

Broadcasting Participation Fund (BPF), Inc.  
Le fonds de Participation à la Radiodiffusion (FPR), Inc.

Annual Report and Business Plan  
2014

Presented to BPF Board of Directors  
By Welch LLP, Costs Officer  
Date: February 20, 2015

**Welch** LLP

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## **1.0 Corporate Statement of Purpose**

The purposes of the corporation, as set out in the Articles of Incorporation, continue to be to:

- (a) Provide costs support to public interest groups and consumer groups representing non-commercial user interests and the public interest before the Canadian Radio-television and Telecommunications Commission (CRTC) in broadcasting matters under the Broadcasting Act (Canada), recognizing that English and French language broadcasting, while sharing common aspects, operate under different conditions and may have different requirements;
- (b) Support research, analysis and advocacy in the official language of the applicant's choice in CRTC broadcasting proceedings under the Broadcasting Act (Canada);
- (c) Retain an independent costs officer who shall be responsible for the day-to-day operations of the corporation subject to the overriding authority of the board of directors of the corporation;
- (d) Provide efficient and accessible service in English and French and make available in both official languages the corporation's documents necessary for potential costs applicants, including policies, costs funding criteria and annual reports; and
- (e) Do all things which are in furtherance of the foregoing.

## **2.0 Operational Structure of the Corporation**

As in prior years, the corporation carried out its responsibilities through a service delivery contract with Welch LLP. Andre Auger, CPA, CGA, CFE (a representative of Welch LLP) continued to act as Costs Officer and Chief Executive Officer (CEO) responsible for the day-to-day administration of the Fund.

The Board of Directors, which consists of three members met regularly throughout the year and in addition to approving claims awards for payment, ensured that the purposes of the corporation were met.

The Board of Directors and the Costs Officer communicated with each other at least monthly to ensure the smooth operation of the Fund and the costs award process

Legal counsel was obtained from the law firm Gowling Lafleur Henderson LLP on an as needed basis to deal with corporate matters or matters of interpretation related to CRTC requirements and the purpose of the Fund.

### **3.0 Business activities of the Corporate Officers of the Corporation**

The BPF is first and foremost an entity that determines, in an impartial manner, eligibility for costs awards in broadcasting proceedings before the Commission. The Board of three Directors is constituted to ensure that no specific interest is over-represented on the Board. Tasks undertaken by the BPF Board of Directors in 2014 included:

1. Oversaw the BPF operations, including the logistics pertaining to Board meetings, Operational Committee meetings, signing officers, the BPF bank account and investments, and approval and payment of costs awards;
2. Promoted a lean and cost-efficient operation of the BPF;
3. Provided support and advice to the BPF Costs Officer as required;
4. Made decisions via formal Board resolutions with respect to approving or denying costs awards applications;
5. Attended monthly BPF Operational Committee meetings;
6. Attended meetings with the CRTC as required;
7. Attended the BPF Annual General Meeting; and
8. Addressed other requirements mandated by the CRTC.

### **4.0 Tasks of the Costs Officer**

Welch LLP and its representative Andre Auger, CPA, CGA, CFE act as the Costs Officer and CEO for the BPF. Tasks undertaken by the Costs Officer in 2014 included the following:

#### **4.1 Institution Building**

1. Continued to develop and implement key performance indicators and benchmarks;
2. Updated BPF cost awards policies, processes, procedures, and funding criteria;
3. Updated official Fund documents and forms;
4. Maintained an appropriate control environment for Fund administration;
5. Updated Costs Officer reporting requirements;
6. Updated the BPF website; and
7. Participated in monthly BPF Operational Committee meetings.

#### **4.2.1 General and Active Management of the Fund**

1. Managed, reconciled, and reported on the BPF bank account and investments;
2. Provided oversight and supervision of general business activities; and
3. Provided CEO and Costs Officer services in both official languages, including but not limited to: receiving and reviewing cost claims, preparing recommendations for the BPF Board of Directors, communicating BPF decisions to applicants, maintaining proper application records, and representing the Fund in the public domain.

