during the year, with the exception of revenue and expenses relating to non-monetary assets and liabilities, which are translated at the historical rate. Realized exchange gains and losses are recognized in the current year's operations. Unrealized exchange gains and losses are recognized in the statement of remeasurement gains and losses.

Excess financing
Government ministries can require the reimbursement of any excess funding. All such reimbursements will be accounted for in the financial year in which they occur.

3. ADOPTION OF NEW ACCOUNTING STANDARDS

The Authority adopted the PSAS-GNFPO effective April 1, 2011. These standards were retrospectively adopted and therefore, the 2012 comparative figures have been restated. Key adjustments resulting from the adoption of these accounting standards are as follows:

The financial statements for the year ended March 31, 2012 have been adjusted to record as deferred contributions certain contributions previously recognized in the statement of operations. Previously, the contributions received for the purchase of amortizable broadcasting rights and capital assets were not deferred and recognized as revenue on the same basis and over the same periods as the related assets acquired. These contributions are considered to be subject to implicit external restrictions.

The Authority made an adjustment to the financial statements for the year ended March 31, 2012 with respect to the accounting for employee future benefits. Specifically, this adjustment related to accounting policy difference under public sector accounting standards with respect to the timing of recognition of the past service costs. In addition, at the date of transition, all previously unrecognized cumulative actuarial gains and losses were recognized in the net assets as of April 1, 2011.

The impact of these restatements on the comparative figures is as follows:

Summary of adjustmentsSommaire des ajustements

Statement of financial position as at April 1, 2011

Net assets as at April 1, 2011:		
Net assets, as previously reported	$	12,746,138
Adjustment to deferred contributions – broadcasting rights		(9,287,612)
Adjustment to deferred contributions – capital assets		(220,794)
Adjustment to accrued benefit liability – other plans		164,500
Adjustment to accrued benefit asset – pension plan		(212,500)
Net assets reported under the new accounting standards	$	3,189,732

Statement of financial position as at March 31, 2012

Net assets as at March 31, 2012:		
Net assets, as previously reported	$	12,508,742
Adjustment to deferred contributions – broadcasting rights		(8,339,681)
Adjustment to deferred contributions – capital assets		(64,646)
Adjustment to accrued benefit liability – other plans		106,600
Adjustment to accrued benefit asset – pension plan		(275,700)
Net assets reported under the new accounting standards	$	3,935,315

3. ADOPTION OF NEW ACCOUNTING STANDARDS (continued)

Statement of operations for the year ended March 31, 2012

Excess of revenue over expenses for the year ended March 31, 2012:		
Annual surplus, as previously reported	$	12,178
Deferred operation grant		(2,843,704)
Corporate and government – reclassifications		(1,440,881)
- Reclassification of Funding for special projects		1,426,892
- Reclassification of Other revenue		13,989
Adjustment to deferred contributions – broadcasting rights		3,821,769
Adjustment to deferred contributions – capital assets		126,014
Adjustment to employee future benefits expense		(121,100)
Excess of expenses over revenue under the new accounting standards	$	995,157

Statement of cash flows for the year ended March 31, 2012

The transition to the PSAS-GNFPO resulted in the reclassification of cash outflows related to the acquisition of capital assets, broadcasting rights and in-house programming from investing activities to investing activities related to capital assets and intangible assets. The section of the statement of cash flows did not exist prior to the transition to the PSAS-GNFPO.

4. NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS

	2013	2012
Accounts receivable	**$ (1,290,266)**	$ (576,187)
Prepaid expenses	**(149,255)**	(262,030)
Accounts payable	**(55,179)**	(862,468)
Deferred contributions	**(1,498,903)**	2,291,550
	$ (2,993,603)	$ 590,865

5. ACCOUNTS RECEIVABLE

	2013	2012	April 1, 2011
Ministry of Education [a]	**$ 4,922,554**	$ 3,670,066	$ 695,690
Governments and government agencies	**-**	231,929	1,708,979
Subscriptions	**536,586**	245,407	421,350
Commodity taxes	**583,569**	715,758	943,422
Others	**269,467**	158,750	676,282
	$ 6,312,176	$ 5,021,910	$ 4,445,723

