ONTARIO FRENCH-LANGUAGE EDUCATIONAL COMMUNICATIONS AUTHORITY (OFLECA)

FINANCIAL STATEMENTS

MARCH 31, 2026

ONTARIO FRENCH-LANGUAGE EDUCATIONAL COMMUNICATIONS AUTHORITY (OFLECA)

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MANAGEMENT'S REPORT

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

Management has prepared the financial statements in accordance with Canadian public sector accounting standards. In order to achieve the objective of fair presentation in all material respects, reasonable estimates and professional judgements were used. Management believes the financial statements present fairly the OFLECA's financial position as at March 31, 2026, as well as the results of its operations and its cash flows for the year then ended.

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

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

The financial statements for the year ended March 31, 2026 have been audited by Marcil Lavallée, Chartered Professional Accountants, Licensed Public Accountants, the independent external auditors appointed by the members of the OFLECA. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their professional opinion on the financial statements.

Xavier Brassard-Bédard

Xavier Brassard-Bédard
Chief Executive Officer

Julie Brisson

Julie Brisson, CFA
Chief Financial Officer

Toronto, Ontario
June 11, 2026

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Ontario French-language Educational Communications Authority (OFLECA)

Opinion

We have audited the financial statements of the Ontario French-language Educational Communications Authority (OFLECA), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the OFLECA as at March 31, 2026, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the OFLECA in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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Chartered Professional Accountants
MOORE
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An independent member of Moore North America, Inc.

In preparing the financial statements, management is responsible for assessing the OFLECA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the OFLECA or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the OFLECA's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the OFLECA's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the OFLECA's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the OFLECA to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Marcil Lavallée

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
June 11, 2026

ONTARIO FRENCH-LANGUAGE EDUCATIONAL COMMUNICATIONS AUTHORITY (OFLECA)

STATEMENT OF FINANCIAL POSITION
MARCH 31, 2026

		2026		2025
ASSETS				
CURRENT ASSETS				
Cash	**$**	**4,530,412**	$	4,196,701
Accounts receivable (Note 4)		**1,279,921**		1,299,854
Prepaid expenses		**1,724,045**		1,677,814
		7,534,378		7,174,369
RESTRICTED CASH (Note 5)		**10,532,464**		8,745,671
BROADCASTING RIGHTS (Note 6)		**15,960,046**		15,832,058
IN-HOUSE PROGRAMMING (Note 7)		**6,874,349**		5,349,258
ASSET – EMPLOYEE FUTURE BENEFITS (Note 8)		**6,898,900**		6,653,700
CAPITAL ASSETS (Note 9)		**2,984,980**		4,780,478
		43,250,739		41,361,165
	$	**50,785,117**	$	48,535,534

ON BEHALF OF THE BOARD

Dominique Giguère

President of the Board

Frédéric Duguay

President of the Finance and Audit Committee

ONTARIO FRENCH-LANGUAGE EDUCATIONAL COMMUNICATIONS AUTHORITY (OFLECA)

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2026

	2026	2025
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 10)	**$ 4,078,207**	$ 3,810,186
Deferred contributions (Note 11)	**3,257,888**	64,457
	7,336,095	3,874,643
LIABILITY – EMPLOYEE FUTURE BENEFITS (Note 8)	**3,870,500**	3,592,800
DEFERRED CONTRIBUTIONS – BROADCASTING RIGHTS (Note 12)	**19,580,751**	21,402,535
DEFERRED CONTRIBUTIONS – IN-HOUSE PROGRAMMING (Note 13)	**7,373,627**	5,961,683
DEFERRED CONTRIBUTIONS – CAPITAL ASSETS (Note 14)	**4,264,861**	5,312,235
	35,089,739	36,269,253
	42,425,834	40,143,896
NET ASSETS		
Internal Restrictions (Note 5)		
- TFO Fund	**1,519,008**	1,519,008
- Pension Fund	**-**	-
Unrestricted	**6,840,275**	6,872,630
	8,359,283	8,391,638
	$ 50,785,117	$ 48,535,534

ONTARIO FRENCH-LANGUAGE EDUCATIONAL COMMUNICATIONS AUTHORITY (OFLECA)

