Education is not confined to children; in fact liberal education is mostly adult education, and goes on all through life.

- George Bernard Shaw

...education must start from birth.

- Maria Montessori

The information highway will alter the focus of education from the institution to the individual.

- Bill Gates

Learning is a lifelong process and a public right and a public good. The electronic media must be used to provide education for people of all ages.

- Ran Ile, Founder of TVOntario

What can TV do that the classroom cannot?... The answer is. TV can illustrate the interplay of processes and growth.

- Marshall McLuhan
Investment by all sectors of society in the early years is an important aspect of our investment in education to ensure Ontario has a highly competent and well-educated population.

Margaret McCain & Dr. flere Mustard

New Media tools offer great promise for a new model of learning—one based on discovery and participation.

Don Tapscott
To the Honourable Dianne Cunningham  
Minister of Training, Colleges and Universities  
Queen’s Park

I take pleasure in submitting the Annual Report of the Ontario Educational Communications Authority (TVOntario) for the fiscal year April 1, 2001, to March 31, 2002. This is done in accordance with Section 12 (1) of the Ontario Educational Communications Authority Act.

This Annual Report outlines the milestones for the year 2001–02, during which we continued to provide TVOntario’s educational resources through broadcast and other technologies. In this year we created more curriculum-linked programs and refined the services of our E-Learning Centre to provide educational aids for children and adults, and information on educational resources for career options throughout Ontario.

I invite you to review the 2001–02 educational programming and e-learning accomplishments in the pages that follow.

Isabel Bassett  
Chair and Chief Executive Officer  
Ontario Educational Communications Authority

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Where education matters – on air, online
**Mandate**

TVOntario’s mission is to support lifelong learning in Ontario by providing quality educational programming services in English and French using television and other communications technologies.

In 1970, TVOntario was established as the Ontario Educational Communications Authority. As defined by our mandate, TVOntario initiates, produces, and provides uninterrupted programming and access to interactive media resources that educate, inform, and enrich all Ontarians.

TVOntario is committed to educational strategies that incorporate and support quality lifelong learning opportunities for adults and children, using the power of educational television programming and the recent developments in e-learning. This is achieved by linking our educational television programming to the Ontario curriculum, by developing skills training products, and by offering a range of educational interactive online resources to support Ontario’s education system.

**A message from the Chair and Chief Executive Officer**

This has been a year of progress for TVOntario. As we continued to fulfill our educational mandate, we completed the second year of a three-year business strategy that focuses on making lifelong learning available to all Ontarians.

Last year we ensured that all of our children’s programming and much of our adult prime time programming were linked to the K–12 curriculum. In addition to these links, in 2001–02 *Saturday Night at the Movies* and the *Studio 2/Munk International Centre Going Global* specials were an integral part of university credit courses.

This year we streamlined our E-Learning Centre to include only those products that serve a useful and necessary purpose in Ontario’s education system. In keeping with TVOntario’s mandate to be an adjunct to the province’s formal education programs, our products are all interconnected and provide a continuum of learning.

The *Eureka! Ask a Teacher* free homework online service is available five nights a week and also provides help with the provincial competency tests in literacy and math.

The Independent Learning Centre came under the auspices of TVOntario at the end of this fiscal year. The ILC provides Ontarians with the opportunity to acquire a high school diploma through distance education. This most certainly puts TVOntario in the education business.

TVOntario’s *CareerMATTERS* is a comprehensive Web site offering job descriptions, and a list of the educational courses required to achieve any number of careers.

**The Lifelong Learning Challenge Fund – TVOntario’s partnership with Ontario institutions and the private sector – is developing skills upgrades courses for workplaces across the province for delivery to students next year. This means that anyone in Ontario can achieve a high school diploma through the ILC. They can look to *Eureka!* for free help with homework. They can discover what high school, university courses, and apprenticeship programs are available in Ontario to lead to their career goals with *CareerMATTERS*. And then they can enhance their career skills through the LLCF program.

At TVOntario, this is our definition of convergence, for, in addition to our educational Web sites, we have the benefit of the airwaves on TVO and TFO to bring Ontarians educational and enriching programs, which in turn are complemented by their own Web site activities. The award-winning tfo.org/bisou and tvokids.com sites are two examples.

To reinforce the focus on our educational mandate, our English language network, TVO, created an enriching series of educational shorts and developed the informative parenting series *Planet Parent*. We continued to focus on Ontario-wide issues on *Studio 2* and *More to Life*, and brought the innovative *Big Ideas*, an intellectual alternative, to our Sunday afternoon schedule.

Our French network, TFO, developed a range of in-house productions that focused on the cultural life of our Franco-Ontarian community, most particularly through *Panorama-Arts*. We extended our line of new media products and CD-ROMs, developed the innovative *Biographies* Web site, and presented a series of professional development workshops for teachers.

**Our Revenue and Development department has continued in its efforts to improve TVOntario’s self-sufficiency by increasing our Membership numbers and revenues. They have also made tremendous inroads into the corporate sector by developing partnerships to underwrite our children’s outreach programs and our educational Web sites.**

I am pleased to welcome Sarah Irwin, our new Managing Director of E-Learning to the TVOntario management team. She joins Beth Haddon, Managing Director of TVO, and Claudette Paquin, Managing Director of TFO, along with Lee Robock, General Manager and Chief Operations Officer, and Bob Baker, Managing Director of Revenue and Development.

In the pages that follow, you will find a review of the year’s activities for each individual programming and revenue area, outlining our priorities, our targets, and our achievements.
The final year of our current three-year plan builds on the success of the past year, increases our focus on education, and sets out clear priorities to reinforce and better publicize our educational mandate. The Board of Directors is already engaged in a planning exercise to map out the priorities for the next three-year plan, one that starts in 2003-04 and takes us to year 2005-06.

This is what we aim to achieve in 2002-03.

1. Reinforce the emphasis on formal education in lifelong learning through our broadcast and new media products and markets to provide the best quality educational and curriculum-based service to Ontario.

Our goal is to deliver more useful and necessary educational products both on air and online that support Ontarians in the province’s education system. We aim to make all Ontarians more aware of TVOntario’s value to them as an educational resource. We are increasing the number of programs on the broadcast schedule that are linked to the Ontario curriculum and expanding collaboration between our broadcast and e-learning divisions to promote our educational products in both areas.

And, we aim to ensure that all program services, from conception to completion, adhere to TVOntario’s corporate vision as a unique adjunct to the province’s education system.

On TVO this will mean a stronger focus on children’s programming based on the Ontario K–12 curriculum, a fine-tuning and refocusing of all our adult in-house programming to provide useful and necessary knowledge about Ontario issues, events, and people from an Ontario perspective. Where feasible, we will introduce more formal educational programming and partnerships with academic institutions, as we are now doing with Going Global at the Munk Centre.

On TFO we will continue to support the French-language cultural and educational needs of the Franco-Ontarian community by providing high quality, engaging, and informative programs tied directly to the Ontario curriculum.

The E-Learning Centre will continue to develop only those products that directly support our Ontario education system, such as Eureka! Ask a Teacher, our free online help-with-homework site and CareerMATTERS, the Web site that provides comprehensive information on the courses in Ontario required for various career choices.

The Independent Learning Centre will improve the course materials, services, and results for the 26,000-plus students studying the Ontario curriculum through distance learning. The Lifelong Learning Challenge Fund courses we have been developing for the past two years will begin accepting students in 2002-03.

Our new emphasis on accountability will be met through monitoring these services and testing all e-learning products against their learning outcomes.

2. Improve our self-sufficiency through the development of new revenue streams, leveraging opportunities, and partnerships.

We intend to increase earned revenues to 36% of total revenues in 2002-03. A critical portion of this goal will be met by expanding the total Membership base to 95,000 members from the current 87,580. The TVOntario Foundation will launch a $10-million campaign in September 2002, and Sales and Licensing will explore new opportunities for licensing our products in digital format.

3. Develop a corporate culture that is efficient, entrepreneurial, and dedicated to the provision of the highest quality service.

It is our intention to position the workforce to meet the challenges brought by new technologies and changes in the workplace through training, succession planning, and skills development.

As part of the capital renewal project, we will complete the upgrade to the post-production plant to prepare the organization for technical convergence. We also intend to conduct a thorough “needs assessment” of the state of the organization’s business systems with a view to revamping those most critical to supporting the current and future needs of TVOntario.

As you can see, we are committed to a strong and vital organization that is an important adjunct to the Ontario education system.

Our goal is to provide essential educational services that enhance the quality of learning for the people of Ontario.
Creating online learning opportunities for Ontarians of all ages

The E-Learning Centre emerged from a restructuring of the New Media division with a focus on developing educational initiatives unique to the Web. The E-Learning Centre is committed to harnessing the potential of the Internet to offer interactive and innovative courses, student support, and links to other educational opportunities across the province. The Centre provides the most effective learning experience possible by developing the highest quality resources and using the most appropriate tools to enable learners to achieve their academic goals.

Finding a career path starts here

The CareerMATTERS Web site was launched in March 2002 to the widespread acclaim of organizations working to help individuals pursue the career of their choice. Developed with information and resources from the Ontario Ministry of Training, Colleges and Universities, the site informs youth and adults of the educational options associated with specific jobs and careers. Youth and adult training centres, new immigrant groups, cultural organizations, parents, and high school guidance counsellors are among the target groups who have used and come to value this resource.

CareerMATTERS is the most comprehensive, free-access career resource Web site in the province. It offers over 300 job and career profiles, many also on video. These videos first aired in TVO’s Job Matters, a series of short educational programs (E-shorts). By connecting the high school curriculum with post-secondary opportunities, apprenticeship training, and distance education programs, CareerMATTERS clearly directs students, and others, to the educational path required to qualify for a variety of careers. CareerMATTERS was launched with the generous support of the Bank of Montreal and George Weston Group Limited.

Partnering for workplace training

The Lifelong Learning Challenge Fund (LLCF) was created in July 2000 through a special grant from the Ministry of Training, Colleges and Universities. The Fund has invested $5 million and project partners from the educational and private sectors have provided matching funds to develop online skills training programs.

To date, the LLCF has funded eight post-secondary online courses designed to help fill identified gaps in the labour market. We have partnered with educational institutions, businesses, unions, and industry organizations to develop a flexible source of learning and training that Ontarians can use in their homes, workplaces, and communities. The courses in development include a degree completion for registered nurses, e-commerce for small business, blueprint reading for construction workers, and more.
electronic engine diagnostic skills, safe food handling, electronics training, welding theory and safety, and workplace skills for the automotive manufacturing industry. The first course prototypes were completed and evaluated this year, and the courses are expected to begin in 2002-03.