### **4.3.1 Reporting Results**

1. Prepared the 2014 Annual Report and Business Plan;
2. Provided timely Fund activity reports to the BPF Board of Directors, including monthly financial reports;
3. Prepared the budget for 2015; and
4. Performed other tasks mandated by the BPF Board of Directors.

## **5.0 The BPF Value Proposition**

Since its inception in late 2012, the BPF has been deeply committed to delivering high quality, professional, and timely service to all stakeholders.

### **5.1 Quality and Professionalism**

Quality is a priority for all BPF work. Quality is critical in order to ensure that all BPF work can withstand the scrutiny of affected and interested stakeholders. Compliance with professional standards promulgated by professional accounting and auditing bodies serves as the basis for all BPF work. Finally, quality is achieved through various processes and activities, such as the quality assurance regime embedded in the BPF's claims review process.

### **5.2 Timely Service**

The BPF prides itself on delivering timely responses to all parties applying for a costs award. Compared to 2013, the BPF's turnaround time for receiving, processing, and paying a claim improved to between 30 and 45 days. The BPF received a total of 43 claims, amounting to \$801,612 in 2014. No complaints were received from any of the applicants.

### **5.3 Engaging the Community**

The BPF is in ongoing communication with all interested parties and stakeholders. Assistance with the claims' preparation process, providing guidance to applicants, debriefing applicants on the results of their claims, and continuously seeking input from the community are key to maintaining positive business relationships with all parties.

### **5.4 Transparency**

The BPF is deeply committed to being completely transparent with all interested parties. Results of all cost awards decisions, the 2014 BPF audited financial statements, the 2015 budget, and all other key statistics are posted on the BPF website.

## 6.0 Risk Management

Risk management is an integral part of the day to day affairs of the BPF. The risk framework continues to evolve as the BPF encounters new situations. The following table highlights the key risks relating to the BPF and the corresponding mitigation strategies:

Risk	Mitigation Strategy
Independence / Credibility	<ul style="list-style-type: none"> <li>• Ensure all policies, procedures, forms, and processes are continuously updated and remain aligned to the extent possible with the CRTC's telecommunications costs awards practices and procedures</li> <li>• Adhere to professional accounting and auditing standards</li> <li>• Maintain 100% transparency with all interested parties and stakeholders</li> </ul>
Risk of increased operating costs	<ul style="list-style-type: none"> <li>• Closely manage operating costs on an on-going basis</li> </ul>

## 7.0 Summary of 2014F Financial Results

The BPF's audited financial statements appear as Appendix I to this report. The Fund incurred expenses of \$994,098 in 2014, including costs awards of \$801,612. Net assets of the Fund at December 31, 2014 were \$3,903,743.