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2026

		2026		2025
REVENUES				
Contributions				
- Operating grants (Note 15)	**$**	**21,007,505**	$	21,161,141
- Funding for special projects (Note 16)		**1,277,514**		1,816,724
- Other governmental sources (Note 17)		**3,611,399**		4,249,354
Other revenues (Note 18)		**2,453,845**		2,236,827
Amortization of deferred contributions				
- Broadcasting rights (Note 12)		**5,415,231**		5,317,879
- In-house programming (Note 13)		**2,721,097**		2,639,929
- Capital assets (Note 14)		**2,047,374**		1,927,629
		38,533,965		39,349,483
EXPENSES				
Content and programming		**10,999,947**		11,894,235
Production and technology		**9,136,800**		8,376,306
Administration		**7,231,840**		8,265,550
Amortization of broadcasting rights		**5,415,231**		5,317,879
Amortization of in-house programming		**2,721,097**		2,639,929
Amortization of capital assets		**2,047,374**		1,927,629
Employee future benefits (Note 8)		**981,531**		927,419
		38,533,820		39,348,947
EXCESS OF REVENUES OVER EXPENSES BEFORE NET ACTUARIAL GAINS (LOSSES) ON EMPLOYEE FUTURE BENEFITS PLANS		**145**		536
Net actuarial gains (losses) – Employee future benefits plans		**(32,500)**		41,600
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	**$**	**(32,355)**	$	42,136

ONTARIO FRENCH-LANGUAGE EDUCATIONAL COMMUNICATIONS AUTHORITY (OFLECA)

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2026

	Internal Restrictions (Note 5)				
	TFO Fund	**Pension Fund**	**Unrestricted**	**2026 Total**	2025 Total
BALANCE, BEGINNING OF YEAR	**$ 1,519,008**	**$ -**	**$ 6,872,630**	**$ 8,391,638**	$ 8,349,502
Excess (deficiency) of revenues over expenses	**-**	**-**	**(32,355)**	**(32,355)**	42,136
BALANCE, END OF YEAR	**$ 1,519,008**	**$ -**	**$ 6,840,275**	**$ 8,359,283**	$ 8,391,638

ONTARIO FRENCH-LANGUAGE EDUCATIONAL COMMUNICATIONS AUTHORITY (OFLECA)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2026

		2026		2025
OPERATING ACTIVITIES				
Excess (deficiency) of revenues over expenses	$	**(32,355)**	$	42,136
Adjustments for:				
Amortization of broadcasting rights		**5,415,231**		5,317,879
Amortization of in-house programming		**2,721,097**		2,639,929
Amortization of capital assets		**2,047,374**		1,927,629
Net actuarial gains (losses) – Employee future benefits Plan		**32,500**		(41,600)
Amortization of deferred contributions – broadcasting rights		**(5,415,231)**		(5,317,879)
Amortization of deferred contributions – in-house programming		**(2,721,097)**		(2,639,929)
Amortization of deferred contributions – capital assets		**(2,047,374)**		(1,927,629)
		145		536
Net change in non-cash working capital items (Note 3)		**3,435,154**		(536,715)
		3,435,299		(536,179)
INVESTING ACTIVITIES RELATED TO CAPITAL ASSETS AND INTANGIBLE ASSETS				
Broadcasting grants		**3,833,522**		7,825,107
In-house programming grants		**4,133,041**		3,738,929
Capital grants		**1,000,000**		1,000,000
Acquisition of broadcasting rights		**(5,783,294)**		(5,783,880)
Acquisition of in-house programming		**(4,246,188)**		(3,187,137)
Acquisition of capital assets – net amount		**(251,876)**		(1,582,898)
		(1,314,795)		2,010,121
NET INVESTING ACTIVITY				
Net change in restricted cash		**(1,786,793)**		(1,707,730)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**333,711**		(233,788)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		**4,196,701**		4,430,489
CASH AND CASH EQUIVALENTS, END OF YEAR	$	**4,530,412**	$	4,196,701

Cash and cash equivalents consist of cash.

1. STATUTE AND NATURE OF OPERATIONS

The Ontario French-language Educational Communications Authority (the OFLECA) is a Crown corporation created by a decree on April 1, 2007. The OFLECA is an independent French language broadcasting network and a charitable organization under the Income Tax Act and, as such, is exempt from income tax.

The OFLECA's main objectives are to provide French language educational broadcasting and telecommunications to the general public, to provide for the francophone community's interests and needs, and to develop the knowledge and skills of this community.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS-GNFPO). The OFLECA has elected to apply Section SP 4200 series for government not-for-profit organizations. The accounting policies are set out below:

Management estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the periods covered. Actual amounts could differ from these estimates. The main estimates relate to the useful life of capital assets, broadcasting rights and capitalized in-house programming costs and to the evaluation of certain provisions. Estimates also include the basis of allocating expenses used to capitalize the portion of the salaries and other expenses related to in-house programming. Estimates also include assets and liabilities related to employee future benefits.

