



2014-2015 Q4 BUDGETARY MANAGEMENT REPORT

TO:	Board of Directors / Audit Committee
MEETING:	June 22, 2015
FROM:	Judith Purves, Vice-President and Chief Financial Officer
PURPOSE:	Quarterly information report on budgetary results at March 31, 2015
DATE:	June 10, 2015

SIGNIFICANT POINTS:

- N/A



QUARTERLY BUDGETARY MANAGEMENT REPORT
For the fiscal year ended March 31st, 2015

June 2015

Confidential for Internal Purposes

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QUARTERLY FINANCIAL MANAGEMENT REPORT

For the fiscal year ended March 31, 2015

Financial Reporting Basis

CBC/Radio-Canada is required to submit Annual Reports to the Minister of Canadian Heritage containing audited consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”). The Corporation also prepares quarterly financial reports on the same basis.

In addition, for management purposes, CBC/Radio-Canada reports its financial results on a budget basis, which differs from IFRS. Certain non-cash items such as accrued pension plan expenses and other employee future benefits and amortisation are not recognised on a budget basis.

Financial Review and Analysis Content

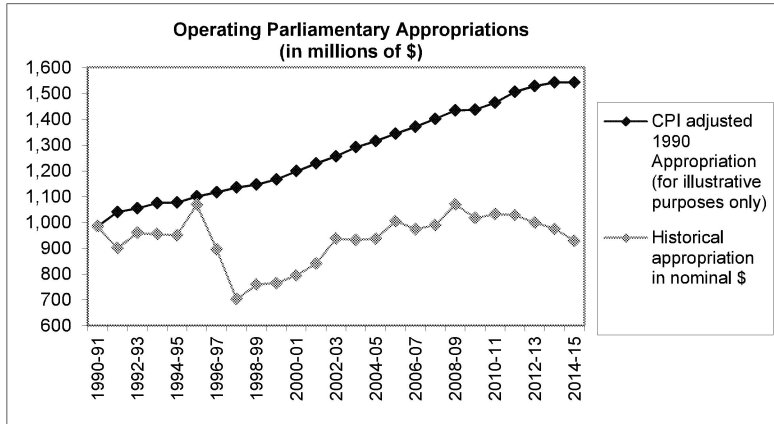
The review and analysis of CBC/Radio-Canada’s financial results for the fiscal year ended March 31, 2015 is presented here on a budget basis. Segmented results are presented for English and French Services, and Non-Media Services.

In addition, an overview of the capital budget and the cash flows are presented for the fiscal year ended March 31, 2015.

The Financial statements, prepared on an IFRS basis for the period ended March 31, 2015 and compared with the results for the same period in 2013/2014, are presented separately in the 2014/2015 Annual Report.

Financial Highlights
For the Fiscal year ended March 31
(Excluding SiriusXM share sale)

Sources of Funds
For the Fiscal year ended March 31
(Excluding SiriusXM share sale)



Expenditures

For the Fiscal year ended March 31

(Excluding downsizing costs related to the \$45 million planned reductions & strategy implementation accrued in March 2015)

(Includes downsizing costs related to \$130 million planned reductions)

Overview for the Fiscal Year ended March 31
(\$000's)

	Comparison to Budget (April to March)		
	2014/2015 Actuals	2014/2015 Budget	Variance
SOURCE OF FUNDS			
Government Funding and Carryover			
Parliamentary Appropriation			
Prior Year Carryover			
Government Funding and Carryover			
Transfer (to)/from Capital			
Local Programming Improvement Fund			
English Television			
French Television			
Local Programming Improvement Fund			
Revenues			
Advertising Revenues			
English Services			
French Services			
Advertising Revenues			
Miscellaneous Revenues			
English Services			
French Services			
Others			
Miscellaneous Revenues			
Subscriber Revenues			
CBC News Network			
Réseau de l'information			
Explora			
Tou.tv			
Curio			
Subscriber Revenues			
Total Revenues			
TOTAL SOURCE OF FUNDS			
APPLICATION OF FUNDS			
Expenditures			
English Services			
French Services			
Other Non-Media Services			
Committed Reserve			
TOTAL APPLICATION OF FUNDS (1)			
NET POSITION - Before Exceptional Items			
Net proceeds from sale of Sirius shares (2)			
Downsizing costs related to \$45 million shortfall and strategy			
NET POSITION			