[a] At the end of March 2013, the Authority received an additional amount of $4,000,000 and as agreed under contracts # CP-1213-068 and # CP-1213-071, the amounts were committed in accordance with the terms of the contracts.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2013 AND 2012 AND APRIL 1, 2011

6. RESTRICTED CASH

	2013	2012	April 1,2011
Reserves			
- Capital renewal [a]	$ 1,000,000	$ 1,759,458	$ 1,759,458
- Employee future benefits [b]	540,000	540,000	849,576
- TFO Fund (c)	1,519,008	1,519,008	1,519,008
- Subtitling	-	34,700	360,000
- Broadcasting rights	304,175	640,000	2,000,000
- Training services	150,000	150,000	300,000
- Transition	110,767	110,767	150,000
Commitments			
- Broadcasting rights	393,662	-	-
- Capital assets	493,803	-	-
	$ 4,511,415	$ 4,753,933	$ 6,938,042

((a) A portion of the funding received annually can be set aside to ensure that the Authority's technical capital assets keep pace with technological changes and can be maintained or replaced.

(b) For the year ended March 31, 2012, the Authority chose to restrict a portion of the period's surplus for additional contributions to the pension fund.

(c) During the 2008-2009 fiscal year, the Authority decided to restrict contributions obtained from the dissolution of the TVOntario Foundation, which were received during the previous year. To this effect, these restricted funds may be used for purposes determined by the Board of Directors from time to time, and only with the approval of the Board.

7. BROADCASTING RIGHTS

	2013		
	Cost	**Accumulated amortization**	**Net value**
Broadcasting rights and completed productions	**$ 43,799,99**	**$ 30,983,552**	**$ 12,816,441**
Work in progress	**3,117,812**	**-**	**3,117,812**
	$ 46,917,805	**$ 30,983,552**	**$ 15,934,253**

	2012		
	Cost	Accumulated amortization	Net value
Broadcasting rights and completed productions	$ 36,342,772	$ 25,432,065	$ 10,910,707
Work in progress	3,961,115	-	3,961,115
	$ 40,303,887	$ 25,432,065	$ 14,871,822

	April 1, 2011		
	Cost	Accumulated amortization	Net value
Broadcasting rights and completed productions	$ 30,251,062	$ 20,109,943	$ 10,141,119
Work in progress	2,813,987	-	2,813,987
	$ 33,065,049	$ 20,109,943	$ 12,955,106

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2013 AND 2012 AND APRIL 1, 2011

8. IN-HOUSE PROGRAMMING

	2013		
	Cost	**Accumulated amortization**	**Net value**
In-house programming	$ 11,726,196	$ 3,223,721	$ 8,502,475

	2012		
	Cost	Accumulated amortization	Net value
In-house programming	$ 4,330,600	$ 1,082,650	$ 3,247,950

9. ASSET AND LIABILITY – EMPLOYEE FUTURE BENEFITS

Description of pension and other retirement benefit plans

The Authority has a number of funded and unfunded defined benefit plans, as well as defined contribution plans, that provide pension, other retirement and post-employment benefits to most of its employees.

The pension plan to which most of the Authority's employees contribute is made up of two components. The first component consists of a defined benefit plan entirely funded by the Authority. According to this plan, pension benefits are based on the number of years of service and the employee's salary at the end of their career. Every year, the pension benefits are grossed-up in accordance with the rate of inflation, up to a maximum of 3%. The second component consists in a defined contribution plan, with contributions paid by both the Authority and the participants. Other retirement benefit plans are contributory health care, dental and life insurance plans.

Total cash payments

Cash payments made for future employee benefits, consisting of cash contributed by the Authority to its funded pension plan, cash payments directly to beneficiaries on account of its unfunded other benefits plans, and cash contributed to its defined contribution plans, amounted to $ 918,286 (2012: $799,600).

Defined benefit plans

The Authority measures its accrued defined benefit obligations and the fair value of the plan assets as at March 31 of each year. The most recent actuarial valuation of the pension plan, for funding purposes, was prepared by Mercer and is dated March 31, 2013 and is a data extrapolation and evaluation from the valuation dated March 31, 2010.