Homework help online

The Eureka! Ask a Teacher Web site is a free help-with-homework service. Five nights a week from 6:30 to 8:30 p.m., certified Ontario teachers are logged on to the site to help students with complex questions. In addition to teacher support, content on the site was organized into math, science, and literacy components and provided students with 24-hour assistance in these subjects. Eureka! has also become an important tool for Ontario students as they prepare for the provincial standardized tests. This year, students were able to better prepare for the Education Quality and Accountability Office (EQAO) tests in both Grade 9 math and Grade 10 literacy with sample exercises as well as the support of teachers available in real time. Feedback from students who have used this resource has been consistently positive. Site demonstrations at community centres and libraries have provided the Eureka! development team with many insights into the needs of users.

tvokids.com

The educational Web site tvokids.com began its life under the auspices of the E-Learning Centre, capturing the 2001 Gemini Award for “Most Popular Web site.” The site was transferred to TVO English Programming Services so that it would live within the programming for TVO Kids and the two creative teams could work together to plan and program the on-air broadcast along with this complementary online educational component.

Independent learning comes to TVOntario

This fiscal year saw the successful completion of negotiations for the integration of the Independent Learning Centre (ILC) into TVOntario. The transfer of the ILC from the Ministry of Education will enable TVOntario to offer a full roster of elementary and high school courses at a distance. TVOntario can now combine the ILC’s acquired knowledge in distance education programs with its own expertise in e-learning to deliver a useful service of electronic and paper-based courses to all of Ontario.

Quality assurance improves online delivery

TVOntario has long been associated with excellence in educational programming. Our delivery of online courses and services comes with the same assurance of quality. We integrate into the development process four methods to ensure that every resource offered is of the highest possible calibre. We establish advisory committees – of community stakeholders, industry experts, instructors, and end-users – to advise us of user needs and industry trends. We conduct focus groups to ensure that as resources are developed, they remain in sync with the needs of the learner. We commission heuristic evaluations and usability studies to ensure that the content, the method of delivery, and the presentation are effective, intuitive, and appropriate.
For 2001–02, TVO rooted its programming strategy in its founding vision to use the power of television to educate, enlighten, and inform. As the province’s educational broadcaster, accessible to 98.5% of Ontario, TVO serves all ages with a special emphasis on curriculum-linked children’s programming and Ontario-focused adult programming that encourages learning.

**Programming that nurtures young minds**

*TVO Kids* continued to engage faithful fans and new audiences with a captivating lineup of television programming and Web content. Corporate partnerships also contributed significantly to our community outreach efforts and learning initiatives. The *TVO Kids Don’t Sit Still Tour* powered by Scotiabank took the five ever-popular *TVO Kids* hosts into 25 communities, meeting 20,000 fans, and delivering the message that an active lifestyle creates healthy minds and healthy bodies.

The *Reading Rangers* was launched in partnership with TD Bank. The televised series and Web games were designed to promote literacy with an emphasis on language skills and social development. Whether they choose novels, short stories, encyclopedias, or magazines, the *Reading Rangers* are reading enthusiasts who foster in young viewers a love of reading and an appreciation of our libraries.

New episodes of such favourites as *Arthur*, *The Magic School Bus*, and *Polka Dot Shorts* returned to TVO, and the Bod Squad’s *Food Flicks*, sponsored by the Dairy Farmers of Ontario, promoted the importance of eating a balanced diet with selections from the four major food groups.

We aired a number of new programming favourites. *The Hoobs*, an innovative and inspiring series from the Jim Henson Company, encourages young children to question, explore, and examine their world and to communicate with confidence. *Sagwa: The Chinese Siamese Cat*, based on the book by Amy Tan, is an animated series that gently leads viewers to recognize the importance of family, relationships, and self-confidence, and to become aware of a different ethno-cultural background. *The Big Bang* discovers the exciting world of science, and *CG Kids* explores the vast geography that Canada has to offer.

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**Our Priorities**

- Increase the emphasis on educational programming while maintaining competitive audiences
- Develop programming partnerships to offer university-level learning experiences to Ontarians
- Become more effective at reflecting Ontario to Ontarians
- Introduce a parenting program in prime time
- Link television programming to Web content via the career profiles featured in the *Job Matters* Educational Shorts (E-shorts)
- Increase interdepartmental collaboration in support of children’s programming
- Strengthen on-air membership programming in support of fundraising

**Our Successes**

- Launched *Big Ideas*, an innovative educational programming block designed for an audience in search of knowledge and intellectual stimulation
- Partnered with York University and University of Toronto to link two signature series – *Saturday Night at the Movies* and *Studio 2’s Going Global* – with credit courses
- Offered a range of programming that provided insight into the issues affecting Ontarians and that reflected the province’s diversity
- Developed new programming such as the informative parenting series *Planet Parent* to enhance the skill set of Ontarians as they meet daily challenges
- Incorporated many of the career profiles featured in TVO’s *Job Matters* E-shorts series into the new *CareerMATTERS* Web site designed to guide individuals in their search for a career, and created on-air promos to support the *Eureka! Ask a Teacher* online help-with-homework site
- Strengthened the on-air membership campaigns with programming that both enriched viewers’ minds and increased financial support for TVOntario
- Increased the offering of fun learning activities found on tvokids.com, with support from private-sector partnerships

**TVO – Television That Matters**

*Beth Haddon*

Managing Director

English Programming Services
TVO Kids programming continued to challenge our young viewers’ creativity. This past year, TVO Kids called on children and their parents to build an environmentally friendly vehicle for Tumbleweed, our pet hamster. More than 2000 entries were received, with submissions ranging from simple drawings to lavish full-sized inventions. “Go Green” was presented in collaboration with Hewlett Packard, which presented two winners with computers for home and school use.

In 2001–02, tvokids.com came into its own. Working in collaboration with the talented team from the E-Learning Centre, we developed what has truly become the premier educational Web site for children. With more online educational activities than ever before, the milestones included a redesign that was both exciting for kids and offered extensive information for parents and caregivers, helping them to understand the educational value of TVO Kids and to participate fully in their child’s learning. Educational “pop-ups,” written by teachers, included ideas to help parents and caregivers maximize a child’s learning with specific connections to the Ontario curriculum.

Building on the TVO Kids Don’t Sit Still Tour powered by Scotiabank, “Don’t Sit Still with Pinky” encouraged children to get up off the couch and get active. Site activities included tips and tricks for learning how to improve one’s skills at sports, ideas for new games to play at recess, and the ever popular “Pinky’s Bowling,” where kids learned to apply scientific concepts like force and angles to sports.

“Scoop Goes to Haida Gwaii,” produced with the support of the Canadian Department of Indian and Northern Affairs, helped focus children’s attention on Native Canadian issues by exploring a unique icon in Canadian history, the Haida totem pole. Through a series of online activities, children were introduced to the traditional history of totem pole carving in Haida Gwaii, and encouraged to explore the detailed imagery used in these carvings. Then they could have fun designing their own “totem,” to represent the history, events, and people that make their own family interesting.

Tvakids.com won the public’s vote as “Most Popular Web site” at the 2001 Gemini Awards. The activities on the site were also recognized at the FlashInTheCan Awards, in one of the most competitive categories of any new media competition. Voted on by a jury of new media experts from Canadian and international companies, this award was a further indication that TVOntario excels not only in educational content, but also in the technical expertise to create innovative educational Web sites.
Exploring youth issues

The Underground, TVO’s Sunday afternoon tween block of programming for young people aged 11–14, reached out to new audiences with a series of hour-long specials devoted to the concerns of preteens and their parents. These extended editions of VOX, TVO’s weekly half-hour educational magazine-style show, tackled racism and youth violence, encouraging teens to explore their ideas, their issues, and the world around them. Through the season, the show explored the life-changing experiences learned through Outward Bound.

Superteachers used the world as its classroom as it took viewers into the lives and insights of those special people who venture beyond the ordinary, to test the limits of imagination and explore the mysteries of the universe.

The prime time alternative

This year, TVO offered a range of programming for academic credit and for general interest learning.

Studio 2, TVO’s nightly flagship program, hosted by Steve Paikin and Paula Todd, continued to draw impressive audiences – a direct result of the increased emphasis on stories about Ontario and its citizens. “Legend and Memory,” an hour-long Studio 2 documentary, was unique in its portrayal of Ontario’s aboriginal history from a First Nations’ perspective. A biography of John Robarts told the life story of the late Ontario premier and chronicled a critical chapter in the province’s economic history.

For the second consecutive year, Studio 2 had townsfolk across Ontario digging into the life of their communities to teach the rest of us what makes their town a great place to live. Viewers were asked to nominate the “Most Historic Town.” The winning town of Cobalt was featured in a Studio 2 documentary in June.

In partnership with the University of Toronto’s Munk Centre for International Studies, Studio 2 presented Going Global, four hour-long programs, this year exploring Canada/U.S. relations. Going Global became required viewing for over 800 students enrolled in the University’s first-year political science course, “Networks, Nations and Global Politics.” The live broadcasts and classroom sessions were accompanied by a full online component, including a live Webcast, message board, and post-show online chat. This course won the University of Toronto’s 2002 Northrop Frye Award of Excellence for its innovative educational approach.

In the wake of the terrorist attacks on the United States on September 11, 2001, record numbers of viewers tuned in to Diplomatic Immunity, TVO’s weekly international affairs program, as Ontarians sought to make sense of the crisis by learning about the politics and the history of those involved.

TVO’s landmark film series, Saturday Night at the Movies (SNAM), is now part of an online credit course offered by York University. This year, enrolment for “Hollywood: Old and New” topped 170 students. In addition to screening the films, students could work and study online through the York and SNAM Web sites. Interview segments from the extensive archives of Saturday Night at the Movies augmented the lectures and readings.

This past season, Sunday Night at the Cinema doubled its viewership with the introduction of more English-language artistic films such as Howard’s End and Enchanted April (Britain), Strictly Ballroom (Australia), and Romero (U.S.A.).
Beginning in July 2001 – and following through on a partnership with the Ontario Media Development Corporation’s “Al Waxman Calling Card” program that began in the year before – TVO was proud to broadcast a slate of works from the next generation of great Canadian filmmakers.

Thought-provoking and esteemed documentaries remained a TVO staple. A highlight of the 10 p.m. weeknight documentary hour was *Masterworks*, which established Thursday evenings as a night to learn about Canadian and international art and artists. The award-winning *Hands of History* profiled First Nations women artists and revealed how their work is intrinsically linked to their culture and tradition.

The *Human Edge* strand of international documentaries presented *Jung (War): In the Land of the Mujaheddin*, a sobering account of life under the Taliban regime as told through the story of an Italian surgeon and a war correspondent who set up a hospital for land mine victims.

