

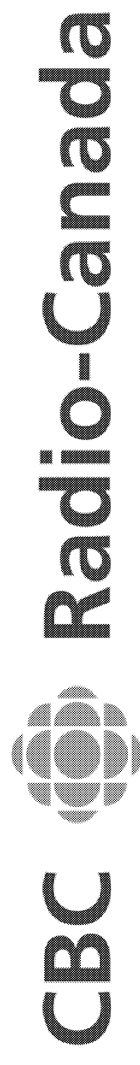


2013-2014 Q3 BUDGETARY MANAGEMENT REPORT

TO:	Board of Directors / Audit Committee
MEETING:	February 25, 2014
FROM:	Suzanne Morris, Vice-President and CFO
PURPOSE:	Quarterly information report on budgetary results at December 31, 2013
DATE:	February 14, 2014

SIGNIFICANT POINTS:

- N/A



QUARTERLY BUDGETARY MANAGEMENT REPORT
For the period of nine months ended December 31st, 2013

February 2013

Confidential for Internal Purposes

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QUARTERLY FINANCIAL MANAGEMENT REPORT

For the period of nine months ended December 31, 2013.

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

This report presents and analyses segmented results of operations for the nine months ended December 31, 2013, compared to the year-to-date budget, and year-end forecasts. Segmented results are presented for English and French media services and Other Services.

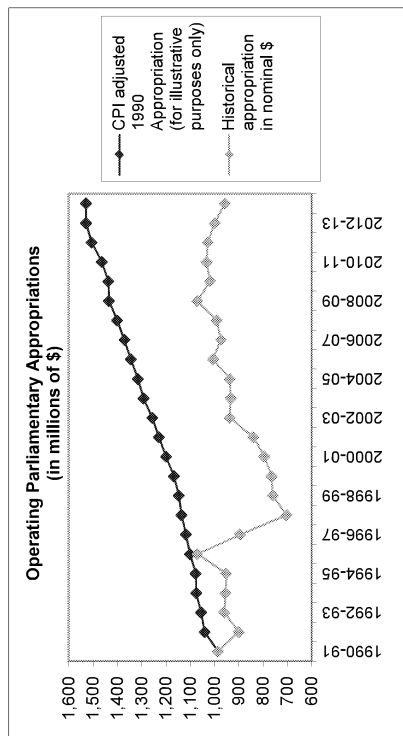
In addition, an overview of the capital budget and cash forecast are presented for the nine months ended December 31, 2013.

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Financial Highlights
For the first nine months ended December 31
Excluding Olympics

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Sources of Funds
For the first nine months ended December 31
Excluding Olympics



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Expenditures
For the first nine months ended December 31
Excluding Olympics

Overview for the first nine months ended December 31
(\$'000's)

	Comparison to Budget (April to December)		Annual Basis (April to March)	
	2013/2014 Actuals	2013/2014 Budget	2013/2014 Forecast	2013/2014 Budget
SOURCE OF FUNDS				
Government Funding and Carryover				
Parliamentary Appropriation - Drawdown (Used for) generated by working capital				
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-Regular Operations				
English Services				
French Services				
Others				
Miscellaneous Revenues-Regular Operations				
Revenues-Specialty Services:				
CBC News Network				
Reseau de l'information				
Explora				
Revenues-Specialty Services				
Total Revenues				
TOTAL SOURCE OF FUNDS				
APPLICATION OF FUNDS				
Expenditures				
English Services				
French Services				
Other Services				
Committed Reserve				
TOTAL APPLICATION OF FUNDS				
NET POSITION - Excluding Olympics				
OLYMPICS				
Advertising Revenues				
Miscellaneous Revenues				
Total Olympics Revenues				
Expenses				
NET POSITION - Olympics				
NET POSITION - Including Olympics				

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**Overview of the first nine months ended December 31
Net position including ARTV and Documentary Channel
(in \$000's)**