Reconciliation of the funded status of the benefit plans to amounts recorded in the financial statements

	2013		
	Funded Pension Benefit Plan	**Unfunded Other Benefit Plans**	**Total**
Accrued benefit obligations	**$ 8,904,200**	**$ 2,065,300**	**$ 10,969,500**
Fair value of plan assets	**(10,674,900)**	**-**	**(10,674,900)**
Funded status – plan deficit	**(1,770,700)**	**2,605,300**	**294,600**
Unamortized net actuarial (gain) loss	**1,609,800**	**(721,000)**	**(888,800)**
Accrued pension liability (asset)	**$ (160,900)**	**$ 1,344,300**	**$ 1,183,400**

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2013 AND 2012 AND APRIL 1, 2011

9. ASSET AND LIABILITY – EMPLOYEE FUTURE BENEFITS (continued)

Reconciliation of the funded status of the benefit plans to amounts recorded in the financial statements (continued)

	2012		
	Funded Pension Benefit Plan	Unfunded Other Benefit Plans	Total
Accrued benefit obligations	$ 10,677,200	$ 1,370,300	$ 12,047,500
Fair value of plan assets	(9,490,300)	-	(9,490,300)
Funded status – plan deficit	1,186,900	1,370,300	2,557,200
Unamortized net actuarial (gain) loss	(1,477,000)	(213,600)	(1,690,600)
Accrued pension liability (asset)	$ (290,100)	$ 1,156,700	$ 866,600

	April 1, 2011		
	Funded Pension Benefit Plan	Unfunded Other Benefit Plans	Total
Accrued benefit obligations	$ 8,427,900	$ 874,000	$ 9,301,900
Fair value of plan assets	(8,364,700)	-	(8,364,700)
Accrued pension liability (asset)	$ 63,200	$ 874,000	$ 973,200

Pension plan asset components

At the measurement date, i.e. March 31, the pension plan assets consist of the following:

	2013	2012	April 1, 2011
	%	%	%
Asset category			
Equity securities	**60**	60	61
Debt securities	**35**	35	34
Other	**5**	5	5
	100	100	100

Employee future benefit costs recognized in the year and benefits paid

	2013	
	Pension Benefit Plan	**Other Benefit Plans**
Employee future benefits costs recognized	**$ 840,600**	**$ 394,200**
Benefits paid	**$ 359,500**	**$ 10,800**

	2012	
	Pension Benefit Plan	Other Benefit Plans
Employee future benefits costs recognized	$ 595,200	$ 487,100
Benefits paid	$ 289,600	$ 17,500

9. ASSET AND LIABILITY – EMPLOYEE FUTURE BENEFITS (continued)

Significant assumptions

The significant assumptions used are as follows (weighted average):

	2013	
	Pension Benefit Plan	**Other Benefit Plans**
	%	%
Accrued benefit obligations		
Discount rate	**6.15**	**3.30**
Rate of compensation increase	**2.20**	-
Employee future benefits costs		
Discount rate	**5.15**	**5.15**
Expected long-term rate of return on plan assets	**5.75**	-
Rate of compensation increase	**3.50**	-

	2012	
	Pension Benefit Plan	Other Benefit Plans
	%	%
Accrued benefit obligations		
Discount rate	5.15	5.15
Rate of compensation increase	3.50	-
Employee future benefits costs		
Discount rate	6.00	6.00
Expected long-term rate of return on plan assets	5.75	-
Rate of compensation increase	3.50	-

	April 1, 2011	
	Pension Benefit Plan	Other Benefit Plans
	%	%
Accrued benefit obligations		
Discount rate	6,00	6,00
Rate of compensation increase	3,50	4,00
Employee future benefits costs		
Discount rate	6,50	6,50
Expected long-term rate of return on plan assets	5,75	-
Rate of compensation increase	4,00	4,00

The assumed health care cost trend rates are based on the following:

	2013	2012	April 1, 2011
Initial health care cost trend rate	**8.30%**	8.53%	8.76%
Cost trend rate declines to	**4.5**	4.5	4.5
Year that the rate reaches the rate it is assumed to remain at	**2030**	2030	2030

Defined contribution plan

The total expense recognized in relation with the defined contribution plan amounts to $195,800 (2012: $179,800).