In recognition of Black History Month, *History on TVO* presented *Journey to Justice*, a National Film Board production that celebrates the tireless efforts of Black Canadians who fought against racial segregation in Canada during the 1930s, 40s, and 50s, illuminating a little-known chapter in Canadian history.

TVO aired dramas based on great works of literature (William Thackeray’s *Vanity Fair*, Henry Fielding’s *Tom Jones*, Charles Dickens’ *David Copperfield*, Jane Austen’s *Pride and Prejudice*, Wilkie Collins’ *The Woman in White*). Fine contemporary dramas starring John Thaw and David Janson, were also brought to the small screen to captivate and enrich our viewers’ understanding of times past and present.

**Learning is more than academic**

*Big Ideas*, our new innovative Sunday afternoon programming block, was just one of many intelligent alternatives presented by TVO. Hosted by television personality and journalist Irshad Manji and featuring both documentaries and lectures, *Big Ideas* covered a range of topics from the realm of politics, art, literature, and economics. A highlight of the *Big Ideas* season was *Robert Adams Presents*, offering literary reviews and contextual analysis of the world’s great novels.

*Imprint*, a staple of TVO programming, is the longest-running book show in North America. Canadian and international writers who presented insights into their work included feminist writer Naomi Wolf, Giller Prize–winner David Adams Richards, British novelist Margaret Drabble, rising Canadian newcomer Michael Redhill, and the late broadcaster Peter Gzowski.

*Planet Parent* is the only prime time parenting program in Canada. This half-hour information show, with its accompanying Web site, was aimed at teaching good parenting skills to parents and caregivers. It was produced in partnership with Telefactory, an independent production company based in Toronto.

During Education Week, May 2001, TVO presented *moretolife@class*, a week of special programming dealing with funding, teacher morale, and meeting the needs of students with learning disabilities. The highlight of the week was a live phone-in with Education Minister Janet Ecker, which allowed viewers to discuss a range of education issues.

*Your Health* presented the documentary “The Home Care Crisis,” which chronicled the compelling personal struggle of Rose Giglio to provide at-home care for her ailing parents with scant resources and little help. This piece was recognized by the Registered Nurses Association of Ontario for Excellence in Health-Care Reporting.

The vertical integration that has swept the communications industry has presented TVO with a special opportunity to provide more distinctive offerings and an independent Ontario perspective. The recent proliferation of television channels, specialty and otherwise, has not come with a corresponding increase in alternatives that challenge the mind. News and public affairs programming are in decline and regional and local content are among the most threatened programming. Now, more than ever, viewers need an intelligent alternative, and TVOntario is proud to provide this service.

**Investment in the Canadian production industry is a priority for TVOntario.** This table reflects the volume of new programming that was produced, co-produced, or acquired in the past year.

<table>
<thead>
<tr>
<th>Programming Output</th>
<th>TVO hours</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Canada</strong></td>
<td></td>
</tr>
<tr>
<td>In-house production</td>
<td>855.8</td>
</tr>
<tr>
<td>Co-produced and independently produced programming</td>
<td>356.5</td>
</tr>
<tr>
<td><strong>Total Canadian</strong></td>
<td>1,212.3</td>
</tr>
<tr>
<td><strong>Foreign</strong></td>
<td></td>
</tr>
<tr>
<td>Co-productions, pre-buys and acquisitions</td>
<td>461.8</td>
</tr>
<tr>
<td><strong>Total Programming Output</strong></td>
<td>1,674.1</td>
</tr>
<tr>
<td><strong>Captioning</strong></td>
<td></td>
</tr>
<tr>
<td>Captioned programming broadcast</td>
<td>3,853.7</td>
</tr>
</tbody>
</table>
TFO – La connaissance passe par les sens

TFO launched its season with the theme “Wake up your senses with TFO,” a concept that highlights the fact that TFO programming informs as it engages all the senses. TFO continues to strive to make information, arts, and culture accessible to Franco-Ontarians. In turn, the Franco-Ontarian community has come to expect TFO’s commitment to providing quality educational programming for children, tweens, teens, and adults and are assured that the diversity and richness of their culture will be presented in their own language and from their own unique perspective. TFO is the only French-language network, based outside of Quebec, to provide such a service.

Dedicated to education and youth

TFO’s children’s programming continued to excel at blending education and creativity with the medium of television. The new MÉGA TFO production Fou d’art is a perfect example of programming that combines learning and fun while fulfilling the requirements of the Ontario school curriculum. This program familiarizes young viewers with the arts and with careers in this field. Mythologie grecque is a new series of vignettes that introduces today’s young minds to ancient Greek mythology. Thalès et Milet, les génies des maths, set to air next season, was produced this year and follows the adventures of two youthful math geniuses as they encourage children to use math concepts to overcome obstacles. MÉGA TFO came

Our Priorities

• Support the cultural and lifelong learning needs of the Franco-Ontarian community by providing high quality, engaging, and informative programming
• Develop programming and activities for at-home and school use that support the educational priorities of French-language elementary and secondary schools
• Reinforce all programming with new media products developed according to the curriculum set by the Ontario Ministry of Education
• Increase partnerships with the Franco-Ontarian television and new media industries

Our Successes

• Developed new in-house productions and co-productions focusing on the cultural life of the Franco-Ontarian community. The nightly public affairs show Panorama presented the monthly feature Panorama-Arts and MÉGA TFO produced Fou d’art a new arts series for children
• Presented a wide range of programming that responds to the lifelong learning needs of Franco-Ontarians in such areas as parenting, science, and the arts
• Extended our line of new media products by making many of the fun learning activities, once only accessible online, available on CD-ROM
• Enhanced the TFO Web site with the development of the innovative Biographies site that focuses on great French-Canadian figures of the 20th century
• Presented a range of professional development workshops to increase teachers’ understanding of the best ways to incorporate TFO resource materials in the school curriculum
• Partnered with a variety of organizations in the Franco-Ontarian community to launch television programs and community outreach initiatives that respond to the lifelong learning needs of Franco-Ontarians of all ages
• Highlighted the diversity of the francophone community with a focus on French-speaking immigrants who are changing the face of the community. Voyage à Essipit cast the spotlight on French Canada’s First Nations culture

French Programming

Claudette Paquin
Managing Director
French Programming Services

Our Successes

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Dedicated to education and youth

TFO’s children’s programming continued to excel at blending education and creativity with the medium of television. The new MÉGA TFO production Fou d’art is a perfect example of programming that combines learning and fun while fulfilling the requirements of the Ontario school curriculum. This program familiarizes young viewers with the arts and with careers in this field. Mythologie grecque is a new series of vignettes that introduces today’s young minds to ancient Greek mythology. Thalès et Milet, les génies des maths, set to air next season, was produced this year and follows the adventures of two youthful math geniuses as they encourage children to use math concepts to overcome obstacles. MÉGA TFO came
to viewers from a new set this year. It continued to host Mégallô, a phone-in program that encourages children to participate in a wide range of interactive educational activities.

For the second consecutive year, MÉGA TFO partnered with Northern Indian Affairs to produce Voyage à Essipit, a program that raises awareness of the Montagnais First Nations culture. To further heighten children’s understanding and appreciation of Canada’s native peoples, TFO also presented the Canadian series Les Histoires de l’Indien.

An important demographic in TFO’s program development is the tween market, children aged 10 to 12. This is an age of self-discovery and also of curiosity about the world. TFO responded to this quest for knowledge with Le Monde à la loupe, a series that uses humour and innovation to delve into some of life’s mysteries. We aired the third series in Histoire Max, which focuses on Canada’s history and is directly linked to the intermediate and secondary school curriculum. This year, production began on Le Canada à la carte, focusing on Canadian geography, and Coup de théâtre, a behind-the-scenes look at the steps involved in bringing a play to life, from script to stage.

TFO continued to answer the call from French schools for classroom resources, this year with two compelling dramatic arts series. Pirouette Cacahouète invites children to explore various dance styles from around the world. Le Château magique, co-produced with an independent producer based in Ottawa, casts the spotlight on the relationships among an eclectic assortment of characters who make their home in a castle.

As host of Volt, Mathieu Pichette continued to provoke and prod teens to think outside the box. Live talk shows and new live Web chats provided viewers with an open forum to share their insights on a wide range of issues with the host and journalists. Télé-Litté is a TFO co-production for teens that features dramatic re-enactments of books authored by French Canadians.

Guiding viewers through life

TFO is committed to becoming the lifelong learning partner of Franco-Ontarians. L’Art d’être parent focuses on helping parents cope with various parenting challenges and issues. The original series C’est mathématique demonstrates how basic math principles are used in everyday life. TFO’s various documentaries give viewers the opportunity to make new and amazing discoveries: the series Chasseurs de gènes examines the evolution of genetics and its future impact on science.

On TFO’s cinema front, viewers were invited to learn more about famous movie directors that have marked the international film industry. Among those featured were Claude Lelouch and Claude Chabrol. Famous Italian directors were celebrated in a retrospective.

In collaboration with an independent producer, TFO began production of Les Francœur, the first major dramatic French series to be created outside of Quebec. The series will follow the daily struggles and triumphs of life in a Franco-Ontarian community.
The changing face of Franco-Ontario

The Franco-Ontarian community looks to TFO for in-depth coverage and analysis of issues that have direct impact on their lives. TFO’s public affairs program Panorama responded by presenting Panorama-Arts. This new monthly feature gave the francophone arts and cultural community a platform for discussion. Panorama also presented a special series on the new Franco-Ontarians – French-speaking immigrants from around the world – who are changing the face of Ontario. Espaces franco-ontariens examined the demographics of French Ontario and served as an introduction to this series. Le Pays dans l’âme was another TFO co-production, this one highlighting some of the important moments in French Canadian history.

Educational vignettes

To further enhance its inventory of original information programming, TFO created several new educational shorts. Échos focuses on events, places, and people that have marked Ontario’s history. Scheduled for broadcast in 2002-03, another series of short clips, Sorties de secours, highlights the work of Franco-Ontarian poets and showcases their inspirational work in an avant-garde format.

New media initiatives to tickle the brain – Les nouveaux médias bien pensés

In preparation for TFO’s 15th anniversary celebrations in September 2002, we created a significant new educational component for the TFO Web site. Biographies focuses on key 20th-century French-Canadian figures, many from Ontario, in various fields who have made an outstanding contribution to society.

Exciting new and educational children’s activities were added to megafoto.com to complement the corresponding television programs: Pêle-Mêle for school-aged children and Le Château magique for the preschool set.

Cinéquiz challenges site visitors on their knowledge of TFO’s cinema programming, while Croisade doubles as a crossword puzzle and quiz that requires insight into the issues covered by Panorama.

To increase access to its array of educational resources, TFO has made many of its Web products for teachers (TFO à l’école and Le Canada dans l’espace), children (Bisou), and tweens (MÉGA TFO) available on CD-ROM.

