



It's all about learning!

annual report
2004 - 2005

TVOntario



Vision

To inspire and enrich the lives of Ontarians.

Mission

To use the power of television, the internet, and other communications technologies to enhance education in English and French — inspiring learning for life.

Values

To be excellent and innovative in everything we do, and to provide access for all people throughout Ontario.

TVOntario

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About the cover

The many faces and dimensions of TVOntario: educational programs and resources — on air, online, and through distance education.

Message from the Chair and CEO

Today's children are in a unique position. They are at the forefront of a digital generation in which interactive communications technologies are converging at an unprecedented level – dramatically transforming the way they learn.

While it has been the mandate of TVOntario to support the province of Ontario's education priorities since our inception in 1970, these new technological advances are enabling us to move that strategy forward as never before.

TVOntario now links television, the internet, and our printed course materials to deliver a significantly more powerful learning experience for Ontarians.

Our award-winning children's television programs, for example, are now driving kids to our websites to continue learning in an interactive format.

Information on our websites is inspiring visitors to learn more by watching TVO and TFO television. Our websites are also encouraging Ontarians to finish high school by signing up for distance education through our Independent Learning Centre (ILC).

In addition to linking various communications media, we are now merging different media onto the same platform. For example, last year the ILC began digitizing educational television programs and incorporating them directly into its website to further strengthen the learning experience.

This convergence of communications technologies is positioning TVOntario to play an even more powerful role in helping to build a knowledge-based society. It is enabling us to become an even more essential part of the lives of Ontarians.

The key to our success in this role lies in TVOntario combining the strengths of our three divisions: TVO, TFO, and the ILC. With that in mind, we decided this year to take a different approach to our Annual Report: to show how TVOntario – as a whole – has performed against our eight strategic business priorities, versus reporting on each business line separately.

One of the highlights of the past year was the research conducted by the Ontario Institute for Studies in Education of the University of Toronto (OISE/UT). The purpose of the research was to examine the degree to which our interactive educational programs and services are enabling children to learn more and to retain that learning longer. Based on early findings, I am confident that the complete research will further validate our role in delivering high quality educational services.

Isabel Bassett,
Chair and CEO, TVOntario



Another highlight was the impressive increase in the number of TVOntario Members to over 100,000 from 88,000 the year before. This expanded base of support is a vote of confidence in TVOntario as a valued and important part of the lives of Ontarians.

Also, we expect income generated from an expanded membership base to help TVOntario achieve greater self-sufficiency.

With the financial support of our growing membership, we will continue to strengthen our programs and services, making them equally accessible, any place, any time, to all Ontarians.

TVOntario enters the new fiscal year as a confident, forward-looking organization firmly committed and more ready than ever before to be a vital force in this province's education strategy. This is due to the enormous work undertaken by our employees to transform the objectives of our business plan into action. On behalf of the Board of Directors, I thank them for their dedication.

I also thank our network of voluntary Advisory Councillors, our Board of Directors, the Ministry of Training, Colleges and Universities, the Ministry of Education, the Ministry of Francophone Affairs, and all our corporate sponsors for their support and passion for the programs and services we provide. I also thank the millions of Ontarians who take advantage of our excellent programs and resources, and especially those TVOntario Members who support us financially every year. We value your generosity and appreciate your loyalty.

I look forward to working with all of our stakeholders as TVOntario continues to deliver the best educational programs and resources to the people of Ontario.

A handwritten signature in cursive script that reads "Isabel Bassett".

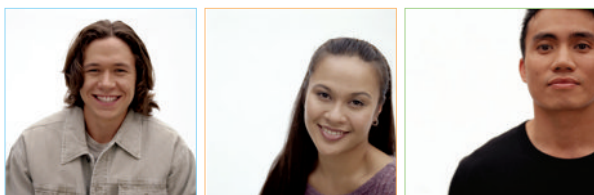
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Delivering on our Commitments

TVOntario continued in fiscal year 2004-05 to play an essential role in helping to build a knowledge-based society for the province of Ontario. Through our three core business divisions – TVO, TFO and the Independent Learning Centre (ILC) – we are delivering lifelong learning opportunities that enhance the societal and economic well-being of Ontarians.

TVOntario made significant progress in fiscal year 2004-05, the second year of our current three-year business plan. We delivered on the eight priority areas identified in that plan, as outlined in the balance of this Report.



PRIORITY 1

Formal Education

Deliver programs and services that meet the formal education needs of Ontarians.

Learning is at the core of everything we do. Our goal is to provide unique educational programs and resources that will inspire the minds and enrich the lives of the people of Ontario.

Independent learning

The Ontario Ministry of Education has designated TVOntario's Independent Learning Centre (ILC) as the province's developer and provider of distance education credit courses, in both French and English, for grades 1 through 12. The ILC served over 18,000 Ontarians in 2004-05.

A major goal for the ILC has been to expand the number of curriculum course offerings. The ILC was on target with its mandate from the Ministry of Education with 24 new secondary curriculum-based courses in English and French added in 2004-05.

The ILC also completed courses for seven out of the eight elementary school grades, with the final grade delivered in the first quarter of 2005-06. This work enabled the ILC to launch an enhanced elementary program for home-school families and parents on foreign work assignments. The program is a convenient and inexpensive way for children to continue their Ontario education.

We expect the new elementary and secondary courses to result in increased enrolment in 2005-06 and beyond.

Significant progress was made this past year attracting more young adults between the ages of 16 and 20 to refocus on their education. Compared with the year before, the ILC had 25% more youth between the ages of 16 and 20 in 2004-05, for a total of over 9,000 students in that age group.

The ILC also reported an 8.8% year-over-year improvement in the success rate of adults writing the General Education Development (GED) high school equivalency test. The GED, which enables adults over the age of 18 to earn their high school equivalency, is available in Ontario only through the ILC.

In 2004-05, the ILC also introduced a broad range of new support tools for students of all ages.

Fifty-eight new Interactive Learning Objects (ILOs) were developed. These online, mini-lessons address specific curriculum concepts in science and math through interactive tutorials.



An *Essay Feedback* tool was added to *Ask a Teacher*, the popular free online homework help service for high school students. The new feature allows students to submit their essays for feedback by certified Ontario teachers.

A *Find a Program* tool was added to the *CareerMATTERS* website. This new feature provides access to information on over 9,000 college, university, career college, apprenticeship, and continuing education programs across the province. In his February 2005 review of Ontario's post-secondary education system, former Premier Bob Rae recognized the value of *CareerMATTERS* in helping students chart a path through educational choices at both the high school and post-secondary level.

In 2004-05, the ILC began offering digitized, curriculum-linked TVO programs to its students as supplemental materials. Students can click onto the ILC website to access course-specific segments from TVO programs such as *Studio 2* and *More to Life*. The ILC plans to incorporate TFO segments in 2005-06. To create further links between ILC courses and our educational television programs, the ILC student newsletter, which is produced in English and French, now includes articles on recommended viewing. Distributed three times last year, the newsletter encourages students to tune in to TVO and TFO programs that will enhance their studies.

“The TVOKids preschool game Choo-Choo is unique. One really won’t find anything quite like it on TV or online ... children are able to nurture their own abilities to empathize with others and to make ethical choices.”

Barbara Coloroso, *Author and Parenting Educator*



More resources for and by teachers

In 2004-05, TVOntario continued to expand our popular Curriculum Resource Bank (CRB) – a broad range of resources developed in consultation with teachers, for teachers. The CRB provides Ontario teachers with downloadable curriculum videos, digital learning objects, teacher guides, and lesson plans. In 2004-05, the CRB had 1,700 teacher subscribers. Co-developed by TVOntario and the Education Network of Ontario (ENO), the CRB online database offers the best of TVOntario’s award-winning, curriculum-linked kindergarten through grade 12 learning resources.

The CRB also has strong revenue-generating potential. The database has been purchased by Télé-Québec, and is attracting interest in the U.S.

TFO’s Nouveaux Médias department delivered part of the second phase of *e.Workshop.on.ca* and *atelier.on.ca*. This e-learning website for teachers is produced in the context of the Ministry of Education’s Literacy and Numeracy strategy. The goal of the strategy is to provide a rich online resource to help teachers improve literacy and numeracy outcomes for their students.

TFO also produced and distributed the third edition of *TFO à l’école*, a CD-ROM providing an overview of downloadable television programs, websites, and print resources available to teachers, educational administrators and school board management throughout the province.

In September 2004, TVO launched *TVO for Teachers E-News*,



a free monthly electronic newsletter aimed at intermediate and senior teachers. The newsletter lists educational programs on our broadcast schedule that are tied to the curriculum, and provides teachers with accompanying lesson guides, pre- and post-viewing activities for the classroom, student worksheets, and assessment and evaluation tools. The newsletter already has 1,800 subscribers.

TVO created an educational outreach program this past year to tour the province and make the education community more aware of our broad range of educational programs and services. Presentations were made to pre-service teachers to inform them of TVO’s free, curriculum-linked resources, and how they can integrate them into the classroom. Research shows that new teachers are leaving the profession in high numbers, and our experience has been that teachers are inspired by the fun, interactive educational resources we have to offer.

We also distributed the *Show Me* CD-ROM to all public schools and public libraries across Ontario. *Show Me* is a searchable catalogue of TVOntario’s English-language curriculum resources.

TFO increased the number of resources it produced and made available for teachers through *Enseignants*, including more teacher guides focusing on the complementary use of video, web and print resources. Selected web-based resources were made available on CD-ROM to increase the accessibility of TFO products in all schools.

TFO’s educational officers gave training sessions and presentations to teachers and school board personnel, as well as parent groups. Approximately 2,000 people participated over the entire year.

TFO’s pedagogical council met for its annual two-day working session in 2004-05 to identify educational resources needed to meet teachers’ requirements over the next two to three years.

“I never have to worry about the educational value of children’s programs on TFO. Please continue to entertain our loved ones and let them enjoy a childhood steeped in imagination and play.”