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2013 AND 2012 AND APRIL 1, 2011

10. CAPITAL ASSETS

	2013		
	Cost	**Accumulated amortization**	**Net value**
Technical equipment	$ 10,520,010	$ 6,751,700	$ 3,768,310
Computer equipment	6,544,230	4,482,142	2,062,088
Office furniture and equipment	1,193,195	351,834	841,361
Leasehold improvements	5,417,398	2,409,176	3,008,222
	$ 23,674,833	$13,994,852	$ 9,679,981

	2012		
	Cost	Accumulated amortization	Net value
Transmitters	$ 118,714	$ 118,714	$ -
Transmitter monitoring equipment	910,683	835,125	75,558
Technical equipment	10,281,718	5,286,991	4,994,727
Computer equipment	5,548,413	3,433,807	2,114,606
Office furniture and equipment	1,162,531	273,139	889,392
Leasehold improvements	5,409,303	1,868,178	3,541,125
	$ 23,431,362	$11,815,954	$ 11,615,408

	April 1, 2011		
	Cost	Accumulated amortization	Net value
Transmitters	$ 118,714	$ 118,714	$ -
Transmitter monitoring equipment	910,683	816,801	93,882
Technical equipment	10,218,036	3,827,805	6,390,231
Computer equipment	5,029,619	2,468,027	2,561,592
Office furniture and equipment	1,100,437	197,361	903,076
Leasehold improvements	5,044,773	1,344,323	3,700,450
	$ 22,422,262	$ 8,773,031	$ 13,649,231

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2013	2012	April 1, 2011
Trade payables and accrued charges	**$ 4,231,624**	3,975,291	$ 5,210,305
Accrued wages and benefits	**695,100**	1,006,612	634,066
	$ 4,926,724	$ 4,981,903	$ 5,844,371

12. DEFERRED CONTRIBUTIONS

	2013		
	Ministry of Education	**Others**	**Total**
Deferred Contributions			
Balance, beginning of year	**$ 3,210,467**	**$ 73,162**	**$ 3,283,629**
Add: amount received	**1,670,057**	**5,405**	**1,675,462**
Less: amount recognized as revenue	**(2,309,700)**	**(39,197)**	**(2,348,897)**
Balance, end of year	**2,570,824**	**39,370**	**2,610,194**
Special projects			
Balance, beginning of year	**1,742,246**	**119,135**	**1,861,381**
Add: amount received	**244,996**	**105,984**	**350,980**
Less:			
Amount recognized	**(921,153)**	**(126,269)**	**(1,047,422)**
Amount reimbursed	**(40,833)**	**(88,193)**	**(129,026)**
Balance, end of year	**1,025,256**	**10,657**	**1,035,913**
Total	**$ 3,596,080**	**$ 50,027**	**$ 3,646,107**

NOTES TO THE FINANCIAL STATEMENTS
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12. DEFERRED CONTRIBUTIONS (continued)

	2012		
	Ministry of Education	Others	Total
Deferred Contributions			
Balance, beginning of year	$ 1,410,000	$ 4,124	$ 1,414,124
Add: amount received	2,400,000	69,038	2,469,038
Less: amount recognized as revenue	(599,533)	-	(599,533)
Balance, end of year	3,210,467	73,162	3,283,629
Special projects			
Balance, beginning of year	1,439,337	-	1,439,337
Add: amount received	1,619,731	119,135	1,738,866
Less: amount recognized	(1,316,822)	-	(1,316,822)
Balance, end of year	1,742,246	119,135	1,861,381
Total	$ 4,952,713	$ 192,297	$ 5,145,010

	April 1, 2011		
	Ministry of Education	Others	Total
Deferred Contributions			
Balance, beginning of year	$ -	$ 155,001	$ 155,001
Add: amount received	1,410,000	4,124	1,414,124
Less: amount recognized as revenue	-	(155,001)	(155,001)
Balance, end of year	1,410,000	4,124	1,414,124
Special projects			
Balance, beginning of year	1,260,766	-	1,260,766
Add: amount received	1,385,532	-	1,385,532
Less: amount recognized as revenue	(1,206,962)	-	(1,206,962)
Balance, end of year	1,439,336	-	1,439,336
Total	$ 2,849,336	$ 4,124	$ 2,853,460