The main items for which significant estimates were made are the defined benefits assets and liabilities for the accrued benefit pension plan and other retirement benefits plan. To estimate these amounts, management is required to make various assumptions that it considers reasonable, including with respect to inflation rates, discount rates and mortality rates. Management also takes into account future salary increases and the retirement age of employees. Any changes to the assumptions could have a significant impact on the OFLECA's results and financial position. The staff pension benefit expense could increase or decrease in upcoming years.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Contribution receivable

A contribution receivable is recognized as an asset when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

Revenue recognition

Contributions

The OFLECA follows the deferral method of accounting for contributions.

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

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

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

Subscriptions and other

Revenue from signal subscriptions, sale of services, advertising and distribution, sale of educational products and other is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income

Interest income is recognized as revenue when it becomes due.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Contributions received in the form of supplies and services

The OFLECA accounts for the contributions received in the form of supplies and/or services when the fair value of these contributions can be reasonably estimated, and when the OFLECA would have obtained the supplies and services for its regular operations in another manner. Contributions received in the form of supplies and/or services are recorded at the fair value of the supplies and services received.

Financial instruments

On initial recognition, financial instruments are classified either as financial instruments measured at cost or amortized cost, or as financial instruments measured at fair value. Transactions that are not contractual in nature do not generate items considered as financial instruments.

Financial assets measured at amortized cost using the effective interest method include cash, accounts receivable and restricted cash.

Financial liabilities measured at amortized cost using the effective interest method include accounts payable and accrued liabilities.

Impairment

For financial assets measured at cost or amortized cost, the OFLECA determines whether there are indications of possible impairment. When there is an indication of impairment, and the OFLECA determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in operations. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Transaction costs

Transaction costs attributable to financial instruments measured at fair value are recognized in operations in the period incurred. Transaction costs related to financial instruments measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in operations over the life of the instrument using the effective interest rate method.

Cash and cash equivalents

The OFLECA's policy is to present bank balances under cash and cash equivalents, including bank indebtedness when bank balances that can fluctuate from being positive to overdrawn.

In-house programming, broadcasting rights and production costs

In-house programming, broadcasting rights and production costs are accounted for as follows:

In-house programming

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

In-house programming, broadcasting rights and production costs (continued)

Broadcasting rights and production costs

Broadcasting rights and productions under co-production, pre-purchase, and acquisition contracts are recorded at cost. They are amortized using the straight-line method over the following periods:

	Periods
Film licenses	3 years
Documentary film licenses	4 years
Childhood licenses and renewal	4 years
Co-production licenses	Duration of the agreement

Capital assets

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

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

	Periods
Mobility (tablets and smart phones)	2 years
Office equipment	3 years
Office infrastructure	4 years
Computerized production equipment	5 years
Production equipment	7 years
Office furniture and equipment	10 years
Leasehold improvements	Duration of the lease

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee future benefits

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

- The actuarial determination of the accrued benefit obligations for pensions and other retirement benefits uses the projected benefit method prorated on service. This determination incorporates management's best estimate of future salary levels, discount rate, other cost escalation, retirement ages of employees and other actuarial factors;
- For the purpose of calculating the expected return on plan assets, those assets are valued at fair value;
- An actuarial gain (loss) arises from the difference between the actual long-term rate of return on plan assets for a period and the expected long-term rate of return on plan assets for that period or from changes in actuarial assumptions used to determine the accrued benefit obligations. Actuarial gains (losses) for each period are recognized on a systematic basis and are amortized over the average remaining service life of active employees covered by the pension plan, which is 12 years. The average remaining service period of the active employees covered by the other retirement benefit plans is 15 years.

Foreign currency translation

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

Statement of Remeasurement Gains and Losses

The Statement of Remeasurement Gains and Losses is not presented because the OFLECA does not hold any financial instruments measured at fair value or arising from a foreign currency transaction for which an election has not been made under paragraph .19A of Section PS 2601 - Foreign Currency Translation.

3. NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS

		2026		2025
Accounts receivable	**$**	**19,933**	$	505,266
Prepaid expenses		**(46,231)**		783,269
Accounts payable and accrued liabilities		**268,021**		(909,285)
Deferred contributions		**3,193,431**		(915,965)
	$	**3,435,154**	$	(536,715)

4. ACCOUNTS RECEIVABLE

		2026		2025
Ministry of Education	**$**	**13,500**	$	67,280
Canada Media Fund		**199,000**		208,488
Provincial government and governmental organizations		**117,813**		-
Corporate and other		**375,539**		366,341
Consumption taxes		**574,069**		657,745
	$	**1,279,921**	$	1,299,854

5. RESTRICTED CASH

2026

	Balance, beginning of year	Additions	Utilization	Balance, end of year
Reserves				
- Capital assets renewal [a]	**$ 531,756**	**$ 1,000,000**	**$ (251,874)**	**$ 1,279,882**
- Broadcasting rights [b]	**3,381,238**	**-**	**(3,381,238)**	**-**
- TFO Fund [c]	**1,519,008**	**-**	**-**	**1,519,008**
- Corporate priorities [e]	**-**	**3,007,000**	**-**	**3,007,000**
Commitments				
- Broadcasting rights	**2,189,238**	**3,120,313**	**(1,688,846)**	**3,620,705**
- Monetary resolution on Bill 124 [f]	**512,006**	**9,330**	**-**	**521,336**
- Special projects – Ministry of Education	**-**	**69,256**	**-**	**69,256**
- Special projects – outside the Ministry of Education	**-**	**16,000**	**-**	**16,000**
- In-house programming (CMF) [g]	**612,425**	**499,277**	**(612,425)**	**499,277**
	$ 8,745,671	**$ 7,721,176**	**$ (5,934,383)**	**$ 10,532,464**

2025

	Balance, beginning of year	Additions	Utilization	Balance, end of year
Reserves				
- Capital assets renewal [a]	$ 1,114,655	$ 531,756	$ (1,114,655)	$ 531,756
- Broadcasting rights [b]	2,000,000	3,381,238	(2,000,000)	3,381,238
- TFO Fund [c]	1,519,008	-	-	1,519,008
- AODA [d]	73,440	-	(73,440)	-
- Corporate priorities [e]	725,932	-	(725,932)	-
Commitments				
- Broadcasting rights	1,529,249	1,854,093	(1,194,104)	2,189,238
- Monetary resolution on Bill 124 [f]	-	512,006	-	512,006
- Special projects – Ministry of Education	15,024	-	(15,024)	-
- In-house programming (CMF) [g]	60,633	612,425	(60,633)	612,425
	$ 7,037,941	$ 6,891,518	$ (5,183,788)	$ 8,745,671

5. RESTRICTED CASH (continued)

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

(b) A portion of the operating budget has been allocated and assigned to the future acquisition of broadcasting rights. The balance of $3,381,238 was used by the OFLECA during the financial year ended March 31, 2026.

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

(d) Annually, a portion of the operating budget is specifically allocated to meet the requirements of the *Accessibility for Ontarians with Disabilities Act, 2005* (AODA). The balance of $Nil was recognized as deferred revenue and as an addition to restricted cash.

(e) A portion of the operating budget has been allocated to projects categorized as corporate priorities. The balance of $3,007,000 is recognized as a deferred contribution and added as restricted cash.

(f) The Ministry of Education provided funding for the monetary resolution of Bill 124. This amount represents the balance of funding that must be repaid to the Ministry.

(g) The Canada Media Fund (CMF) finances certain in-house programming. The balance of $499,277 is recorded as a deferred contribution and as an addition to restricted cash.

6. BROADCASTING RIGHTS

	2026			
	Balance, beginning of year	**Additions**	**Disposals**	**Balance, end of year**
Cost of broadcasting rights and completed productions	**$ 24,503,410**	**$ 5,783,294**	**$ (3,656,580)**	**$ 26,630,124**
Accumulated amortization	**(8,671,352)**	**(5,415,231)**	**3,416,505**	**(10,670,078)**
Net value	**$ 15,832,058**			**$ 15,960,046**

	2025			
	Balance, beginning of year	Additions	Disposals	Balance, end of year
Cost of broadcasting rights and completed productions	$ 24,845,365	$ 5,783,880	$ (6,125,835)	$ 24,503,410
Accumulated amortization	(9,479,308)	(5,317,879)	6,125,835	(8,671,352)
Net value	$ 15,366,057			$ 15,832,058

7. IN-HOUSE PROGRAMMING

	2026			
	Balance, beginning of year	**Additions**	**Disposals**	**Balance, end of year**
Cost of in-house programming	**$ 9,377,435**	**$ 4,246,188**	**$ (1,394,402)**	**$ 12,229,221**
Accumulated amortization	**(4,028,177)**	**(2,721,097)**	**1,394,402**	**(5,354,872)**
Net value	**$ 5,349,258**			**$ 6,874,349**