J. Roberts, TFO Viewer

Innovative children’s programming that teaches and inspires

Parents are the ones who largely choose what their young children watch on television. In Ontario, surveys show that parents continue to decide to make TVO and TFO their destination of choice for educational television and online activities. In fact, TVO was voted “Best Family Station” in 2004 by Toronto’s *City Parent* magazine.

Every week in 2004-05, an average of about 450,000 Ontario children aged 2 to 7 tuned into TVO and TFO – up 15% from the year before.

Parents and children clearly value the programming that TVO and TFO offer – a safe environment for children that is completely free from violence or commercial messages, whether on air or online. This is our guarantee to the people of Ontario.

Parents also appreciate the truly educational value of TVOntario’s programming. Unlike other children’s broadcasters, we have professional teachers on staff to ensure that 100% of our children’s programming is directly tied to the province’s education curriculum.

But viewing patterns tell only part of the story. Interactive programming and the convergence of television with the web is proving to be a far more effective learning tool than just television alone, especially among younger children who tend to prefer online games that are educational.

In 2004-05, TVOntario increased the ways in which we blend on-air and online technologies to provide powerful, interactive learning experiences. *Open Your Ears* (music), *Tumbletown Tales* (math), and *Pêle-mêle* (vocabulary) are all curriculum-based learning tools that are fun and educational for children, and are welcomed classroom support for teachers. They are also designed to be accessible by any household or public library with a basic computer and internet connection.

Research in 2004-05 indicated that children, teachers and parents are using TVO’s educational web-based products in record numbers. Every month 400,000 users click onto the tvokids.com website. This represents a 43% increase over the previous year.

Our *tfo.org* site has added more educational interactive content for math, French grammar, and other subjects for kindergarten through grade 12 students on sites such as *Gramm-O-l’eau*, *Alphablitz* and *Flash Maths*.

TVOKids launched *ArtBot*, a converged television and online program that focuses on the exciting world of art. By logging onto *tvokids.com*, children can create and submit their own masterpieces. There’s even an *ArtBot Jr.* for pre-schoolers.

TVOntario remained committed to our anti-bullying campaign. In 2004-05, TVO developed *Stand Tall* and *Be My Friend* music videos to promote self-esteem by reminding kids they have a voice and to believe in themselves.

The View From Here commissioned and aired *Angry Girls*, which followed a group of young women exposed to violence, aggression, and neglect. *Studio 2* produced a special edition exploring the lives of children bullied at school. TVOKids teamed up with The Bell Kids Help Line to launch a monthly live, phone-in segment on *Milton’s Hotline* for kids to talk to counselors about bullying, racism, and other issues.

TFO continued to create curriculum content by repurposing segments from in-house productions of *Volt* and *Panorama*. Segments were classified by curriculum for easy use by teachers. We also increased the number of hosted segments of *Mini TFO*, programming dedicated to the 2- to 6-year age group.

TFO continued in 2004-05 to provide a unique service to support French-language education in Ontario. Over 70% of our daily schedule is cleared of rights for use by teachers.



PRIORITY 2

French as a Second Language

Increase TVOntario's support of French as a second language in Ontario.

Ontarians place high value on programs that support French as a second language (FSL). TVOntario is a powerful advocate and teacher of FSL, using broadcast, online, and print media.

TFO continued to ensure all French immersion schools in Ontario had access to TVOntario French-language products. In 2004-05, TFO distributed 4,000 copies of *Horaire scolaire*, a convenient guide listing TFO's educational resources.

TFO also began work on adding a second FSL course to *L'École des langues*.

TVO continued to dedicate an FSL strand in our *TVOKids* morning and afternoon blocks to introduce French to children at an early age. In addition, *tvokids.com* lets kids have fun matching pictures and French words on *Paires-éclair*s.

TVO also introduced *Bonjour Benny*, a new series that jumpstarts learning French for primary grades.

PRIORITY 3

Diversity

Better reflect the changing reality of Ontario society.

The face of Ontario is changing – and TVOntario is changing with it. In 2004-05, we continued to produce programs and services that reflect the social diversity of the province. An example of this was the increased use of experts and opinion leaders from various ethnic backgrounds to bring their perspective to challenging social issues aired on TVO and TFO documentaries and current affairs programs.

TFO's public affairs program, *Panorama*, continues to make ethnic diversity a natural part of its daily lineup, through topics and guests reflecting the changing face of the Franco-Ontarian community.

TVO also dedicated more of its prime-time schedule to productions focusing on cultural diversity.

We introduced *Mosaic Week* during heritage month in February. The week was dedicated to examining what multiculturalism means, and its impact upon us and our world.

TVO commissioned *Hardwood*, an Oscar-nominated, short documentary examining interracial marriage and mixed-race families, and *Continuous Journey*, an investigation of the reasons and ramifications of Canada turning away a ship carrying immigrants from British India in 1914.



PRIORITY 4

Improved Access

Increase access for Ontarians facing barriers to our programs and services.

TVOntario is working toward meeting the Canadian Radio-television and Telecommunications Commission (CRTC) requirement for 90% of TVO's broadcast schedule and 75% of TFO's broadcast schedule to be closed-captioned by August 2007.

TVO almost tripled the hours of closed-captioned children's programming to 48% of the children's block this past year.

Faced with greater technical and financial challenges in 2004-05, TFO still managed to increase closed-captioning on its prime-time schedule to 30%, from 25% the year before.

Increasing the number of programs that are closed-captioned will continue to be a priority for TVOntario in 2005-06 for both our English- and French-language programming. We are grateful to the many Members and Sponsors who helped us incorporate this technology to the benefit of the hearing-impaired in Ontario.

The ILC also performed a valuable role in meeting the needs of new Canadians in many ways, from its English as a second language courses, to information on career and training opportunities in Ontario. The ILC is now able to speak to students in 11 languages.

Reflecting Ontario's regional diversity

TVOntario continued in 2004-05 to tell Ontarians more about themselves by airing programs that showcased this province's regional diversity.

Panorama, TFO's popular current affairs program, opened a news bureau in Sudbury to further strengthen its presence in the Franco-Ontarian community.

TVO introduced: *Meet the Mayor*, a monthly phone-out interview show with mayors from all over Ontario; *Ask the Minister*, a chance for Ontarians to get answers to questions affecting their local communities; and *Rookies on the Hill*, a chance for Ontarians to see how they are being represented in Ottawa.

Studio 2, TVO's flagship current affairs program, launched the 2004-05 fall season with a ride on the Algoma Central Railway, introducing the province to the people, history, and traditions of communities from Sault Ste. Marie to Hearst.



"You never know the difference you can make in a person's life. The ILC has made a big one. They opened many of the doors I thought were locked forever."

A. Lowe, 2004 ILC Graduate

PRIORITY 5

Partnerships

Build partnerships with teachers, post-secondary institutions, other provincial agencies, and the private sector that will support our educational mandate.

TVOntario continued to build partnerships with educational institutions and cultural associations throughout Ontario. Through the power of television, the internet and other communications media, TVOntario is able to make Ontarians much more aware of our partners' programs and activities.

The educational institutions also benefit by being able to incorporate related television programs into their curriculum, further enhancing the learning experience of their students.

TVO has 20 partnerships with colleges and universities, with 31 of our television programs tied to academic courses.

TVO's current affairs program *Diplomatic Immunity*, for example, is an integral component of the curriculum at six Ontario universities, including business at the University of Ottawa, journalism and communications at Carleton University, and world affairs at the University of Guelph.

In addition to tying programs to courses, TVO's *Big Ideas* featured outstanding academic lectures, with plans to launch a "Best Lectures" competition across the province in 2005.

In partnership with Heritage Canada and the Office of Francophone Affairs, TFO produced *Champlain raconte*, a series of eight interstitials on the history of French Canada as part of the 400th anniversary of the Champlain exploration. This series is linked to the province's history curriculum.

TFO built partnerships with francophone institutions for *Françœur*, the first Franco-Ontarian drama series ever produced.

TFO continued to partner with school boards and academic institutions by providing teacher-training courses. The courses, which meet the standards of the Ontario College of Teachers, were offered throughout 2004-05, and emphasized integration of TFO's multimedia resources in the classroom.

TFO continued to provide online and telephone homework and career-orientation help through *SOS Devoirs*, a service provided in partnership with the Francophone School Boards of Ontario and Conseil scolaire de district du Centre-Sud-Ouest (CSDCSO). A new partner has also been added. The Service d'apprentissage médiatisé franco-ontarien (SAMFO) project of Centre franco-ontarien de ressources pédagogiques (CFORP) provided over 500 learning objects for grades 11 and 12.

In addition, *tfo.org/macarriere* was launched in partnership with Regroupement des intervenantes et intervenants francophones en santé et en services sociaux de l'Ontario (RIFSSSO), to provide Franco-Ontarian students with career options and educational opportunities in French.

TFO offered pedagogical support and documentation to specialists hired by the Ministry of Education to develop curriculum guidelines related to specific courses.

TFO's Educational Services team focused on further strengthening its relationship with the two French-language Faculties of Education at the University of Ottawa and Laurentian University. Most students in these faculties received a minimum of one classroom session from TFO. The sessions were designed to make students aware of the broad range of educational programs and resources available through TFO.

This past year, TVO launched a multi-year partnership with the Ontario Institute for Studies in Education of the University of Toronto (OISE/UT). This partnership has brought greater public exposure for both OISE/UT and its professors throughout the province. For example, TVO broadcast several successful television programs on the future of education in Ontario including *Education Week*, and two televised debates on *The Schools We Need* and *The Future of Lifelong Learning and Work*.

TVOKids is also participating with the Institute of Child Study at OISE/UT in a family literacy initiative focusing on how TVO can help develop and motivate home-literacy practices.

TVO partnered with the Ontario Arts Council to commission 40 short television programs highlighting artists and arts organizations of varied cultures and disciplines from across Ontario. This particular partnership clearly illustrates TVOntario's power to showcase the work of Ontario's diverse arts community to people across the province.

In 2004-05, the ILC focused on strengthening its partnership with Contact North to ensure we are making the best use of their facilities to promote TVOntario's products and services throughout the province. It also continued to connect with Ontario's youth through partnerships with the Ontario School Counsellors' Association and the Ontario Association of Youth Employment Centres.