A resource for educators and parents

This year, TFO partnered with SAMFO (Service d’apprentissage médiatisé franco-ontarien) to reach students attending French high schools in small, remote regions. TFO seized the opportunity to partner with SAMFO to make a wider range of academic courses available to students in Grades 11 and 12 through distance education.

TFO’s Educational Services developed a new initiative to prepare children for their first year in school. These “greeting kits” were distributed to 8,000 parents. Télé-Web Guides were also created to encourage children to watch French television and participate in French Web activities during the summer months.

Its inventory of more than 3,000 programs designed with the Ontario curriculum in mind has made TFO an important educational partner for all French-language schools. TFO’s educational products are housed in the media centres of these schools.

Additional resources included more than 100 teachers’ guides, curriculum link summaries, and bimonthly information bulletins (TFO Liaison). Educational material could also be downloaded from the TFO Web site, tfo.org/ressourcestfo. Teachers could search the system’s database according to grade and subject matter. Detailed curriculum-related information was also available for Grades 9, 10, and 11.

For many years, TFO has worked with school boards to provide professional development workshops for teachers. Utilisation officers with extensive knowledge of the current curriculum support all teachers – experienced, new, and student – with consultations and demonstrations of TFO’s print and multimedia resources. This year, the officers provided 121 workshops, visited 125 schools, and offered training to 1,750 teachers.

Educators had access to all video material through our televised downloading schedule from 3 to 5 a.m., seven days a week, eleven months a year. As usual, in July, the site was updated with material for the coming school year. TFO also offered downloading “à la carte,” an added service that allowed teachers to request and videotape specific programs they may have missed or need in advance.

Partners of these and other TFO initiatives included Le Centre franco-ontarien de ressources pédagogiques, Le Regroupement des centres et réseaux, consultants from the French language school boards, as well as French-language consultants from the Ministry of Education.

Investment in the Canadian production industry is a priority for TVOntario. This chart reflects the volume of new programming that was produced, co-produced, or acquired in the past year.

<table>
<thead>
<tr>
<th>Programming Output</th>
<th>TFO hours</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Canada</strong></td>
<td></td>
</tr>
<tr>
<td>In-house production</td>
<td>400.0</td>
</tr>
<tr>
<td>Co-produced and independently produced programming</td>
<td>318.1</td>
</tr>
<tr>
<td><strong>Total Canadian</strong></td>
<td>718.1</td>
</tr>
<tr>
<td><strong>Foreign</strong></td>
<td></td>
</tr>
<tr>
<td>Co-productions, pre-buys and acquisitions</td>
<td>352.7</td>
</tr>
<tr>
<td><strong>Total Programming Output</strong></td>
<td>1,070.8</td>
</tr>
<tr>
<td><strong>Captioning</strong></td>
<td></td>
</tr>
<tr>
<td>Captioned programming broadcast</td>
<td>1,701.0</td>
</tr>
</tbody>
</table>
TVOntario has won national and international acclaim for program excellence over the last 30 years. It is the proud recipient of more than 850 awards and prizes.

In 2001–02 TVOntario received the following honours:

**Gemini Awards**
Most Popular Web site
tvokids.com

**British Academy Children's Film and Television Awards (BAFTA)**
Best Pre-school Live Action Program  
*The Hoobs* – co-production with The Jim Henson Company and DECODE Entertainment

**Interaction 2001 Prize from Print, America's Graphic Design Magazine**
Innovative Interaction Design  
*Volt*

**PROMAX / 2001 BDA**
Silver Award for Best In-house Music Package/Sound Design/Post Score or Instrumental Theme  
*Ô Zone*

**Prix Gémeaux**
Best Youth Program or Series (6–12 years): all categories  
*Les Débrouillards* – Co-produced with Zone 3
Best Editing in a Documentary or Documentary/Information Series  
*Grandir dans la rue: 12 ans plus tard* – Produced by Adobe Productions
Best Research: Lifestyle Series  
*Branché* – Co-produced with Radio-Canada

**Rogers Communications Inc. Prize, Canadian Conference of the Arts**
Best Media Coverage of the Arts  
*Ô Zone*

**Excellence in Health-Care Reporting, Registered Nurses Association of Ontario Awards**
Television, Best Local or Regional Coverage  
*Your Health: The Home Care Crisis*

**FlashintheCan, a Canadian educational and inspirational festival dedicated to supporting and showcasing Flash technology**
Top prize in the Games category  
tvokids.com

**Information Highways, Canada's e-content magazine and conference**
2001 Most Innovative Application Award  
*Eureka! Ask a Teacher*

**Francophone, Alliance for Children and Television**
Award of Excellence, Children 9–12 years  
*Les Débrouillards: Les Robots*

**Epilepsy Toronto HOPE (Helping Out People with Epilepsy) Award**
2001 H.O.P.E. Award  
TVOntario for a body of work including the *Studio 2* documentary  
“Seizure Dogs,” the *Your Health* report “Sudden Death from Epilepsy,” and *More to Life*’s in-depth coverage and phone-in show on epilepsy

**Canadian Teachers’ Federation and Centrale des syndicats du Québec**
Voted Best Kids’ Program by 2,000 Canadian children  
TVO’s *The Magic School Bus* and TFO’s *Le Bus Magique*

**Prix Roberval**
Prix Roberval Télévision  
*C’est pas sorcier: Le clonage*

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*The real contribution of digital media to education is flexibility that could allow each individual to discover their own personal path to learning... with new technologies the kid would be able to explore much more. Knowledge by direct exploration.*  
Seymour Papert
Connecting with Ontario Communities

TVOntario developed and/or participated in a wide variety of community events and cultural programs in 2001–02. Thousands of TVOntario fans enjoyed these initiatives. Here are some highlights:

Celebrating Ontario’s diversity

• Through profiles and live studio interviews, TVO Kids invited viewers to learn about the triumphs of famous African Canadians.

• During Black History Month, TVO and TFO presented several important documentaries. TVO aired the National Film Board’s Journey to Justice, profiling the unsung heroes of the Canadian Civil Rights movement who challenged Canada’s laws from the 1930s to 1950s. TFO celebrated the cultural, social, economic, historical, and political contributions of Blacks through a series of films and documentaries including a Panorama special on the Lincoln Alexander Award and a profile of a Franco-Ontarian award recipient.

• With the contribution of aboriginal historians and community leaders, Studio 2 produced the documentary “Legend and Memory,” exploring Ontario’s rich aboriginal history through the eyes of First Nations people.

• Studio 2’s “Most Historic Town” Contest celebrated Ontario’s history. The northern mining town of Cobalt won for its key economic role in transforming the Ontario landscape.

• Panorama featured a special 10-episode series on the new Franco-Ontarians, which culminated in a live on-air celebration of the community’s diversity.

• The TFO-produced children’s program, Voyage à Essipit, showcased the Montagnais community situated on the north shore of the St. Lawrence River.

• VOX, TVO’s interactive production for youth, continued to provide a voice for teens, encouraging them to explore the world they live in, and the one they will have a hand in creating.

• The Gemini-Award-winning tvokids.com Web site launched a series of new activities including “Scoop goes to Haida Gwaii,” a feature encouraging kids to learn about totem poles of the West Coast Haida culture and to build their own.

Appearances and events

• Over the 2001–02 broadcast season the TVO Kids Don’t Sit Still Tour powered by Scotiabank travelled to 25 Ontario communities with the message that healthy bodies lead to healthy minds.

• The E-Learning Centre launched a partnership with the London Public Library and IBM, enabling wider access to the help-with-homework Web site, Eureka! Ask a Teacher.

• The CareerMATTERS Web site was launched, with a hands-on demonstration, to dozens of Ontario organizations that assist youth and adults in their career and job search.
The Word on the Street literary festival, which featured Imprint, Saturday Night at the Movies, and a Eureka! demo, was also a wonderful springboard for TVO Kids to launch the Reading Rangers television series and Web site, introducing “Western”-style characters with a penchant for reading.

The hosts of TVO Kids and MÉGATFO enjoyed a strong presence at Ottawa’s Winterlude/Bal des Neiges, made public appearances in schools, and celebrated the International Children’s Day of Broadcasting, as official ambassadors for Unicef.

Through a special Membership Matters sweepstakes campaign, members were able to visit our studio, meet the hosts of TVOntario programming, and mingle with their favourite Canadian authors in support of TVOntario.

With the support of our Regional Councillors, TVO and TFO mascots (Dudley the Dragon, Frimousse) appeared at community events across Ontario, including Ottawa, Hamilton, Red Lake, Penetanguishene, Timmins, and Red Lake.

Advisory Councils

Integral to TVOntario’s community outreach, is the role of our unique province-wide volunteer advisory network. Regional Councillors provide invaluable support helping to deliver our educational message to Ontarians in urban and rural centres and the most remote regions of the province. They provide local community feedback on the effectiveness of our programs and services, and are our pipeline to regional interest groups such as educational institutions, community associations, and friendship centres.

2001–02 Advisory Councils

Northwestern Regional Council
Sabrina DeGagne, Atikokan (Vice-chair)
Jackie Green, Thunder Bay (until November 2001)
Carolyn (Mollie) Isaac, Red Lake
Chris Joubert, Terrace Bay
Paul Morralee, Thunder Bay (Chair)
Jocelyn Paquette, Thunder Bay (from November 2001)
David Ward, Dryden (until June 2001)

Northeastern Regional Council
Peter Desilets, Sudbury
Andrew Elgee, South Porcupine (Vice-chair)
Linda Erskine, Little Current (until June 2001)
Debora Fleming, Moose Factory (Chair)
Marliese Gause, Parry Sound
Edmund Metatawabin, Fort Albany
Bruce MacLeod Thomson, Bracebridge

Southwestern Regional Council
Paul Boin, Kitchener
Raymond Dilling, Ilderton (until June 2001)
Christopher Ellison, London (from November 2001)
Chester Langille, Woodstock
Ron McNamara, Windsor (until June 2001)
Chris Nanni, Benheim
Rosemary Rogovaldson, Gormie (from November 2001)
David Shortt, Sarnia (Chair)
Graham Steeves, Port Elgin (Vice-chair)
Joan Turner, London (until June 2001)

Southcentral Regional Council
Michelle Goulbourne, Dundas (Chair)
Heather Kenny, Baieboro (Chair)
Elise Kossatz, Oakville (until June 2001)
Gerry Manno, Oakville (from November 2001)
Cynthia Meyrick, Penetanguishene
Jennifer Moore, Mississauga
Lynn Robinson, Cayuga
Charlene Tekkumah, Toronto (Vice-chair)
Benjamin Carter Thornton, Mississauga (from November 2001)

Eastern Regional Council
Coralie Bartley, Richmond
Gregory Dunlop, Nepean
George Hodgkinson, Pembroke (Chair)
Narda Iulg, Brighton (until October 2001)
Lucien Lapointe, Ottawa (until June 2001)
John MacLeod, Lansdowne
Charles Massey, Brockville (Vice-chair)
Gail Lynn Sproul, Plainfield
Carole Weir, Kingston (from November 2001)

Francophone Advisory Council
Ronald Bovin, Cochrane (from December 2001)
Georges Boudreau, Hanmer
Jean Boulakia, Ottawa (from December 2001)
Liliane Chrétien, Sudbury (until November 2001)
François Guérin, Toronto (Vice-chair)
François Gontard DeLanauze, Orléans (from November 2001)
Jacques Labelle, Rockport
Nicole Legault, Sturgeon Falls (until October 2001)
Luc Marchand, Thunder Bay (until January 2002)
André Messier, Elliot Lake
Lise St-Louis, Ottawa (until June 2001)
Johanne Sylvain, Sarnia
Nicole Wirtz, Dundas (Chair)

In one of many school visits during the year, the MEGATFO hosts engage young fans with information about TFO’s wonderful lineup of fun and educational television programming and Web activities.
Revenue and Development is responsible for securing revenues beyond those provided by government funding. These additional funds make up approximately 15% of our total income (excluding amortization and deferral of pension and capital revenues), a further 13% coming from other sources. Fundraising is a critical priority for TVOntario and allows us to sustain and increase our investment in programming.