	Comparison to Prior Year		
	2013/2014 Actuals	2012/2013 Actuals	Variance
Budgetary Source of funds			
Budgetary Application of funds			
Net position - Olympics			
NET POSITION - Excluding investments (from previous page)			
Investments in ARTV			
Revenues (Net of inter-company transactions)	10,348	10,697	(349)
Expenses	10,050	10,429	379
NET POSITION - ARTV	298	268	30
Investments in Documentary Channel			
Revenues (Net of inter-company transactions)	2,576	3,422	(846)
Expenses	2,779	2,601	(178)
NET POSITION - Documentary Channel	(203) **	821	(1,024)
NET POSITION - Investments	95	1,089	(984)
NET POSITION - Including investments			

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This overview is intended to identify the impact of CBC/Radio-Canada's share in ARTV and Documentary Channel, which is included in the consolidated Financial Statements in accordance with GAAP (IFRS) but not included in the financial reports on a budgetary basis.

* These amounts are shown in the MD&A section of the December 31st Quarterly Report

** Reflects the distribution of partnership income of \$1.0 million that is recorded in revenue in English Services' budgetary results.

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Overview Comments

**Consolidated English Services
For the first nine months ended December 31
(\$000's)**

	Comparison to Budget (April to December)		Annual Basis (April to March)	
	2013/2014 Actuals	2013/2014 Budget	2013/2014 Forecast	Variance Budget
SOURCE OF FUNDS				
Parliamentary Appropriation				
Prior Year Carryover				
Government Funding and Carryover				
Local Programming Improvement Fund				
Revenues				
English Television - Advertising - Television				
English Television - Advertising - Digital Services				
English Television - Advertising - Contrats/Value-added				
English Radio - Advertising				
English Television - Miscellaneous				
CBC News Network - Advertising				
CBC News Network - Subscriber and other revenue				
Merchandising - Miscellaneous				
Mobile Productions				
English Radio - Miscellaneous				
Total Revenues				
TOTAL SOURCE OF FUNDS				
APPLICATION OF FUNDS				
English Television - Programming and Production				
English Television - Technical				
English Television - Regional Operations				
CBC News Network				
English Radio - Programming and Production				
English Radio - Technical				
English Radio - Regional Operations				
Sales and Marketing				
Merchandising				
Mobile Productions				
Programming and Other Commitments				
Media Management				
TOTAL APPLICATION OF FUNDS				
NET POSITION - Excluding Olympics				
OLYMPICS *				
Advertising Revenues				
Miscellaneous Revenues				
Total Olympics Revenues				
Expenses				
NET POSITION - Olympics *				
NET POSITION - Including Olympics				

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Consolidated English Services Results Comments

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Olympics
For the period of nine months ended December 31, 2013
(in \$'000's)

	Comparison to Budget (April to December)		Annual Basis (April to March)	
	2013/2014 Actuals	2013/2014 Budget	2013/2014 Forecast	2013/2014 Budget
REVENUES				
Advertising Revenues				
English Services				
French Services				
Advertising Revenues				
Miscellaneous Revenues				
English Services				
French Services				
Miscellaneous Revenues				
TOTAL REVENUES				
EXPENDITURES				
Production costs				
English Services				
French Services				
Production costs				
Sales & Promotion				
English Services				
French Services				
Sales & Promotion				
Rights fees				
IOC Profit Share				
Withholding Tax				
TOTAL EXPENDITURES				
CURRENT NET POSITION				
Transfer to Capital (Equipment purchases)				
ORIGINAL NET POSITION				

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**Consolidated French Services
For the first nine months ended December 31
(\$'000's)**