13. DEFERRED CONTRIBUTIONS – BROADCASTING RIGHTS

	2013	2012	April 1, 2011
Balance, beginning of year	**$ 15,511,822**	$ 14,955,106	$ 13,661,754
Add:			
Amount received – Ministry of Education	**6,595,168**	5,873,838	7,653,909
Amount received – Others	**448,254**	5,000	-
Less :			
Write-off	**(371,668)**	-	-
Amortization	**(5,551,486)**	(5,322,122)	(6,360,557)
Balance, end of year	**$ 16,632,090**	$ 15,511,822	$ 14,955,106

14. DEFERRED CONTRIBUTIONS – IN-HOUSE PROGRAMMING

	2013	2012	April 1, 2011
Balance, beginning of year	**$ 3,247,950**	$ -	$ -
Add:			
Amount received			
– Ministry of Education	**7,395,596**	4,330,600	-
Less:			
Amortization	**(2,141,071)**	(1,082,650)	-
Balance, end of year	**$ 8,502,475**	$3,247,950	$ -

NOTES TO THE FINANCIAL STATEMENTS
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15. DEFERRED CONTRIBUTIONS – CAPITAL ASSETS

	2013	2012	April 1, 2011
Balance, beginning of year	**$ 13,374,865**	$ 15,408,689	$ 17,251,968
Add :			
Amount received – Ministry of Education	**5,759,458**	1,009,099	1,000,000
Amount received – Others	**11,666**	-	-
Less :			
Disposition	**(759,458)**	-	-
Amortization	**(3,212,745)**	(3,042,923)	(2,843,279)
Balance, end of year	**$ 15,173,786**	$ 13,374,865	$ 15,408,689

16. CONTRIBUTIONS – OPERATING GRANTS

	2013	2012
Provincial		
Ministry of Education		
Received in current year		
Grant – Core	**$ 11,034,604**	$ 13,039,400
Grant – Capital	**1,000,000**	1,000,000
Grant – broadcasting rights	**5,658,500**	4,000,000
Grant – transfer to in-house programming	**7,395,596**	4,330,600
Receivable in current year		
Grant – dedicated funds [a]	-	2,000,000
Grant – Capital	**4,000,000**	-
Received in prior year		
Capital	**759,458**	-
Broadcasting rights	**371,668**	-
Future employee benefits	-	60,000
Training	-	150,000
Subtitling	**34,700**	325,300
Transition	-	39,233
Dedicated funds [a]	**1,975,000**	-
Dedicated projects	**300,000**	-
Deferred Contributions		
Broadcasting rights	**(6,595,168)**	(5,873,838)
In-house programming	**(7,395,596)**	(4,330,600)
Capital assets	**(5,759,458)**	(1,009,099)
Dedicated funds (a)	-	(1,975,000)
Dedicated projects	**(1,670,057)**	(400,000)
	$ 11,109,247	$ 11,355,996

[a] The Authority received a grant of $2,000,000 in 2012. An amount of $25,000 was spent in 2012 and $1,975,000 was committed prior to year-end and deferred to 2013. In 2013, $565,000 was spent on broadcasting rights. An amount of $1,410,000 was spent in 2013 on various projects

NOTES TO THE FINANCIAL STATEMENTS
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17. CONTRIBUTIONS – FUNDING FOR SPECIAL PROJECTS

	2013		
	Ministry of Education	Others	Total
Funding received in current year	**$ 268,840**	**$ 142,644**	**$ 411,484**
Funding recognized from prior years	**921,153**	**126,269**	**1,047,422**
Less: Deferred contributions	**(244,996)**	**(105,984)**	**(350,980)**
	$ 944,997	**$ 162,929**	**$ 1,107,926**

	2012		
	Ministry of Education	Others	Total
Funding received in current year	$ 1,655,604	$ 318,700	$ 1,974,304
Funding recognized from prior year	1,316,822	-	1,316,822
Less: Deferred contributions	(1,619,731)	(119,135)	(1,738,866)
	$ 1,352,695	$ 199,565	$ 1,552,260