The Revenue and Development division operates two main areas of business: the sales and licensing of programming to other broadcasters and educational institutions; and fundraising initiatives. These include major gifts and sponsorships from corporations to support our various educational initiatives, and most importantly, Member donations from those loyal viewers who support our television networks, TVO and TFO.

TVOntario had a very successful year, with a 19.4% growth in gross revenues and a 46% increase in net contribution to the organization. This substantial increase was a direct result of our Membership campaigns, renewed support from corporations for various educational projects, and sales and licenses to a number of new Canadian digital service clients.

Membership and Annual Giving

Membership and annual giving programs held the greatest growth potential for TVOntario fundraising. We are on track to meeting our objective of 100,000 members by 2004.

The exciting news is that TVOntario now boasts a Membership base of 87,580 Members, a 24.4% increase over last year. In 2001-02, Members donated $6.48 million through a number of very successful campaigns. For the first time, our flagship on-air campaign in November raised over $1 million in pledges, due in large part to a fully integrated direct mail campaign that complemented the on-air strategy. More members chose to renew their membership this year, and special membership clubs grew in popularity. Family Membership now has more than 4,000 families participating, and Mystery and Drama Partners has doubled its numbers to 1800. Finally, over 700 donors are now TVOntario Stars, contributing $500 or more annually to TVOntario.
We are often asked where our Members live. The chart to the right shows that our Membership spans the province. This is an important indicator that our programming meets the needs of all the citizens of Ontario. In addition, thanks to satellite services, we are gaining Members in other provinces and in border states.

**Major Gifts**

This year was a landmark year for corporate gifts in support of TVOntario’s educational mandate. In addition to the $787,600 in gifts recognized in this Annual Report, we confirmed several multi-year gifts that will contribute to programming in the coming years. Three major banks made combined multi-year pledges of more than $1 million in support of children’s literacy, career planning and development for youth, and health education for children. We are very grateful to TD Financial Services, Bank of Montreal, and Scotiabank for their leadership in supporting such TVOntario initiatives. Please see the complete list of all our corporate partners on page 18.

**Sales and Licensing**

This year, we secured $3 million through licensing TVOntario products to other broadcasters and educational institutions in the U.S. and other parts of the world. In fact, 70% of our sales are to the U.S. educational market and we remain the number two supplier of educational videos to the U.S. TVOntario’s high quality broadcast products have been very successful with the newly licensed digital networks launched this past year. Increasingly, our clients are looking for digital versions of our educational videos, and we hope to be able to meet this need next year.

2001–02 has proved to be a successful year for the Revenue and Development division. We look forward to even more corporate and Member support in the coming year to ensure that TVOntario can continue to deliver the very best educational products and programming to Ontarians.

The CareerMATTERS Web site, sponsored by Bank of Montreal was launched with a demonstration of how to access the site’s 300+ career profiles, with job videos and information about high school courses and apprenticeship programs. Standing L to R: Isabel Bassett, Sarah Irwin and Rose M. Patten, Executive Vice-president, Human Resources, Bank of Montreal.
TVOntario Corporate Sponsors
2001–02

Over the past year TVOntario received tremendous support from the corporate sector across Ontario. We would like to take this opportunity to thank those companies who helped to educate, entertain, and enrich the lives of Ontarians of all ages through their commitment to lifelong learning at TVOntario.

Lead Sponsors

The following corporations have demonstrated outstanding leadership and commitment to TVOntario’s mandate of providing quality educational programming both on air and online:

Children’s Literacy Sponsor

Bank Financial Group

The TD Bank Financial Group was the proud sponsor of TVO Kids Reading Rangers, a new on-air and online series that promotes books, reading, and libraries. Boosting literacy, language skills, and social development, the series features the five popular TVO Kids hosts as daring and dauntless heroes of the Wild West who make books their business.

Career Sponsor

Bank of Montreal

The Bank of Montreal was the proud sponsor of TVOntario’s new CareerMATTERS Web site. Designed for high school students and others considering their career path, CareerMATTERS presents job profiles and detailed information on a wide range of high school courses and post-secondary opportunities in Ontario to get career seekers on the right path.

Healthy Minds - Healthy Bodies Sponsor

Scotiabank

Scotiabank was the proud sponsor of the TVO Kids Don’t Sit Still Tour powered by Scotiabank. The Tour featured the five TVO Kids hosts in a live stage show that promoted a healthy and active lifestyle for kids of all ages.

Nutrition Sponsor

Milk Energy

The Dairy Farmers of Ontario were the proud sponsors of TVO’s The Bod Squad, a series of educational short programs that promote healthy eating from the four food groups.

Presenting Sponsors

The following companies supported TVOntario in presenting quality educational programming to the people of Ontario:

- George Weston Limited
- Hydro One
- Ontario Tourism Marketing Partnership
- Altamira Canada
- Ontario Society of Professional Engineers

Sustaining Sponsors

The following companies demonstrated their generosity, support, and commitment to “TVOntario – Where education matters”:

- Xerox Canada
- RMG
- Group Telecom
- Lucent Technologies
- Canadian Media Guild
- Empire Life
- Bearskin Airlines
- Kooler Properties
- Sun Life Financial
- Manulife Financial
- Maxell Canada
- Royal Bank of Canada (RBG)
- Ontario Power Generation
- Microsoft Canada
- National Capital Commission
- Canadian Media Guild
- Royal Trust
- Philips, Hagar & North
- UNUM Canada
- Maxell Canada
- Delta Chelsea Hotel

Community Sponsors

The following companies generously supported TVOntario over the past year:

- Art Gallery of Ontario
- African Lion Safari
- BMG Music Canada
- Canadian Opera Company
- McMichael Canadian Art Collection
- Royal Ontario Museum
- Stoddart Publishing
- Stratford Festival of Canada
- Westover Inn
- Hannah’s Kitchen
- Redwood Grille
- Swiss Chalet
- KFC Canada
- Pizza Pizza
- Cedar Springs Water
- National Ballet of Canada
- Movember (RichTree Group)
- The Friendly Greek

Stars TVOntario

STARS is a special program for those who want to play a significant role in furthering the excellence of educational television. Members who donate $500.00 or more are invited to join our inner circle of major donors. In recognition of this generosity, we offer a wide variety of benefits providing a first-hand, behind-the-scenes look at TVOntario.

As of March 31, 2002:

Katherine Adams
Isabel Adley
Lenora Aedy
Eris Albright
Alastair Allan
Mr and Mrs Clive Allen
P M. Anderson
Neil Antman
June Arideel
Helen Argino
Dr. William Armstrong
Anita Armit
Jonathan and Joanne Arnott
James and Alexandra Arnett
Pascal Arseneau
Mr & Mrs. Walter Atkinson
Robert and Angela Baker
Hugh and Colleen Balders
William Barnett
Robert Barney
Isabel Bassett
Marion Bassett
Hewitt Bayley
Kathryn Beaton
Suzanne Bedard
Alex and Eleanor Beech
Robert Bell
Vala Moneesime Belter
John Belyea
Christine Bentham
Elizabeth Bertram
Dr. R. Hugh Best
J. Bensonstock
Peter Bird
R. Bishop
Elizabeth Blackstock
Colin and Ann Blyth
Stephen Boddy
Ann and Douglas Bodley
Edward and Joan Boswell
Rita Bourne
Margaret Bower
Dr. Andrew Boyko
Anthony Branch
Albert R. Brandt Jr.
Robert and Gail Brent
Ted Britton
E. Brown
Frances Browning
Frank Buckley
Shirley Buckley
Marilyn Budd
Nicholas Busig and Cathy Aitken
Margaret and Rudy Buttiguel
Dr. John Button
Peter Cameron
Barbara Camm
John Capindale
Betty Carlyle
Shelley Carrigan
Nancy Cartier
Peter Carver
Dr. Gordon Caudwell
Mary Caudwell
Mr. & Mrs. Delmar Cobb
John Coburn
Margaret Cockshutt
Ellen T. Cole
Cynthia Cooch
Chris and Susan Corbin
Stanley and Barbara Cotterill
Roy and Jean Cottier
Bernard Coughlan
Robert Crandall
Anne Crawford
Margaret Cross
Our Priorities

- Develop a unique corporate culture that is efficient, entrepreneurial, and dedicated to the provision of the highest quality service
- Improve business practices and streamline the cost of operating the organization in order to maximize the investment in programming
- Implement Phase 1 of a multi-year broadcast plant renewal that takes advantage of new technologies and moves the organization towards digital conversion
- Prepare the workforce to meet the demands of new technology and help them keep pace with the changing needs of the organization

Our Successes

- Improved the leadership and strategic planning activities of the organization with the creation of the Planning and Priorities Group to discuss and agree on business strategy and corporate-wide organizational issues
- Increased staff knowledge and appreciation about our business, through the introduction of “Lunch and Learn” sessions on new organizational initiatives, industry events, and new technologies
- Launched a new positioning campaign around the educational value of all our products and services with a special focus on e-learning resources
- Implemented Phase 1 of the post-production plant capital renewal project, on time and on budget
- Started extensive orientation, training, and skills renewal for all individuals affected by the new post-production technology
- Undertook extensive review, in addition to training, of all the processes supporting Master Control and non-linear editing to ensure we exploit the capability of the plant and operate most effectively
- Reconfigured our firewall and servers with a view to improving the stability of our Internet-based products and the security of our data
- Achieved an in-year operating surplus through ongoing cost-reduction studies, that will be reallocated to programming in the coming year
- Negotiated an agreement for the transfer of the Independent Learning Centre from the Ministry of Education to TVOntario, including service delivery expectations and all aspects of the operations

TVOntario is now firmly established as an adjunct to the educational system in Ontario, and has, over the past year, reoriented many of its programs and services to tie directly into the Ontario curriculum or to support the educational priorities of the province. The organization had restructured itself to address its educational goals the previous year, and it was now able to focus on improving the quality and relevance of its programs and services.