**BROADCASTING PARTICIPATION FUND (BPF)  
SUMMARY OF CLAIMS - 2014F  
AS AT DECEMBER 31, 2014**

APPLICANT	PROCEEDING #	CLAIM #	CLAIMED AMOUNTS	ADJUSTMENTS	CLAIM DENIED	APPROVED AMOUNTS	PENDING REVIEW	DATE REC'D	DATE PROCESSED	DATE OF WELCH APPROVAL	DATE OF BOARD APPROVAL	DATE PAID	CHEQUE #	COMMENTS
Nee pawa Access Community TV	2012-0755	18288-30	12,834			12,834		Jan 08/14	Jan 30/14	May 26/14	May 26/14			
Union des Consommateurs	2012-370	18288-31	15,045			15,045		Jan 14/14	Jan 30/14	Mar 06/14	Mar 18/14	Mar 18/14	41	
English Language Art Network (ELAN)	2013-1216-5	18288-32	19,074	(936)		18,138		Jan 20/14	Jan 30/14	Mar 03/14	Mar 18/14	Mar 18/14	42	
PIAC	2013-1475	18288-33	780	(30)		750		Jan 16/14	Jan 30/14	Mar 03/14	Mar 18/14	Mar 18/14	43	
PIAC	2013-106	18288-34	100,100	(726)		99,374		Jan 08/14	Jan 30/14	Mar 06/14	Mar 18/14	Mar 18/14	43	
PIAC	2013-448	18288-35	35,384	(848)		34,536		Jan 08/14	Jan 30/14	Mar 07/14	Mar 18/14	Mar 18/14	43	
CACTUS	2012-0755	18288-36	1,271	(102)		1,169		Feb 03/14	Feb 04/13	Mar 11/14	Mar 18/14	Mar 18/14	44	
On Screen Manitoba	2013-19	18288-37	1,347		1,347			Feb 03/14	Mar 05/14	N/A	N/A	N/A	N/A	Representing the commercial interests of media production industry members
On Screen Manitoba	2013-106	18288-38	1,080		1,080			Feb 03/14	Mar 05/14	N/A	N/A	N/A	N/A	Representing the commercial interests of media production industry members
On Screen Manitoba	2011-788	18288-39	1,010		1,010			Feb 03/14	Mar 05/14	N/A	N/A	N/A	N/A	Representing the commercial interests of media production industry members
On Screen Manitoba	2012-370	18288-40	1,973		1,973			Feb 03/14	Mar 05/14	N/A	N/A	N/A	N/A	Representing the commercial interests of media production industry members
On Screen Manitoba	2011-379	18288-41	11,164		11,164			Feb 03/14	Mar 05/14	N/A	N/A	N/A	N/A	Representing the commercial interests of media production industry members
CACTUS	2013-1216	18288-42	23,274	(2,036)		21,238		Feb 11/14	Mar 05/14	Mar 12/14	Mar 18/14	Mar 18/14	44	
CACTUS	2013-1334	18288-43	17,730			17,730		Feb 13/14	Mar 05/14	Mar 11/14	Mar 18/14	Mar 18/14	44	
PIAC	2013-1693	18288-44	1,904	(71)		1,833		Feb 13/14	Mar 05/14	Mar 12/14	Mar 18/14	Mar 18/14	43	
Forum for Research & Policy in Communications (FRPC)	2013-558	18288-45	14,111		14,111			Mar 12/14	Mar 13/14	May 09/14	May 26/14	N/A	N/A	Not deemed to be a group at this time; FRPC was created in Nov 2013
PIAC	2013-572	18288-46	10,230			10,230		Apr 11/14	Apr 14/14	May 14/14	May 26/14	May 26/14	52	
PIAC	Bell Part 1	18288-47	6,104			6,104		Apr 22/14	Apr 28/14	May 09/14	May 26/14	May 26/14	52	
PIAC	2014-85	18288-48	2,106			2,106		Apr 25/14	Apr 28/14	May 14/14	May 26/14	May 26/14	52	
EqualTV	2013-19	18288-49	10,750			10,750		Apr 28/14	Apr 28/14	May 20/14	May 26/14	May 26/14	54	
PIAC	2014-79	18288-50	3,253			3,253		Apr 28/14	Apr 28/14	May 15/14	May 26/14	May 26/14	52	
CACTUS	2013-558	18288-51	6,963			6,963		Apr 30/14	Apr 30/14	May 15/14	May 26/14	May 26/14	53	
CACTUS	2013-563	18288-52	2,173			2,173		May 01/14	May 01/14	May 15/14	May 26/14	May 26/14	53	
CACTUS	2013-1693	18288-53	2,017			2,017		May 02/14	May 06/14	May 15/14	May 26/14	May 26/14	53	
PIAC	2013-1746	18288-54	1,667			1,667		May 12/14	May 13/14	May 15/14	May 26/14	May 26/14	52	
PIAC	2014-102	18288-55	1,651			1,651		May 21/14	May 21/14	May 21/14	May 26/14	May 26/14	52	
PIAC	2014-26	18288-56	19,997			19,997		May 23/14	May 26/14	July 15/14	Aug 08/14	Oct 07/14	65	
PIAC	2014-162	18288-57	1,050			1,050		May 23/14	May 26/14	July 15/14	Aug 08/14	Oct 07/14	65	
EqualTV	2013-19	18288-58	3,314	(340)		2,974		Jun 10/14	Jun 10/14	July 21/14	Oct 08/14	Nov 07/14	67	
PIAC	2013-558	18288-59	10,817	(12)		10,805		Jun 23/14	Jun 25/14	July 15/14	Aug 08/14	Oct 07/14	65	
PIAC	2014-0417	18288-60	750			750		July 04/14	July 07/14	July 15/14	Aug 08/14	Oct 07/14	65	
FRPC	2013-558	18288-61	14,111			14,111		July 22/14	July 23/14	Sept 09/14	Oct 08/14	Nov 07/14	68	
CACTUS	2013-1746	18288-62	53,868			53,868		Sept 09/14	Sept 09/14	Sept 17/14	Oct 08/14	Nov 07/14	69	
EqualTV	2013-19	18288-63	350		350			Sept 09/14	Sept 09/14	Sept 24/14	N/A	N/A	N/A	Donation in kind; no services received
Media Access Canada (MAC)	2014-190	18288-64	36,857			36,857		Oct 14/14	Oct 30/14	Dec 04/14				Additional info received Oct 30/14
MediaSmarts	2014-190	18288-65	1,249			1,249		Oct 16/14	Oct 30/14	Nov 03/14	Nov 07/14	Nov 07/14	71	
TV Nunavut	2014-190	18288-66	9,616	(6)		9,610		Oct 17/14	Oct 30/14	Nov 03/14	Nov 07/14	Nov 07/14	72	
Union des Consommateurs	2014-190	18288-67	13,283			13,283		Oct 29/14	Oct 30/14	Nov 03/14	Nov 07/14	Nov 07/14	73	
First Mile Connectivity Consortium (FMCC)	2014-190	18288-68	7,721			7,721		Nov 03/14	Dec 03/14	Dec 08/14				
CACTUS	2013-1746	18288-69	154,256			154,256		Nov 12/14	Nov 28/14	Dec 09/14				
PIAC	2014-190	18288-70	122,510	(162)		122,348		Nov 17/14	Dec 05/14	Dec 09/14				
FRPC	2014-190	18288-71	64,701			64,701		Nov 27/14	Dec 08/14	Dec 08/14				
ELAN	2013-330	18288-72	15,923	(801)		15,122		Dec 04/14	Dec 09/14	Dec 09/14				
PIAC	2014-541	18288-73	3,444	(95)		3,349		Dec 18/14	Dec 19/14	Jan 21/15				
			<b>838,812</b>	<b>(6,165)</b>		<b>31,035</b>	<b>801,612</b>						<b>0</b>	
							<u>801,612</u>							
							<u>801,612</u>							

