




tvo

**Annual Report
2015–2016**

Ontario
Educational
Communications
Authority

A full-page background image showing a view of Earth from space. The horizon of the Earth is visible, with a thin layer of white clouds above the dark blue surface of the ocean. The sun is in the upper right corner, creating a bright, hazy glow and lens flare effects across the top right portion of the image. The sky above the horizon is a deep, clear blue.

Something extraordinary

A full-page background image showing a view of Earth from space. The sun is visible on the left side, creating a bright glow and lens flare. The Earth's horizon is visible, with a thin blue atmosphere. The landmasses are visible in shades of brown and green. The text 'is happening at tvo' is overlaid in white, lowercase letters. 'is happening at' is in a sans-serif font, while 'tvo' is in a stylized, lowercase font with a unique 't' and 'v' shape.

is happening at tvo

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Message from the Chair of the Board of Directors

TVO was created to be the technological extension of Ontario's public education system. In 1970, TVO led the way in harnessing technology to bring to life Premier Bill Davis' bold idea of extending learning through television. In the digital age, TVO is again leveraging the promise of technology to help reinvent learning for the people of Ontario in new, innovative ways.

This year, TVO has made tremendous gains in its transformation from educational broadcaster to innovative educational media organization focused on digital learning and citizen engagement. TVO is an organization at the intersection of pedagogy, the Ontario curriculum and digital media. TVO is also uniquely positioned to leverage its brand of high-quality journalism and in-depth current affairs through an Ontario lens to build a more informed, engaged citizenry in Ontario. I'm pleased to share in this report the progress TVO has made in delivering on its ambitious five-year plan.

The plan is working: TVO is delivering high-quality learning opportunities to millions of Ontarians through innovative educational products, in-depth current affairs, ground-breaking documentaries and award-winning TVOKids content. And all of this has been made possible through the vision and leadership of TVO's Chief Executive Officer, Lisa de Wilde, and her team.

In 2015, Lisa celebrated her 10-year anniversary at TVO. On behalf of the Board of Directors, I congratulate her on this milestone. It is a testament to her commitment to making educational broadcasting a key part of the

knowledge architecture of digital media and ensuring Canadian leadership in this medium in a globally connected world. Lisa was also appointed to the Order of Canada in 2015 for her "contributions to public broadcasting" and her "transformative leadership at TVO."

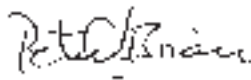
I commend the TVO team whose hard work and commitment are helping push TVO to new heights. I would also like to acknowledge the important role of TVO's Regional Councillors Advisory Board who are TVO's in-the-community ambassadors, helping to connect TVO's educational resources to citizens across the province.

“The plan is working: TVO is delivering high-quality learning opportunities to millions of Ontarians through innovative educational products, in-depth current affairs, ground-breaking documentaries and award-winning TVOKids content.”

To my fellow Board members, thank you for your input, expertise and commitment to TVO. This year, we were pleased to welcome Ginny Dybenko to our Board. In the months ahead, three of our Board members will be departing: Diane Kelly, Gary Comerford and Dr. Nana Barnor. When their terms come to an end, Vice-Chair Diane Kelly will have served for nine years; Dr. Nana Barnor, for seven years; and Gary Comerford, who also co-chaired the 2014 TVO Tribute Gala, will have served for three years. I would like to express my gratitude for their years of valued guidance, advice and direction in helping to steer TVO through its transformation.

Finally, I would like to acknowledge the generous support of the Government of Ontario, of sponsors and individual donors who share TVO's vision of an Ontario empowered by learning.

Going forward, I'm excited about TVO's future and the momentum we are building. Together, we can create a better world through the power of learning



Peter O'Brian
Chair of the Board of Directors



Message from the Chief Executive Officer

In the digital age, TVO is seizing opportunities to find new ways of creating meaningful impact for Ontario's citizens. TVO is uniquely positioned to leverage digital technology to provide innovative learning experiences and opportunities for citizen engagement around the big issues that affect us all.

Technology is ubiquitous in our lives: 93% of Ontario households with children under 12 have a smart phone or tablet in the home.¹ Today, learning is authentic, collaborative, personalized, transformative, complex and social. It extends beyond the classroom, library and lecture hall. It happens wherever, whenever and however the individual is inclined.

TVO is harnessing our expertise at the intersection of Ontario's curriculum, evidence-informed pedagogy and innovative digital media to help people learn in a multitude of ways. TVO is there with powerful learning opportunities — on air, online, on mobile devices, on social media and in the classroom. TVO enables Ontarians to come together across multiple platforms for important conversations about the various forces shaping our future.

Building momentum

We are building momentum as we grow our role from educational broadcaster to leading digital learning organization. 2015-2016 was the third year in an ambitious five-year plan that saw our transformation truly begin to take hold. The plan is underpinned by TVO's Strategic Directions, established in 2013, which are to:

- Be the Government of Ontario's partner for digital learning inside and outside the classroom
- Be the digital public space for Ontario-perspective in-depth current affairs
- Empower our employees to thrive in an organization that embraces continual change

The year's outcomes speak to the success of our plan: TVO made a tremendous footprint in the digital landscape, expanding TVO's impact and capabilities, developing and launching innovative educational products, and building out Ontario's digital public space for in-depth current affairs.

Innovative leaps in digital learning

TeachOntario, TVO's award-winning online community for educators, is an excellent example of how TVO is championing technology to help reinvent learning in Ontario.

Beginning as a prototype in 2014 and officially launched in 2016, TeachOntario brings together educators from across the province in the digital space to share and collaborate in support of student success. Developed in partnership with

“TeachOntario has augmented the online community for teachers, creating a platform for educators to collaborate and promote teaching and learning in our province. When we talk about our province having one of the best publicly funded education systems in the world, we never forget to say that it is due to our partners in education, like TVO, that we have reached such tremendous heights.”

– The Hon. Liz Sandals, Ontario Minister of Education, in a letter of March 9, 2016 on the occasion of TeachOntario's 2015 IPAC/ Deloitte Public Sector Leadership Award win

the Ontario Teachers' Federation, its Affiliates and the Ministry of Education, this innovative platform won the platinum prize in the 2015 IPAC/Deloitte Public Sector Leadership Awards – an important recognition of TVO's role as the province's partner for digital learning inside and outside the classroom.

TeachOntario boasts an engaged community of nearly 4,000 educators who are actively connecting and sharing knowledge and best teaching and learning practices. And we've seen how some of TeachOntario's super users have brought innovative teaching practices to their classrooms, in subject areas such as math.

Building on our strategic direction to be the province's digital learning partner, TVO will bring gamified learning into classrooms through mPower, a fun and

innovative online game-based resource that builds problem-solving, critical thinking and math skills for learners in kindergarten to Grade 6. TVO has developed this resource in response to the challenges children face in math today, with critical input from students and teachers.

TVO has rolled out a successful pilot of mPower's kindergarten games in select Ontario schools. In the months ahead, mPower for kindergarten to Grade 2 will launch in time for the 2016-2017 school year, along with a pilot for Grades 3 to 6 later in the fall. Learn more about mPower on page 21.

Making TVO's high calibre educational content available on demand and on various platforms has been a key part of our digital transformation. TVO is seeing remarkable growth in digital utilization.

While video consumption on TVOKids.com has remained strong, TVO has had tremendous uptake on the TVOKids YouTube Channel, which launched in November 2015 as part of our partnership with the YouTube Kids app. TVO's participation in the YouTube Kids app brings TVO's quality educational kids content to a broader audience in a safe, fun environment. In June 2016, the TVOKids YouTube Channel had 2 million monthly video views. The more kids who are watching our award-winning TVOKids content, the more kids who are getting ready for school, life and to take on the world.

Reaching and engaging Ontario citizens in new ways

From our youngest learners to adult citizens, TVO developed more ways for Ontarians to participate meaningfully

“Setting a new Agenda... TVOntario shakes things up with its flagship current affairs show ... bold new digital strategy.”

– Martin Knelman, columnist, *Toronto Star*

in the big issues defining our time. As part of our strategic direction to build a digital public space for Ontario—perspective in-depth current affairs, TVO launched a redesigned, more robust [tvo.org](#) to deliver TVO’s high-quality journalism with a depth that isn’t found anywhere else.

Next was a refresh of *The Agenda with Steve Paikin*, TVO’s flagship current affairs program and an integral part of TVO’s digital public space. *The Agenda with Steve Paikin* is the most-watched all-current affairs program in Ontario.²

Thanks to a transformative bequest of Mr. Donald Pounder, an avid TVO fan, *The Agenda* was updated with a new set. A dynamic new format that delivers *The Agenda*’s smart content in digestible chunks accompanied the new set. TVO’s “bold new digital strategy,” as *Toronto Star* columnist Martin Knelman called it, enables consumption on mobile devices and facilitates sharing via social media, driving deeper engagement by existing and new audiences around the topics that really matter to Ontarians.

Since the launch of the refreshed *Agenda*, video consumption on [tvo.org](#), YouTube and Facebook combined has more than doubled, increasing from 364,000 video views to 748,000 between January and March 2016 (vs. the same time frame last year).

High-quality journalism

Our dedication to building an informed citizenry is rooted in our belief that high-quality journalism is integral to a high-functioning democracy. TVO is fostering engaged citizenship, filling a critical gap by unpacking underserved topics and developing new ways to expand the digital reach of its in-depth current affairs content.

For example, a 2014 article in the *Ryerson Review of Journalism* (“Going hungry: Canadians are starving for agriculture coverage”), highlighted the lack of quality agricultural reporting in Canadian media. The need for in-depth coverage on a topic like this is exactly what TVO is addressing in “The Food Chain,” a new editorial narrative theme that increases

understanding of the how, where and why of food. “The Food Chain” is one of four new narrative themes around which TVO is curating on-air and online content. For more on this, see page 28.

Success happens from the inside out

Delivering on our plan starts from within, by building a culture that’s empowered with a team equipped with the knowledge, skills, confidence and drive to innovate. We transformed *how* we work at TVO by introducing a product management framework to facilitate and promote cross-functional collaboration across the organization, and make our products the best they can be for the citizens of Ontario.

Equally important is communication: our success as an organization is intrinsically linked to how—and how well—we communicate with each other. We introduced new internal leadership groups to increase communication and support TVO leaders in nurturing empowerment. We also launched a

“TVO provides a valuable public service as the educational broadcaster for the province of Ontario... and reflects Ontario’s diversity of cultures and viewpoints. Some of its programming is tied to the Ontario school curriculum and focuses on educational content for early learners and young children. This programming, as well as its long-form documentaries and in-depth current affairs programming, fulfills an essential role in the broadcasting system for the benefit of all Canadians.”

– CRTC Licence Renewal, 2015

new Intranet to facilitate and encourage idea-sharing and knowledge-exchange amongst the TVO team.

Tremendous value for Ontarians

Generous support from the Government of Ontario allows us to provide unique offerings to the people of Ontario that are not available from commercial organizations or other public providers. The CRTC, in its renewal of TVO’s broadcast licence, recognized TVO as a “valuable public service.” Government funding translates to the cost of a coffee and muffin per person per year, which is real value for Ontarians.