This year, the General Operations groups spent a great deal of time assessing their delivery of key services to the organization and evaluating how this could be improved and enhanced without adding overhead costs. While this is an ongoing process, major improvements have been implemented during the year.

The word is education

One of the challenges we faced was getting our message out to our audiences. We wanted all of Ontario to be aware of, and benefit from, our educational products and services. Our educational positioning strategy was developed around our slogan, “Where education matters – on air, online.”

We began by establishing contacts throughout the educational community with students, teachers, schools, boards, parent councils, and libraries. We gained a better understanding of their needs for educational services.

We then matched our products to these needs, resulting in a huge increase in the demand for "Eureka! Ask a Teacher," a Web site that offers free help with homework and assistance in preparing for the standardized tests in the provincial school system.

The use of other Web products like CareerMATTERS, tvokids.com, and TFO’s Biographies is increasing, and we are receiving daily feedback and suggestions about their educational importance.

The increased educational focus led to a number of initiatives. TVO Kids toured the province in the Don’t Sit Still Tour powered by Scotiabank and encouraged reading through TD Bank’s Reading Rangers. MEGA TFO produced Fou d’art, a new arts series, and continued to host the phone-in MÉGATFO, which offered a wide range of interactive educational activities.

Curriculum links were developed for all children’s programs and many others in the schedule. Lifelong learners were offered a new thought-provoking series, Big Ideas, and credit courses through York University and University of Toronto. TVOntario now has a range of vehicles through which to promote our educational message.

Renewing resources

During the year, our Board of Directors approved final plans for a major upgrade to our post-production plant. Phase 1 of the capital renewal project got underway in November and included the installation of three Avid non-linear editing suites, and the start of the automation of our Master Control system, which will be fully operational for our season launch in September 2002. Introducing new technologies has given us the opportunity to review all of the processes that feed our plant. This will result in better-defined procedures, more consistently conveyed information, and a significant integration of databases that feed our Master Control.
With our growing inventory of e-learning products and increased reliance on our information technology (IT) infrastructure, we conducted a critical assessment of our IT resources. This led to a full reorganization of our server room and a plan to consolidate the platforms we use to run our various systems. The result has been improved reliability of our servers and our ability to deal with high demand, such as when tvokids.com launches a new activity for their legion of loyal fans.

With this element complete we are now in the process of conducting a needs assessment of our most critical business systems, involving all departments throughout the organization. This will lead to an upgrade of the quality of information relayed to staff and will ensure our business systems can adapt to the changing requirements of our organization.

Workplace training emphasized

Another critical priority for the year was to ensure our workforce had the tools and knowledge to stay competitive and to take advantage of the benefits the new technologies have to offer. We concentrated on two aspects: training for the new post-production plant; and information sharing of industry knowledge.

We held a number of intensive training sessions for both our editors and our producers on non-linear editing, which will ensure our edit suites are in full operation. We also introduced “Lunch and Learn” sessions on a variety of broadcast-industry and education-related topics. These sessions invariably attracted standing-room-only crowds and generated much discussion about how we remain at the top of our game. There is new-found respect for the work of other departments and the level of expertise that exists among our very talented staff.

Increased efficiencies

The ongoing review of fixed expenditures and ways to reduce operating costs resulted in the acquisition of less expensive and more efficient photocopiers, replacement equipment in the print shop more suited to our needs, fewer printers and fax machines throughout the organization, and more energy-efficient lighting.

By posting job vacancies through the Workopolis.com site, we expanded our outreach to new recruits. A review of legal requirements significantly reduced the cost of external legal services. Not only did these changes improve our quality of life, they also saved us operating dollars we could reinvest in our programming.

Next year promises to be equally exciting. Many of our departments will support the Independent Learning Centre, which transferred to TVOntario from the Ministry of Education on April 1, 2002. We are looking forward to a totally revamped Web site for tvo.org that provides more timely and relevant information about TVO programming. Phase 2 of the capital renewal project will be completed, and we will be implementing some of the recommendations of our business systems needs assessment.

To ensure that our workforce has the right tools to be successful, we will look at expanding our training and skills-upgrade program. And finally, we will be developing a business plan for the next three years that will take TVOntario to the next level of success in providing Ontario with excellent educational products and services.

The direction in which education starts a man will determine his future life.

- Plato
OECA Board of Directors
April 1, 2001 to March 31, 2002

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

Blake Wallace QC
Vice-Chair, Toronto
Vice-President and General Counsel, Murray and Company
1, 2

*Anne-Marie H. Applin
Toronto (from July 2001)
President, Applin Marketing and Communications
1, 2

Vala Monetetime Belter
Mattiawan
Director of Nursing/Ast. Administrator, Algonquin Nursing Home
1, 2

John Belyea
Toronto
Vice-President, Creighton & Co.
Insurance Brokers Ltd.
3, 4-C

TVOntario Planning and Priorities Group

Michel Gingras
Alfred
Directeur-général, Caisse Populaire d’Alfred Limitée
1-C, 2-C, 5

**Paul J. Greenhalgh, C.A.
Richmond Hill (until April 2001)
Partner, Broadcast Video Systems
1-C, 2-C, 3

*Mitzie J. Hunter
Toronto (from September 2001)
President, Mitcom Communications
3, 4

Melissa J. Kennedy
Toronto
Manager of Litigation, Enforcement Branch, Ontario Securities Commission
5-C

Lise Marin
Timmins
Retiree of Air Canada
3, 4

Joseph E. Martin
Toronto
Executive in Residence and Adjunct Professor, Rotman School of Management, University of Toronto
4, 5

John David Querney
Sudbury
Principal, Muirhead Stationers Inc.
3-C, 5

*Ravi Seethapathy
Toronto (from September 2001)
Audit Associate Manager, Hydro One Networks Inc.
1, 2, 5

John E. A. Tyson
Clifford
Medical Director, C.A.R.E. Health Resources
1-VC, 2-VC, 3

Executive Management Committee
April 1, 2001 to March 31, 2002

Executive Management Committee members include the members of the Planning and Priorities Group and the following individuals:

Claire Arnold
Director, Human Resources

Yvonne Carey-Lee
Director, Finance and Administration

Ellen T. Cole
Director, Communications

TVOntario Planning and Priorities Group
April 1, 2001 to March 31, 2002

Isabel Bassett
Chair and Chief Executive Officer

Robert A. Baker
Managing Director, Revenue and Development

Blair Dimock
Director, Strategic Planning

Beth Haddon
Managing Director, English Programming Services

Sarah Irwin
Managing Director, E-Learning
(from September 10, 2001)

Claudette Paquin
Managing Director, French Programming Services

Lee Robock
General Manager and Chief Operating Officer

Salary Disclosure
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 2001.

Clara Arnold
Director, Human Resources
Salary paid $101,175
Taxable benefits $1,336

Robert Baker
Managing Director, Revenue & Development
Salary paid $100,938
Taxable benefits $1,011

Isabel Bassett
Chair and Chief Executive Officer
Salary paid $113,688
Taxable benefits $1,300

Russell Blackburn
(Professional name: Pierre Granger)
Host/Producer
Salary paid $129,979
Taxable benefits $904

Rudy Buttignol
Creative Head, Documentaries, Drama and Network
Salary paid $104,449
Taxable benefits $0

Pat Ellingson
Creative Head, Children’s and Daytime Programming
Salary paid $111,392
Taxable benefits $1,273

Doug Grant
Creative Head, Current Affairs
Salary paid $119,025
Taxable benefits $1,336

Beth Haddon
Managing Director, English Programming Services
Salary paid $124,200
Taxable benefits $1,419

Steve Paikin
Host/Producer
Salary paid $169,783
Taxable benefits $2,459

Claudette Paquin
Managing Director, French Programming Services
Salary paid $113,688
Taxable benefits $1,300

Gisèle Quenneville
Series Producer
Salary paid $100,938
Taxable benefits $1,011

Lee Robock
General Manager and Chief Operating Officer
Salary paid $130,199
Taxable benefits $3,429

Pamela Taylor
Director, Legal Services
Salary paid $104,047
Taxable benefits $1,177

Paula Todd
Host/Producer
Salary paid $158,006
Taxable benefits $1,623

TVOntario Foundation Board of Directors

Eric Jackman
Toronto
TVOntario Foundation Chair
President, Invicta

John Belyea
Toronto
Vice-President, Creighton & Co.
Insurance Brokers Ltd.

Barry Campbell
Toronto
Champion, APCO Worldwide

Erik Rankin-Nash
London

TVOntario Foundation Honorary Board of Directors

Honorable William Davis
Former Premier of Ontario

Norman Jewison
Film Director

Elwy Yost
Former Host, Saturday Night at the Movies

Prepared under the Public Salary Disclosure Act, 1996. Date: March 12, 2002

Olga Kuplowska
Board Secretary and Director, Board Secretariat
Total honorarium paid to board members (exclusive of the Chair) during the 2001-02 fiscal year was $28,840.50. This amount corresponds to recommended levels of remuneration set by the Lieutenant Governor in Council. The Board Members contributed $11,512.50 in donations to the TVOntario membership campaign.

Legend:
*New Appointments in 2001–2002
**Departures in 2001–2002
*New Appointments in 2001–2002
**Departures in 2001–2002
Board Committees:
1 - Finance
2 - Audit
3 - Development
4 - Programming
5 - Strategic Planning & Priorities
C - Committee Chair
VC - Committee Vice-Chair
Auditor's Report

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, 2002 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 on these financial statements based on my audit.

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

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Erik Peters, FCA
Provincial Auditor
Toronto, Ontario
May 24, 2002

Management's Responsibility for Financial Statements

The accompanying financial statements have been prepared by management in accordance with generally accepted accounting principles, and in accordance with the accounting policies described in Note 2 to the financial statements. Where estimates or judgements have been required, management has determined such amounts on a reasonable basis in conformity with generally accepted accounting policies.

Management is responsible for all information in the financial statements and has certified that all information connected with the financial statements has been provided to the Provincial Auditor.