18. CONTRIBUTIONS – CORPORATE AND GOVERNMENT

	2013	2012
Ministry of Education		
Funding received in current year	**$ 2,605,000**	$ 2,605,000
Federal		
Funding received in current year	**101,000**	5,000
Other Ontario agencies		
Funding received in current years	**334,136**	696,564
Funding recognized from prior year	**24,090**	-
Less: Deferred contributions		(28,740)
Other provinces		
Funding received in current year	**104,094**	128,873
Funding recognized from prior years	**6,982**	-
Less: Deferred contributions	**(5,405)**	(10,298)
Corporate		
Funding received in current year	**18,800**	30,000
Funding recognized from prior years	**8,125**	-
Less: Deferred contributions	**-**	(30,000)
Less: Contributions deferred to the following year – broadcasting rights	**(448,254)**	(5,000)
	$ 2,748,568	$ 3,391,399

19. OTHER REVENUES

	2013	2012
Signal subscriptions	**$ 2,982,402**	$ 3,011,354
Sale of products, donations and other	**34,506**	50,978
Sublease	**124,687**	87,590
Interest income	**194,381**	195,077
Less: Funds deferred to the following period – capital assets	**(11,666)**	-
	$ 3,324,310	$ 3,344,999

20. RELATED PARTY TRANSACTIONS BETWEEN AGENCIES

As sponsor of the Ontario French-language Educational Communications Authority Pension plan, the Authority has undertaken to pay certain costs of the pension plan, including compensation of employees, professional fees and costs associated with the use of premises and other associated costs

21. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies
The Authority is exposed to various financial risks resulting from both its operations and its investment activities. The Authority's management manages financial risks.

The Authority does not enter into financial agreements including derivative financial instruments for speculative purposes.

Financial risks
The Authority's main financial risk exposure and its financial risk management policies are as follows:

Credit risk
Credit risk is the risk of financial loss for the Authority if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise mainly from certain financial assets held by the Authority consisting of cash and cash equivalents and accounts receivable.

The carrying amount on the statements of financial position of the Authority's cash and cash equivalents, restricted cash and accounts receivable, net of any applicable provisions for losses, represents the maximum amount exposure to credit risk.

The Authority is exposed to credit risk attributable to its accounts receivable. The credit risk is assessed as low mainly due to the type of debtor, for the most part comprised of the government. The Authority's accounts receivable are classified as current.

The Authority is exposed to concentration risk attributable to cash and cash equivalents and restricted cash since it only trades with one financial institution. The Authority manages its credit risk by dealing with a reputable bank.

Exchange risk
The Authority is exposed to exchange risk due to cash and cash equivalents and accounts receivable denominated in US dollars. As at March 31, 2013, cash and cash equivalents in US dollars totalled USD $5,994 (CAD $6,090) (2012: USD $13,952 and CAD $13,918).

The Authority does not enter into forward exchange contracts to cover its exchange risk exposure. The Authority believes that it is not subject to significant foreign exchange risk from its financial instruments.

Liquidity risk
Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they become due.

Liquidity risk management serves to maintain a sufficient amount of cash and cash equivalents. To ensure that the Authority has the necessary funds to fulfil its obligations, the Authority's management establishes budgets, but does not prepare cash flow forecasts.

As at March 31, 2013, the Authority has a cash and cash equivalents and restricted cash balance of $12,975,075 (2012: $11,860,150). All the Authority's financial liabilities totalling $4,926,724 (2012: $4,981,903) have contractual maturities of less than 365 days.

22. COMMITMENTS

The Authority has entered into operating lease agreements which call for payments of $6,389,727 for the rental of office space. The minimum lease payments for the next five years are $1,550,033 in 2014, $1,554,525 in 2015, $1,403,953 in 2016, $1,327,918 in 2017 and $553,299 in 2018.

The Authority has entered into other operating lease agreements expiring in 2014 which call for monthly lease payments of $78,125 for access to communication services. The minimum lease payments for the remaining year are $937,500.

As at March 31, 2013, the Authority had committed an amount of $2,396,045 in 2014 and $2,440 in 2015 for the purchase of broadcasting rights.

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23. CONTINGENCIES

The nature of the Authority's activities is such that there may be litigation pending or in the prospect at any time. With respect to claims existing as at March 31, 2013, management believes that the Authority has valid defenses and appropriate insurance coverage in place. Even in the event these claims would be found valid, management believes that such claims are not expected to have a material effect on the Authority's financial position. No amount has been recorded in the financial statements.

The funding received from government departments may be refunded following an audit if the funding received is identified as a surplus based on the funding arrangements agreed between the parties. As at March 31, 2013, management has not been informed of any potential refund.

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