TVO is focused on identifying efficiencies in our operations and increasing productivity in order to devote resources to innovating in our priority areas of digital learning and current affairs. Over the past five years, TVO’s expenditures (excluding capital expenditures) have increased by an average of 0.9% per annum. Meanwhile, TVO has absorbed cost increases in excess of \$3 million.

The support of donors and sponsors and the growth of new self-generated revenues are crucial so that TVO can continue to create innovative learning experiences for Ontarians. Most notably, TVO had renewed, increased or received new financial support from a number of sponsors including the Chartered Professional Accountants of Ontario (CPA Ontario), TD Bank, Shaw Festival, Kidde Canada and Telefilm Canada. TVO also signed an agreement to provide distance learning high school courses from TVO’s Independent Learning Centre (ILC) to students in Wuxi City, Jiangsu Province, China.

Something extraordinary is happening at TVO

At TVO, everything starts with our belief that learning has the power to change the world. The digital revolution has only served to reinvigorate our mandate and broaden the number of platforms by which we provide our resources and services. We all know the revelation, amazement and wonder that come with learning something new. I am proud

that TVO levels the playing field so that every Ontarian can experience the empowerment and joy of learning.

Looking ahead, mPower’s entry into schools this fall will be an exciting venture that leverages our reputation as a trusted source for learning in Ontario. TVO will keep raising the bar with digital media, creativity, and a belief in the power of learning.

Stay tuned: something extraordinary is happening at TVO. TVO is helping to reinvent the way we learn in the 21st century and how we participate as citizens in our democracy.



Lisa de Wilde
Chief Executive Officer

Sources:

¹ MTM, 2015

² Numeris, 2016

Making an Impact

Learning is the enabler of engaged citizenship. Whether it happens in school or beyond as part of a lifelong journey, TVO is there to support Ontario citizens with innovative learning opportunities — all on multiple platforms.

1 coffee + 1 muffin

The approximate cost of TVO's government funding per Ontarian each year.

10.7 million

Ontarians watch TVO on television every year. *



IPAC/Deloitte Public Sector Leadership Award

for TeachOntario, for outstanding leadership among 100 nominations.



Improving math scores

Grade 9 Applied Math students are more likely to meet the provincial standard on EQAO math assessments when they use Homework Help resources.



Donald Brittain Award

for best social/political documentary
for *Sugar Coated* at the Canadian
Screen Awards.



The most watched

all-current affairs program
in Ontario is *The Agenda
with Steve Paikin*. *



21 Daytime Emmy Award Nominations

for TVO's high-quality educational
kids programs.



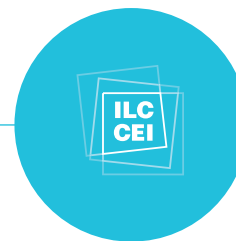
tvo



2 million

monthly video views of TVOKids content
available on the YouTube Kids app –
and growing.

(June 2016)



Ontario's largest public high school

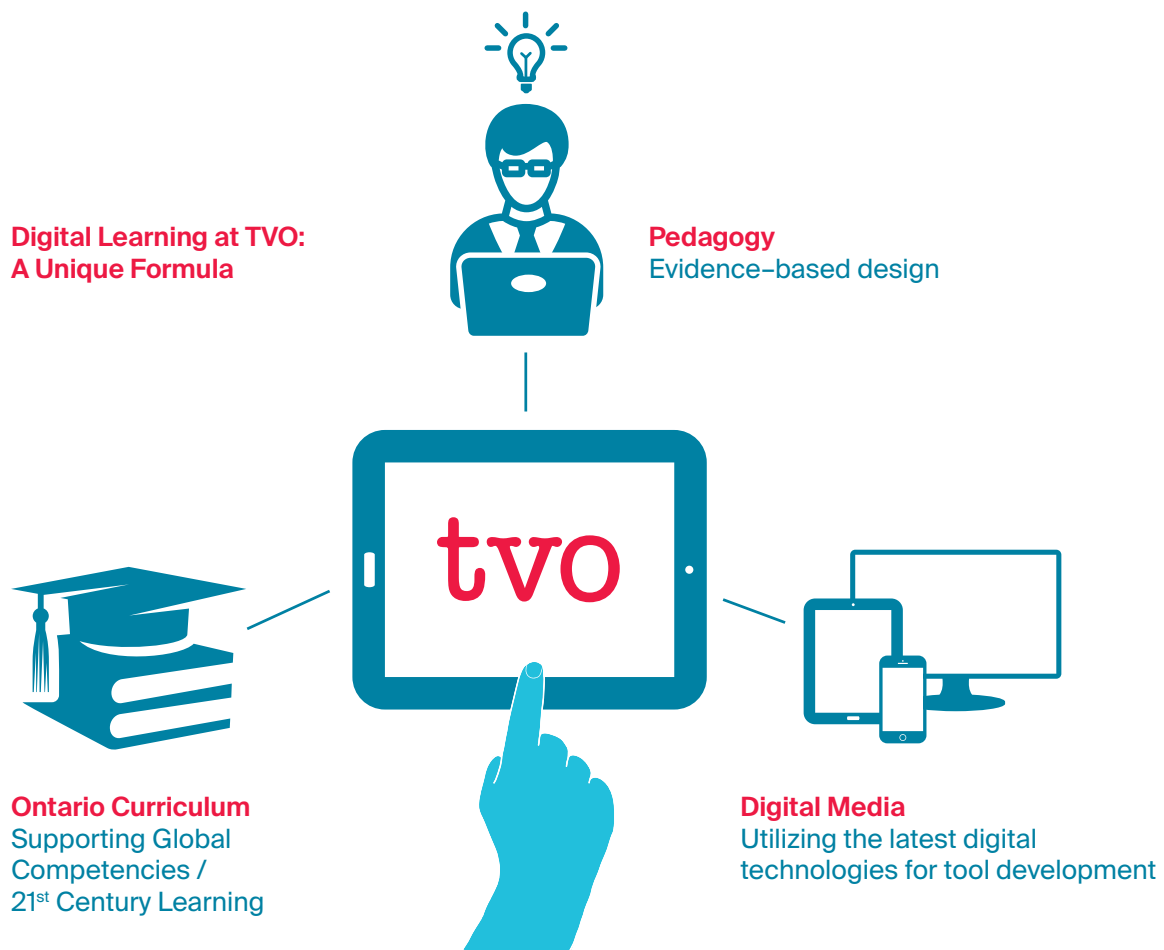
Almost 50% of students taking courses
from the ILC are doing so in order to
apply to post-secondary educational
institutions.

* Source: Numeris, 2016



Performance Highlights

1. Digital Learning
2. Citizen Engagement
3. Empowered Team
4. Strategic Growth
5. Operational Effectiveness
6. Financial Sustainability



1. Digital Learning

As the province's partner for digital learning inside and outside the classroom, TVO supports learning in Ontario with award-winning TVOKids content and innovative educational resources. Children, students, parents and teachers can access smart, trusted opportunities to learn with TVO when and where they want to.

TVO's value is in providing accessible, evidence-based digital content that supports learners' needs within a 21st-century framework. All of TVO's content is rooted in learning objectives from the Ontario curriculum using TVO's Educational Blueprint, an instructional design process that creates a rigorous framework for the creation and development of all of TVO's content.

Our strategic focus on digital learning aligns directly with the pillars of the Ministry of Education's *Achieving Excellence*:

A Renewed Vision for Education in Ontario, which promotes high student achievement and well-being, equity of access to rich learning experiences, and the confidence of Ontario citizens in our publicly funded education system.

With a particular focus on STEAM subjects (science, technology, engineering, arts and math), TVO's content gives young learners the start they need in order to succeed in the future as citizens of a globalized world.



Highlights

- As part of its partnership with the YouTube Kids app, TVO released a TVOKids YouTube Channel in November 2015 and captured an enthusiastic new digital audience. In June 2016, the TVOKids YouTube Channel had 2 million monthly video views.
- To leverage the success of the TVOKids brand, the TVOKids programming block on Saturdays and Sundays was extended to 7 pm, allowing TVOKids to be on the air from 6 am to 7 pm with the very best in children's on-air educational content seven days a week. All of this is complemented by engaging interactive, educational experiences at TVOKids.com.
- Program premieres included: *Science Max* and *Look Kool*, which are rooted in STEAM and inspire kids to have fun with math and science; and *Can You Imagine That!*, which inspires preschoolers to use their imagination to explore careers they might have when they grow up.
- TVO's educational content for kids was recognized with four 2016 Canadian Screen Awards for: the live-action math comedy series *Odd Squad* (Best Pre-School Program or Series); the popular animated series *Paw Patrol* (Best Direction in an Animated Program or Series for the "Pups Save a Talent Show/Pups Save the Corn Roast" episode); and *Finding Stuff Out* (Best Children's or Youth Non-Fiction Program or Series; and Best Host in a Pre-School, Children's or Youth Program or Series).
- TVO garnered an impressive 21 Daytime Emmy Award nominations for its high-quality kids programs (*Annedroids*, *Odd Squad*, *Dino Dan: Trek's Adventures*, *Wild Kratts*), resulting in four wins for *Odd Squad* (Outstanding Writing in a Children's or Pre-School Children's Series; Outstanding Directing in a Children's or Pre-School Children's Series; Outstanding Costume Design/Styling; Outstanding Hairstyling).
- More accolades came with prestigious 2016 Prix Jeunesse International Award nominations. Prix Jeunesse prizes recognize programs that, within their cultural context, help young people to develop mentally, socially and physically to their fullest potential. TVO nominees include *Annedroids*, *Hi Opie!*, *Can You Imagine That!* and *Now You Know*. *Annedroids* was also nominated for a special Gender Equity Prize which recognizes programs that deal with gender roles in an innovative manner.
- Three TVOKids series were honoured with 2015 Youth Media Alliance Awards of Excellence: *Annedroids* (Grand Prize for Best Production, All Categories); *Odd Squad* (Best Television Program, All Genres, Ages 6-8 category); and *Hi Opie!* Interactive (Best Convergent Website).
- The TVO co-production, *Annedroids*, the live-action adventure series that follows the adventures of a genius kid-scientist Anne and her friends, was also a finalist for a 2015 Japan Prize, an international competition that recognizes high-quality educational TV programs.

Award-winning content, on air and online



Annedroids

A 2015 study showed that watching TVO's *Annedroids* helped increase self-esteem, foster interest in STEAM in girls, and reduce gender stereotypes in girls and boys.

Source: International Central Institute for Youth and Educational Television (IZI).

[Annedroids] offers girls the inspiration that they can be what they want to be and can use technology to make this world a better place.

– Dr. Maya Götz, Director of IZI and lead researcher in the study

@tvokids is the best. This morning my five-year-old casually explained Newton's third law to me. Said he learned it from *Science Max*!

– Lisa Fielding via Twitter

My four year old son is singing his heart out to the "I Can" music video on TVOKids. Thank you for the quality family programming!