Overview for the Fiscal Year ended March 31
Net position including ARTV and *documentary*
(in \$000's)

	Comparison to Prior Year		
	2014/2015 Actuals	2013/2014 Actuals	Variance
NET POSITION			
Investment in ARTV			
Revenues (Net of inter-company transactions)	11,148	13,595	(2,447)
Expenses	11,191	13,266	2,075
NET POSITION - ARTV	(43)	329	(372)
Investment in <i>documentary</i>			
Revenues (Net of inter-company transactions)	4,352	3,832	520
Expenses	3,982	4,093	111
NET POSITION - <i>documentary</i>	370	(261)	631
NET POSITION - Investments	327	68	259
Gain / (Loss) on disposal of property and equipment	5,122	0	5,122
NET POSITION - Including investments			
Results on a current operating basis *	19,224	46,429	(27,205)

This overview is intended to identify the impact of CBC/Radio-Canada's share in ARTV and *documentary*, which is included in the consolidated Financial Statements in accordance with IFRS but not included in the financial reports on a budgetary basis, as these are not wholly owned during 2014-2015.

* These amounts are shown in the MD&A section of the March 31st Annual Report

Overview Comments

s.18(a)
s.18(b)
s.68.1

**Consolidated English Services
For the Fiscal year ended March 31
(\$000's)**

	Comparison to Budget (April to March)		
	2014/2015 Actuals	2014/2015 Budget	Variance
SOURCE OF FUNDS			
Parliamentary Appropriation			
Prior Year Carryover			
Government Funding and Carryover			
Local Programming Improvement Fund			
Revenues			
Advertising - Television			
Advertising - Digital Services			
Advertising - Hockey (TV / Digital Services)			
Advertising - Contrats/Value-added			
Advertising - Radio			
Advertising - FIFA			
Miscellaneous - Television			
Miscellaneous - Hockey			
Miscellaneous - Hockey Rogers VIK			
Advertising - CBC News Network			
Subscriber and other revenue - CBC News Network			
Subscriber and other revenue - Curio			
Miscellaneous - Merchandising			
Miscellaneous - Mobile Productions			
Miscellaneous - FIFA			
Miscellaneous - Radio			
Total Revenues			
TOTAL SOURCE OF FUNDS			
APPLICATION OF FUNDS			
Sports (excluding hockey and FIFA)			
Hockey (rights and production)			
Hockey (Rogers deal)			
FIFA			
Arts and Entertainment			
News and Current affairs			
CBC News Network			
Talk Radio			
Music			
Media Library and Archives			
Technical Services			
Mobiles			
Communications and Research			
Revenue Group			
General Administration			
Revenue Reserve			
Other Programming and Commitments			
TOTAL APPLICATION OF FUNDS			
NET POSITION			

Consolidated English Services Results Comments

s.18(a)
s.18(b)
s.68.1

**Consolidated French Services
For the Fiscal year ended March 31
(\$000's)**

	Comparison to Budget (April to March)		
	2014/2015 Actuals	2014/2015 Budget	Variance to Budget
SOURCE OF FUNDS			
Parliamentary Appropriation			
Prior Year Carryover			
Total Government Funding and Carryover			
Local Programming Improvement Fund			
Revenues			
Advertising - Television			
Advertising - Digital Services			
Advertising - Contrats/Value-added			
Advertising - radio			
Advertising - FIFA			
Miscellaneous - Television			
Advertising - Réseau de l'information			
Subscriber and Other Revenue - Réseau de l'information			
Advertising - Explora			
Subscriber and Other Revenue - Explora			
Subscriber and Other Revenue - Tou.tv EXTRA			
Subscriber and Other Revenue - Curio			
Miscellaneous - FIFA			
Total Revenues			
TOTAL SOURCE OF FUNDS			
APPLICATION OF FUNDS			
Sports			
FIFA			
Arts and Entertainment			
News and Current affairs			
Réseau de l'information			
Talk Radio			
Music			
Explora			
Media Library and Archives			
Technical Services			
Communications and Research			
Revenue Group			
General Administration			
Training			
Revenue Reserve			
Other Programming and Commitments			
TOTAL APPLICATION OF FUNDS			
NET POSITION			

NOTE: Excludes ARTV as it was not wholly owned at the beginning of the year.