To assist management in the discharge of its responsibilities, The Ontario Educational Communications Authority (OECA) maintains internal controls that are designed to provide reasonable assurance that its assets are safeguarded, to enable only valid and authorized transactions, and to ensure that accurate, timely, and comprehensive financial information is prepared.

OECA has an internal audit unit whose functions include reviewing and commenting on internal control.

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, including the director, Internal Audit, and the Provincial Auditor, 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 Provincial Auditor 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.

Lee L. Robock
General Manager &
Chief Operating Officer
May 24, 2002
Statement of Financial Position  
as at March 31, 2002

<table>
<thead>
<tr>
<th>Assets</th>
<th>2002 ($000s)</th>
<th>2001 ($000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and short-term investments (note 3)</td>
<td>15,155</td>
<td>9,338</td>
</tr>
<tr>
<td>Accounts receivable (note 4)</td>
<td>2,642</td>
<td>4,339</td>
</tr>
<tr>
<td>Inventories</td>
<td>577</td>
<td>551</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>678</td>
<td>577</td>
</tr>
<tr>
<td></td>
<td>19,052</td>
<td>14,805</td>
</tr>
<tr>
<td>Deferred pension charges (note 5)</td>
<td>4,342</td>
<td>3,609</td>
</tr>
<tr>
<td>Investments held for Capital Renewal (note 7)</td>
<td>8,034</td>
<td>9,380</td>
</tr>
<tr>
<td>Net Capital Assets (note 6)</td>
<td>16,484</td>
<td>16,594</td>
</tr>
<tr>
<td>Total Assets</td>
<td>47,912</td>
<td>44,388</td>
</tr>
</tbody>
</table>

Liabilities and Equity

| Current Liabilities |              |              |
| Accounts payable and accrued liabilities | 9,106        | 7,900        |
| Deferred revenue (note 8) | 3,032        | 1,780        |
| Lease obligations (note 9) | 106          | 83           |
|                            | 12,244       | 9,763        |
| Non Current Liabilities   |              |              |
| Lease obligations (note 9) | 93           | 199          |
| Employee future benefits (note 5) | 1,133        | 543          |
| Deferred capital contributions (note 10) | 20,279       | 21,359       |
|                            | 21,505       | 22,101       |
| Equity                    |              |              |
| Invested in capital assets | 4,040        | 4,333        |
| Restricted - Deferred pension charges (note 5) | 4,342        | 3,609        |
| Unrestricted              | 5,781        | 4,582        |
|                            | 14,163       | 12,524       |
| Total Liabilities and Equity |            |              |
|                            | 47,912       | 44,388       |

Commitments and Contingencies Liabilities (note 14, note 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, 2002

<table>
<thead>
<tr>
<th>Revenues</th>
<th>2002 ($000s)</th>
<th>2001 ($000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government grants and funding (note 11)</td>
<td>52,092</td>
<td>50,226</td>
</tr>
<tr>
<td>OECA earned revenue (note 12)</td>
<td>14,028</td>
<td>12,513</td>
</tr>
<tr>
<td>Amortization of deferred capital contributions (note 10)</td>
<td>2,114</td>
<td>2,422</td>
</tr>
<tr>
<td>Deferral of pension charges (note 5)</td>
<td>733</td>
<td>807</td>
</tr>
<tr>
<td>Capital revenue and renewal fund, net</td>
<td>235</td>
<td>164</td>
</tr>
<tr>
<td></td>
<td><strong>69,202</strong></td>
<td><strong>66,132</strong></td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services (note 13)</td>
<td>52,994</td>
<td>51,852</td>
</tr>
<tr>
<td>Administrative services</td>
<td>4,961</td>
<td>4,804</td>
</tr>
<tr>
<td>Cost of OECA earned revenue (note 12)</td>
<td>6,229</td>
<td>5,609</td>
</tr>
<tr>
<td>Amortization of capital assets</td>
<td>3,379</td>
<td>3,503</td>
</tr>
<tr>
<td></td>
<td><strong>67,563</strong></td>
<td><strong>65,768</strong></td>
</tr>
<tr>
<td>Excess of revenues over expenses</td>
<td>1,639</td>
<td>364</td>
</tr>
<tr>
<td>Equity, beginning of year</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>12,524</strong></td>
<td><strong>12,160</strong></td>
</tr>
<tr>
<td>Equity, end of year</td>
<td><strong>14,163</strong></td>
<td><strong>12,524</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.

Statement of Changes in Equity  
for the year ended March 31, 2002

<table>
<thead>
<tr>
<th>Invested in Capital Assets</th>
<th>2002 ($000s)</th>
<th>2001 ($000s)</th>
<th>2002 ($000s)</th>
<th>2001 ($000s)</th>
<th>2002 ($000s)</th>
<th>2001 ($000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>4,333</td>
<td>3,609</td>
<td>4,582</td>
<td>12,524</td>
<td>12,160</td>
<td></td>
</tr>
<tr>
<td>Excess of revenues over expenses</td>
<td>(1,265)</td>
<td>733</td>
<td>2,171</td>
<td>1,639</td>
<td>364</td>
<td></td>
</tr>
<tr>
<td>Investment in Capital assets</td>
<td>972</td>
<td>0</td>
<td>(972)</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Balance, end of year</td>
<td><strong>4,040</strong></td>
<td><strong>4,342</strong></td>
<td><strong>5,781</strong></td>
<td><strong>14,163</strong></td>
<td><strong>12,524</strong></td>
<td></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
Statement of Cash Flows
for the year ended March 31, 2002

 Operating Activities  2002  2001
 ($000)  ($000)
 Excess of revenues over expenses  1,629  364
 Add (deduct) non-cash items:
 Amortization of capital assets  3,379  3,503
 Amortization of deferred capital contributions  (2,114)  (2,422)
 Deferral of pension charges  (733)  (807)
 Employee future benefits  580  543
 Net loss on disposal of capital assets  28  112
 Net change in non-cash working capital:
 Accounts receivable  1,697  1,306
 Inventories  (26)  90
 Prepaid expenses  (101)  170
 Deferred revenue  1,252  1,571
 Accounts payable and accrued liabilities  1,206  826
 Cash provided by operating activities  6,817  5,256

 Investing and Financing Activities
 Capital asset additions  (3,338)  (3,024)
 Proceeds from disposal of capital assets  41  204
 Current year's deferred capital contributions  2,380  1,476
 Lease obligations  (83)  (187)
 Cash used in investing and financing activities  (1,000)  (1,531)
 Net increase in cash position during the year  5,817  3,725
 Cash and short-term investments, beginning of year  9,338  5,613
 Cash and short-term investments, end of year  15,155  9,338

See accompanying notes to financial statements.

Notes to Financial Statements
March 31, 2002

1. Authority and Mandate
The Ontario Educational Communications Authority (the Authority) is a provincial Crown Corporation that was created in June 1970 by an act of the Ontario Legislature. 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 and a registered non-profit organization under the Income Tax Act, 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 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:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>30 years</td>
</tr>
<tr>
<td>Office Furniture &amp; Fixtures</td>
<td>15 years</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>10 years</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>5 years</td>
</tr>
<tr>
<td>In House Technical Equipment</td>
<td>7 years</td>
</tr>
<tr>
<td>Transmitter Test &amp; Monitor Equipment</td>
<td>7 years</td>
</tr>
<tr>
<td>Transmitters</td>
<td>17 years</td>
</tr>
<tr>
<td>Computer Equipment</td>
<td>5 years</td>
</tr>
<tr>
<td>Vehicles</td>
<td>5 years</td>
</tr>
</tbody>
</table>

(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.
3. Grants and revenues received in the year for special purposes are deferred until the related expenditure has been incurred.
4. Revenue from contributions restricted for the purchase of capital assets is deferred and amortized over the same period as the related capital asset.

(e) Employee Future Benefits
Effective April 1, 2000, the Authority prospectively applied the new accounting recommendations for employee future benefits. The Authority accurses its obligations under employee defined benefit plans and the related costs, net of plan assets. The transitional asset and obligations are being amortized over the expected average remaining service period of active employees expected to receive benefits under these plans. The cost of pension benefits and other post retirement benefits for the defined benefit plans are actuarially determined by independent actuaries using the projected benefit method prorated on services and management’s best estimates. Pension plan assets are valued at market value.

(f) Use of Estimates
The presentation 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 $15,155,000 (2001–$9,338,000) include vehicles valued at the lower of cost or net realizable value, where cost is determined on a first in, first out basis.

Where education matters – on air, online 25
5. Employee Future Benefits

The Authority maintains non-contributory defined benefit pension plans and a defined contribution pension plan for its employees.

Under its defined benefit pension plan, the Authority had an accrued benefit asset at March 31 of $4,342,000 (2001–$3,609,000). The Authority’s deferral of pension charges for the year was $733,000 (2001–$807,000). No employer contributions were made to the plan during the year, and pension benefits paid were $2,237,000 (2001–$2,174,000).

The Authority’s contributions during the year to the defined contribution pension plan were $9,000 (2001–$234,000).

The Authority also offers non-pension post retirement benefits such as health care to employees through defined benefit plans on a cost sharing basis. At March 31, the unfunded post retirement benefit plan had a net accrued benefit liability of $1,133,000 (2001–$543,000). The post retirement benefits paid by the Authority during the year were $75,000. The Authority’s post retirement benefits expense for the year was $665,000.