– Jules Kirboucane via Facebook



TeachOntario

tvo.org/teachontario

TVO was pleased to officially launch TeachOntario, TVO's award-winning online community for educators, alongside our partners from the Ontario Teachers' Federation (OTF), its Affiliates and the Ministry of Education, who were key collaborators in the platform's development. A one-stop shop accessible 24/7 for professional teaching and learning, TeachOntario was developed in response to educators looking for a place to collaborate and share ideas across Ontario's many school boards, in order to support student success.

TeachOntario builds on TVO's strategic direction to be the Government of Ontario's partner for digital learning inside and outside the classroom.

Highlights

- TeachOntario won the Platinum 2015 IPAC/Deloitte Public Sector Leadership Award for outstanding leadership among 100 nominations.
- TVO officially launched TeachOntario in the company of Ontario Education Minister Liz Sandals and OTF president Francine LeBlanc-Lebel at an elementary school. The launch provided an opportunity to demonstrate innovative teaching practices in action inspired by TeachOntario, with two of the platform's "super users" who used technology to solve math problems collaboratively and virtually between their classrooms in Oakville and Chatham.
- The TeachOntario community reached nearly 4,000 engaged users by March 31, 2016.
- A unique partnership between TeachOntario and the Teacher Learning and Leadership Program (TLLP) is a

vital source of educator engagement and content on TeachOntario. The TLLP is a program that funds teacher-initiated projects around professional learning, teacher leadership and knowledge exchange. TeachOntario provides an important platform for teachers participating in TLLP to manage their projects and share learnings and exemplary practices with a broader audience.

- Other educator resources created to provide a richer experience on the platform include: the Professional Learning Series, weekly interactive professional learning webinars; book clubs facilitated by the Ontario School Library Association where teachers can discuss titles for use inside and outside of the classroom; and TeachOntario Talks, multimedia blogs that provide illustrative examples of innovative practices from across Ontario to address improving student achievement and well-being.

TVO has shown great leadership in creating such an innovative networking tool for educators. I know TeachOntario will go a long way to connect and inspire teachers as they continue to help our students succeed.

– The Hon. Liz Sandals, Ontario Minister of Education, on TeachOntario's launch

OTF and its Affiliates are proud to have participated in the development of TeachOntario and congratulate TVO and our teachers on its success. TeachOntario creates an online educational community, developed by teachers for teachers. Teachers in Ontario's publicly funded educational system can come together virtually to learn, share, and discuss timely professional learning issues.

– Francine LeBlanc-Lebel, President of the Ontario Teachers' Federation, on TeachOntario's launch



INDEPENDENT LEARNING CENTRE
CENTRE D'ÉTUDES INDÉPENDANTES

tvo.org/ilc

Operated by TVO, the ILC is Ontario's largest public high school. It provides distance education courses and grants Ontario Secondary School Diplomas.

The ILC provides an alternative for students to obtain the credentials they need to access post-secondary education. Almost 50% of students taking courses from the ILC are doing so in order to apply to post-secondary educational institutions.

Continuous student intake occurs all year and students can complete courses at their own pace.

On average, an Ontarian will earn \$6,500 more annually if they have a high school diploma. With post-secondary education, that number increases to \$12,000 annually, making a tremendous impact in the lives of Ontario's families.

TVO is also Ontario's sole provider of the General Educational Development (GED) tests, which allow those who have not finished high school the opportunity to earn an Ontario High School Equivalency Certificate.



Highlights

- ILC is Ontario's largest public high school with 19,338 students registered for 32,951 courses.
- At the request of the Ministry of Training, Colleges and Universities, TVO created 16 ILC non-credit support courses for university prep.
- Online registration and payment options are now available to students.
- More than 1,700 candidates were successful in writing their GED tests and acquired an Ontario Equivalency Certificate.

Thank you @tvo and @ILC_CEI for helping me achieve success. Can't wait to go to Uni in September!

- Omar Jama via Twitter

I was disabled and had severe medical problems from Grade 8-12. I did ILC during this time and was able to recover and move on to college with my peers while still getting a high school education!

- Ali McAughey via Facebook



Homework Help

tvo.org/homeworkhelp

Homework Help is TVO's free online math tutoring service. It offers real-time, one-on-one tutoring from Ontario-certified teachers to Grade 7 to 10 students in every publicly funded English-language school board in the province. Homework Help also features digital math resources such as interactive tutorials, lessons and a glossary, which are available 24/7.

An excellent resource for students who are experiencing challenges with math, the Homework Help digital learning service is also valuable for families looking for a math tutoring option and can be used by teachers to support learning during the instructional day.

Highlights

- Students posed over 207,853 questions to Ontario-certified teachers.
- Each user interacted with Homework Help more than 15 times, on average.
- For a second year, Homework Help was extended throughout the summer to reach summer-school students.
- Students can access Homework Help's "Ask a Tutor" chat on a mobile-friendly platform.

It's great to see TVO evolving to support our kids learning and bringing awareness through social media – Bravo! Kids learn in different ways and this is another tool that parents can introduce their kids to if they need the extra help or reinforcement.

– Lorraine Rodriguez Irvine via Facebook

My daughter loves this site. The tutors are great and it really helps her especially when she has a test coming up.

– Shan Munro-Link via Facebook

I love this website. I like how it's free and [tutors] spend as much time on a question as you need... they help YOU understand it and they don't do all the work [for you].

– Grade 7 student

Great experience – that tutor really helped break it down and make me understand the concept which I did not understand.

– Grade 8 student



Spotlight

mPower: TVO's new digital math tool helps students STEAM toward success

In our day-to-day life, and in our 21st-century, globally connected world, math matters. Strong math skills are crucial to helping young learners succeed in school. Math literacy is also key to the jobs of the future and creating a skilled workforce, which will ultimately help strengthen Ontario's economy and enable the province to compete on a global scale.

Yet math can trigger anxiety for kids, parents and teachers — it can be hard to learn, and complex to teach. There's also been a declining trend in math scores in Ontario and a concerted effort to reverse this. In this context, TVO saw an opportunity to harness our expertise at the intersection of curriculum, pedagogy and digital media to create a tool to support student success, and help instill a solid foundation in

STEAM subjects (science, technology, engineering, arts and math) from the onset of a child's education in kindergarten.

To address the need for math support, TVO created mPower, a fun and innovative online game-based resource that builds problem-solving, critical thinking and math skills for learners in kindergarten to Grade 6. As the popularity of online gaming

among young Canadians continues to grow, it was a natural fit to leverage digital game-based learning to tap into kids' innate love of games so that learning math is fun.

To keep kids engaged while they learn, mPower also employs gamification principles. These include progressively moving players up through levels of difficulty while “scaffolding” the learning; giving kids the freedom to make mistakes along the road to finding the answers; providing feedback; and balancing the skills and challenges in a game so that players enjoy their experience and want to play again.

In 2015-2016, TVO built mPower from the ground up within TVO's new product management framework. A product manager led a cross-functional, multi-disciplinary team to conceptualize, prototype, develop and continually iterate and improve mPower. Its development is rooted in TVO's Educational Blueprint, a rigorous instructional design process that guides the creation of all of TVO's high-quality educational content. The team worked in partnership with Ontario educators, who guided the development of mPower from its inception, giving TVO critical insight on students' learning needs and the math challenges they are facing. Throughout the process, educators and students themselves helped shape mPower's iterations through valuable feedback, play-testing and in-school piloting.

This was a transformative method of working for TVO, and provided important insights on how to leverage a wide range of skills, nurture innovation and creativity, and strengthen the organization's ability to be nimble in its

practices. mPower is a first for TVO in terms of scale and complexity—from the organizational efforts that led to its creation, to the resulting product: a comprehensive, high-quality digital classroom resource that serves both teachers and students throughout elementary school.

mPower immerses students in a virtual world in which they can learn and master math concepts that align with the Ontario curriculum through engaging games. It's a “tool within a toolbox” of math resources.

mPower offers students guided, learner-centric math problem-solving experiences set in a variety of creative and age-appropriate worlds that reflect Ontario's communities. In addition to supporting student engagement and achievement in math, the toolbox also incorporates “big ideas” from the elementary Social Studies and Science curriculums. For example, in one of the games for kindergarten students, they learn about probability by predicting the likelihood of certain types of weather and dress the game character appropriately based on scenes depicting the four seasons.

In the classroom, mPower can be used on an interactive whiteboard for whole-class and small-group instruction, as well as individually on desktops, laptops and tablets. Educators can also use mPower as an assessment tool to monitor student progress.

Jonathan Lowe, a kindergarten teacher at Rosedale Junior Public School in Toronto, has been using mPower in his classroom as part of a pilot program that was rolled out to select schools



in late 2015. “It's the most age- and developmentally appropriate app that I've encountered,” he says of mPower's unique value. “I could direct the kids to the appropriate content area that matched what we were learning. Also, the scaffolding in the game and the fact that it doesn't rely on text means that even pre-literate kids can play, learn and have fun.”

It's already generated a few light bulb moments in his classroom. “I had one student who began the year unable to identify a pattern,” says Jonathan. “When we started using mPower with this student, the scaffolding of the game helped reinforce concepts, and provided a safe, positive environment for them to practise and build confidence. Now [the student] can identify and create their own pattern.”

mPower will be *the* digital game-based curriculum resource in every Ontario kindergarten to Grade 6 classroom beginning fall 2016. mPower joins TVO's growing suite of innovative educational learning products that build on TVO's strategic direction to be the province's partner for digital learning inside and outside the classroom.



2. Citizen Engagement

An informed and engaged citizenry is a fundamental building block for an effective democratic society. TVO is committed to promoting citizen engagement. To do so, TVO is focused on creating a stronger, more informed Ontario by delivering in-depth current affairs through an Ontario lens and documentary films that illuminate the complex issues defining our world. As part of TVO's strategic direction to build a digital public space, TVO is bringing citizens together in new ways for meaningful conversation around the issues that affect us all.



Nam
Kiwanuka



Steve Paikin

In-Depth Current Affairs

With rigorous journalistic and programming standards at its core, TVO's flagship current affairs program, *The Agenda with Steve Paikin*, and tvo.org provide high-quality journalism that explores issues on multiple platforms – web, video, broadcast and social media.

TVO fills a critical need by unpacking big, complex issues and making them relevant and accessible for Ontarians with unmatched depth of analysis, debate, context and informed opinion.