TOTALS BY CRIC PROCEEDINGS	# of Claims	
Application for Admittance to the Small Market Local Programming Fund	2012-0755	2
Astral Broadcasting Undertakings - Change of Effective Control	2013-106	2
Bell/Astral	2012-370	2
Videotron's Mytv Proposal	2013-1216	2
Local Programming Improvement Fund	2013-19	4
CBC Radio-Canada Licence	2013-1475	1
Corus Acquisition of Various Radio Assets	2013-448	1
CBC Licence Renewal	2011-788	1
Astral Undertakings - Change of Control	2011-379	1
Rogers Atlantic Canada Community Channel Intervention	2013-1334	1
Bell Alliant Regional Communications - Amendments to Licences	2013-1693	2
Commission's Approach to Tangible Benefits	2013-558	4
Policy Review for the Commercial Radio Sector	2013-572	1
Proposed Amendments to Various Regulations	2014-85	1
Call for Comments and Amendments to CRIC Regulations	2014-79	1
Let's Talk TV	2013-563	1
Non-compliance Complaint by ICTV regarding Matv	2013-1746	2
102.7 FM frequency in Scarborough	2014-102	1
Renewal of Broadcasting Licences	2014-26	1
Notice of Applications Received - DHX Media Ltd.	2014-162	1
Let's Talk TV	2014-190	7
NEWCAP Inc. Part 1 Application	2014-0417	1
Videotron Licence Renewal	2013-330	1
Rogers Hockey Night in Canada	2014-541	1
Bell Canada Part 1 - York Harbour Club	Bell Part 1	1
	<b>43</b>	