	2025			
	Balance, beginning of year	Additions	Disposals	Balance, end of year
Cost of in-house programming	$ 11,381,346	$ 3,187,137	$ (5,191,048)	$ 9,377,435
Accumulated amortization	(6,579,296)	(2,639,929)	5,191,048	(4,028,177)
Net value	$ 4,802,050			$ 5,349,258

8. ASSET AND LIABILITY – EMPLOYEE FUTURE BENEFITS

Description of pension and other retirement benefit plans

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

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

Total cash payments

Cash payments made for future employee benefits, consisting of cash contributed by the OFLECA to its funded pension plan, cash payments directly to beneficiaries on account of its unfunded other retirement benefit plans, and cash contributed to its defined contribution plans, amount to $981,531 (2025: $927,419).

Defined benefit plans

The OFLECA measures its accrued defined benefit obligations and the fair value of the plan assets as at March 31 of each year. The most recent actuarial valuation of the pension plan, for funding purposes, was prepared by Eckler as at March 31, 2026 and is a data extrapolation and evaluation based on the complete actuarial valuation dated March 31, 2025.

Defined contribution plan

The total expense recognized in relation with the defined contribution plan amounts to $320,798 (2025: $284,384).

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

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

	2026		
	Funded Pension Benefit Plan	**Other Unfunded Retirement Benefit Plans**	**Total**
Accrued benefit obligations	**$ 21,082,000**	**$ 3,315,000**	**$ 24,397,000**
Fair value of plan assets	**(27,303,700)**	**-**	**(27,303,700)**
Funded status – plan deficit (surplus)	**(6,221,700)**	**3,315,000**	**(2,906,700)**
Unamortized net actuarial (gain) loss	**(677,200)**	**555,500**	**(121,700)**
Accrued pension liability (asset)	**$ (6,898,900)**	**$ 3,870,500**	**$ (3,028,400)**

	2025		
	Funded Pension Benefit Plan	Other Unfunded Retirement Benefit Plans	Total
Accrued benefit obligations	$ 21,380,000	$ 3,244,000	$ 24,624,000
Fair value of plan assets	(25,612,000)	-	(25,612,000)
Funded status – plan deficit (surplus)	(4,232,000)	3,244,000	(988,000)
Unamortized net actuarial gain (loss)	(2,421,700)	348,800	(2,072,900)
Accrued pension liability (asset)	$ (6,653,700)	$ 3,592,800	$ (3,060,900)

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

Pension plan asset components

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

	2026	2025
	%	%
Asset category		
Equity securities	**50**	50
Debt securities	**40**	40
Other	**10**	10
	100	100

Employee future benefit costs recognized in the year and benefits paid

	2026	
	Pension Benefit Plan	**Other Benefit Plans**
Employee future benefits costs recognized	**$ 925,000**	**$ 326,900**
Benefits paid, reimbursements and transfers	**$ 877,600**	**$ 49,200**

	2025	
	Pension Benefit Plan	Other Benefit Plans
Employee future benefits costs recognized	$ 818,400	$ 298,300
Benefits paid, reimbursements and transfers	$ 770,900	$ 39,400

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

Employee future benefits costs recognized consists of the following:

	Pension Benefit Plan		Other Benefit Plans	
	2026	2025	**2026**	2025
Current service benefits' costs	**$ 1,064,600**	$ 1,084,100	**$ 213,600**	$ 200,400
Amortization of net actuarial losses (gains)	**106,800**	54,000	**(26,400)**	(30,200)
Interest costs of pension benefits	**1,234,700**	1,119,600	**-**	-
Actuarial loss (gain) related to the expected return on plan assets	**(1,481,100)**	(1,439,300)	**139,700**	128,100
	$ 925,000	$ 818,400	**$ 326,900**	$ 298,300

Significant assumptions

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

	2026	
	Pension Benefit Plan	Other Benefit Plans
	%	%
Accrued benefit obligations		
Discount rate	**6.15**	**4.65**
Rate of compensation increase:		
Non-unionized employees	**2.5 per year**	**-**
Unionized employees	**2.5 per year**	**-**
Employee future benefits costs		
Discount rate	**6.15**	**4.65**
Expected long-term rate of return on plan assets	**6.15**	**-**
Rate of compensation increase:		
Non-unionized employees	**2.5 per year**	**-**
Unionized employees	**2.5 per year**	**-**