Highlights

- TVO launched a redesigned, refreshed tvo.org, a pivotal step in the development of TVO's digital public space.
- TVO introduced four new narrative themes (The Food Chain, The Next Ontario, Shared Values, Climate Watch) which curate content around topics which are underserved and to which TVO can bring a special perspective.
- Coinciding with its 10th season, *The Agenda with Steve Paikin* unveiled a dynamic new format, building further momentum in the development of TVO's digital public space. As part of a social media strategy aimed at reaching new, digitally engaged audiences, the new format chunks *The Agenda's* content into segments for consumption and sharing on multiple platforms, while maintaining the same depth of coverage Ontarians have come to expect and trust.
- *The Agenda's* social media audience grew by 9,051 new followers on Twitter and Facebook during the course of the fiscal year, an increase of 24%. On Facebook, engagement on *The Agenda's* posts saw an increase of 309%, which represents over 65,000 additional clicks.
- TVO believes in the importance of scientific literacy and is proud of its relationship with the Perimeter Institute (PI). TVO livestreams PI's monthly lecture series and is also the Presenting Media Partner for the Waterloo Global Science Initiative OpenAccess Energy Summit.
- A new partnership created with the Munk School of Global Affairs' innovative journalism program brings in journalism fellows with deep expertise in a range of fields as guest writers for tvo.org.
- In the lead-up to the Ontario Progressive Conservative Party Leadership convention, *The Agenda with Steve Paikin* was the only media



TVO's Journalism: A Unique Niche

In-depth

High quality journalism, deepening our understanding of the world. Not clickbait.



Ontario Lens

Multiple views of the modern Ontario experience. Not Toronto or Canada, but Ontario.



Current Affairs

Analysis of the big issues of the day to build citizen engagement. Not breaking news.

outlet to broadcast a debate between PC leadership candidates Patrick Brown and Christine Elliott.

- Accomplished journalist Nam Kiwanuka joined *The Agenda* team as the new host of *The Agenda in the Summer*.
- *Agenda* producer Eric Bombicino was awarded an Access to Journalism Fellowship and travelled to Pikangikum First Nation in northwestern Ontario to investigate how energy poverty impacts this community.
- TVO On the Road visited Guelph to bring together community leaders and

citizens to explore issues impacting the local community and beyond. Topics covered included Ontario's food sustainability and what Ontario can learn from Guelph's employment success stories and job growth.

- TVO On the Road also visited Peterborough-Kawartha to find out how local candidates were faring in "bellwether ridings" in the lead-up to the 2015 federal election, and explored the changing region of Eastern Ontario through the Thousand Islands Parkway — a historic road that runs along the shores of the St. Lawrence River.

Our thanks to TVO for covering important Ontario events like the Ontario PC Leadership contest with the depth they deserve.

– Ontario Progressive Conservative Party via media advisory on April 28, 2015

Thanks TVO for its great programming.

– Ralph Nader while on *The Agenda*, September 21, 2015

Love the new look / digital focus @TheAgenda - nice job. cc @nextMEDIANow

– Amber Mac, TV host, author and speaker, via Twitter

Truly enjoyed the program "Women in Municipal Government." I live in rural Ontario and much of what the 4 panellists said struck home. Thank you.

– Marg Neudorf via Facebook

@TheAgenda love the discussion on hunger in Ontario. Let's make things better! Informative. Thanks for bringing awareness.

– Rachel Crouch via Twitter

@spaikin Recently rediscovered @tvo and @TheAgenda and love what I see. Meet @tvo's newest monthly donor (me – registered).

– Steve Cooper via Twitter



Lowdown Tracks



Polarsea360.com

Ground-breaking Documentaries

TVO offers ground-breaking documentaries that help Ontarians understand the world around us, and is committed to reflecting the diversity of Ontario by seeking out new voices and perspectives to inform and inspire.

Highlights

- The centrepiece of TVO's primetime offerings, documentaries make up almost two-thirds of the primetime TV schedule. At tvo.org, 870 documentary titles comprising approximately 766 hours were available to be streamed.
- In support of the digital public space, TVO documentaries are linked closely with current affairs through the four new narrative themes.
- Three TVO-commissioned films premiered at the 2015 Hot Docs Canadian International Documentary

Festival: *Sugar Coated*; *Mom and Me* and *Lowdown Tracks*. *Lowdown Tracks* won second place at the festival for Audience Favourite.

- The TVO-commissioned documentary *Sugar Coated* won the prestigious Donald Brittain Award for Best Social/Political Documentary Program at the 2016 Canadian Screen Awards.
- Polarsea360.com, the interactive media companion piece to the TVO-commissioned documentary series, *The Polar Sea*, won The Grimme Online

Award for Best Culture and Entertainment. The Grimme Online Award recognizes exemplary online offerings and is awarded by Germany's Grimme Institute which explores issues relating to media culture.

- The documentary *Strange and Familiar: Architecture on Fogo Island* was recognized with a Best Documentary Award at the International Festival of Films on Art in Montreal; and with two awards for Best Atlantic Documentary and Best Atlantic Cinematography at the Atlantic Film Festival in Halifax.
- *Para Normal*, the winning documentary by Rostyk Makushak in TVO's 2015 Short Doc Contest, won awards at the Bluenose-Ability Film Festival, the United Nations Enable Film Festival and the Festival International Entr'2 Marches 2016 in Cannes, France.



Sugar Coated



Strange and Familiar: Architecture on Fogo Island

- The 2016 edition of TVO's Short Doc Contest attracted 115 submissions. The films were of such high-calibre that nearly a third of the films went into the semi-final round. Lindsay Fitzgerald of Toronto was the grand prize winner for her short documentary, *About Employment*.

I just watched this doc thx so much for sharing. Greater understanding is what I come away with. Really, a remarkable piece. @tvo it is excellent. This is one of the best films I've seen in that it shows what the illness is. Shows incredible human compassion.

- Clara Hughes (Olympian, mental health advocate) via Twitter on TVO's rebroadcast of *Out of Mind, Out of Sight* in 2015

Rave reviews for *Borgen*

Aside from the great TV made by HBO, Showtime and other outlets, magnificent TV drama has come from many mainland European and Scandinavian countries. Series that are anchored in television's ability to tell long-form stories with nuance and insight. Stories that are revealing – in a political and sociological manner. Also, entertaining.



hope to find it on CBC, but here it is at last on regular TV. If you have access to TVOntario from anywhere in Canada, go for it...

We're watching people use their brains, not flaunt their looks in *Borgen* – and while that can be unsettlingly unfamiliar to some viewers, it's magnificently different.

- John Doyle on the Danish political drama series, *Borgen*, *Globe and Mail*, June 5, 2015

***Borgen* is one of the great ones. It's been on Netflix, and you'd**



Spotlight

Citizen engagement and TVO's model for high-quality journalism

TVO's journalism covers underserved topics that matter to Ontarians. One such example is TVO's exploration of the Wetum Road, an important artery that serves as a lifeline for the communities of James Bay.

As traditional models of journalism undergo a veritable shakeup, the values of journalism – editorial integrity, independence, quality and diversity – are more important than ever. They are fundamental to the functioning of democratic societies. Citizens are only as free as the quality of the information that they absorb everyday. Journalism is crucial to holding the powerful to account, enabling the meritocracy that underpins social mobility.

Today the media landscape is in the midst of rapid and sweeping change. Local journalism is shrinking. In the last decade, an estimated 10,000 journalism jobs have been lost in Canada. Technology is driving change in behaviour that has made traditional models of advertising-supported news and current affairs obsolete.

In this perfect storm, TVO's journalism stands tall. TVO provides an unmatched journalism that addresses a market failure. We do this with unparalleled depth of analysis, debate, context and informed opinion, to enable Ontarians to become knowledgeable, connected and engaged by the ideas and big issues impacting our province.

2015-2016 was a year that ushered in sea change for journalism at TVO. The changes represent a determined effort to address the profound upheaval to the media landscape brought about by digital disruption. With that in mind, TVO took on a digital-first mindset and multi-platform approach in implementing a number of new strategies.

In summer 2015, TVO launched a redesigned tvo.org, laying the foundation

of food; “Shared Values,” which asks what an inclusive society looks like; and “Climate Watch,” which looks at why climate change is an increasingly local issue.

Guest contributors from the Munk School of Global Affairs’ innovative journalism program, along with prominent journalists such as urban affairs specialist John Lorinc, aboriginal author Drew Hayden Taylor, and feminist writer Antonia Zerbisias, have lent their

providing context on national and world events—always through an Ontario lens. Most notably, *The Agenda* is produced with shorter, crisper content that more readily services our digital platforms. And by harnessing the power of social media, TVO is delivering this smart content to new, digitally engaged audiences.

TVO is a small player in the vast digital universe, and every one of its users

Journalism “provide(s) citizens with the information they need to make the best possible decisions about their lives, their communities, their societies and their governments. An informed public is central to good public policy and a well-functioning democracy, which is why freedom of the press is enshrined in the Charter of Rights and Freedoms. Serious journalism – fair, accurate and independent of special interests – gives Canadians the tools they need to hold their governments to account.”

– Madelaine Drohan, *Does Serious Journalism have a future in Canada?* Canada’s Public Policy Forum, 2016

for Ontario’s digital public space for in-depth current affairs. It was a pivotal rethink and rebuild that made the site easier to use, but more importantly, put TVO’s journalism front and centre.

To play to TVO’s strengths in covering underserved topics with depth, a new editorial strategy was introduced, curating online and video content — including documentaries — around four narrative themes, areas of important conversation for Ontarians: “The Next Ontario,” an in-depth look at the forces shaping the province; “The Food Chain,” the how, where and why

voices, adding greater depth to TVO’s online editorial content.

With the new tvo.org in place, TVO applied the same editorial principles to the broadcast and leveraged the strengths of both to create something greater than the sum of their parts.

In January 2016, TVO rebooted *The Agenda* with Steve Paikin with a brighter, sharper new set and new format to coincide with its 10th season. *The Agenda*’s editorial content reflects the new narrative themes, while still

counts. TVO is going to them where they are, on the platforms of their choosing.

While the future of journalism is not entirely clear, TVO’s focus is. We are dedicated to building an informed, engaged citizenry. We are committed to helping citizens understand and engage in the environmental, social, political, cultural and economic forces that shape our world. As the province’s digital public space, TVO is proud to contribute to building a stronger, more informed Ontario.



The team who launched TVO's offerings on the YouTube Kids app accept TVO's 2016 "Pass Around" Award for their excellence in collaboration.

3. Empowered Team

As part of TVO's transformation from educational broadcaster to innovative digital learning organization, TVO is committed to developing its greatest asset—our people—in order to deliver on our mission. TVO is dedicated to empowering our employees and teams to thrive in an organization that embraces continual change.

With an emphasis on living TVO's values of excellence and innovation, collaboration, ownership, respect and trust, TVO is building an empowered culture – where employees have the

skills, confidence and support to be successful in their work, and are encouraged to share ideas and problem-solve as teams working together to achieve common goals.

Highlights

- Employees achieved an average of 7.2 training and professional development days per person, surpassing the goal of five days per team member per year.
- TVO launched a redesigned Intranet in order to enhance internal communications and team collaboration.
- Integral to TVO's future success, a product management framework was introduced to ensure focus and alignment to strategy. Product managers lead cross-functional teams to develop, launch and improve new and existing products.
- New internal leadership groups were introduced (TVO Leaders Forum, Strategic Aligning Team, Silo Busting Team) to facilitate communication, identify and overcome obstacles, and empower TVO leaders to deliver on our Strategic Directions.
- TVO holds regular All-TVO meetings and smaller division meetings to enhance communication with staff and to encourage a shared sense of purpose and clarity.
- Building on our commitment to learning, TVO held "Learn at Work Month" celebrations in September. This initiative is driven by employees via blogged stories of personal learning journeys, lunch and learns, job shadows, and by encouraging non-traditional learning and development opportunities.