PRIORITY 6

Awareness and Use

Promote greater awareness and use of TVOntario products.

TVOntario expanded our presence in communities across Ontario through public events, appearances, and outreach programs.

Both TVO and TFO toured the province last year with live stage shows intended to connect TVOntario directly with Ontario's youth by bringing our on air-talent to local communities.

In addition to building awareness of TVOntario programs and services on a community level, stage shows such as *Don't Sit Still*, powered by Scotiabank, *The Reading Rangers*, sponsored by TD Bank Financial Group, and *Méga TFO* and *VOLT* promote literacy and teach the value of a healthy and active lifestyle.

TVOntario's dedicated network of volunteer Advisory Councillors remains an integral part of our outreach strategies. In 2004-05, Advisory Councillors undertook a comprehensive initiative to visit just about every library throughout Ontario to promote our educational programs and services.

TVOntario increased our presence this past year at events such as the Toronto District School Board Anti-Bullying Conference (where TVO's documentary, *Angry Girls*, was screened and discussed), the OISE/UT Peacemaking Conference and Odyssey 2004, and the Ontario Principals' Conference. We also strengthened our focus on parents, with presentations made to home-schooling associations and parent councils.

TVO partnered in 2004-05 with the Spelling Bee of Canada as the exclusive broadcaster and producer of the Ontario Spelling Bee Championship. Sponsored by AIC Limited, the Ontario Championship brought together children and families from a broad range of backgrounds across the province. We also continued our partnership with RBC Financial Group, which supported our *Ask a Teacher* homework help website.

TFO participated at major educational events for French-language schools. Kiosks were set up to inform participants of TFO resources. In addition, we distributed 10,000 welcome kits to parents enrolling their children in junior kindergarten.

TVOntario undertook internal steps this past year to better support our marketing efforts. We combined our marketing, communications, sales and licensing, and fundraising teams to ensure a more integrated and effective approach to everything we do. This new department began work in 2004-05 on TVOntario's first strategic marketing and communications plan, to be delivered in early 2005. One of the new initiatives will be a comprehensive Speakers Bureau designed to raise awareness and membership for TVOntario throughout Ontario.



"Whenever I mention TVOntario productions to my advisory group they always say 'buy that program'. Without a doubt, all of TVOntario's programming is superior and meets the high standards set by Thirteen/WNET."
Toni Schefflin, Manager, Instructional Television Thirteen/WNET, New York, NY

PRIORITY 7

Financial Self-Sufficiency

Build a stable, renewable resource base that is the foundation for greater financial self-sufficiency.

TVOntario understands that government can no longer do it all, and that we are responsible for building on the \$48-million in base funding that we received from the province in 2004-05. This means we must continue to make a strong case for all Ontarians to become financial partners in TVOntario, the same way they are with hospitals, universities, and cultural institutions.

There has been encouraging news in this area. In 2004-05, TVOntario's membership increased to 100,299, a 13.6% jump over the previous year, and the largest number of Members since we launched the first membership drive in 1982.

In terms of financial support, Members contributed \$6.6 million, or 8.6% of TVOntario's total budget of \$76.1 million for 2004-05. But Members enrich TVOntario beyond their generous donations. Each membership in TVOntario is a vote of confidence in the programs and services we deliver.

Last year, we also took steps to secure more, large private-sector donations through initiatives such as The TVOntario Foundation.

We are confident that the results of these efforts will be realized during 2005-06. One early success, for example, has been the creation of the Peter G. Bowers Legacy Fund in memory of TVOntario's first General Manager. Established in 2004-05 by a friend of Peter Bowers, the Fund has already raised over \$76,000 for children's programming on TVO and TFO.

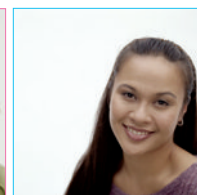
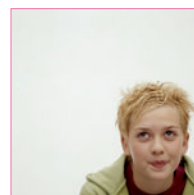
TVOntario also continues to raise additional revenue from operational activities such as the distribution of the TFO signal outside of Ontario and the rental of transmission towers.

We also raised money from government funding for specific projects such as the Ministry of Education's early reading and early math initiative with TFO. Special project funding represents a growth area for TVOntario, and reinforces our strong relationship with the provincial government.

Finally, the sale and licensing of TVOntario products also continue to generate revenue. There is a great deal of respect for TVOntario's learning tools in world markets.

The international respect for our traditional analog educational products, especially in the U.S., gives TVOntario a ready market to introduce a new generation of interactive, digital learning tools such as *Tumbletown Tales*, *Open Your Ears*, and a package of curriculum learning objects for high school math and science.

We expect that as the trend toward convergent learning develops, so too, will the sale of our innovative educational products in both existing and new markets.



PRIORITY 8

An Innovative Learning Organization

Increase innovation and efficiency across the organization.

TVOntario's stakeholders, including taxpayers and our more than 100,000 Members, deserve an organization that delivers value for the dollars invested – in the quality of programs and services we deliver, and in the way we manage the business.

Three years ago, TVOntario launched a process to make certain a cost-effective infrastructure was in place to support the activities of our three business lines, and to map out a strategic plan to support our vision for technical convergence and transition to a digital environment.

In 2004-05, we concentrated on three key business areas: process improvement, preparation for new technologies, and employee training.

Process improvement

Every year, TVOntario must report to the Society of Composers, Authors and Music Publishers of Canada (SOCAN), information about the thousands of pieces of music we use annually on TVO and TFO. As a result of investments made in automation in 2004-05, what was once a costly, labour and paper intensive function is now satisfied with the push of a button.

An added benefit to the new reporting system was to equip producers with a more efficient platform to manage music, while building on-air and online programs. This speaks directly to one of the key drivers of our technology agenda: to put systems in place that allow our business units to dedicate more time to producing content.

Preparation for new technology

TVOntario spends considerable time generating, storing, retrieving, and reusing our programs and courses. The more we know about our assets, the better they can be shared with all our business lines and accessed by the public.

A call for proposals was issued for digital asset management that will enable us to more efficiently manage our digital assets across the three business lines. The Digital Asset Management System will continue to be a priority for the organization over the next three to five years.

Employee training

TVOntario employees are central to our commitment to build a more cost-efficient, results-driven organization. Our employees need to have the skills and knowledge to succeed. Over the last three years, we have been working on a professional development strategy – the largest component of which is training and new skills development. In 2004-05, we implemented a new development program for middle managers to assist their teams during this transition period. In addition, we continued with skills training for employees involved with new technologies.

To ensure a safe and healthy workforce, we also undertook a series of training sessions built around our health and safety programs.



"I am an ESL/Literary teacher. I am dealing with students with either no English or gaps in their schooling – they now watch TVO."

V. Jolly, TVOntario Member

The Road Ahead

The ground has shifted considerably since TVOntario first introduced our three-year plan in 2002-03.

There is now an even greater proliferation of digital cable options, a commitment to education and academic excellence by the government, and pressure on the public purse.

To better manage the expectations placed on TVOntario in this changing environment, we determined that it was necessary to revisit the original plan for the purpose of placing greater emphasis on key priorities.

This updated version of the plan recognizes that more than at any other time in our 35-year history, TVOntario has to aggressively define our market niche as Ontario's educational network, and motivate all Ontarians to become partners in helping us to realize greater financial self-sufficiency. Our mission continues to be to use the power of television, the internet and other communications technologies to enhance education in Ontario, in both English and French – inspiring learning for life.

Our vision is to inspire and enrich the lives of Ontarians.

Our new business plan consolidates our priorities into the following four key goals and supporting objectives:

Establish TVOntario as essential to building a knowledge-based society in Ontario by: providing unique, relevant, high quality programs and services that meet the educational and lifelong learning needs of key target audiences; reflecting the regional and societal diversity of Ontario; increasing the awareness, access and usage of our programs and services; and, dedicating resources required to support a digital future.

Provide a safe, non-violent, commercial-free educational service for children across Ontario by: continuing to lead in the effective use of on-air, online, and print media for educational purposes.

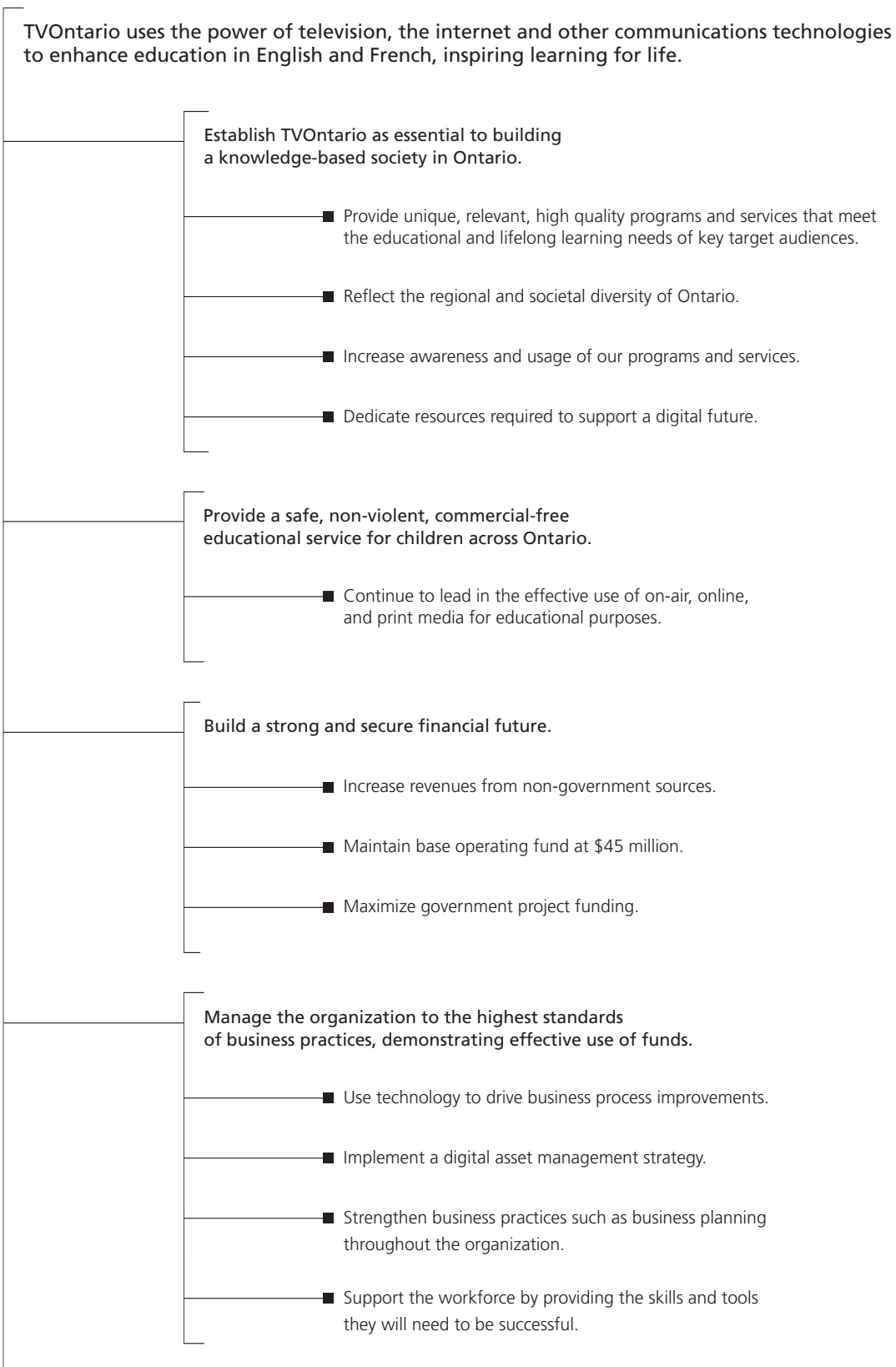
Build a strong and secure financial future by: increasing revenues from non-government sources; maintaining our base operating funding at \$45 million; and, maximizing government project funding.