	Comparison to Budget (April to December)		Annual Basis (April to March)	
	2013/2014 Actuals	2013/2014 Budget	2013/2014 Forecast	2013/2014 Budget
SOURCE OF FUNDS				
Parliamentary Appropriation				
Prior Year Carryover				
Total Government Funding and Carryover				
Local Programming Improvement Fund				
Revenues				
French Television - Advertising - Television				
French Television - Advertising - Digital Services				
French Television - Advertising - Contrats/Value-added				
French Radio - Advertising				
French Television - Miscellaneous				
Réseau de l'information - Advertising				
Réseau de l'information - Subscriber and Other Revenue				
Explora - Advertising				
Explora - Miscellaneous				
Merchandising - Miscellaneous				
Total Revenues				
TOTAL SOURCE OF FUNDS				
APPLICATION OF FUNDS				
French Television - Programming and Production				
French Television - Technical				
French Television - Regional Operations				
Réseau de l'information				
Explora				
French Radio - Programming and Production				
French Radio - Technical				
French Radio - Regional Operations				
Radio Canada International				
Revenue Group (excluding RDI)				
Merchandising				
Programming and Other Commitments				
Media Management				
TOTAL APPLICATION OF FUNDS				
NET POSITION				

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Consolidated French Services Results Comments

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**Other Services and Committed Reserves
For the first nine months ended December 31
(\$'000's)**

	Comparison to Budget (April to December)		Annual Basis (April to March)	
	2013/2014 Actuals	2013/2014 Budget	2013/2014 Forecast	2013/2014 Budget
SOURCES OF FUNDS				
Parliamentary Appropriation	165,125			
Prior Year Carryover	0			
Total Government Funding and Carryover	165,125			
Transfer (to) / from Capital	0			
Miscellaneous Revenues				
CBC Transmission and Distribution	7,683			
Real Estate Services	4,893			
Sirius - Programs Sales	1,575			
Sirius - Dividends	5,223			
Corporate Research	245			
Canadian Claimant Group Royalties	1,118			
CRRRA	2,249			
Interest and Other Administration Revenues	1,361			
Capital Recoveries	3,484			
Total Miscellaneous Revenues	27,831			
TOTAL SOURCE OF FUNDS	192,956			
APPLICATION OF FUNDS				
Other Services (see details on next page)	190,016			
Committed Reserves	5,363			
TOTAL APPLICATION OF FUNDS	195,379			
NET POSITION	(2,423)			

**Other Services - Application of funds
For the first nine months ended December 31
(\$'000's)**

	Comparison to Budget (April to December)		Annual Basis (April to March)	
	2013/2014 Actuals	2013/2014 Budget	2013/2014 Forecast	2013/2014 Budget
APPLICATION OF FUNDS				
Office of the President and CEO	1,021			
Office of the Chairperson and Board of Directors	424			
Branding, Communications and Corporate Affairs	3,891			
Internal Audit	912			
Training and Development	1,932			
People and Culture	10,360			
Severance Pay and Other Personnel Costs	13,221			
Dental Plan and EAP	2,781			
Information Technology	19,784			
Business Development	791			
Regulatory Affairs	1,033			
Corporate Research	3,746			
General Counsel and Corporate Secretariat	7,435			
Corporate Finance and Administration	7,142			
Insurance, Forms, Taxes, Foreign Exchange, etc.	1,305			
Shared Services	7,848			
Ombudsman - Toronto	263			
Ombudsman - Montreal	253			
Real Estate Services	70,616			
Broadcast and Telecommunication	10,929			
CBC Transmission and Distribution	23,513			
Technology Strategy Board	816			
TOTAL APPLICATION OF FUNDS	190,016			

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Other Services Results Comments

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Corporate Reserve (in millions of \$)	2013/2014 Year-to-date (April to December)		2013/2014 Annual Basis (April to March)	
	Actuals	Budget	Forecast	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 Condensed Consolidated Statement of Income in one year may be funded through Parliamentary appropriations in other years. Accordingly, the Corporation's net results of operations for the period on a budget basis differ from those on an International Financial Reporting Standards basis. The differences are outlined below:

	2013	2012
	<i>(thousands of dollars)</i>	
For the period ended December 31		
Net results for the period on an IFRS basis	(65,357)	(66,268)
Items not generating operating funds		
Amortization of deferred capital funding	(82,265)	(120,802)
Loss / (gain) on disposal of property and equipment	2,560	(17,367)
Parliamentary appropriation for working capital	(3,000)	(2,666)
Specialty services consolidated revenue (ARTV & Documentary)	(12,924)	(14,119)
Accretion of promissory notes and Stock options	(133)	(122)
Other	(2,198)	(3,491)
	(97,960)	(158,567)
Items not requiring operating funds		
Depreciation of property and equipment and amortization of intangible assets	97,390	135,240
Indirect costs allocated to programming assets	(8,307)	(4,956)
Pension plans and other employee future benefits	44,175	39,511
Annual leave	11,294	8,036
Specialty services consolidated expenses (ARTV & Documentary)	12,829	13,030
Gain on investment in Sirius	(1,847)	(998)
Decommissioning liability	(2,526)	5,625
Other	3,226	3,098
	156,234	198,586
Net position - Investments in ARTV and Documentary	95	1,089
Results on a current operating basis	(6,988)	(25,160)

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Cash Flows
as at December 31, 2013

	2013/2014 Forecast				2012/2013 Actual				
	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Total
Opening balance (1)	45,339	60,024	71,859	30,582	56,836	67,200	40,612	56,526	56,836
Inflows									
Appropriations received (2)	300,000	250,000	248,699		305,000	225,000	302,200	274,319	1,106,519
Revenues (3)	192,370	192,850	162,537		196,075	192,804	159,229	186,179	734,287
Dividend from Sirius XM	1,473	1,875	1,875		-	-	-	4,420	4,420
Sale of capital assets	536	-	-		-	-	-	19,569	19,569
Sale of Bold!	-	-	-		-	-	-	10,795	10,795
Outflows									
Expenditures	(479,694)	(432,890)	(454,388)		(490,711)	(444,392)	(445,515)	(506,469)	(1,887,087)
Ending balance (1)	60,024	71,859	30,582		67,200	40,612	56,526	45,339	45,339
	(4)	(4)	(4)	(4)					

Note 4: The first nine months of 2013/2014 are actual results.

Capital

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2013/2014 Capital Budget Overview as at December 31, 2013
(\$'000's)

<u>Investment Class</u>	<u>Capital Plan</u>	<u>Forecasted Expenditures</u>	<u>Surplus/ (Deficit)</u>	<u>Actual Expenditures to Date</u>	<u>As % of Forecast</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>Forecasted Expenditures</u>	<u>Surplus/ (Deficit)</u>	<u>Actual Expenditures to Date</u>	<u>As % of Forecast</u>
English Television (ETN)					
French Television (FTN)					
English Radio (ERN)					
French Radio (FRN)					
English New Media (ENM)					
French New Media (FNM)					
Information Technology (IT)					
Real Estate (RE)					
Capital Leases					
Telecommunication (TEL)					
Transmission Division (T&D)					
Human Resources (HR)					
Corporate Components					
Fleet Management					
Mobile Division					
Minor Capital					
Enterprise Wide (EW):					
Media Asset Management					
On-Air Core Upgrade					
Calgary Rebuild					
Halifax					
Others					
Consolidation Moncton					
Integrated Search - Autonomy					
Public Alerting					
Electronic Document Records Management System					
On-Air Stabilization					
Saint John, NB Relocation					
Corporate Contingency					
Impact of approved plan being higher than available capital **					
Total					

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% of Available Capital

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2013/2014 Capital Budget Overview as at December 31, 2013
Variance Analysis by Component

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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 Savings/ (Deficit)	

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

**Board approved projects with forecasted deficits
as at December 31, 2013**

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Projects	Component	Original Budget Approved by Board Resolution	Total Budget Approved by ECD Resolution	Other sources of funds	Budget Released	Total Forecasted Expenditures as at December 31, 2013	Forecasted Surplus/ (Deficit) including other sources of funds	Supplemental Funds Required

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Benefit Tracking

Board of Directors Projects

Forecasted Benefits as of December 31, 2013