4. Strategic Growth

In 2015-2016, TVO took on a number of key projects in support of its Strategic Directions, most notably in the areas of digital learning, citizen engagement and self-generated revenues.

Highlights

- TVO launched the redesigned tvo.org, which provides the platform for TVO's digital public space for Ontario-perspective in-depth current affairs.
- The first phase of mPower, a fun and innovative online game-based resource that builds problem-solving, critical thinking and math skills for learners in kindergarten to Grade 6, was rolled out as a pilot to select kindergarten classes.
- With funds provided by the generous bequest of the late Donald Pounder, an updated new set for *The Agenda with Steve Paikin* debuted in January as it embarked on its 10th season. Mr. Pounder's Legacy Gift was the single largest donation ever made by an individual to TVO.
- TVO began to actively pursue commercializing the ILC's course offerings in global markets by developing a model that can be used with selected international partners. Funds generated are reinvested back in TVO so that it can support digital learning and citizen engagement.
- TVO participated in Premier Wynne's trade mission to China and signed an agreement as part of our ILC commercialization strategy to provide distance learning high school courses to students in Wuxi City, in Jiangsu Province.
- In November 2015, TVO won HOW's In-House Design award in the non-profit category for the organization's rebranding campaign, up against over 1,000 entries. HOW is one of the top industry magazines and conferences in the design world.
- In early spring 2016, TVO rolled out the "TVOh" marketing campaign which refocused the TVO brand on learning. Embodying the shared experience of learning something new, "TVOh" generated positive feedback from Ontarians who called it "clever," "awesome," and "the best TVO campaign I can remember" on Twitter.



5. Operational Effectiveness

In its mission to provide innovative digital learning and citizen engagement experiences to Ontarians, TVO is dedicated to finding ways to ensure the best value for citizens' tax dollars.

Highlights

- As part of TVO's transformation and its commitment to empowering employees, the product management framework was implemented to give TVO teams a toolkit for building and managing new and existing products, and to provide frequent and continuous improvement of those products. At TVO, product management focuses on delivering mission, revenue, impact and a great user experience.
- TVO's television infrastructure achieved an up time of 99.9%, which includes broadcaster master control and over-the-air transmitters. TVO standardized and automated the processing of file-based content acquisition for broadcast, and used remote network monitoring and control to enable 24/7 response to issues without having to dispatch a technician to the site.
- TVO's flagship websites including tvo.org, TVOKids.com, tvo.org/ilc and tvo.org/homeworkhelp were available 99.93% of the time throughout the year, well exceeding an uptime target of 99.5%.
- TVO implemented a new, centralized production resource scheduling process to make more effective use of production facilities and multi-skilled operations technicians across TVO in-house productions, resulting in standby time being reduced by 25%.
- TVO reduced its warehouse space by 8,000 square feet to realize cost savings on storage facilities.
- TVO's aging post-production shared media storage environment was replaced by new technology, which allows greater flexibility for editing and will generate ongoing cost savings.



6. Financial Sustainability

With generous support from the Government of Ontario, TVO provides powerful learning opportunities to citizens, for about the cost of a coffee and muffin per Ontarian per year.

Over the past five years, TVO's expenditures (excluding capital expenditures) have increased by an average of 0.9% per annum. Meanwhile, TVO has absorbed cost increases in excess of \$3 million. TVO carefully examines the organization's ongoing operations in order to identify opportunities to increase efficiencies and cost-savings.

More resources are directed to innovation in digital learning and citizen engagement to enable TVO's transformation, while

continuously improving productivity and increasing revenue from both existing and new sources.

Growing self-generated revenues is key to ensuring TVO's financial sustainability. As a charity, TVO relies on the support of donors, corporate sponsors and other streams of self-generated revenues including international ILC course sales, as well as legacy revenues such as transmitter rentals and maintenance, interest income, and sales and licensing.

Highlights

- Over 33,000 Ontarians supported TVO by making a donation. More than 10,000 loyal donors support TVO as part of the Producers' Club monthly giving program.
- The TVO Tribute Gala, our annual fundraising event, has grown every year since its inception in 2012 and has raised over \$700,000. In 2015, TVO honoured former President and Vice-Chancellor of Ryerson University, Sheldon Levy, for his contributions to education. The gala celebrates and honours those who demonstrate how learning has the power to change the world.
- Corporate partners, the Chartered Professional Accountants of Ontario (CPA Ontario), TD Bank, Shaw Festival and Kidde Canada renewed their sponsorship of TVO, and a new partnership was created with Telefilm Canada. In the coming year, TVO has already seen a significant increase in corporate support from Bruce Power, Mirvish Productions, Ontario Telemedicine Network, Skills Canada and the Ministry of Economic Development, Employment and Infrastructure.
- TVO introduced its Leadership Giving Circle to recognize donors who support TVO with an annual gift of \$1,000 or more.



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In the Community

In 2015-2016, TVO connected with citizens across Ontario through more than 85 events and experiences. These opportunities allow TVO to meet and hear from Ontarians in their local towns and cities, and bring greater awareness to the many ways in which TVO supports learning and citizen engagement.

Word on the Street

TVOKids celebrated learning and reading on September 27, 2015.

- 1 - Enthusiastic families enjoy the day.
- 2 - TVOKids host Gisèle performs in TVO's fun and educational stage show.
- 3 - Young fans line up for autographs from the TVOKids hosts.
- 4 - Premier Kathleen Wynne on the TVOKids stage reading *Stanley at School*.

TVOKids Reading Rangers Book Club Tour sponsored by TD Bank

TVO's Reading Rangers visited eight cities.

- 5 - TVOKids host Daniel meets a fan in North Bay.
- 6, 7 - Enthusiastic audience members in Sault Ste. Marie and Windsor.



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Queen's Park Event: Something Extraordinary Is Happening at TVO

TVO showcased its educational products to MPPs and Queen's Park staff on March 22, 2016.

8 - Andrew Steele, TVO's Vice President, Strategy, Marketing and Communications and The Hon. Dave Levac, Speaker and MPP, Brant.

9 - Wayne Gates, MPP, Niagara Falls; Bill Walker, MPP, Bruce-Grey-Owen Sound; and Lisa de Wilde, TVO's Chief Executive Officer.

TVO On the Road in Guelph

The Agenda with Steve Paikin visited Guelph on March 6, 2016 to engage citizens in issues impacting the local community and beyond.

10 - Host Steve Paikin with the audience.

11 - Steve Paikin and *Agenda* guests during the recording for the program "What Ontario can learn from Guelph."

In the Community



12



13



14



15

TeachOntario Launch

TVO officially launched its award-winning online community for educators on March 31, 2016.

12, 13 - Students at St. Mary Catholic School in Oakville work through a math problem and connect with another classroom in Chatham.

14 - Indira Naidoo-Harris, MPP, Halton, The Hon. Liz Sandals and teacher Maureen Asselin in a classroom at St. Mary Catholic School.

The Agenda with Steve Paikin: New Year, New Agenda

Donors, sponsors and friends joined TVO for the unveiling of *The Agenda*'s new set and format on January 13, 2016.

15 - Host Steve Paikin and *Agenda in the Summer* host Nam Kiwanuka on the new set.

16 - Steve Paikin addresses attendees.



16

Supporting TVO

TVO Tribute Gala
TVO Public Archive
Thank You



2015 TVO Tribute Gala



2



3

Supporting TVO

TVO offers Ontarians tremendous value. Because TVO is not fully funded by the government, TVO relies on donor support and corporate sponsors. Building partnerships with philanthropic individuals and organizations who share TVO's vision enables TVO to continue to create and innovate in order to help reinvent learning for the people of Ontario.

Donor and corporate support enables TVO to explore and pursue new ideas and projects, such as additional high-quality journalism, the forthcoming *Climate Watch* web series, and mPower, TVO's online game-based math resource.



TVO Tribute Gala

TVO's annual fundraising event highlights TVO's vision to create a better world through the power of learning and helps provide a sustainable philanthropic support base. Since its inception in 2012, the gala has raised over \$700,000 toward innovative educational products, in-depth current affairs, ground-breaking documentaries, and award-winning TVOKids content.

On November 5, 2015, the fourth annual TVO Tribute Gala honoured Sheldon Levy, President and Vice Chancellor of Ryerson University.

1 - Mary Ng, Executive Director, President's Office, Ryerson University; honouree Sheldon Levy; Melina Brenninkmeyer; Max Vogrin.

2 - The Hon. William G. Davis and Lisa de Wilde, TVO's Chief Executive Officer.

3 - *The Agenda* host Steve Paikin and The Hon. Liz Sandals.

TVO Public Archive

Valuable donor support is helping TVO preserve nearly five decades of TVO's content, an important part of Ontario's heritage. Originally recorded on rapidly deteriorating film and video tape, this content is being preserved through digitization.

After undertaking an ambitious effort that began in 2013 to digitize thousands of historic programs, the new TVO Public Archive at tvo.org had a soft launch in January 2016.

Six hundred of the digitized archival videos will be added to the Public Archive by fall 2016.

Looking forward, over 400 archival assets on film and old tape formats, among thousands more, have been identified for the next round of digitization.

Thank You

In 2015-2016, tens of thousands of generous supporters made the decision to contribute to TVO. Individuals, families, foundations and corporations; one-time donors, monthly donors, long-time supporters and new friends have all given generously. We are grateful for every contribution.

Leadership Giving Circle

Platinum \$25,000–\$99,999

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TELUS
Don and Billy Wiles

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The Barrett Family Foundation
The McLean Foundation

Silver \$5,000–\$14,499

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Shirley Greenberg
Lorne Griffith in memory of Mrs. Rachile Griffith
Franklyn Griffiths
Karen Grose
Anne and Teunis Haalboom
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The Honourable William G. Davis Legacy of Learning Circle

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 The Estate of Robert Willmott
 The Estate of Kenneth Albert Wiltshire
 The Estate of Marion Wolstein

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In-Kind Sponsors

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 Roberto Dante Martella, Grano Restaurant
 William F. White International Inc.

Team

Board of Directors

TVO's Board of Directors governs the activities of the organization's executive management while ensuring value for all Ontarians.