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

Significant assumptions (continued)

	2025	
	Pension Benefit Plan	Other Benefit Plans
	%	%
Accrued benefit obligations		
Discount rate	5.75	4.20
Rate of compensation increase:		
Non-unionized employees	2.50 per year	-
Unionized employees	2.50 per year	-
Employee future benefits costs		
Discount rate	5.75	4.20
Expected long-term rate of return on plan assets	5.75	-
Rate of compensation increase:		
Non-unionized employees	2.50 per year	-
Unionized employees	2.50 per year	-

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

	2026	2025
	%	%
Combined medical care:		
Initial medical care cost trend rate	**4.81**	4.81
Cost trend rate declines to	**3.57**	3.57
Year that the rate reaches the rate it is assumed to remain at	**2040**	2040
Dental care:		
Initial dental care cost trend rate	**4.81**	4.81
Cost trend rate declines to	**3.57**	3.57
Year that the rate reaches the rate it is assumed to remain at	**2040**	2040

9. CAPITAL ASSETS

	2026			
	Balance, beginning of year	Additions	Disposals	Balance, end of year
Cost of capital assets				
Mobility	$ 232,757	$ 16,563	$ (1,692)	$ 247,628
Office computer equipment	1,452,964	33,186	(95,077)	1,391,073
Office infrastructure	1,986,881	48,236	-	2,035,117
Production equipment	19,257,089	-	-	19,257,089
Computerized production equipment	14,730,392	153,891	-	14,884,283
Office furniture and equipment	2,188,246	-	-	2,188,246
Leasehold improvements	7,605,907	-	-	7,605,907
Other assets	76,140	-	-	76,140
	47,530,376	251,876	(96,769)	47,685,483
Accumulated amortization				
Mobility	232,757	-	(1,692)	231,065
Office computer equipment	1,171,391	127,378	(95,077)	1,203,692
Office infrastructure	754,431	300,445	-	1,054,876
Production equipment	17,481,227	1,037,347	-	18,518,574
Computerized production equipment	14,033,667	279,765	-	14,313,432
Office furniture and equipment	1,999,416	84,617	-	2,084,033
Leasehold improvements	7,018,256	206,433	-	7,224,689
Other assets	58,753	11,389	-	70,142
	42,749,898	2,047,374	(96,769)	44,700,503
Net value	$ 4,780,478			$ 2,984,980

9. CAPITAL ASSETS (continued)

	2025			
	Balance, beginning of year	Additions	Disposals	Balance, end of year
Cost of capital assets				
Mobility	$ 233,461	$ -	$ (704)	$ 232,757
Office computer equipment	1,256,571	326,695	(130,302)	1,452,964
Office infrastructure	824,750	1,162,131	-	1,986,881
Production equipment	19,223,044	34,045	-	19,257,089
Computerized production equipment	14,701,739	28,653	-	14,730,392
Office furniture and equipment	2,163,762	24,484	-	2,188,246
Leasehold improvements	7,605,907	-	-	7,605,907
Other assets	69,250	6,890	-	76,140
	46,078,484	1,582,898	(131,006)	47,530,376
Accumulated amortization				
Mobility	232,798	663	(704)	232,757
Office computer equipment	1,183,860	117,797	(130,266)	1,171,391
Office infrastructure	659,880	94,551	-	754,431
Production equipment	16,422,763	1,058,464	-	17,481,227
Computerized production equipment	13,686,526	347,141	-	14,033,667
Office furniture and equipment	1,911,064	88,352	-	1,999,416
Leasehold improvements	6,807,721	210,535	-	7,018,256
Other assets	48,627	10,126	-	58,753
	40,953,239	1,927,629	(130,970)	42,749,898
Net value	$ 5,125,245			$ 4,780,478

9. CAPITAL ASSETS (continued)

		2026		2025
Net value				
Mobility	$	**16,563**	$	-
Office computer equipment		**187,381**		281,573
Office infrastructure		**980,241**		1,232,450
Production equipment		**738,515**		1,775,862
Computerized production equipment		**570,851**		696,725
Office furniture and equipment		**104,213**		188,830
Leasehold improvements		**381,218**		587,651
Other assets		**5,998**		17,387
	$	**2,984,980**	$	4,780,478

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		2026		2025
Trades payable and accrued charges	$	**1,894,831**	$	1,939,489
Accrued wages and benefits		**1,428,946**		1,125,637
Grant refundable		**521,336**		512,006
Government remittances		**233,094**		233,054
	$	**4,078,207**	$	3,810,186

