

BROADCASTING ACCESSIBILITY FUND (BAF), INC.

Financial Statements

Year ended December 31, 2024



BROADCASTING ACCESSIBILITY FUND (BAF), INC.

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December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Broadcasting Accessibility Fund (BAF), Inc.

Opinion

We have audited the financial statements of Broadcasting Accessibility Fund (BAF), Inc. (the "Fund"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and 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 Fund as at December 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 Fund 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.

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 accounting standards for not-for-profit organizations, 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.

In preparing the financial statements, management is responsible for assessing the Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund'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.

INDEPENDENT AUDITOR'S REPORT - cont'd

- ♦ 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 Fund'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 Fund'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 Fund 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.

Adams & Miles LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
June 17, 2025



BROADCASTING ACCESSIBILITY FUND (BAF), INC.**Statement of Financial Position****December 31, 2024**

	2024	2023
Assets		
Current		
Cash and cash equivalents (Note 3)	\$ 292,492	\$ 621,401
Funding receivable from CRTC 2022-76 (Note 4)	241,813	241,813
	534,305	863,214
Funding receivable from CRTC 2022-76 (Note 4)	-	241,813
	534,305	1,105,027
Liabilities		
Current		
Accounts payable and accrued liabilities	1,328	2,311
Grants payable (Note 5)	41,857	310,754
	43,185	313,065
Grants payable (Note 5)	-	42,000
	43,185	355,065
Net assets	\$ 491,120	\$ 749,962
Net assets represented by		
Unrestricted surplus	\$ 491,120	\$ 749,962

Approved on behalf of the Board:

Director_____
Director

BROADCASTING ACCESSIBILITY FUND (BAF), INC.
Statement of Operations and Changes in Net Assets
Year ended December 31, 2024

	2024	2023
Revenue		
Interest income	\$ 8,740	\$ 21,621
Funding from CRTC 2022-76 (Note 4)	-	725,439
Realized and unrealized gains on investments (Note 6)	-	10,793
Dividends and other investment income	-	2,927
	8,740	760,780
Expenditures		
Salaries and benefits	233,886	243,756
Professional fees	11,919	13,278
Office and website	6,349	16,732
Insurance	5,494	5,290
Board honorariums (Note 7)	3,105	3,513
Translation and interpretation fees	2,977	5,830
Travel	2,394	1,609
Accounting fees	1,458	1,394
Investment management fees	-	24
Grants recovery	-	(29,896)
	267,582	261,530
Excess (deficiency) of revenue over expenditures	(258,842)	499,250
Net assets, beginning of year	749,962	250,712
Net assets, end of year	\$ 491,120	\$ 749,962



BROADCASTING ACCESSIBILITY FUND (BAF), INC.**Statement of Cash Flows****Year ended December 31, 2024**

	2024	2023
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenditures	\$ (258,842)	\$ 499,250
Realized and unrealized gains on investments	-	(10,793)
	(258,842)	488,457
Changes in		
Funding receivable from CRTC 2022-76	241,813	(483,626)
Accounts payable and accrued liabilities	(983)	(11,670)
Grants payable	(310,897)	(323,529)
	(328,909)	(330,368)
Investing activities		
Proceeds on sale of investments	-	230,436
Change in cash position	(328,909)	(99,932)
Cash and cash equivalents, beginning of year	621,401	721,333
Cash and cash equivalents, end of year	\$ 292,492	\$ 621,401



BROADCASTING ACCESSIBILITY FUND (BAF), INC.

Notes to Financial Statements

Year ended December 31, 2024

1. Nature of operations

Broadcasting Accessibility Fund (BAF), Inc. (the "Fund") was incorporated under the Canada Not-for-profit Corporations Act on October 10, 2012 and is a not-for-profit organization that is exempt from income taxes under the Income Tax Act.

The Fund was formed to:

- a) act as an independent and impartial funding body to support and fund innovative projects that provide platform-neutral solutions to promote accessibility of all broadcasting content in Canada;
- b) fund only projects that are incremental to the existing regulatory obligations of the broadcasting industry in Canada;
- c) fund projects which provide practical solutions that tangibly increase accessibility in broadcasting and which, whenever possible, make use of inclusive design principles to promote accessibility at the earliest stages and in the most cost-effective manner for new technologies and applications in Canada;
- d) retain an independent Funding Officer who shall be responsible for the day-to-day operations of the Fund subject to the overriding authority of the Board of Directors of the Fund;
- e) provide efficient and accessible service in English and French and make available in both official languages the Fund's documents necessary for potential applicants, including policies, funding criteria and annual reports; and
- f) do all things which are in furtherance of the foregoing.