Manage the organization to the highest standards of business practices, demonstrating effective use of funds by: using technology to drive business process improvements; implementing a digital asset management strategy; strengthening business practices throughout the organization; and supporting the workforce by providing the skills, tools, and information they need to be successful.

Focusing on these four goals, we will secure the road ahead for TVOntario and the people we serve throughout this province.



Strategy Map 2005-08



Advisory Councils

TVOntario's unique province-wide volunteer advisory network of Regional Councillors is integral to our community outreach. Councillors provide invaluable support at the community level, helping to deliver our educational message to Ontarians far and wide, and providing local community feedback on the effectiveness of programs and services. They are our pipeline to regional interest groups such as educational institutions, community associations and friendship centres, and their dedication is much appreciated.

Northwestern Regional Council

Cyndi Cossais, Dryden
Sabrina DeGagne, Atikokan (until June 2004)
Paul Filteau, Thunder Bay (Vice Chair)
Tony Gaspar, Manitouwadge
Eugene Lefrancois, Kaministiquia (from November 2004)
Hubert O'Hearn, Thunder Bay
Jocelyn Paquette, Thunder Bay
Paul Pirie, Fort Frances (Chair)
Kim Pirie-Milko, Kenora
Brenda Small, Thunder Bay (from November 2004)

Northeastern Regional Council

Peter Desilets, Sudbury (until June 2004)
Debora Fleming, Moose Factory (until June 2004)
Rick McCutcheon, Little Current (Chair)
Lise Moore Asselin, Mattawa (Vice-Chair)
Laurie Philip, Moose Factory (from July 2004)
Martina Schroer, Huntsville (from July 2004)
David Shier, Sault Ste. Marie
Mark Mannisto, Sudbury (from October 2004)
Bruce MacLeod Thomson, Bracebridge (until June 2004)

Southwestern Regional Council

Elise Harding-Davis, Harrow
Rachel Hayes, London (Vice-Chair)
Chester Langille, London
Stephen Maxwell, Kitchener
Rosemary Rognvaldson, Gorri (Chair)
Stewart Wayne Sinclair, Chatham
Graham Steeves, Port Elgin

Southcentral Regional Council

Jorge Campos, Willowdale (Vice-Chair)
Adrian Cece, Maple (from July 2004)
Heather Kenny, Bailieboro
Gerry Manno, Oakville (until June 2004)
Cynthia Meyrick, Penetanguishene
Sharon Summers, Kirkfield (Chair)
Charlene Tehkummah, Toronto

Eastern Regional Council

Calvin Bowry, Kingston
Keith Clingen, Martintown (Vice-Chair)
Gregory Dunlop, Nepean (until June 2004)
Narda Kathaleen Iulig, Deseronto (Chair)
Sheila Soden, Belleville
Gail Lynn Sproul, Plainfield (until June 2004)
Marc St. Germain, Ottawa (from July 2004)
Ivy Williams, Nepean (from July 2004)
Angela Woollam, Pembroke (from July 2004)

Francophone Advisory Council

Lise Marie Baudry, Toronto (from December 2004)
Yvon Desroches, Cochrane (Vice-Chair)
Evelyn Dutrisac, Sudbury (from December 2004)
François Guérin, Toronto (until June 2004)
Nathalie Lalonde, Rockland (Chair)
Dina Quenneville, Geraldton
Daniel Sigouin, Hearst (from November 2004)
Johanne Sylvain, Sarnia
André Thibodeau, Orléans (until February 2005)
Francine Umulisa, Toronto (from October 2004)
Nicole Wirtz, Dundas (until June 2004)



Awards

With nearly 900 awards to our credit, TVOntario continued to accumulate accolades and prizes at home and around the world in recognition of our high quality educational programming and Websites.

Awards for 2004-05 include:

Genie Award
Best Documentary
TVO *The Corporation*

Gemini Award
Best Interactive
TVOKids *Time Trackers*

Gemini Award
Best Picture Editing | Documentary or Series
TVO *Dying at Grace*

Gemini Award
Best Direction | Documentary
TVO *The World Stopped Watching*

Gemini Award
Best Writing | Documentary or Series
TVO *Crimes of the Heart*

Donald Brittain Award
Best Social/Political Documentary Program
TVO *Dying at Grace*

Alliance for Children and Television (ACT) Awards
Award of Excellence | Animation, Ages 3 - 5
TVOKids *Peep and the Big Wide World* (co-production)

Alliance for Children and Television (ACT) Awards
Best Program
TVOKids *This is Daniel Cook* (acquisition)

Alliance for Children and Television (ACT) Awards
Award of Excellence | Best Program
TVOKids *This is Daniel Cook* (acquisition)

Alliance for Children and Television (ACT) Awards
Award of Excellence | All Genres, Ages 3 - 5
TVOKids *This is Daniel Cook* (acquisition)

Banff Rockie Awards
Hors Concours Award, Family and Youth Programs
TFO *renegadepress.com*

New York Festivals
Bronze WorldMedal, Educational Instructional
TFO *Milo*

Les Prix Communications et Société
Children's Television Production
TFO *Les Capsules Zérolimit* (co-production)

AMTEC
Award of Excellence (Interactive)
TFO *Les Dessins-mystères de Méli-Fleur*

De l'Encre à l'Écran Festival
La Lanterna Magica for Best Documentary
TFO *Mary Shelley* (pre-purchase)

21ST Chicago International Children's Film Festival Awards
Best Live Action Television Program
TFO *SNOB* (acquisition)

Les Prix Communications et Société 2005
Communications et Société, Radio and Television
TFO *Les Capsules Zérolimit* (coproduction)



Stars Members

Stars Members are our leading level of donors, playing a significant role in furthering the excellence of TVOntario's educational programming and resources. We are pleased to recognize the following TVOntario Stars:

Katherine Adams
Firoz Ahmed
Robert Alexander
Clive & Barbara Allen
Eileen Altman
E. Anderson
H. Neil Anderson
Anne-Marie H. Applin
Valerie Armstrong
Alexandra & James Arnett
Robert Arthur
Edward Atienza
Barrow Baldwin
Maryll Ballantyne
Robert & Dorothy Baragar
Francine & Robert Barrett
Isabel Bassett
Marion Bassett
Kenneth Batt
Beryl Bayne
Gary Beamish
Geoffrey M. Beechey
Thomas Beechy
George Bellamy
John Bellamy
Robert Bellamy
Gordon Bennett
Christie Bentham
Dr. Robert Hugh Best
Peter Bird
Peter Birnie
Myrtle Blair
Susan Blue
Ann & Douglas Bodley
Harald Bohne
Ruth Bolt
Edward J. Bond
Penny Bourne
Mary & Herman Brand
Betty Brent
Robert & Gail Brent
Gail & Gary Brewer
Reg Bronskill & Helen Findlay
Elizabeth Brown
James D. Brown
Helen Bryan
Frank C. Buckley
Shirley Buckley
E.J. Bunclark
Josephine & Thomas Bunker
Jane Burnett
C.R. Burtchall
Warren Butler

Dorothy A. Camelon
Peter Cameron
Barbara Camm
Lillian Campbell
Mavis I. Campbell
Robert H. Canning
Mark Cannon
John B. Capindale
A.W. Capon
Shelley Carrigan
Wendy Carruthers
Robert Carson
Peter Carver
Gordon G. Caudwell
Nancy Chapelle
Margaret Cheney-Don
Laurette Chevrier
Gisèle Chrétien
David & Valerie Christie
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Michael Clase
Christine M. Clement
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Donald Collier
Maralyn Complin
Jean Connell Hoff
Dennis Cook
Ian Cook
Robert D. Cooper
David Cope
R.H. Cope
Chris & Susan Corbin
Patricia Cordingley
John Corp
Bernard Coughlan
Jock & Renee Coulson
Diane Cox
John J. Cox
Stephen R. Coxford
Bev Crone
E.J. Crossman
Mary Cunningham
Nick Cybuchowski
George & Joyce Dance
Mark D'Arcy
Grace Darling
John & Christine Darrock
George Davies
Kenneth R. Dawson
Elise Delisle
Tom Dibblee
Blair Dimock
Fred Doll
B.V. Donnelly
Neil & Carolina Douglas