Peter O'Brian

President, Independent Pictures Inc. (Toronto)
Chair of the Board; Member, Governance Committee and Audit Committee
Nov. 1, 2005 – Oct. 31, 2016

Diane Kelly

Retired, former General Counsel, Queen's University (Kingston)
Vice-Chair of the Board, Governance Committee Chair
May 30, 2007 – May 30, 2016

Dr. Nana Barnor

Pediatrician, Humber River Regional Hospital (Toronto)
Member, Governance Committee
Aug. 12, 2009 – Aug. 11, 2016

Gary Comerford

President & CEO, CMC Global (Oakville)
Member, Audit Committee
June 19, 2013 – June 18, 2016

Ginny Dybenko

Executive Director, University of Waterloo Stratford Campus (New Hamburg)
Member, Governance Committee
December 9, 2015 – December 8, 2018

Toby Jenkins

President, Columbia Lake Development (Waterloo)
Member, Audit Committee
June 20, 2012 – June 19, 2015

Jim Marchbank

Retired, former CEO, Science North (Sudbury)
Member, Governance Committee
May 30, 2012 – May 29, 2018

Kristin Morch, LLB

Member, Governance Committee (Toronto)
June 19, 2013 – June 18, 2016

Geetu Pathak

Business Executive (Toronto)
Member, Audit Committee Chair
May 3, 2010 – May 2, 2016

Mark Wakefield, CPA, CA

Member, Audit Committee (Markham)
June 19, 2013 – June 18, 2016

The total honorarium paid to the Board in 2015–2016 was \$20,800 including the part-time Chair. This amount is based on levels of remuneration set by the Lieutenant Governor in Council.

Regional Councillors Advisory Board

Committed individuals from 25 communities across Ontario form TVO's volunteer advisory board which provides valued input and contribution to the organization's outreach efforts.

Steve Andrusiak, London
Lesley Bell, Thunder Bay
Deborah Blair, Toronto
Jorge Campos, Willowdale
Jae Chong, Richmond Hill
Keith Clingen, Martintown
Susan Code McDougall, Perth
Tony Gaspar, Manitouwadge
Colette Grant, Rockland
Lori Guillemette, Dunchurch

David Holmes, Oakville
Thando Hyman, Scarborough
Sona Khanna, Oakville
Janis Lamothe, Manitouwadge
Rick McCutcheon, Little Current
Lise Moore Asselin, Mattawa
Tamara Needham, Marathon
Christina Noël-Blazecka, Cochrane
Upali Obeyesekere, Toronto
Monika Osinska, Toronto

Kim Pirie-Milko, Keewatin
Trevor Pross, Belleville
Becky Rogers, Peterborough
Christopher Rous, Sault Ste. Marie
Margaret Sedgwick, Fort Frances
Stewart Wayne Sinclair, Chatham
Marc St. Germain, Ottawa
John Storm, St. Catharines
Pam Wolf, Cambridge
Greg York, Toronto

Executive Management Committee

TVO's Executive Management Committee leads the team in delivering excellence in all that we do.

Lisa de Wilde, Chief Executive Officer
Clara Arnold, Vice President, Talent & Engagement
Paul Dancy, Vice President, Finance & Legal
Gerard Doyle, Vice President, Revenue & Product Development
John Ferri, Vice President, Current Affairs & Documentaries
Karen Grose, Vice President, Digital Education
Erika Kramer, Vice President, Production, Distribution & Administration
Todd Slivinskas, Chief Technology Officer
Andrew Steele, Vice President, Strategy, Marketing & Communications



Approximately 70% of TVO's team are members of Unifor or the Canadian Media Guild.



Audited Financial Statements 2015-2016

Management's Responsibility for Financial Statements

Independent Auditor's Report

Statement of Financial Position

Statement of Operations

Statement of Changes in Net Assets

Statement of Cash Flows

Notes to Financial Statements

Management's Responsibility for Financial Statements

The accompanying financial statements of the Ontario Educational Communications Authority have been prepared in accordance with Canadian public sector accounting standards and are the responsibility of management. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods. The financial statements have been properly prepared within reasonable limits of materiality and in light of information available up to June 22, 2016.

Management maintains a system of internal controls designed to provide reasonable assurance that the assets are safeguarded and that reliable financial information is available on a timely basis. The system includes formal policies and procedures and an organizational structure that provides for appropriate delegation of authority and segregation of responsibilities. The Internal Audit Department independently evaluates the effectiveness of these internal controls on a periodic basis and reports its findings to management and to the Board of Directors.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls. The Board reviews and approves the financial statements. The Audit Committee of the Board meets periodically with management, Internal Audit, and the Office of the Auditor General of Ontario to discuss audit, internal control, accounting policy, and financial reporting matters.

The financial statements have been audited by the Office of the Auditor General of Ontario. The Auditor General's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with Canadian public sector accounting standards. The Independent Auditor's Report, which appears on the following page, outlines the scope of the Auditor General's examination and opinion.

On behalf of Management:



Lisa de Wilde
Chief Executive Officer



Office of the Auditor General of Ontario
Bureau du vérificateur général de l'Ontario

Independent Auditor's Report

To the Ontario Educational Communications Authority
and to the Minister of Education

I have audited the accompanying financial statements of the Ontario Educational Communications Authority, which comprise the statement of financial position as at March 31, 2016 and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, 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, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 includes 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ontario Educational Communications Authority as at March 31, 2016 and the results of its operations, changes in net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Susan Klein, CPA, CA, LPA
Assistant Auditor General

Toronto, Ontario
June 22, 2016

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Statement of Financial Position

As of March 31, 2016

(\$000s)	2016	2015
Assets		
Current Assets		
Cash and cash equivalents (note 3)	19,224	23,696
Accounts receivable (note 3)	1,286	1,410
Prepaid expenses	1,374	1,043
Inventories	148	148
	22,032	26,297
Broadcast rights and production costs (note 7)	21,221	21,062
Investments held for Capital Renewal (note 5)	5,329	5,268
Net capital assets (note 6)	12,428	11,067
Total Assets	61,010	63,694
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	8,416	10,417
Deferred revenue (note 8)	2,624	3,572
	11,040	13,989
Deferred capital contributions (note 9)	9,099	9,283
Employee future benefits (note 4)	20,380	20,473
Asset retirement obligation (note 6)	188	180
	29,667	29,936
Net Assets		
Invested in broadcast rights and production costs	21,221	21,061
Invested in capital assets	8,414	6,872
Internally restricted (note 13)	1,726	1,916
Unrestricted	(11,058)	(10,080)
	20,303	19,769
Total Liabilities and Net Assets	61,010	63,694

Commitments and contingencies (notes 15 and 17)
See accompanying Notes to Financial Statements.

On behalf of the Board:


Chair


Director

Statement of Operations

For the year ended March 31, 2016

(\$000s)	2016	2015
Revenues		
Government operating grants (note 10)	39,772	40,046
Independent Learning Centre (note 16)	12,907	12,749
Other earned revenue (note 12)	7,139	7,279
Bequest (note 13)	444	95
Government and corporate project funding (note 11)	968	117
Amortization of deferred capital contributions (note 9)	801	1,657
	62,031	61,943
Expenses		
Content and programming	18,786	18,233
Technical and production support services	15,704	15,297
Independent Learning Centre (note 16)	11,366	10,977
Management and general expenses	7,244	7,114
Employee future benefits (note 4)	3,040	2,822
Cost of other earned revenue (note 12)	2,853	2,444
Amortization of capital assets and accretion expense (note 6)	2,504	3,611
	61,497	60,498
Excess of revenues over expenses	534	1,445

See accompanying Notes to Financial Statements.

Statement of Changes in Net Assets

For the year ended March 31, 2016

(\$000s)

2016

	Invested in Broadcast Rights and Production Costs	Invested in Capital Assets	Internally Restricted	Unrestricted	Total
Balance, beginning of year	21,061	6,872	1,916	(10,080)	19,769
Excess/(deficiency) of revenues over expenses	(7,379)	(1,873)	-	9,786	534
Invested in assets during the year	7,539	3,415	-	(10,954)	-
Inter-fund transfers (note 13)	-	-	(190)	190	-
Balance, end of year	21,221	8,414	1,726	(11,058)	20,303

(\$000s)

2015

	Invested in Broadcast Rights and Production Costs	Invested in Capital Assets	Internally Restricted	Unrestricted	Total
Balance, beginning of year	19,924	6,668	1,821	(10,089)	18,324
Excess/(deficiency) of revenues over expenses	(6,836)	(2,246)	-	10,527	1,445
Invested in assets during the year	7,973	2,450	-	(10,423)	-
Inter-fund transfers (note 13)	-	-	95	(95)	-
Balance, end of year	21,061	6,872	1,916	(10,080)	19,769

See accompanying Notes to Financial Statements.

Statement of Cash Flows

For the year ended March 31, 2016

(\$000s)	2016	2015
Operating Activities		
Excess of revenues over expenses	534	1,445
Add/(deduct) non-cash items:		
Amortization of capital assets	2,496	3,604
Accretion expense (note 6)	8	7
Amortization of deferred capital contributions	(801)	(1,657)
Amortization of broadcast rights and production costs	7,380	6,837
Employee future benefits expense	2,634	2,449
Loss on disposal of capital assets	170	291
Net changes in non-cash working capital:		
Accounts receivable	124	916
Inventories	-	(5)
Prepaid expenses	(331)	(372)
Deferred revenue	(948)	1,158
Accounts payable and accrued liabilities	(2,001)	1,439
Contributions to employee benefit plans	(2,727)	(2,496)
Cash provided by operating activities	6,538	13,616
Capital transactions		
Broadcast rights additions	(7,539)	(7,973)
Capital asset additions	(4,050)	(2,507)
Proceeds from disposal of capital assets	23	3
Cash applied to capital transactions	(11,566)	(10,477)
Investing and financing transactions		
Current year's deferred capital contributions	556	75
Cash provided by investing and financing activities	556	75
Net (decrease) increase in cash position during the year	(4,472)	3,214
Cash and cash equivalents, beginning of year	23,696	20,482
Cash and cash equivalents, end of year	19,224	23,696

See accompanying Notes to Financial Statements.

Notes to Financial Statements

For the year ended March 31, 2016

1. AUTHORITY AND MANDATE

The Ontario Educational Communications Authority (the "Authority") is a Crown Corporation of the Province of Ontario that was created in June 1970 by the Ontario Educational Communications Authority Act (the "Act"). In accordance with the Act, the Authority's main objective is to initiate, acquire, produce, distribute, exhibit or otherwise deal in programs and materials in the educational broadcasting and communications fields. The Authority is licenced by the Canadian Radio-television and Telecommunications Commission ("CRTC") to broadcast English-language educational television programs. The broadcasting licence is subject to renewal by the CRTC and the current licence is for the period September 1, 2015 to August 31, 2022.

The Authority is a registered charitable organization which may issue donation receipts for income tax purposes. As a Crown Corporation of the Province of Ontario, the Authority is exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements of the Authority have been prepared by management in accordance with Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations.

(b) Cash and Cash Equivalents

Cash includes balances with banks, net of any overdrafts. Cash equivalents consist of short-term, high-grade Canadian dollar investments maturing within 365 days.

(c) Inventories Held for Consumption

Inventories held for consumption, consisting of maintenance supplies and media tapes, are valued at cost where cost is determined on a first-in-first-out basis, net of an allowance for obsolescence.