2. Summary of significant accounting policies

The financial statements are the representation of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") in Part III of the CPA Handbook and include the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents consist of cash with the bank and the brokerage and highly liquid investments such as deposits in high interest investment savings accounts.



BROADCASTING ACCESSIBILITY FUND (BAF), INC.

Notes to Financial Statements

Year ended December 31, 2024

2. Summary of significant accounting policies - cont'd

Grants payable

Grants payable are recognized on signing of the grant application contract as it is this event that creates the obligation. The grants payable are based on approved contract letters. While contract payments made may be lower due to non-completion or performance, the difference between actual amounts paid and the agreements are reflected in the Statement of Operations in the year that it is known. Any expenditure over the approved amount is the responsibility of the grant recipients.

Revenue recognition

The Fund follows the deferral method of accounting for externally restricted contributions. Externally restricted contributions are recognized as deferred revenue and will be recognized as revenue in the Statement of Operations in the year the related expenditures are incurred. Revenue from unrestricted funding contributions are recognized as revenue of the unrestricted fund when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Dividends, other investment income and interest income is recognized in the year it is earned. Realized investment gains and losses are recognized in the year the sale occurs. Unrealized gains and losses on investments are recognized at year-end based on the fair market value of the investments held.

Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting year. These estimates are reviewed periodically and as adjustments become necessary, they are reported in the results of operations in the year in which they become known. Actual results could differ from these estimates.



BROADCASTING ACCESSIBILITY FUND (BAF), INC.

Notes to Financial Statements

Year ended December 31, 2024

2. Summary of significant accounting policies - cont'd

Financial instruments

The Fund initially measures its financial assets and financial liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amounts as appropriate.

The Fund subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the Statement of Operations in the year incurred.

Financial assets measured at amortized cost on a straight line basis include cash and cash equivalents and funding receivable from CRTC 2022-76.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and grants payable.

3. Cash and cash equivalents

	2024	2023
Cash in bank	\$ 199,618	\$ 187,267
Deposits in high interest savings accounts	92,874	434,129
Cash in brokerage account	-	5
	<u>\$ 292,492</u>	<u>\$ 621,401</u>

4. Funding from CRTC 2022-76

In the prior year, the Fund was approved for unrestricted funding in the amount of \$725,439 as a result of the Broadcasting Decision CRTC 2022-76. The funding was scheduled to be paid in equal installments of \$241,813 from 2023 to 2025. The total amount of funding approved was recognized as funding revenue in the statement of operations and changes in net assets in the prior year.

The first installment of \$241,813 was received during the prior year and the second installment of \$241,813 was received during the current year. The Fund expects to receive the third installment of \$241,813 in 2025.



BROADCASTING ACCESSIBILITY FUND (BAF), INC.**Notes to Financial Statements****Year ended December 31, 2024****5. Grants payable**

	2024	2023
Grants payable	\$ 41,857	\$ 352,754
Less current portion	(41,857)	(310,754)
Long term portion	\$ -	\$ 42,000

6. Realized and unrealized gains on investments

	2024	2023
Realized gains on sale of investments	\$ -	\$ 23,941
Unrealized losses on investments	-	(13,148)
	\$ -	\$ 10,793

7. Established expenditure thresholds and related party transactions

The Fund was initiated as a result of Broadcasting Regulatory Policy CRTC 2012-430. In that policy and in the Fund's by-laws based on that policy, administrative expenditures are limited to 5.00% of total contributions received by the Fund and Board expenditures are limited to 1.00% of annual capital (exclusive of the costs of accommodating Directors with disabilities). In the current and prior year, the Fund's administrative and Board expenditures were within the established expenditure thresholds.

During the current year, the Fund paid to Board members \$3,105 (2023 - \$3,513) for services provided to the Fund. These transactions were recorded in board honorariums expenditures. These transactions are recorded at the exchange amount which is the amount agreed to by the related parties.



BROADCASTING ACCESSIBILITY FUND (BAF), INC.

Notes to Financial Statements

Year ended December 31, 2024

8. Financial instruments

The Fund is exposed to the following risks, similar to the prior years, in respect of certain of the financial instruments held:

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Fund is exposed to credit risk from cash and cash equivalents and funding receivable from CRTC 2022-76. The Fund places its cash and cash equivalents with high credit quality institutions and believes its exposure to credit risk is not significant.

(b) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. The Fund is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and grants payable.

The Fund's management does not believe it is exposed to significant foreign exchange, interest, and market risks arising from its financial instruments.