Mathew Downey
Geoffrey Downie
Sydney Duder
Margaret B. Dunn
Stephen G. Dunn
David Duthie
Joanne Eaton
Linda Eccleshall
Arnold Edinborough
Jane Egan
Timothy Egan
Robert H. Elder
Lyyli Elliott
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Peter Farrell
Susan Farrow
Evelyn Felstead
John Ferguson
Angela Ferrante
Mary Fickel
George A. Fierheller
Karen Finnemore
Margaret Fleming
Dean Flemming
Weston Flint
John C. Forsyth
Richard Fraser
William Fredenburg
Pamela Frid
Peter Froud
Ross E. Fullerton
John & Alda Futhey
Bridget Gallagher
John & Roberta Garcia
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Shayne Gilliatt & Jane Bellamy
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Alice Haigh
Joan Halam-Andres

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John T. Hall
Mary E. Hall
Joan Hamilton
John & Janis Hamilton
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Jorgen Hansen
Anne Hansman
Lynn Hardy
Susan S. Harkins
William Harkins
James Harper
Brenda Haugen
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Donna Johnston
Ellen Jones
Harold & Merle Jones
Stephen Jones
Thomas Jones
Derek Jubb
Patricia Junor
Margaret Kalin
Nellie Kamstra
Dr. Selia Karsten
Dr. Patricia Keeling
Mary Jane Kelley
Brooke & Rosemarie Keneford
Mr. & Mrs. Robert Kerr
Lloyd Kerry
Blair Kettle
Martin E. King
Mary Kitchen
C. Judith Knowles

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Tina Koskelo & Peter Bowers
William J. Kraemer
Thomas Kuffel
Olga Kuplowska
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P. La Palme
Catherine Lace
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Harold Lapointe
Charles LaRose
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Douglas Leigh
Mike Leo
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Vera Loker
Diane Longtin
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R. Loveless
Sophie Lucyk
Gerald MacAlpine
Mollie MacCormac
Sandi MacCulloch
Donald & Sheila MacDonald
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John Macdonald
Patricia Macdonald
Nona Macdonald Heaslip
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Helen MacKenzie
John E. Manton
Fredrick E. Marlow
Maggie Marshall
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Barbara M. Mayer
Paul A. Mayer
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Prudence McIntosh
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Kenneth McKinlay
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Joyce McMurray
Agnes McNab
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Julia McRae
J.T. McVeigh

Douglas Melega
D. Melton
Jerie Michaud
Geoff Middleton
Corinne Miller
Eleanor Miller
Frank Miller
Judith & Clinton Miller
Nadia Miller
Jim Milligan
Fred Milner
Kathryn & Cameron Minor
Ian Mishkel
Isobel Mitchell
Alan Moffett
Delia M. Moog
Marianne Moore
Margaret Morison
Blair Morton
Robert & Julia Morton
Nancy Moynihan
Elizabeth Mueller
Steve Munro
Alex & Laura Murray
Ruth Murray
Margery Myers
Helen Nash
Edward G. Nedwicki
Tom & Audrey Neill
William H. Neville
W. Danial Newton
Gloria Nightingale
Carole Nixon
Edwin Nokes
Roy North
Roy S. Oiye
Betty Olsen
Jane Olvet
Mary G. O'Rourke
Bernard Ostry
Marnie Paikin
Steve Paikin
Dorothea Palmer
Mr. Jayant Pandit
Gerald Parowinchak
Colleen Parrish
Margaret Ann Pattison
Dawn Pearce
John Pearson
Robert Peck
Mr. & Mrs. E. Pedeman
Sev Peloso
Donald Piafsky
Ian & Ann-Margret Plummer
Allen Pollard & Pauline Green
William R. Poole
Joseph Pope
Hugh L. Prichard
L. Prinsen
Keith Profit

L.S. Prokopchuk
Anil Purandaré
Cecelia Quarrington
Bonnie Racz
Chesley Randall
Donald Reid
Heidi & Gordon Reid
Lindsay Reid
Mark & Wilda Reinhart
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Paul Reynolds
Pat Rich
Fiona & Geoffrey Richey
Mary D. Riddell
Karen Ritchie
Lloyd Robertson
Margery Robertson
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Lee L. Robock
Constance H. Robson
Rosalyn G. Rodgers
Thomas Rogers
Edward G. Rosengren
Wally Rosser
Penny Royce
Marguerite Rueb
Jeanne Sabourin
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Ravi Seethapathy
Winifred Shantz
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Keith S. & Carole Sheppard
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Alex Sloneicki
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Stephen J. Smith
Tolson Smith
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James G. Snell
David Sniderman
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Dr. Elaine Spencer
Doreen Stanton
Donald R. Steele
June Stilborn
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Arne Storjohann
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Pamela J. Taylor
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Stephen Tent
V. Teska
Kirk & Mary Thornton
Pat Tinney
Janifer Tissington
Meredith Todd
Paula Todd
Alexander C. Topalov
D. Kenneth Tucker
Maurice Tulett
John Udd
Ruthanne Urquhart
Gerard Vallee
Robert Van Dusen
Michael A. Van Leeuwen
John E. Vanneste
H.J. Varley
Richard Vernon
Peter & Jane Vickery
Anne Walker
Richard Walker
Russell Walker
Margaret Wallace
John Walsh
Elizabeth D. Wangenheim
Mr. Frank Warmerdam
Edith Wasson
Elizabeth Watson
Jean M. Watson
Moray & Joan Watson
Tony Watson
Owen B. Watts
Ronald & Donna Watts
Peter Webb & Joan York
Richard Webb
Amelia Wehlau
G.L. Weinrib & Nancy Young
Jillian Welch & Paul Fraser
Audrey Wells-Delaney

Martin Westmacott
Leslie E. White
Martin J. Wilkin
Charles & June Williamson
Larry & Maggie Williamson
The Estate of Robert Willmott
Samuel Wilmott
Ed Wilson
Robert Wilson
Trudie Winkelaar
George Witte
Edna Woodhouse
T. Robert Woods
Heather Wright
Leslie Wright
Richard Yun
Sharon Zakuta
Dr. E. R. Zimmermann & Beverley A.
Leaman
Charles Zurbrigg

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Dimante Dev Corp
Gilbrea Consulting Ltd.
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The Norman & Margaret Jewison
Charitable Foundation
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The Musagetes Fund at the Kitchener
and Waterloo Community Foundation
Nanometrics Inc
OPG Employees' & Pensioners'
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Rotary Club of Port Elgin
The School Sisters of Notre Dame
Sisters of St. Joseph
Sun Life Financial
N. A. Taylor Foundation
Too Many Toys Inc.
Uniglobe Plus Travel Group

Anonymous donors



Corporate Funders

In 2004-05, TVOntario received tremendous support from our corporate and community partners across Ontario. We would like to thank those companies and organizations that have helped enrich the lives of Ontarians of all ages through their commitment to lifelong learning at TVOntario.

TVOntario Lead Partners

Lead Corporate Education Partners

TVOntario recognizes the following corporations for their outstanding leadership and commitment to our mandate of providing quality educational programming, both on-air and online:

Career Partner

BMO Financial Group is the proud partner of TVOntario's acclaimed *CareerMATTERS* website. A free exploration website backed by a comprehensive database, *CareerMATTERS* features a complete, online reference guide to high school courses, apprenticeship training, and post-secondary institutions and resources throughout Ontario. The site helps young people both in and out of school discover the many options available to chart their future.

Online Education Partner

RBC Financial Group is the proud presenting partner of TVOntario's *Ask a Teacher*. This free online service provides high-school students with homework help from certified teachers. Chat Rooms offer one-on-one tutorials, and the Brain Bank has thousands of grade-specific practice exercises and tips. The new *Essay Feedback Tool* enables students to submit their assignments for assessment by English teachers and to hone their writing skills.

Healthy Minds – Healthy Bodies Partner

Scotiabank is the proud presenting partner of the TVOKids *Don't Sit Still Tour*, which takes TVOKids hosts across Ontario to present a free live stage show that promotes a healthy and active lifestyle to kids of all ages. The high-energy, interactive stage performance inspires children — and even their parents — to get moving and stay active!

Children's Literacy Partner

TD Bank Financial Group is the proud presenting partner of TVOKids *Reading Rangers*. This entertaining on-air and online series promotes books, reading, and libraries to the children of Ontario. Boosting literacy, language skills, and social development, the series features TVO's popular TVOKids hosts as Reading Rangers — daring and dauntless heroes of the Wild West who, as reading enthusiasts, make books their business!

Nutrition Partner

The Dairy Farmers of Canada is the presenting partner of TVO's *The Bod Squad*, a series of short, creative programs that promote healthy eating among children. With the help of the Bod Squad — TVO's cool ambassadors of good nutrition — young viewers learn about the rewards and how-to's of good nutrition.

TFO Lead Partner

The Ministry of Education is a lead partner in TFO's educational programming and online products and services for children and youth. Other educational products include resources for the classroom of francophone and immersion schools throughout Ontario.

Tourism Partner

The Ontario Tourism Marketing Partnership Corporation is proud to partner with TVOntario in presenting the province's tourism campaign that showcases Ontario as a dynamic year-round travel destination.