(d) Capital Assets

Capital assets are recorded at cost less accumulated amortization. Capital assets are amortized on a straight line basis over the following terms beginning the year following acquisition:

Capital Assets	Amortization Period
Building	30 years
Computer Equipment	5 years
Computer Software	3-5 years
In-House Technical Equipment	7 years
Leasehold Improvements	5 years
Office Equipment	10 years
Office Furniture and Fixtures	15 years
Transmitters	17 years
Transmitters - Asset Retirement Obligation	17 years
Transmitter Monitoring Equipment	7 years
Vehicles	5 years

The Authority reviews the carrying amounts of its capital assets on an annual basis. When a capital asset no longer has any long-term service potential, the Authority will recognize an expense (write-down) equal to the excess of its net carrying amount over any residual value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Revenue Recognition

1. The Authority follows the deferral method of accounting for grants and contributions whereby restricted grants, contributions and bequests are recognized as revenue in the year in which the related expenses are incurred. Unrestricted grants, contributions and bequests are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
2. Revenue from grants and contributions restricted for the purchase of capital assets is deferred and amortized over the same period of use as the related capital asset.
3. Revenue from the licensing of program material is recognized when the program material is delivered.
4. Individual donations are recorded on a cash basis. Contributions from corporate sponsors are recognized equally over the period the sponsorship program is delivered by the Authority.
5. Revenue from sponsorship is recognized when the content is broadcast or webcast.
6. Student fees for courses offered by the Independent Learning Centre ("ILC") and registration fees for General Education Development ("GED") are recognized as revenue at the time of enrolment.

(f) Employee Future Benefits

The Authority accrues its obligations under employee defined benefit pension plans and the related costs, net of plan assets. The following accounting policies have been adopted:

1. The cost of pension benefits and other post-retirement benefits is determined by independent actuaries based on management's best estimate assumptions using the projected benefits method prorated on service.
2. Past service costs and any transitional asset or obligation are amortized over the expected average remaining service period of active plan members.
3. Actuarial gains and losses are recognized and amortized over the expected average remaining service period of active plan members.
4. The expected return on plan assets is based on the fair value of plan assets.

(g) Broadcast Rights and Production Costs

Broadcast rights and production costs are accounted for as follows:

- Current events and network promotion programs produced by the Authority are expensed in the year the costs are incurred.
- All other programs produced by the Authority and programs licensed under co-production, pre-buy and acquisition contracts are recorded at cost less accumulated amortization. Amortization is calculated on a straight line basis over the following periods:
 - Program licence acquired: term of contract
 - Program produced by the Authority: four years

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial Instruments

The Authority's financial instruments are accounted for as follows:

- Cash and cash equivalents, including investments held for capital renewal, are measured at amortized cost.
- Accounts receivable are stated at amortized cost.
- Accounts payable and accrued liabilities are stated at cost.

(i) Asset Retirement Obligation

Liabilities are recognized for statutory, contractual or legal obligations, associated with the retirement of property, plant and equipment when those obligations result from the acquisition, construction, development or normal operation of the asset. The obligations are initially measured at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related asset. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and the discount accretion is included in determining the results of operations. The Authority recognizes a liability for future decommissioning of its transmitter facilities.

(j) Measurement Uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Items requiring the use of significant estimates include employee future benefit obligations and useful life of capital assets and broadcast rights. Actual results could differ from those estimates.

(k) Prepaid Expenses

Prepaid expenses include, property tax, cleaning, hydro, software support and other prepaids and are charged to expense over the period the Authority is expected to benefit from the expenditure.

(l) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

3. FINANCIAL INSTRUMENTS

Cash and cash equivalents

The Authority's cash equivalents consist of short-term, high-grade Canadian dollar investments. These investments mature within 365 days and had an average yield of 1.2% (2015 – 1.5%).

Accounts receivable

(\$000s)	2016	2015
ILC earned revenue, donations, sales and licensing, tower rentals and transmitter maintenance fees	745	437
HST rebate	541	673
Others	-	300
	1,286	1,410

3. FINANCIAL INSTRUMENTS (CONT'D)

Operating line of credit

As part of its financial arrangements, the Authority negotiated a demand revolving line of credit with CIBC. The maximum available credit under the facility is \$1.0 million (2015 – \$1.0 million). The line of credit is unsecured and bears interest at the bank's prime lending rate. As at March 31, 2016, no amount (2015 – \$0) was outstanding under the facility.

Risk disclosures

(a) Liquidity risk:

Liquidity risk is the risk that the Authority will not be able to meet its cash flow obligations as they fall due. The Authority manages its liquidity risk by monitoring its operating requirements and prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. The Authority is not exposed to significant liquidity risk.

(b) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Authority is exposed to credit risk arising from its accounts receivable. Given the amount of the Authority's accounts receivable and past experience regarding payments, the Authority is not exposed to significant credit risk.

(c) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Due to the short-term nature of the Authority's financial instruments, their carrying value approximates fair value and as a result the Authority is not exposed to significant interest rate risk.

(d) Foreign currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Authority maintains a U.S. dollar bank account. Its balance was not large enough at any time during the year to expose the Authority to significant currency risk.

4. EMPLOYEE FUTURE BENEFITS

The pension and other post-employment benefit plans have the following components:

(a) Registered pension plans:

- Main Pension Plan – Most employees of the Authority are members of this plan, which consists of three elements – a non-contributory, defined benefit, best average earnings and years of service element; a contributory, defined contribution element; and a non-contributory, defined contribution element.
- Executive Pension Plan – Executives are members of this non-contributory, defined benefit, best average earnings and years of service plan.

(b) Supplementary retirement plan:

- Certain employees are members of this unregistered and non-contributory plan which funds the portion of pension entitlements in excess of the maximum allowed for registered pension plans under the federal Income Tax Act.

The future benefits payable to employees under the defined benefit plans are adjusted for inflation based on the consumer price index up to a maximum of 3% per year.

4. EMPLOYEE FUTURE BENEFITS (CONT'D)

Post-employment benefits plan:

- The Authority offers post-employment benefits such as health care, dental care, and life insurance on a shared cost basis.

The most recent actuarial valuation for funding purposes of the registered defined benefit pension plans was performed as of January 1, 2014. The next valuation for funding purposes will be performed as of January 1, 2017.

Information about the Authority's pension and other benefit plans is presented in the following tables.

(\$000s)	Registered Pension Plans		Supplementary Retirement Plan		Post-employment Benefit Plan		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Plan deficit as of January 1:								
Accrued benefit obligation	97,600	96,002	1,358	1,237	12,558	13,181	111,516	110,420
Fair value of plan assets	(95,018)	(95,908)	-	-	-	-	(95,018)	(95,908)
	2,582	94	1,358	1,237	12,558	13,181	16,498	14,512
Balance of unamortized actuarial (gains)/losses as of January 1	2,522	5,551	335	243	1,714	817	4,571	6,611
Contributions – Jan 1 to Mar 31	(558)	(546)	-	-	(131)	(104)	(689)	(650)
Employee future benefits liability as at March 31	4,546	5,099	1,693	1,480	14,141	13,894	20,380	20,473

(\$000s)	Registered Pension Plans		Supplementary Retirement Plan		Post-employment Benefit Plan		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Expenses for the year:								
Defined benefit plan:								
Service cost (employer portion)	2,083	2,170	203	165	406	312	2,692	2,647
Amortization of actuarial (gains)/losses	(506)	(262)	(30)	(36)	(91)	(263)	(627)	(561)
Interest cost on accrued benefit obligation	5,482	5,681	49	50	455	505	5,986	6,236
Expected return on plan assets	(5,417)	(5,464)	-	-	-	-	(5,417)	(5,464)
Plan amendment costs incurred	-	-	-	-	-	(409)	-	(409)
Total defined benefit expense	1,642	2,125	222	179	770	145	2,634	2,449
Defined contribution plan expense	406	373	-	-	-	-	406	373
Total expenses	2,048	2,498	222	179	770	145	3,040	2,822
Contributions made to the plans:								
Pension plan contributions - Authority	2,589	2,452	10	-	-	-	2,599	2,452
Pension plan contributions - employees	960	885	-	-	-	-	960	885
Payments made from all the plans as of January 1:								
Pension benefits paid	4,681	4,703	-	-	-	-	4,681	4,703
Termination benefits paid	3,020	2,979	-	-	-	-	3,020	2,979

4. EMPLOYEE FUTURE BENEFITS (CONT'D)

The significant assumptions adopted in measuring the employee benefit obligations and pension expenses are as follows:

	Registered Pension Plans		Supplementary Retirement Plan		Post-employment Benefit Plan	
	2016	2015	2016	2015	2016	2015
Discount rate to determine the accrued benefit obligation	5.75% to 6.00%	5.75% to 6.00%	3.40%	3.40%	3.40%	3.40%
Discount rate to determine the benefit cost	5.75% to 6.00%	5.75% to 6.00%	3.40%	3.40%	3.60%	3.40%
Expected investment return	5.75% to 6.00%	5.75%	N/A	N/A	N/A	N/A
Pension indexation	2.25%	2.25%	2.25%	2.25%	N/A	N/A
Salary rate increase	2.00% yr 1, 2.50% thereafter	2.00% yr 1, 2.50% thereafter	2.00% yr 1, 2.50% thereafter	2.00% yr 1, 2.50% thereafter	N/A	N/A
Health cost rate increase	N/A	N/A	N/A	N/A	4.50%	4.50%
Drug cost rate increase	N/A	N/A	N/A	N/A	7.30%	8.00%
Dental cost rate increase	N/A	N/A	N/A	N/A	4.50%	4.50%
Employee average remaining service lifetime (years)	11	11	11	11	13	12

The drug cost rate increase assumption is expected to decrease to 4.5% by 2023.

Defined benefit plan assets as at January 1 measurement date consisted of:

Percentage of Total Fair Value of Plan Assets

	2016	2015
Asset category		
Equity securities	53%	54%
Debt securities	41%	41%
Real estate fund	6%	5%

The actual investment return on pension plan assets was 3.1% in 2016 (2015 – 7.6%).

5. INVESTMENTS HELD FOR CAPITAL RENEWAL

To ensure that the Authority's technical capital assets keep pace with technological changes and can be maintained or replaced when needed, the Capital Renewal Fund was established in 1984. Up to fiscal 2008/09, the Authority set aside up to 2% of the funding received as a contribution to the Capital Renewal Fund. Available funds are invested in short-term deposits maturing within 365 days that earned an average interest rate of 1.2% (2015 – 1.3%) during the fiscal year. The changes in the fund are as follows:

(\$000s)	2016	2015
Balance, beginning of year	5,268	5,271
Project expenses – Digital Over The Air	-	(75)
Interest earned	61	72
	5,329	5,268

6. CAPITAL ASSETS AND ASSET RETIREMENT OBLIGATION

Capital Assets

Capital assets consist of the following:

(\$000s)	2016			2015		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Land	186	-	186	186	-	186
Buildings	2,268	2,183	85	2,268	2,163	105
Transmitters	7,405	4,850	2,555	10,900	8,072	2,828
Transmitters - asset retirement obligation	557	455	102	557	446	111
Transmitter monitoring equipment	2,068	1,642	426	3,113	2,567	546
In house technical equipment	23,107	20,888	2,219	22,618	19,987	2,631
Leasehold improvements	9,248	8,545	703	8,780	8,476	304
Computer equipment	6,203	4,701	1,502	5,769	4,458	1,311
Office furniture and fixtures	2,062	1,339	723	2,060	1,216	844
Office equipment	975	949	26	975	936	39
Vehicles	298	225	73	341	317	24
Computer software	4,556	1,870	2,686	3,111	1,880	1,231
Work-in-progress – software	1,142	-	1,142	907	-	907
Total	60,075	47,647	12,428	61,585	50,518	11,067

Amortization expense for the year was \$2,496,184 (2015 - \$3,604,000) and is included in Amortization of capital assets and accretion expense in the Statement of Operations.