Consolidated French Services Results Comments

s.18(a)
s.18(b)
s.68.1

**Non-Media Services and Committed Reserves
For the Fiscal year ended March 31
(\$000's)**

	Comparison to Budget (April to March)		
	2014/2015 Actuals	2014/2015 Budget	Variance to Budget
SOURCES OF FUNDS			
Parliamentary Appropriation			
Prior Year Carryover			
Total Government Funding and Carryover			
Transfer (to)/from Capital			
Miscellaneous Revenues			
CBC Transmission and Distribution	10,203		
Real Estate Services	11,899		
Sirius - Programs Sales	2,100		
Sirius - Dividends	16,938		
Research and Analysis	465		
Canadian Claimant Group Royalties (CCG)	1,111		
CRRA	4,684		
Interest and Other Administration Revenues	2,377		
Capital Recoveries	2,082		
Total Miscellaneous Revenues	51,859		
TOTAL SOURCE OF FUNDS	339,773		
APPLICATION OF FUNDS			
Infrastructure and Technology Services	165,450		
General and Administration Services	58,030		
Corporate Expenses	27,583		
Total for Non-Media Services *	251,063		
Committed Reserves *	2,524		
TOTAL APPLICATION OF FUNDS	253,587		
NET POSITION			

* See details on separate schedules

Non-Media Services and Committed Reserve Results Comments

**Non-Media Services - Application of funds
For the Fiscal year ended March 31
(\$000's)**

	Comparison to Budget (April to March)		
	2014/2015 Actuals	2014/2015 Budget	Variance to Budget
APPLICATION OF FUNDS			
Infrastructure and Technology Services :			
Real Estate Services	96,788		
METS (excluding T&D)	38,876		
CBC Transmission and Distribution	29,386		
Technology Strategy Executive Team	400		
Total - Infrastructure and Technology Services	165,450	-	
General and Administration Services :			
Office of the President and CEO	1,167		
Office of the Chairperson and Board of Directors	517		
Branding, Communications and Corporate Affairs	5,002		
Internal Audit	1,278		
People and Culture	12,893		
Regulatory Affairs	1,530		
Research and Analysis	5,707		
General Counsel and Corporate Secretariat	10,243		
Corporate Finance and Administration	9,654		
Shared Services	9,340		
Ombudsman - Toronto	326		
Ombudsman - Montreal	373		
Total - General and Administration Services	58,030	-	
Corporate Expenses :			
Severance Pay and Other Personnel Costs	16,132		
Dental Plan and EAP	3,948		
Training and Development	5,152		
Insurance, Forms, Taxes, Foreign Exchange, etc.	2,351		
Total - Corporate Expenses	27,583	-	
TOTAL APPLICATION OF FUNDS	251,063		

Committed Reserve (in millions of \$)	2014/2015 Year-end Results		
	Actuals	Budget	Variance

Reconciliation of Net Results of Operations IFRS to Budget Basis

The Corporation receives a significant portion of its funding through Parliamentary appropriations, based primarily on cash flow requirements. Expenses recognized in the Consolidated Statement of Income (Loss) in one year may be funded through Parliamentary appropriations in other years. Accordingly, the Corporation's net results of operations for the year on a budget basis differ from those on an International Financial Reporting Standards basis. The differences are outlined below:

For the year ended March 31	2015	2014
	<i>(thousands of dollars)</i>	
Net results for the year on an IFRS basis	(47,391)	(17,953)
Items not generating operating funds		
Employee future benefits	45,813	58,799
Depreciation, amortization and decommissioning expenses, net of amortization of deferred capital funding	23,473	16,452
Other provisions for non-cash items	(8,120)	(10,937)
Net position - Investments in ARTV and <i>documentary</i>	327	68
Gain on disposal of property and equipment	5,122	-
Results on a current operating basis	19,224	46,429