Presenting Partners

TVOntario would like to thank the following companies and organizations for their support in helping TVOntario present quality educational programming to the people of Ontario:

AIC Limited
Bell Canada, Ontario Regional Division
Caisses populaires de l'Ontario /
Région St-Laurent-Outaouais
Canadian Heritage
Canadian Media Guild
CB Richard Ellis
Communications, Energy, & Paperworkers' Union
of Canada, Ottawa
Communications, Energy, & Paperworkers' Union
of Canada, Local 72M
Conseil scolaire de district du Centre-Sud-Ouest
Crayola
Desjardins
Elementary Teachers' Federation of Ontario
Fondation franco-ontarienne
Group Telecom
Historica Foundation

The Institute of Chartered Accountants of Ontario
The Kiwanis Club of Casa Loma
The Kiwanis Club of Toronto
Maxell Canada
Newfoundland and Labrador Tourism
Office of Francophone Affairs
Ontario English Catholic Teachers' Association
Ontario Ministry of Health
The Sprott Foundation
United Counties of Prescott and Russell
Urbacon Limited



Community Partners

TVOntario would like to thank the following companies and organizations for their generous support over the past year through donations towards TVOntario's Membership campaign:

Bell Canada
Canada's National History Society
Canadian Geographic
Epoca Hair Group
Henry of Pelham Family Estate
Hot Docs Canadian International Documentary
Film Festival
Kolter Property Company
Lake Superior Visits
Lee Valley Tools Ltd.
Metro Toronto Convention Centre
Miele
The Millcroft Inn and Spa
Mountain Equipment Co-Op
Munk Centre for International Studies
Mysteriously Yours Dinner Theatre
National Ballet of Canada
OISE
Oliver Bonacini Restaurants
Ontario Parks
Penrose Fish and Chips
Pizza Pizza
The Corporation of Massey Hall and Roy Thomson Hall
Salon Piaff
Sunquest
Tim Hortons
The Toronto International Film Festival Group
The Toronto Zoo
University of Toronto
Via Rail Canada
Vika Spa
YMCA

The Ontario Educational Communications Authority Board of Directors

April 1, 2004 to March 31, 2005

Isabel Bassett

Chair and CEO, Toronto
(ex-officio member of all Board Committees)

Gisèle Chrétien

Vice Chair, Sudbury
Présidente, Collège Boréal
Committees: 1, 4-VC

Anne-Marie H. Applin

Toronto
President, Applin Marketing and Communications
Committees: 3-C, 5

*Pierre C. Bélanger

Toronto (appointed January 13, 2005)
Professor, Department of Communication, University of Ottawa

Vala Monestime Belter

Mattawa
Director of Nursing / Assistant Administrator, Algonquin Nursing Home
Committees: 3, 4

Stephen R. Coxford

Toronto
President, Gresham & St. Andrew Inc.
Committees: 1-C (as of September 2004), 5

*Diane Desaulniers

Ottawa (appointed January 13, 2005)
President, Groupe Vision Management Consulting

*L. Anne Gagné

Penetanguishene (appointed October 7, 2004)
Educator
Committees: 2, 4

**Michel Gingras

Alfred (until June 2004)
Directeur general, Caisse Populaire d'Alfred Limitée
Committees: 1-C, 2-C, 5

Mitzie J. Hunter

Toronto
Vice-President, Marketing, Goodwill
Committees: 1 (as of March 1, 2005),
3 (until February 28, 2005), 4

Rebecca Ling

Markham
Principal, Rebecca Ling Chartered Accountants Professional Corporation
Committees: 2-C (as of January 2005), 4 (as of January 2005)

Ravi Seethapathy

Toronto
Audit Associate Manager, Hydro One Networks Inc.
Committees: 1 (until February 28, 2005),
2, 3 (as of March 1, 2005), 5-C

**Diane Simard

Toronto (until October 2004)
Vice President and Manager, Dave Broadfoot Productions
Committees: 3, 4

Nancy Smith

Toronto
Chief Executive Officer, The NextMedia Company Limited
Committees: 3, 4-C, 5

Olga Kuplowska

Board Secretary and Director, Board Secretariat,
Councils and Research

Total honorarium paid to board members (exclusive of the Chair) during the 2004-05 fiscal year was \$16,719. This amount corresponds to recommended levels of remuneration set by the Lieutenant Governor in Council.

Legend

* New Appointments in 2004-05

** Departures in 2004-05

Board Committees served on:

- 1 Finance
- 2 Audit
- 3 Development, Marketing & Communications
(formerly Revenue & Development)
- 4 Programming
- 5 Strategic Planning & Priorities
- C Committee Chair
- VC Committee Vice-Chair

Salary Disclosure*

Mary Ammendolia

Host/Producer
Salary Paid: \$107,641
Taxable Benefits: \$1,952

Clara Arnold

Director, Human Resources
Salary Paid: \$111,484
Taxable Benefits: \$933

Isabel Bassett

Chair and Chief Executive Officer
Salary Paid: \$115,000
Taxable Benefits: \$13,437

Russell Blackburn

(Professional name: Pierre Granger)
Host/Producer
Salary Paid: \$140,901
Taxable Benefits: \$765

Rudy Buttignol

Creative Head, Documentaries, Drama and Network
Salary Paid: \$117,125
Taxable Benefits: \$980

Yvonne Carey-Lee

Director, Finance and Administration
Salary Paid: \$100,020
Taxable Benefits: \$837

Nancy Chapelle

Managing Director, TVO
Salary Paid: \$133,360
Taxable Benefits: \$3,448

Pat Ellingson
Creative Head, Children's and Daytime Programming
Salary Paid: \$120,053
Taxable Benefits: \$1,005

Doug Grant
Creative Head, Current Affairs
Salary Paid: \$125,764
Taxable Benefits: \$1,052

Sarah Irwin
Managing Director, Independent Learning Centre
Salary Paid: \$111,988
Taxable Benefits: \$938

Raymond Newell
Director, Operations and Technology
Salary Paid: \$100,393
Taxable Benefits: \$7,163

Steve Paikin
Host/Producer
Salary Paid: \$181,977
Taxable Benefits: \$3,293

Claudette Paquin
Managing Director, TFO
Salary Paid: \$123,739
Taxable Benefits: \$1,034

Gisèle Quenneville
Host/Producer
Salary Paid: \$111,191
Taxable Benefits: \$866

Lee Robock
General Manager and Chief Operating Officer
Salary Paid: \$141,650
Taxable Benefits: \$3,518

Pamela J. Taylor
Director, Legal Services and General Counsel
Salary Paid: \$118,485
Taxable Benefits: \$991

Paula Todd
Host/Producer
Salary Paid: \$179,764
Taxable Benefits: \$3,432

* In 1996, the government of Ontario instituted the Public Sector Salary Disclosure Act. Under the provisions of this Act, TVOntario is required to post the total compensation package of employees earning over \$100,000 for the calendar year of 2004. Prepared under the Public Salary Disclosure Act, 1996. Date: March 31, 2005

TVOntario Planning and Priorities Group April 1, 2004 to March 31, 2005

Isabel Bassett
Chair and Chief Executive Officer

Lee L. Robock
General Manager and Chief Operating Officer

Nancy Chapelle
Managing Director, TVO

Blair Dimock
Director, Strategic Planning

Roberta Garcia
(Acting) Managing Director, Revenue and Development to June 1, 2004

Sarah Irwin
Managing Director, Independent Learning Centre

Olga Kuplowska
Director, Board Secretariat, Councils and Research

Ian Mishkel
Managing Director, Development, Marketing and Communications from May 17, 2004

Claudette Paquin
Managing Director, TFO

Susan Perren
Executive Director, TVOntario Foundation until June 25, 2004



The TVOntario Foundation Honorary Board of Directors

The Hon. William G. Davis
Former Premier of Ontario

Dr. Frederick L. Jackman

Norman Jewison
Film Director

Elwy Yost
Former Host, *Saturday Night at the Movies*

The TVOntario Foundation Board of Directors

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Toronto
COO, Ontario Energy Board

Anne-Marie H. Applin
Toronto
President, Applin Marketing & Communications

Isabel Bassett
Toronto
Chair & CEO, TVOntario

Navin Chandaria
Toronto (until May 2004)
President & CEO, Canros Corporations

Stephen R. Coxford
Toronto
President, Gresham & St. Andrew Inc.

André Galipeault
Toronto
The Galipeault Group Inc.

Rebecca Ling
Markham
Principal, Rebecca Ling Chartered Accountants Professional Corporation

Hon. Margaret Norrie-McCain
Toronto

Erin Rankin-Nash
London

Gerry Schwartz
Toronto (until September 2004)
President, Chairman & CEO, Onex Corporation

Pamela J. Taylor
Board Secretary



Auditor's Report

Office of the
Auditor General
of Ontario



Bureau du
vérificateur général
de l'Ontario

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(416) 327-2381 Fax: (416) 327-9862

To the Ontario Educational Communications Authority and the Minister of Training, Colleges and Universities

I have audited the statement of financial position of The Ontario Educational Communications Authority as at March 31, 2005 as well as the statement of operations and equity, the statement of changes in equity and the statement of cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion of these financial statements based on my audit.

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

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Handwritten signature of Gary R. Peall.

Gary R. Peall, CA
Deputy Auditor General
Toronto, Ontario
June 6, 2005

Management's Responsibility for Financial Statement

The accompanying financial statements have been prepared in accordance with Canadian generally accepted accounting principles and are the responsibility of management. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, 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 6, 2005.

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 of the Ontario Educational Communications Authority (OECA) independently evaluates the effectiveness of these internal controls on an ongoing basis and reports its findings to management and the Audit Committee of the Board of Directors.

The OECA Board of Directors is responsible for ensuring that management fulfills its responsibilities. The Board has appointed an Audit Committee from among its own members. The audit committee meets periodically with 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 were reviewed jointly by the Audit and Finance Committees before approval by the Board of Directors.

The Office of the Auditor General of Ontario conducts an annual audit in accordance with Section II of the Ontario Educational Communications Authority Act. The auditor's report outlines the scope of the auditor's examination and opinion.

Handwritten signature of Isabel Bassett.

Isabel Bassett
Chair and Chief Executive Officer
Ontario Educational Communications Authority
June 6, 2005

The Ontario Educational Communications Authority

Financial Statements for the year ended March 31, 2005

Statement of Financial Position

as at March 31, 2005

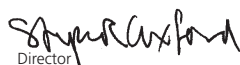
	2005 (\$000s)	2004 (\$000s)
Assets		
Current Assets		
Cash and short-term investments (note 3)	12,637	8,436
Accounts receivable (note 4)	2,640	4,698
Prepaid expenses	1,074	758
Inventories	476	467
	16,827	14,359
Accrued pension asset (note 5)	2,751	3,410
Investments held for Capital Renewal (note 6)	3,293	4,046
Net Capital Assets (note 7)	19,389	21,431
Total Assets	42,260	43,246
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued liabilities	7,532	7,599
Deferred revenue (note 8)	8,673	5,248
Lease obligations (note 9)	21	38
	16,226	12,885
Non-Current Liabilities		
Lease obligations (note 9)	52	0
Employee future benefits (note 5)	3,420	2,495
Deferred capital contributions (note 10)	16,214	18,170
	19,686	20,665
Equity		
Invested in capital assets	6,395	7,269
Restricted – Accrued pension asset (note 5)	2,751	3,410
Unrestricted	(2,798)	(983)
	6,348	9,696
Total Liabilities and Equity	42,260	43,246

Commitments and Contingencies (notes 14 and 17)

See accompanying Notes to Financial Statements.