11. DEFERRED CONTRIBUTIONS

	2026		
	Ministry of Education	Others	Total
Deferred contributions			
Balance, beginning of year	$ -	$ 64,457	$ 64,457
Add: Amount received	3,007,000	162,437	3,169,437
Less: Amount recognized as revenue	-	(61,262)	(61,262)
Balance, end of year	3,007,000	165,632	3,172,632
Special projects			
Balance, beginning of year	-	-	-
Add: Amount received	69,256	16,000	85,256
Less: Amount recognized as revenue	-	-	-
Balance, end of year	69,256	16,000	85,256
Total	$ 3,076,256	$ 181,632	$ 3,257,888

11. DEFERRED CONTRIBUTIONS (continued)

	2025		
	Ministry of Education	Others	Total
Deferred contributions			
Balance, beginning of year	$ 799,372	$ 166,026	$ 965,398
Add: Amount received	-	91,497	91,497
Less: Amount recognized as revenue	(799,372)	(193,066)	(992,438)
Balance, end of year	-	64,457	64,457
Special projects			
Balance, beginning of year	15,024	-	15,024
Add: Amount received	-	-	-
Less: Amount recognized as revenue	(15,024)	-	(15,024)
Balance, end of year	-	-	-
Total	$ -	$ 64,457	$ 64,457

12. DEFERRED CONTRIBUTIONS – BROADCASTING RIGHTS

		2026		2025
Balance, beginning of year	**$**	**21,402,535**	$	18,895,307
Add:				
Acquisitions financed by amount received during the year		**713,209**		2,589,776
Committed funds – Ministry of Education		**3,120,313**		1,779,093
Reserved funds – Ministry of Education [(a)]		**-**		3,381,238
Reserved funds – Other funds		**-**		75,000
Less:				
Disposal		**(240,075)**		-
Amortization – Amount recognized as revenue		**(5,415,231)**		(5,317,879)
Balance, end of year	**$**	**19,580,751**	$	21,402,535

[(a)] A portion of the operating budget was granted and allocated to the subsequent acquisition of broadcasting rights. The remaining balance of $3,381,238 was used by the OFLECA during the fiscal year ended March 31, 2026.

13. DEFERRED CONTRIBUTIONS – IN-HOUSE PROGRAMMING

		2026		2025
Balance, beginning of year	**$**	**5,961,683**	$	4,862,683
Add:				
Acquisitions financed by amount received during the year		**3,633,764**		3,126,504
Reserved funds – Other funds (CMF)		**499,277**		612,425
Less:				
Amortization – Amount recognized as revenue		**(2,721,097)**		(2,639,929)
Balance, end of year	**$**	**7,373,627**	$	5,961,683

14. DEFERRED CONTRIBUTIONS – CAPITAL ASSETS

		2026		2025
Balance, beginning of year	$	**5,312,235**	$	6,239,900
Add:				
Acquisitions financed by amount received during the year		**-**		468,244
Reserved funds – Ministry of Education		**1,000,000**		531,756
Less:				
Disposal		**-**		(36)
Amortization – Amount recognized as revenue		**(2,047,374)**		(1,927,629)
Balance, end of year	$	**4,264,861**	$	5,312,235

15. CONTRIBUTIONS – OPERATING GRANTS

		2026		2025
Annual funding/Amount awarded				
Grant – core	$	**23,774,430**	$	21,225,772
Grant – capital and support for capital assets		**1,000,000**		1,000,000
Grant – broadcasting rights		**3,768,523**		6,886,070
Grant – in-house programming		**2,673,047**		2,104,158
Total received in current year: Ministry of Education		**31,216,000**		31,216,000
Revenue recognized from contributions carried forward from previous years		**5,447,702**		5,019,365
Transfer to deferred contributions – committed and reserved funds		**(7,127,313)**		(5,692,087)
Transfer to deferred contributions – future amortization		**(8,528,884)**		(9,382,137)
	$	**21,007,505**	$	21,161,141

16. CONTRIBUTIONS – FUNDING FOR SPECIAL PROJECTS

	2026		
	Ministry of Education	**Others**	**Total**
Funding received in current year	**$ 1,346,770**	**$ -**	**$ 1,346,770**
Funding recognized	**-**	**-**	**-**
Less: Deferred contributions	**(69,256)**	**-**	**(69,256)**
	$ 1,277,514	**$ -**	**$ 1,277,514**