**Cash Flows
as at March 31, 2015**

2014/2015 Actual						2013/2014 Actual				
	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Total	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Total
Opening balance ⁽¹⁾	53,466	130,724	82,865	110,148	53,466	45,339	60,024	71,859	30,582	45,339
Inflows										
Appropriations received ⁽²⁾	245,000	125,000	300,006	368,018	1,038,024	300 000	250 000	248 699	284 769	1,083,468
Revenues ⁽³⁾	274,598	214,773	172,476	158,329	820,176	192 906	192 850	162 537	216 684	764,977
Dividend from XM Sirius	12,321	1,875	1,371	1,371	16,938	1,473	1,875	1,875	1,875	7,098
Sale of XM Sirius shares	-	33,548	-	-	33,548	-	-	-	-	-
Outflows										
Expenditures ⁽⁴⁾	(454,661)	(423,055)	(446,570)	(431,381)	(1,755,667)	(479 694)	(432 890)	(454 388)	(480 444)	(1,847,416)
Ending balance ⁽¹⁾	130,724	82,865	110,148	206,485	206,485	60,024	71,859	30,582	53,466	53,466

Note 1:

Note 2: Appropriation drawdowns are planned with the objective of keeping a bank balance sufficient to meet the requirements of the Corporation's activities.

Note 3:

Note 4:

Capital Budget Report as at 31, 2015

2014/2015 Capital Budget Overview as at March 31, 2015
(\$000's)

<u>Investment Class</u>	<u>Capital Plan</u>	<u>Actual Expenditures</u>	<u>Surplus/ (Deficit)</u>	<u>Surplus as % of Capital Plan</u>
Mission Critical				
Efficiency Projects				
Transmission Strategy				
Growing the Business				
Legal and Regulatory				
Payback Projects				
Minor Capital				
Corporate Contingency				
Impact of approved plan being higher than available capital				
Total	-	-		

<u>Component</u>	<u>Capital Plan</u>	<u>Actual Expenditures</u>	<u>Surplus/ (Deficit)</u>	<u>Surplus as % of Capital Plan</u>
English Television (ETN)				
French Television (FTN)				
English Radio (ERN)				
French Radio (FRN)				
English Digital Infrastructure				
French Digital Infrastructure				
Information Technology (IT)				
Real Estate (RE)				
Canadian Broadcasting Centre Capital Lease				
Telecommunication (TEL)				
Transmission Division (T&D)				
Human Resources (HR)				
Corporate Components				
Fleet Management				
Mobile Division				
Minor Capital				
Enterprise Wide (EW):				
<i>Moncton Consolidation</i>				
<i>Media Asset Management</i>				
<i>On-Air Core Upgrade</i>				
Halifax Consolidation				
Relocation Sudbury				
<i>Others</i>				
Corporate Contingency				
Impact of approved plan being higher than available capital				
Subtotal	-	-		
Capital Leases (for accounting purposes)				
Total	-	-		

2014/2015 Capital Budget Overview as at March 31, 2015
Variance Analysis by Component

Capital Investment Plan
Board of Directors Projects > \$5 million (in \$000's)
Forecasted Expenditures to Project Completion (including related operating expenditures)

PROJECTS APPROVED									
Projects	Component	Original Budget Approved by Board Resolution	Latest Approval Date	Project Closing Forecast/ Actual Date	Total Budget Approved by BOD Resolution	Budget Released	Total Forecasted Expenditures	Total Forecasted Surplus/ (Deficit)	
PROJECTS PLANNED									
Projects	Component		Approval by BOD - Forecasted date	Ready for Operation - Forecasted date	Planned Budget Approved by BOD	Budget Released	Total Forecasted Expenditures	Total Forecasted Surplus/ (Deficit)	

Capital Investment Plan
Board of Directors Approved Projects > \$5 million - Notes
Forecasted Expenditures to Project Completion (including relayed operating expenditures)
Status Update

Benefit Tracking
Board of Directors Projects
Forecasted Benefits as of March 31, 2015