Asset Retirement Obligation

The Authority recognized a liability for future decommissioning of its transmitter and low power repeat transmitter (LPRT) facilities which was required under their respective leases. In determining the fair value of its asset retirement obligations, the Authority discounted the associated cash flows at credit-adjusted risk free rates. The total undiscounted amount of the estimated future obligations is \$316,000 (2015 – \$316,000).

(\$000s)	2016	2015
Opening balance	180	173
Accretion expense	8	7
Closing balance	188	180

7. BROADCAST RIGHTS AND PRODUCTION COSTS

Broadcast rights and production costs consist of the following:

(\$000s)	2016			2015		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Broadcast rights and completed productions	59,549	40,593	18,956	51,357	33,213	18,144
Work in progress	2,265	-	2,265	2,918	-	2,918
	61,814	40,593	21,221	54,275	33,213	21,062

Amortization expense for the year was \$7,379,844 (2015 – \$6,837,000) and is included in Content and programming expense.

8. DEFERRED REVENUE

(\$000s)	2016	2015
ILC – Ministry of Education grant and provincial project funding (note 16)	1,944	1,752
AODA project funding	157	884
Bequest (note 13)	232	639
Transmitter tower rental and maintenance	169	172
Sponsorship revenue	63	100
Corporate project funding (note 11)	-	1
Other	59	24
	2,624	3,572

Expenditures related to the above deferrals, except for the bequest, have been budgeted for the 2017 fiscal year.

9. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent contributions received for the purchase of capital assets and are recorded as revenue (amortization of deferred capital contributions) in the Statement of Operations when the related capital assets are amortized. The changes in the deferred contributions balance are as follows:

(\$000s)	2016		
	Unamortized Capital Contributions	Unspent Funds	Total
Deferred capital contributions, beginning of year	4,014	5,269	9,283
Capital assets funded by Ministry of Education grant:			
Capital Expenditure Grant	282	-	282
Capital Maintenance Fund	274	-	274
Interest earned	-	61	61
Amortization of deferred capital contributions to revenue	(801)	-	(801)
Deferred capital contributions, end of year	3,769	5,330	9,099

(\$000s)			2015
	Unamortized Capital Contributions	Unspent Funds	Total
Deferred capital contributions, beginning of year	5,596	5,272	10,868
Capital assets funded by Ministry of Education grant:			
Digital Over The Air project	75	-	75
Project funding deferred from prior year	-	(75)	(75)
Interest earned	-	72	72
Amortization of deferred capital contributions to revenue	(1,657)	-	(1,657)
Deferred capital contributions, end of year	4,014	5,269	9,283

The Canadian Radio-television and Telecommunications Commission (CRTC) required local television stations in certain areas to stop broadcasting in analog and start broadcasting in digital by August 31, 2011. The Authority received a total grant from the Ministry of Education in 2011 and 2012 of \$4.5 million to convert its transmitters into digital and decommission those medium/high power analog transmitter sites that were not required in the ongoing broadcast operation.

10. GOVERNMENT OPERATING GRANTS

(\$000s)	2016	2015
Ontario Ministry of Education		
Base grant	38,446	38,446
Capital maintenance grant	1,326	1,600
	39,772	40,046

11. GOVERNMENT AND CORPORATE PROJECT FUNDING

(\$000s)	2016	2015
Provincial project funding		
Ministry of Education		
Accessibility for Ontarians with Disabilities Act funding	727	1,000
Accessibility for Ontarians with Disabilities Act – funding deferred to future year	-	(884)
Digital Over The Air – Funding deferred from prior year (note 9)	-	75
Capital Expenditure Grant	282	-
Capital Expenditure Grant – deferred (note 9)	(282)	-
Funding for special preparatory courses	240	-
Deferred capital contributions	-	(75)
	967	116
Corporate project funding		
Funding deferred from prior year (note 8)	1	2
Funding deferred to future year (note 8)	-	(1)
	1	1
Total government and corporate project funding	968	117

12. OTHER EARNED REVENUE AND COST

(\$000s)	2016			2015		
	Revenue	Cost	Net Revenue	Revenue	Cost	Net Revenue
Individual and corporate donations	5,018	2,853	2,165	5,101	2,444	2,657
Tower rental and transmitter maintenance	1,018	-	1,018	1,012	-	1,012
Interest income	337	-	337	396	-	396
Sales and licensing	394	-	394	428	-	428
Property tax rebate program for charities	239	-	239	222	-	222
Asset disposal	22	-	22	3	-	3
Others	111	-	111	117	-	117
	7,139	2,853	4,286	7,279	2,444	4,835

13. BEQUEST

During the year ended March 31, 2014, the Authority was informed that it was a beneficiary of the estate of a TVO viewer. In fiscal 2016, the Authority received the final \$37,000 (2015 - \$127,000, 2014 - \$2,428,000), from the estate for a total bequest of \$2,592,000. The donor stipulated in his will that 25%, or \$648,000 (2016 - \$10,000, 2015 - \$32,000, 2014 - \$606,000) of the bequest be applied toward *The Agenda* program. This restricted portion of the bequest is included in Deferred revenue in the Statement of Financial Position. Revenue will be recognized in future years when expenditures are incurred toward new projects associated with *The Agenda*.

The Authority has internally restricted the remaining 75%, or \$1,944,000 (2016 - \$27,000, 2015 - \$95,000, 2014 - \$1,822,000), of the bequest for new projects or enhancement of existing products or services as approved by the Board of Directors. During the year, the Authority applied \$634,000 (\$417,000 of the restricted portion and \$217,000 of the internally restricted portion) to fund new projects.

The Bequest revenue of \$444,000 (2015 - \$95,000) recognized in the Statement of Operations is the total of the restricted portion utilized in the year plus internally restricted contributions received in the year.

Total bequest revenue received during fiscal years 2015 and 2016 has been accounted for as follows:

(\$000s)	2016			2015		
	Restricted	Internally Restricted	Total	Restricted	Internally Restricted	Total
Bequest balance, beginning of year	639	1,916	2,555	607	1,821	2,428
Contributions received or receivable	10	27	37	32	95	127
Utilization of bequest	(417)	(217)	(634)	-	-	-
Bequest balance, end of year	232	1,726	1,958	639	1,916	2,555

14. EXPENSES

a) Allocated Expenses

The Authority allocates certain general expenses to major activities on the following bases:

- Building cost – based on floor area occupied by the activity
- Cost of mailing, shipping and printing – based on usage

Total general expenses allocated to major functional groups are as follows:

(\$000s)	2016	2015
Current affairs and documentaries	1,767	1,946
Technical and production support services	1,531	1,514
Independent Learning Centre	574	592
Management and general	605	582
Cost of other earned revenue	154	93
	4,631	4,727

b) Expenses by Type

The Statement of Operations reports on expenses by activity. Expenses by type during the fiscal year are as follows:

(\$000s)	2016	2015
Salaries and wages	30,944	29,483
Licences and other	6,653	5,740
Other services	5,766	6,764
Employee benefits	5,351	4,945
Facilities	4,645	4,533
Employee future benefits	3,040	2,822
Transportation and communication	1,965	2,053
Supplies and equipment	629	547
Amortization of capital assets and accretion expense	2,504	3,611
	61,497	60,498

15. COMMITMENTS

The Authority has entered into operating leases covering transmission facilities, offices, warehouses and equipment. Future lease payments are as follows:

Year ending March 31 (\$000s)	Head Office Space	Others	Total
2017	1,307	498	1,805
2018	1,381	267	1,648
2019	1,415	39	1,454
2020	1,416	39	1,455
2021	1,393	39	1,432
2022 and beyond	9,264	-	9,264
	16,176	882	17,058

The lease of head office space expires on August 31, 2027.

16. THE INDEPENDENT LEARNING CENTRE

The ILC provides a wide range of distance education courses, in English and in French that allow adults to earn secondary school diploma credits, upgrade their basic skills, or study for personal development. It also supports children who may not be able to access elementary day school programs. The General Education Development testing is also available through the ILC.

Funding for these activities includes a grant from the Ministry of Education and ILC earned revenues. The portion of the grant that has been identified for specific projects is deferred until the related expenses have been incurred.

(\$000s)	2016	2015
Activities were funded by:		
Ministry of Education ILC grant	6,421	6,421
Homework Help project	4,000	4,000
Funding deferred from prior year (note 8)	1,752	1,534
Funding deferred to a future year (note 8)	(1,944)	(1,752)
ILC grant and project funding recognized	10,229	10,203
ILC earned revenues	2,678	2,546
Total ILC grant, project funding and earned revenue	12,907	12,749
Expenses during the year:		
Salaries and benefits	9,393	9,206
Transportation and communication	272	355
Services	597	588
Allocated general expenses (note 14)	574	592
Licences	238	117
Supplies, equipment and others	292	119
Total ILC expenses	11,366	10,977
ILC contribution to overhead	1,541	1,772

Direct expenses related to the funding deferred to a future year have been budgeted for the 2017 fiscal year.

17. CONTINGENCIES

Contingencies refer to possible legal claims that have been made by or against the Authority, the ultimate outcome of which cannot be predicted with certainty. Management does not expect that the outcome of the claims against the Authority will have a material and adverse effect on its results and does not believe any provisions for losses are necessary at this time. No amounts have been recognized in the accounts for claims made by or against the Authority. Any settlements will be accounted for at the time of settlement.

18. RELATED PARTY TRANSACTIONS

The Authority is a Crown Corporation of the Province of Ontario and is therefore a related party to other organizations that are controlled by or subject to significant influence by the Province. Specifically, the Authority received revenue from Ontario school boards for Independent Learning Centre (ILC) course fees and sales of educational materials. These transactions were recorded at exchange amounts agreed to by the related parties.

Non-grant revenue received from related parties during the year are as follows:

(\$000s)	2016	2015
School boards	743	788
	743	788

19. SUBSEQUENT EVENT

On August 27, 2014, the Authority incurred damage to its production facility and to a portion of the equipment in the facility from a flood. The Authority filed a claim with its insurance company for the damage to the facility and has been working with them to finalize an appropriate approach for remediation of the damaged equipment. On June 8, 2016, the Authority and its insurance company came to a final settlement of the claim in the amount of \$1.7 million. As at March 31, 2016, the Authority has collected a total \$796,000 from the insurer with respect to this claim. The remaining amount will be recorded in the period it is received.

20. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the basis of the financial statement presentation adopted in the current year.



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