**801,612**

**BROADCASTING PARTICIPATION FUND (BPF)  
2014F DISBURSEMENTS - BY LANGUAGE**

**1. COST AWARDS**

APPLICANT	PROCEEDING #	CLAIM #	CLAIMED		CLAIM DENIED	APPROVED		ENGLISH	FRENCH
			AMOUNTS	ADJUSTMENTS		AMOUNTS			
Neepawa Access Community TV	2012-0755	18288-30	12,834			12,834	12,834		
Union des Consommateurs	2012-370	18288-31	15,045			15,045		15,045	
English Language Art Network (ELAN)	2013-1216-5	18288-32	19,074	(936)		18,138	18,138		
PIAC	2013-1475	18288-33	780	(30)		750	750		
PIAC	2013-106	18288-34	100,100	(726)		99,374	19,875	79,499	(Bell/Astral - 80% French)
PIAC	2013-448	18288-35	35,384	(848)		34,536	34,536		
CACTUS	2012-0755	18288-36	1,271	(102)		1,169	1,169		
On Screen Manitoba	2013-19	18288-37	1,347		1,347				
On Screen Manitoba	2013-106	18288-38	1,080		1,080				
On Screen Manitoba	2011-788	18288-39	1,010		1,010				
On Screen Manitoba	2012-370	18288-40	1,973		1,973				
On Screen Manitoba	2011-379	18288-41	11,164		11,164				
CACTUS	2013-1216	18288-42	23,274	(2,036)		21,238	21,238		
CACTUS	2013-1334	18288-43	17,730			17,730	17,730		
PIAC	2013-1693	18288-44	1,904	(71)		1,833	1,833		
Forum for Research & Policy in Communications (FRPC)	2013-558	18288-45	14,111		14,111				
PIAC	2013-572	18288-46	10,230			10,230	10,230		
PIAC	Bell Part 1	18288-47	6,104			6,104	6,104		
PIAC	2014-85	18288-48	2,106			2,106	2,106		
EqualiTV	2013-19	18288-49	10,750			10,750	10,750		
PIAC	2014-79	18288-50	3,253			3,253	3,253		
CACTUS	2013-558	18288-51	6,963			6,963	6,963		
CACTUS	2013-563	18288-52	2,173			2,173	2,173		
CACTUS	2013-1693	18288-53	2,017			2,017	2,017		
PIAC	2013-1746	18288-54	1,667			1,667	1,667		
PIAC	2014-102	18288-55	1,651			1,651	1,651		
PIAC	2014-26	18288-56	19,997			19,997	19,997		
PIAC	2014-162	18288-57	1,050			1,050	1,050		
EqualiTV	2013-19	18288-58	3,314	(340)		2,974	2,974		
PIAC	2013-558	18288-59	10,817	(12)		10,805	10,805		
PIAC	2014-0417	18288-60	750			750	750		
FRPC	2013-558	18288-61	14,111			14,111	14,111		
CACTUS	2013-1746	18288-62	53,868			53,868	53,868		
EqualiTV	2013-19	18288-63	350		350				
Media Access Canada (MAC)	2014-190	18288-64	36,857			36,857	18,428	18,429	(Let's Talk TV - 50/50 split)
MediaSmarts	2014-190	18288-65	1,249			1,249	625	624	(Let's Talk TV - 50/50 split)
TV Nunavut	2014-190	18288-66	9,616	(6)		9,610	4,805	4,805	(Let's Talk TV - 50/50 split)
Union des Consommateurs	2014-190	18288-67	13,283			13,283	6,641	6,642	(Let's Talk TV - 50/50 split)
First Mile Connectivity Consortium (FMCC)	2014-190	18288-68	7,721			7,721	3,860	3,861	(Let's Talk TV - 50/50 split)
CACTUS	2013-1746	18288-69	154,256			154,256	154,256		
PIAC	2014-190	18288-70	122,510	(162)		122,348	61,174	61,174	(Let's Talk TV - 50/50 split)
FRPC	2014-190	18288-71	64,701			64,701	32,350	32,351	(Let's Talk TV - 50/50 split)
ELAN	2013-330	18288-72	15,923	(801)		15,122	15,122		
PIAC	2014-541	18288-73	3,444	(95)		3,349	3,349		
			<b>838,812</b>	<b>(6,165)</b>		<b>31,035</b>	<b>801,612</b>	<b>579,182</b>	<b>222,430</b>
							<b>72%</b>	<b>28%</b>	