On behalf of the Board:


Chair


Director

Statement of Operations and Equity

for the year ended March 31, 2005

	2005 (\$000s)	2004 (\$000s)
Revenues		
Government operating grants (note 11)	53,476	55,026
Government and corporate project funding (note 12)	5,998	5,663
Other earned revenue (note 13)	13,733	14,306
Amortization of deferred capital contributions (note 10)	2,988	2,361
	76,195	77,356
Expenses		
TVO programming services	23,405	22,997
TFO programming services	15,537	14,633
Independent Learning Centre (note 16)	8,966	9,015
Technical and production support services	15,613	16,421
Management and general expenses	4,882	4,942
Cost of other earned revenue (note 13)	4,729	4,981
Amortization of capital assets	4,319	3,537
Employee future benefits	2,092	1,941
	79,543	78,467
Excess of expenses over revenues	(3,348)	(1,111)
Equity, beginning of year	9,696	10,807
Equity, end of year	6,348	9,696

See accompanying Notes to Financial Statements.

Statement of Changes in Equity

for the year ended March 31, 2005

	2005 (\$000s)			2004 (\$000s)	
	Invested in Capital Assets	Restricted Pension Asset	Accrued Unrestricted	Total	Total
Balance, beginning of year	7,269	3,410	(983)	9,696	10,807
Excess of expenses over revenues	(1,584)	(1,109)	(655)	(3,348)	(1,111)
Contribution to the defined benefit plan	-	450	(450)	-	-
Investment in Capital assets	710	-	(710)	-	-
Balance, end of year	6,395	2,751	(2,798)	6,348	9,696

Statement of Cash Flows

for the year ended March 31, 2005

	2005	2004
	(\$000s)	(\$000s)
Operating Activities		
Excess of expenses over revenues	(3,348)	(1,111)
Add/(deduct) non-cash items:		
Amortization of capital assets	4,319	3,537
Amortization of deferred capital contributions	(2,706)	(2,361)
Pension expense	659	1,169
Post retirement benefits	925	725
Gain on disposal of capital assets	(29)	(4)
Net change in non-cash working capital:		
Accounts receivable	2,058	(1,349)
Inventories	(9)	(16)
Prepaid expenses	(316)	(237)
Deferred revenue	3,425	2,025
Accounts payable and accrued liabilities	(67)	(2,349)
Cash provided by operating activities	4,911	29
Investing And Financing Activities		
Capital asset additions	(2,361)	(4,043)
Current year's deferred capital contributions	1,503	955
Proceeds from disposal of capital assets	113	34
Lease obligations	35	(64)
Cash used in investing and financing activities	(710)	(3,118)
Net increase/(decrease) in cash position during the year	4,201	(3,089)
Cash and short-term investments, beginning of year	8,436	11,525
Cash and short-term investments, end of year	12,637	8,436

See accompanying Notes to Financial Statements

Notes to Financial Statements

March 31, 2005

1. Authority And Mandate

The Ontario Educational Communications Authority (the Authority) is a provincial Crown Corporation that was created in June 1970 by the Ontario Educational Communications Authority 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 a registered charitable organization which may issue income tax receipts for contributions. 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 generally accepted accounting principles.

(b) Inventories

Program support materials are valued at the lower of cost or net realizable value where cost is determined on a weighted average basis. Stores and supplies are valued at cost, where cost is determined on a first in, first out basis and is net of an allowance for obsolescence. Video and audio tapes are valued at the lower of cost or net realizable value, where cost is determined on a first in, first out basis.

(c) 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:

Building	30 years
Transmitters	17 years
Transmitter Monitoring Equipment	7 years
In House Technical Equipment	7 years
Leasehold Improvements	5 years
Computer Equipment	5 years
Office Furniture & Fixtures	15 years
Office Equipment	10 years
Vehicles	5 years

(d) Revenue recognition

1. Revenue from the licensing of program material is recognized when the rights to the program material are sold.

2. Membership contributions are recorded on a cash basis. Contributions from corporate sponsors are recognized when the contract is signed, except multi-year contributions that are recognized when the cash is received.

3. Grants and revenues received in the year for special purposes are deferred until the related expenses have been incurred.

4. Revenue from grants and contributions restricted for the purchase of capital assets is deferred and amortized over the same period as the related capital asset.

5. Student fees for courses and General Education Development testing are recognized as revenues at the time of registration.

e) Employee Future Benefits

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

1. The cost of pension benefits and other post retirement benefits is actuarially determined by independent actuaries using the projected benefit method and management's best estimate assumptions.

2. Past service cost and transitional asset or obligation are amortized over the expected average remaining service period of active plan members.

3. Actuarial gains (losses) are recognized to the extent that they exceed 10% of the greater of the accrued benefit obligation and the market value of plan assets. Amounts recognized are amortized over the average remaining service period of active plan members.

4. Pension fund assets are valued at market value.

(f) Use of Estimates

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

3. Cash And Short-term Investments

The Authority's investment policy restricts short-term investments to securities issued by or guaranteed as to principal and interest by Ontario, any other province of Canada, Canada or the United Kingdom, securities issued by the United States of America or deposit receipts, deposit notes, certificates of deposit, acceptances and other similar instruments issued or endorsed by any chartered bank to which the Bank Act (Canada) applies.

Cash and short-term investments of \$12,637,000 (2004 - \$8,436,000) include \$11,593,000 (2004 - \$7,137,000) of investments maturing within 90 days, yielding 2.2% (2004 - 2.5%) on average during the year, with a market value that approximates carrying value.

4. Accounts Receivable

	2005 (\$000s)	2004 (\$000s)
Project funding	1,200	2,934
Trade	855	1,015
Other	585	749
	2,640	4,698

5. Employee Future Benefits

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

Registered pension plans: Most employees of the Authority are members of the Main Pension Plan which consists of a non-contributory defined benefits, best average earnings and years of service element and a contributory defined contribution element. Contract employees can only participate in a non-contributory defined contribution element within the Main Pension Plan. Certain eligible executives are members of an Executive Pension Plan which only has a non-contributory defined benefits, best average earnings element.

Unfunded retirement plan: The non-contributory defined benefits plan was adopted to preserve pension benefits in excess of the Federal Income Tax Act maximum accrued under the registered pension plans.

Post retirement benefit plan: The Authority offers non-pension post retirement benefits such as health care, dental care, and life insurance through defined benefits plans on a cost-sharing basis.

The most recent valuation of the defined benefit pension plans and the post retirement benefit plan was as of January 1, 2004.

Information about the Authority's pension and other benefit plans is as follows:

	Registered Pension Plans		Unfunded Retirement Plan		Post Retirement Plan	
	2005 (\$000s)	2004 (\$000s)	2005 (\$000s)	2004 (\$000s)	2005 (\$000s)	2004 (\$000s)
Market value of plan assets	82,236	76,975	0	0	0	0
Accrued benefit obligation	82,359	75,162	225	169	7,361	6,440
Plan surplus/(deficit)	(123)	1,813	(225)	(169)	(7,361)	(6,440)
Balance of unamortized amounts:						
Net transition (asset)/obligation	(8,745)	(9,634)	0	0	2,316	2,547
Past service cost	1,099	1,210	15	19	0	0
Actuarial (gains)/losses	10,548	10,137	2	0	1,601	1,373
	2,902	1,713	17	19	3,917	3,920
Contributions - prior year	94	0	0	0	24	25
Use of surplus - prior year	(122)	(116)	0	0	0	0
Accrued benefit asset/(obligation)	2,751	3,410	(208)	(150)	(3,420)	(2,495)
Disclosed in the Statement of Financial Position as:						
Accrued pension asset	2,751	3,410				
Accounts payable and accrued liabilities			(208)	(150)		
Employee future benefits					(3,420)	(2,495)
Expenses for the year:						
Defined benefit plan	623	680	58	46	925	726
Defined contribution plan	486	489	0	0	0	0
	1,109	1,169	58	46	925	726
Contributions to the defined benefit plan	450	0	0	0	0	0
Benefits paid	2,754	2,520	0	0	184	159

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

	Registered Pension Plans		Unfunded Retirement Plan		Post Retirement Plan	
	2005	2004	2005	2004	2005	2004
	Discount rate	5.75%	6.00%	5.75%	6.00%	5.75%
Investment return	8.00%	8.00%	N/A	N/A	N/A	N/A
Salary rate increase	4.50%	4.50%	0.0%-4.5%	0.0%-4.5%	N/A	N/A
Health cost rate increase	N/A	N/A	N/A	N/A	8.50%	9.00%
Dental cost rate increase	N/A	N/A	N/A	N/A	4.50%	4.50%
Average remaining service lifetime	9-12	11-12	2-6	3-7	16	15

Defined benefit plan assets as at December 31 measurement date consist of:

Asset category	Percentage of Plan Asset	
	2004	2003
	Equity securities	67%
Debt securities	33%	33%

Eligible members of the employee plan and executive plan may also take advantage of an early retirement window that provides unreduced pension and bridging benefits if they retire between January 1, 2005 and December 31, 2005. The impact of this early retirement window is still undetermined and is not included as part of the plan experience.