Additional information about the Authority’s defined benefits plans at March 31, in aggregate is as follows:

<table>
<thead>
<tr>
<th>Pension Benefit Plans</th>
<th>Accrued benefit obligation</th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>($000)</td>
<td>($000)</td>
</tr>
<tr>
<td>Total</td>
<td>62,617</td>
<td>56,115</td>
<td>4,632</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Funded status – plan (surplus)/deficit</th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(9,000)</td>
<td>(15,861)</td>
</tr>
</tbody>
</table>

The significant actuarial assumptions adopted in measuring the Authority’s accrued benefit obligations are:

<table>
<thead>
<tr>
<th>Pension Benefit Plans</th>
<th>Post Retirement Benefit Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($000s)</td>
</tr>
<tr>
<td>Discount rate</td>
<td>6.55%</td>
</tr>
<tr>
<td>Expected investment return on plan assets</td>
<td>8.00%</td>
</tr>
<tr>
<td>Rate of compensation increase</td>
<td>4.50%</td>
</tr>
</tbody>
</table>

With respect to the post retirement benefit plan, for measurement purposes, a 9.0% increase per year in 1999 in the cost of covered health care benefits reducing to 5.0% by the year 2007, a 4.0% increase in dental care benefits, and no increase in life insurance costs are assumed.
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:

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>($)000s</td>
<td>($)000s</td>
<td></td>
</tr>
<tr>
<td>Lease obligations, beginning of year</td>
<td>282</td>
<td>469</td>
</tr>
<tr>
<td>Add: new capital leases</td>
<td>0</td>
<td>209</td>
</tr>
<tr>
<td>Less: payments made on existing capital leases</td>
<td>(74)</td>
<td>(148)</td>
</tr>
<tr>
<td>retirement of capital leases</td>
<td>(9)</td>
<td>(248)</td>
</tr>
<tr>
<td>Lease obligations, end of year</td>
<td>199</td>
<td>282</td>
</tr>
<tr>
<td>Current lease obligations</td>
<td>106</td>
<td>83</td>
</tr>
<tr>
<td>Non-current lease obligations</td>
<td>93</td>
<td>199</td>
</tr>
</tbody>
</table>

10. Deferred Capital Contributions
Deferred capital contributions represent contributions received for the purchase of capital assets. The amortization of deferred capital contributions related to capital assets is recorded in the Statement of Operations and Equity. The changes in the deferred contributions balance are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>($)000s</td>
<td>($)000s</td>
<td></td>
</tr>
<tr>
<td>Deferred capital contributions, beginning of year</td>
<td>21,359</td>
<td>22,463</td>
</tr>
<tr>
<td>Add: Capital renewal fund received and interest earned</td>
<td>1,269</td>
<td>1,482</td>
</tr>
<tr>
<td>Current year’s deferred capital contributions</td>
<td>2,380</td>
<td>1,476</td>
</tr>
<tr>
<td>Less: Drawings from Capital renewal fund</td>
<td>(2,615)</td>
<td>(1,640)</td>
</tr>
<tr>
<td>Amortization of Capital contributions</td>
<td>(2,114)</td>
<td>(2,422)</td>
</tr>
<tr>
<td>Deferred capital contributions, end of year</td>
<td>20,279</td>
<td>21,359</td>
</tr>
</tbody>
</table>

11. Government Grants and Funding

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>($)000s</td>
<td>($)000s</td>
<td></td>
</tr>
<tr>
<td>Provincial</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ministry of Training, Colleges and Universities</td>
<td>48,040</td>
<td>48,040</td>
</tr>
<tr>
<td>Base grant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: Amount transferred to investments held for capital renewal (note 7)</td>
<td>(961)</td>
<td>(961)</td>
</tr>
<tr>
<td>47,079</td>
<td>47,079</td>
<td></td>
</tr>
<tr>
<td>Programming project grants and funding:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ministry of Training, Colleges and Universities – Lifelong Learning Challenge Fund</td>
<td>3,250</td>
<td>1,750</td>
</tr>
<tr>
<td>Other Province of Ontario Ministries &amp; Agencies</td>
<td>707</td>
<td>767</td>
</tr>
<tr>
<td>Funding deferred from prior year</td>
<td>1,740</td>
<td>70</td>
</tr>
<tr>
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<td>(2,963)</td>
<td>(1,740)</td>
</tr>
<tr>
<td>2,734</td>
<td>847</td>
<td></td>
</tr>
<tr>
<td>Total Provincial</td>
<td>49,813</td>
<td>47,926</td>
</tr>
<tr>
<td>Federal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Programming project grants and funding:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Heritage Canada</td>
<td>2,150</td>
<td>2,041</td>
</tr>
<tr>
<td>Others</td>
<td>129</td>
<td>259</td>
</tr>
<tr>
<td>Total Federal</td>
<td>2,279</td>
<td>2,300</td>
</tr>
<tr>
<td>Total government grants and funding</td>
<td>52,092</td>
<td>50,226</td>
</tr>
</tbody>
</table>

12. OECA earned revenue and cost of OECA earned revenue

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>($)000s</td>
<td>($)000s</td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program sales</td>
<td>3,123</td>
<td>2,368</td>
</tr>
<tr>
<td>Membership</td>
<td>6,488</td>
<td>5,323</td>
</tr>
<tr>
<td>Corporate project underwriting **</td>
<td>1,155</td>
<td>2,041</td>
</tr>
<tr>
<td>Other income</td>
<td>3,262</td>
<td>2,041</td>
</tr>
<tr>
<td>14,028</td>
<td>6,229</td>
<td>7,799</td>
</tr>
<tr>
<td>Cost*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue deferred from prior year</td>
<td>1,188</td>
<td>998</td>
</tr>
<tr>
<td>Revenue deferred to future year</td>
<td>(36)</td>
<td>(3)</td>
</tr>
<tr>
<td>12,513</td>
<td>5,609</td>
<td>6,904</td>
</tr>
<tr>
<td>Net Revenue</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Cost includes dedicated costs and allocated overhead costs.

13. Program Services

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>($)000s</td>
<td>($)000s</td>
<td></td>
</tr>
<tr>
<td>Broadcast services</td>
<td>38,615</td>
<td>38,900</td>
</tr>
<tr>
<td>Learning services</td>
<td>6,039</td>
<td>4,610</td>
</tr>
<tr>
<td>Technical support</td>
<td>5,117</td>
<td>4,700</td>
</tr>
<tr>
<td>Research and planning</td>
<td>835</td>
<td>899</td>
</tr>
<tr>
<td>Advertising and promotion</td>
<td>2,388</td>
<td>2,743</td>
</tr>
<tr>
<td>52,994</td>
<td>51,852</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>($)000s</td>
<td>($)000s</td>
<td></td>
</tr>
<tr>
<td>Lease obligations, beginning of year</td>
<td>282</td>
<td>469</td>
</tr>
<tr>
<td>Add: new capital leases</td>
<td>0</td>
<td>209</td>
</tr>
<tr>
<td>Less: payments made on existing capital leases</td>
<td>(74)</td>
<td>(148)</td>
</tr>
<tr>
<td>retirement of capital leases</td>
<td>(9)</td>
<td>(248)</td>
</tr>
<tr>
<td>Lease obligations, end of year</td>
<td>199</td>
<td>282</td>
</tr>
<tr>
<td>Current lease obligations</td>
<td>106</td>
<td>83</td>
</tr>
<tr>
<td>Non-current lease obligations</td>
<td>93</td>
<td>199</td>
</tr>
</tbody>
</table>

10. Deferred Capital Contributions
Deferred capital contributions represent contributions received for the purchase of capital assets. The amortization of deferred capital contributions related to capital assets is recorded in the Statement of Operations and Equity. The changes in the deferred contributions balance are as follows:

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<thead>
<tr>
<th></th>
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<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>($)000s</td>
<td>($)000s</td>
<td></td>
</tr>
<tr>
<td>Deferred capital contributions, beginning of year</td>
<td>21,359</td>
<td>22,463</td>
</tr>
<tr>
<td>Add: Capital renewal fund received and interest earned</td>
<td>1,269</td>
<td>1,482</td>
</tr>
<tr>
<td>Current year’s deferred capital contributions</td>
<td>2,380</td>
<td>1,476</td>
</tr>
<tr>
<td>Less: Drawings from Capital renewal fund</td>
<td>(2,615)</td>
<td>(1,640)</td>
</tr>
<tr>
<td>Amortization of Capital contributions</td>
<td>(2,114)</td>
<td>(2,422)</td>
</tr>
<tr>
<td>Deferred capital contributions, end of year</td>
<td>20,279</td>
<td>21,359</td>
</tr>
</tbody>
</table>

11. Government Grants and Funding

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>($)000s</td>
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</tr>
<tr>
<td>Total government grants and funding</td>
<td>52,092</td>
<td>50,226</td>
</tr>
</tbody>
</table>
14. Commitments
The Authority has entered into capital and operating leases covering transmission facilities, offices, warehouses and equipment. Future lease payments are as follows:

<table>
<thead>
<tr>
<th>Year ending March 31</th>
<th>($000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>2,028</td>
</tr>
<tr>
<td>2004</td>
<td>1,919</td>
</tr>
<tr>
<td>2005</td>
<td>1,867</td>
</tr>
<tr>
<td>2006</td>
<td>1,392</td>
</tr>
<tr>
<td>2007</td>
<td>915</td>
</tr>
<tr>
<td>Total future lease payments</td>
<td>8,501</td>
</tr>
</tbody>
</table>

The total interest payable included in the amount is $25,000.

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 fundraising 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
An agreement dated March 7, 2002 to transfer the Independent Learning Centre (ILC) to the Authority was executed among the Ministry of Education, the Ministry of Training, Colleges and Universities, and the Authority. The actual transfer of ILC operations to the Authority will be April 1, 2002. ILC will be added to the Authority’s E-Learning Centre.

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 offers an elementary program for children who may not be able to access day school programs. All products and services that are being offered by ILC will continue to be available after the transfer. The General Education Development (GED) testing will also be available through ILC.

17. Contingent Liabilities
Contingent liabilities refer to possible legal claims that have been made against the Authority. Although the ultimate outcome of these claims cannot be ascertained at this time and the results of legal proceedings cannot be predicted with certainty, adequate provisions have been made for those liabilities that in the opinion of management may result in future settlements. Differences between provisions and actual settlements will be accounted for at time of settlement.

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

19. The TVOntario Foundation
The Authority controls The TVOntario Foundation (the Foundation) which became designated as a public foundation effective April 1, 1998. The board of directors of the Foundation is appointed by the board of directors of the Authority. The Foundation is incorporated under the Canada Corporations Act and is a registered charity under the Income Tax Act. The objectives of the Foundation 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 accounting standards the accounts of the Foundation are not consolidated in the financial statements of the Authority. Financial summaries of the Foundation are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2002 ($000s)</th>
<th>2001 ($000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>54</td>
<td>38</td>
</tr>
<tr>
<td>Total Assets</td>
<td>54</td>
<td>38</td>
</tr>
<tr>
<td>Fund Balance</td>
<td>54</td>
<td>38</td>
</tr>
</tbody>
</table>

Results of operations for the year ending March 31

<table>
<thead>
<tr>
<th></th>
<th>2002 ($000s)</th>
<th>2001 ($000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations</td>
<td>16</td>
<td>5</td>
</tr>
<tr>
<td>Total revenue</td>
<td>16</td>
<td>5</td>
</tr>
<tr>
<td>Total expenses*</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Excess of revenue over expenses</td>
<td>16</td>
<td>5</td>
</tr>
<tr>
<td>Fund balance, beginning of year</td>
<td>38</td>
<td>33</td>
</tr>
<tr>
<td>Fund balance, end of year</td>
<td>54</td>
<td>38</td>
</tr>
</tbody>
</table>

*The board of directors of the Authority has approved the funding of the Foundation’s expenditures through the Authority until the Foundation is self-sufficient. The funding provided is net of interest earned on the Foundation’s assets. The Foundation’s net expenditures absorbed by the Authority were $27,000 during the year ended March 31, 2002 (2001 – nil).