**2. TOTALS BY CRTC PROCEEDINGS**

		# of Claims	
Application for Admittance to the Small Market Local Programming Fun	2012-0755	2	14,003
Astral Broadcasting Undertakings - Change of Effective Control	2013-106	2	99,374
Bell/Astral	2012-370	2	15,045
Videotron's Mytv Proposal	2013-1216	2	39,376
Local Programming Improvement Fund	2013-19	4	13,724
CBC Radio-Canada Licence	2013-1475	1	750
Corus Acquisition of Various Radio Assets	2013-448	1	34,536
CBC Licence Renewal	2011-788	1	
Astral Undertakings - Change of Control	2011-379	1	
Rogers Atlantic Canada Community Channel Intervention	2013-1334	1	17,730
Bell Alliant Regional Communications - Amendments to Licences	2013-1693	2	3,850
Commission's Approach to Tangible Benefits	2013-558	4	31,879
Policy Review for the Commercial Radio Sector	2013-572	1	10,230
Proposed Amendments to Various Regulations	2014-85	1	2,106
Call for Comments and Amendments to CRTC Regulations	2014-79	1	3,253
Call for Comments and Amendments to CRTC Regulations	2013-563	1	2,173
Non-compliance Complaint by ICTV regarding Matv	2013-1746	2	209,791
102.7 FM frequency in Scarborough	2014-102	1	1,651
Renewal of Broadcasting Licences	2014-26	1	19,997
Notice of Applications Received - DHX Media Ltd.	2014-162	1	1,050
Let's Talk TV	2014-190	7	255,769
Videotron's Licence Renewal	2013-330	1	15,122
Rogers Hockey Night in Canada	2014-541	1	3,349
NEWCAP Inc. Part 1 Application	2014-0417	1	750
Bell Canada Part 1 - York Harbour Club	Bell Part 1	1	6,104
		<b>43</b>	<b>801,612</b>

**3. ASSUMPTIONS**

- a) Bell/Astral hearings split 80% French, 20% English as per CRTC decision
- b) Broad hearings, such as Let's Talk TV, split 50-50
- c) All other hearings allocated based on market approach
- d) Admin Costs to be split using the 72-28 claim allocation ratio

PREPARED BY AA - JAN 12/15



## BROADCASTING PARTICIPATION FUND

### CHRONOLOGY OF KEY EVENTS

Date (2014)	Key Event
Jan 30	BPF Operational Committee meeting <ul style="list-style-type: none"><li>5 claims approved totalling \$27,229.15</li></ul>
Feb 18	BPF Operational Committee meeting <ul style="list-style-type: none"><li>10 claims approved totalling \$213,211.97</li></ul>
Feb 25	First set of BPF audited financial statements released
Feb 25	First BPF Annual General Meeting: <ul style="list-style-type: none"><li>Approval of the Annual Report and Business Plan;</li><li>Approval of the audited financial statements;</li><li>Appointment of the external auditors; and</li><li>Election of the Broadcasting Industry Director for a term of 3 years.</li></ul>
April 30	First of 7 annual installments from Bell in the amount of \$285,714.29 deposited to the BPF bank account
May 26	BPF Operational Committee meeting <ul style="list-style-type: none"><li>10 claims approved totalling \$46,915.34</li></ul>
July 21	BPF Operational Committee meeting <ul style="list-style-type: none"><li>4 claims approved totalling \$32,602.23</li></ul>
Oct 08	BPF Operational Committee meeting <ul style="list-style-type: none"><li>3 claims approved totalling \$70,953.50</li></ul>
Nov 07	BPF Operational Committee meeting <ul style="list-style-type: none"><li>3 claims approved totalling \$24,141.82</li></ul>
Nov 17	BPF presentation to the CRTC and CLOSM (Community of Official Languages in a Minority Situation)