6. Investments Held For Capital Renewal

Since 1984, a portion of the funding received each year has been set aside to ensure that the Authority's technical capital assets keep pace with technological changes and can be maintained or replaced when needed. Available funds were invested in short-term deposits that earned an average interest rate of 2.2% (2004 – 2.8%) during the fiscal year. The changes in the fund were as follows:

	2005 (\$000s)	2004 (\$000s)
Balance, beginning of year	4,046	3,811
Allocation of grants - Ministry of Training, Colleges and Universities (note 11)	961	961
- Ministry of Education (note 11)	0	128
Interest earned	71	101
Drawing for capital acquisitions	(1,785)	(955)
Balance, end of year	3,293	4,046

7. Net capital assets

Capital assets consist of the following:

	2005 (\$000s)		2004 (\$000s)	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	236	0	236	236
Buildings	4,782	3,201	1,581	1,718
Transmitters	27,306	23,604	3,702	4,217
Transmitter monitoring equipment	1,105	910	195	241
In house technical equipment	26,391	20,189	6,202	7,120
Leasehold improvements	7,908	4,609	3,299	3,982
Computer equipment	6,859	4,497	2,362	2,425
Office furniture and fixtures	2,803	1,868	935	935
Office equipment	1,158	1,031	127	157
Vehicles	536	411	125	106
Construction in Progress	625	0	625	294
	79,709	60,320	19,389	21,431

8. Deferred revenue

	2005 (\$000s)	2004 (\$000s)
Government grants (note 11)	1,194	635
Government project funding (note 12)	6,864	4,548
Corporate project funding (note 12)	399	19
Other	216	46
	8,673	5,248

Expenditures related to the above deferrals have been budgeted for the 2006 fiscal year.

9. Lease obligations

Lease obligations represent the balance of the commitments made under capital leases. The changes in the lease obligations balance are as follows:

	2005 (\$000s)	2004 (\$000s)
Lease obligations, beginning of year	38	102
Add: Capital leases additions	89	0
Less: Payments made on existing capital leases	(54)	(64)
Lease obligations, end of year	73	38
Current lease obligations	21	38
Non-current lease obligations	52	0
	73	38

10. Deferred capital contributions

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

	2005 (\$000s)	2004 (\$000s)
Deferred capital contributions, beginning of year	18,170	19,341
Add: Allocation of grants		
- Ministry of Training, Colleges and Universities	961	961
- Ministry of Education	0	128
Interest earned	71	101
	19,202	20,531
Less: Drawing for capital acquisitions	(282)	-
Amortization of capital contributions	(2,706)	(2,361)
Deferred capital contributions, end of year	16,214	18,170

11. Government operating grants

	2005 (\$000s)	2004 (\$000s)
Provincial		
Ministry of Training, Colleges and Universities		
- Base Grant	48,040	48,040
Less: Amount allocated for capital renewal (note 6)	(961)	(961)
	47,079	47,079
Ministry of Education		
- Independent Learning Centre grant*	6,956	6,421
Less: Amount allocated for capital renewal (note 6)	0	(128)
Funding deferred from prior year	635	2,289
Funding deferred to future year (note 8)*	(1,194)	(635)
	6,397	7,947
Total government grants	53,476	55,026

*2005 Independent Learning Centre grant includes prepayment of April 2005 remittance of \$535,000 which was received in March 2005. This amount is deferred to 2006.

12. Government and corporate project funding

	2005 (\$000s)	2004 (\$000s)
Provincial project funding		
Ministry of Education		
- Early Reading and Early Math grant	4,177	5,848
- Other MED project funding	476	473
Other provincial project funding	115	212
Funding deferred from prior year (note 8)	4,548	809
Funding deferred to future year (note 8)	(6,864)	(4,548)
	2,452	2,794
Federal project funding		
Heritage Canada	2,160	2,350
Other	0	6
	2,160	2,356
Corporate project funding		
Funding received during the year	1,766	461
Funding deferred from prior year (note 8)	19	71
Funding deferred to future year (note 8)	(399)	(19)
	1,386	513
Total government and corporate project funding	5,998	5,663

13. Other earned revenue and cost

	2005 (\$000s)			2004 (\$000s)		
	Revenue	Cost	Net Revenue	Revenue	Cost	Net Revenue
Development and Marketing						
Sales and Licensing	931	1,283	(352)	1,369	1,311	58
Membership and corporate donations	7,288	3,407	3,881	7,527	3,629	3,898
Total Development and Marketing	8,219	4,690	3,529	8,896	4,940	3,956
Cable revenue	2,142	39	2,103	2,170	41	2,129
ILC revenues	1,962	0	1,962	2,003	0	2,003
Others	1,410	0	1,410	1,237	0	1,237
	13,733	4,729	9,004	14,306	4,981	9,325

14. Commitments

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

Year ending March 31	(\$000s)
2006	1,533
2007	1,068
2008	523
2009	93
2010	83
	3,300
2011 and beyond	323
Total future lease payments	3,623

The building lease expires in August 2007. Negotiations for its renewal are underway.

15. Contributed materials and services

The Authority uses the services of volunteers to assist primarily in the membership area. The Authority also receives contributions of materials for use mainly in fund raising activities. Due to the difficulty of determining their fair value, contributed materials and services are not recognized in the financial statements.

16. The Independent Learning Centre

Under the terms of an agreement executed March 7, 2002 with the Ministry of Education and the Ministry of Training, Colleges and Universities, the Independent Learning Centre (ILC) was transferred to the Authority effective April 1, 2002.

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 (GED) 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 (course development) is deferred to the future year until the projects have been completed.

	2005 (\$000s)	2004 (\$000s)
Activities were funded by:		
Ministry of Education ILC grant (note 11)	6,956	6,421
Funding deferred from prior year	635	2,289
Funding deferred to future year	(1,194)	(635)
Funding allocated to capital renewal fund	0	(128)
ILC grant recognized	6,397	7,947
ILC earned revenues (note 13)	1,962	2,003
Total ILC grant and earned revenues	8,359	9,950

Expenditures related to the above deferrals have been budgeted for the 2006 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. Adequate provisions have been made for those claims against the Authority that in the opinion of management may result in future settlements. Differences between provisions and actual settlements will be accounted for at the time of settlement. No amounts have been recognized in the accounts for claims made by the Authority. Any settlements will be accounted for at the time of settlement.

18. Comparative Figures

Certain of the comparative figures have been reclassified to conform to the current presentation.

19. The TVOntario Foundation

The TVOntario Foundation was constituted as a public foundation under the Canada Corporations Act effective April 1, 1998. The Board of Directors of the Foundation is appointed by the Board of Directors of the Authority, with the members of the Foundation being comprised exclusively of members of the Board of Directors of the Authority. The Foundation is a registered charity under the Income Tax Act, whose objectives are to receive and maintain a fund or funds and to pay all or part of the principal and income to the Authority provided that the Authority maintains its status as a registered charity and continues to have as its objective the promotion of educational and/or children's programming.

In accordance with Canadian generally accepted accounting principles, the accounts of the Foundation are not consolidated in the financial statements of the Authority. The financial position and results of operations for the year ended March 31, 2005 were as follows:

Financial Position as at March 31st

	Unrestricted Fund (\$000s)	Matching Gift Fund (\$000s)	2005 Total (\$000s)	2004 Total (\$000s)
Assets				
Current assets				
Cash and short term investments	637	2,837	3,474	3,524
Total assets	637	2,837	3,474	3,524
Liabilities and Equity				
Liabilities				
Accrued liabilities	-	38	38	128
	-	38	38	128
Equity	637	2,799	3,436	3,396
Total liabilities and equity	637	2,837	3,474	3,524

Results of operations for the year ended March 31st

	Unrestricted Fund (\$000s)	Restricted Funds Matching Gift Fund (\$000s)	Other Restricted (\$000s)	2005 Total (\$000s)	2004 Total (\$000s)
Revenues					
Donations	89	-	150	239	101
Interest income	74	-	-	74	93
	163	-	150	313	194
Contribution to the Authority	-	273	-	273	128
Excess of revenues over contribution to OECA	163	(273)	150	40	66
Interfund transfer	150	-	(150)	0	0
Equity, beginning of year	324	3,072	-	3,396	3,330
Equity, end of year	637	2,799	-	3,436	3,396

Changes in equity for the year ended March 31st

	Unrestricted Fund (\$000s)	Restricted Equity Matching Gift (\$000s)	Other Restricted (\$000s)	2005 Total (\$000s)	2004 Total (\$000s)
Balance, beginning of year	78	3,318	-	3,396	3,330
Excess revenues over contributions to the Authority	163	(273)	150	40	66
Reclassification of 2003 and 2004 interest income	118	(118)	-	0	0
Reclassification of 2004 contribution to the Authority	128	(128)	-	0	0
Interfund transfer	150	0	(150)	0	0
Balance, end of year	637	2,799	-	3,436	3,396

The Board of Directors of the Authority has approved the funding of the Foundation's operating expenditures through the Authority until March 31, 2007. The Foundation's net expenditures absorbed by the Authority were \$42,000 during the year ended March 31, 2005 (2004- \$101,000).

On December 2, 2004, the Deed of Gift was amended to clarify that the repayment obligation of the Matching Gift Fund to the Authority is limited to the capital amount of the fund and the fund will be reduced through disbursements to the Authority. Based on this resolution, the accumulated interest income on the Matching Gift Fund from inception is transferred from the Fund to unrestricted equity. The reclassification of 2003 and 2004 interest income increased the unrestricted equity balance and reduced the Fund balance by \$118,000.

In compliance with the Income Tax Act, the Foundation recognized its current year disbursement quota of \$235,000 (2004-\$128,000) as a contribution to the Authority. An additional amount of \$38,000 was also recognized to meet the commitment to match current year donations with funds from the Matching Gift Fund. The 2004 contribution to the Authority was originally charged to the unrestricted fund. On December 2, 2004 through the Deed of Gift amendment, the Board of Directors of the Foundation approved the payment of the current year as well as prior year disbursement quotas from the Matching Gift Fund. The reclassification increased the unrestricted equity balance and reduced the Fund balance by \$128,000.

A restricted gift of \$150,000 was received from the Alan Tanenbaum Family Trust in December 2004. The gift was designated by the donor to underwrite the licensing of Modigliani documentary for broadcast by the Authority. The total amount of the gift was disbursed through the 2005 contribution to the Authority from the Matching Gift Fund.

Short-term investments earned an average interest rate of 2.2% (2004 – 2.9%) during the fiscal year.