	2025		
	Ministry of Education	Others	Total
Funding received in current year	$ 1,801,700	$ -	$ 1,801,700
Funding recognized	15,024	-	15,024
Less: Deferred contributions	-	-	-
	$ 1,816,724	$ -	$ 1,816,724

17. CONTRIBUTIONS – OTHER GOVERNMENTAL SOURCES

	2026	2025
Ministry of Education		
Funding received in current year	**$ 3,495,238**	$ 3,574,800
Canada Media Fund		
Funding received in current year	**1,499,992**	1,654,771
Revenue recognized from contributions carried forward from previous years	**612,425**	60,633
Less: Deferred contributions – committed funds – in-house programming	**(499,277)**	(612,425)
Less: Deferred contributions – future amortization – in-house programming	**(1,573,140)**	(1,082,979)
Other Ontario agencies		
Funding received in current year	**-**	589,237
Other provinces		
Funding received in current year – broadcasting rights	**65,000**	75,000
Revenue recognized from contributions carried forward from previous years	**114,332**	88,800
Less: Deferred contributions – committed funds – broadcasting rights	**-**	(75,000)
Less: Deferred contributions – future amortization – broadcasting rights	**(179,332)**	(88,800)
Funding received in current year	**141,445**	65,317
Less: Contributions deferred to the next fiscal year	**(65,284)**	-
	$ 3,611,399	$ 4,249,354

18. OTHER REVENUES

		2026		2025
Signal subscriptions	$	**1,026,782**	$	1,022,636
Sale of services		**28,000**		46,588
Promotion and distribution		**307,773**		7,252
Sale of educational material		**533,564**		327,856
Sublease		**162,222**		192,852
Interest		**388,724**		598,726
Donations received in the form of services		**-**		31,820
Donations and other		**6,780**		9,097
	$	**2,453,845**	$	2,236,827

19. RELATED PARTY TRANSACTIONS BETWEEN RELATED ORGANIZATIONS

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

20. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The OFLECA is exposed to various financial risks resulting from both its operations and its investment activities. The OFLECA's management manages financial risks.

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

20. FINANCIAL INSTRUMENTS (continued)

Financial risks

The OFLECA's main financial risk exposure and its financial risk management policies are as follows:

Credit risk

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

The OFLECA is exposed to credit risk attributable to its accounts receivable. The credit risk is assessed as low mainly due to the type of debtor, for the most part comprised of the government. At year-end, there are no receivables considered delinquent. The OFLECA is not exposed to any significant credit risk with respect to any debtor or counterparty.

The OFLECA's maximum exposure to credit risk is the amounts presented in accounts receivable on the Statement of Financial Position as at March 31, 2026.

Exchange risk

The OFLECA is exposed to exchange risk due to cash and cash equivalents and accounts receivable denominated in US dollars. As at March 31, 2026, cash and cash equivalents in US dollars totalled USD $44,415 (CAD $61,910) (2025: USD $87,077 (CAD $125,182)).

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

Liquidity risk

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

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

As at March 31, 2026, the OFLECA has a cash and cash equivalents and restricted cash balance of $15,062,876 (2025: $12,942,372). All the OFLECA's financial liabilities totalling $4,078,207 (2025: $3,810,186) have contractual maturities of less than 365 days.

21. CONTRACTUAL OBLIGATIONS

The OFLECA has entered into operating lease agreements, expiring August 31, 2030, which call for payments of $2,273,923 for the rental of office space. The minimum lease payments for the next three years are $961,527 for the year ending March 31, 2027, $968,814 for the year ending March 31, 2028, and $343,583 for the year ending March 31, 2029.

The OFLECA has entered into another operating agreement expiring in 2026-2027 to pay a total amount of $138,506 for control room services. The minimum payments for the next year total $138,506 for the year ending March 31, 2027.

As at March 31, 2026, the OFLECA had committed an amount of $3,620,705 for the purchase of broadcasting rights, of which $3,021,073 will be paid during the year ending March 31, 2027, $589,005 during the year ending March 31, 2028 and $10,627 during the year ending March 31, 2029.

22. CONTINGENCY

The funding received from government ministries may be refunded following an audit if the funding received is identified as a surplus based on the funding arrangements agreed between the parties. As at March 31, 2026, management has not been informed of any potential refund, with the exception of amounts to be returned that have already been recognized.

In the event that amounts to be reimbursed to the sponsor of a project are identified, the necessary adjustments will be recognized in the year they are identified.