



CONSOLIDATED FINANCIAL STATEMENTS

2021-2022

STATEMENTS

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(in thousands of Canadian dollars)</i>	NOTE	As at March 31	
		2022	2021*
ASSETS			
Current			
Cash	4,24	82,960	90,107
Marketable securities	4,24	3,814	3,802
Bonds receivable	5,24	59,692	95,678
Promissory notes receivable	6	4,018	3,749
Trade and other receivables	7,24	233,041	177,841
Programming	8	300,433	384,407
Prepaid expenses		41,834	47,840
Investment in finance lease	9	4,419	4,141
Assets classified as held for sale	10	46	94
Income tax receivable	22	24,428	-
		754,685	807,659
Non-current			
Bonds receivable	5,24	14,422	26,687
Property and equipment	10	776,467	801,937
Intangible assets	11	40,056	32,437
Right-of-use (ROU) assets	12	324,544	339,464
Pension plan asset	15	1,621,166	868,261
Promissory notes receivable	6	20,088	24,106
Programming	8	48,156	36,812
Investment in finance lease	9	21,785	26,204
Deferred charges		29,049	29,533
		2,895,733	2,185,441
TOTAL ASSETS		3,650,418	2,993,100
LIABILITIES			
Current			
Accounts payable and accrued liabilities	13	107,111	88,429
Provisions	14	25,057	19,881
Pension plans and employee-related liabilities	15	217,607	219,391
Financial obligations	16	36,938	35,732
Lease liabilities	17	22,285	18,610
Deferred revenue and other liabilities	18	18,336	18,286
Income tax payable	22	-	31,149
Derivative financial instruments	24	141	592
		427,475	432,070
Non-current			
Deferred revenue and other liabilities	18	24,482	30,327
Pension plans and employee-related liabilities	15	225,382	243,323
Financial obligations	16	170,109	201,472
Lease liabilities	17	298,688	313,389
Deferred capital funding	20	512,889	502,479
		1,231,550	1,290,990
TOTAL LIABILITIES		1,659,025	1,723,060
EQUITY			
Retained earnings		1,990,558	1,269,285
Total equity attributable to the Corporation		1,990,558	1,269,285
Non-controlling interests	2	835	755
TOTAL EQUITY		1,991,393	1,270,040
TOTAL LIABILITIES AND EQUITY		3,650,418	2,993,100

The accompanying notes form an integral part of the consolidated financial statements.

Commitments (Note 27) and Contingencies (Notes 14 and 28)

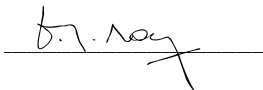
* Certain comparative figures have been reclassified to conform to the current year presentation.

APPROVED BY THE BOARD OF DIRECTORS

DIRECTOR



DIRECTOR



CONSOLIDATED STATEMENT OF INCOME (LOSS)

<i>(in thousands of Canadian dollars)</i>	<i>NOTE</i>	For the year ended March 31	
		2022	2021
REVENUE	19		
Advertising		419,550	253,472
Subscriber fees		122,234	124,045
Other income		103,844	119,474
Financing and investment income		5,789	6,953
		651,417	503,944
GOVERNMENT FUNDING	20		
Parliamentary appropriation for operating expenditures		1,139,694	1,291,402
Parliamentary appropriation for working capital		4,000	4,000
Amortization of deferred capital funding		96,320	98,944
		1,240,014	1,394,346
EXPENSES			
Television, radio and digital services costs		1,917,887	1,634,081
Transmission, distribution and collection costs		58,387	56,892
Corporate management costs		11,054	10,611
Finance costs	<i>21</i>	24,147	26,509
		2,011,475	1,728,093
Results before other gains and losses and income taxes		(120,044)	170,197
OTHER GAINS AND LOSSES			
(Loss) gain on disposal of property and equipment and intangibles	<i>10,11</i>	(680)	3,046
Results before income taxes		(120,724)	173,243
Income tax recovery (expense)	<i>22</i>	28,651	(31,149)
Net results for the year		(92,073)	142,094
Net results attributable to:			
The Corporation		(92,153)	142,049
Non-controlling interests	<i>2</i>	80	45
		(92,073)	142,094

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

<i>(in thousands of Canadian dollars)</i>	<i>NOTE</i>	For the year ended March 31	
		2022	2021
COMPREHENSIVE INCOME (LOSS)			
Net results for the year		(92,073)	142,094
Other comprehensive income - not subsequently reclassified to net results			
Remeasurements of defined benefit plans	15	813,426	206,022
Total comprehensive income for the year		721,353	348,116
Total comprehensive income attributable to:			
The Corporation		721,273	348,071
Non-controlling interests	2	80	45
		721,353	348,116

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>(in thousands of Canadian dollars)</i>	<i>NOTE</i>	Retained earnings and total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at March 31, 2021		1,269,285	755	1,270,040
Changes during the year				
Net results for the year		(92,153)	80	(92,073)
Remeasurements of defined benefit plans	15	813,426	-	813,426
Total comprehensive income for the year		721,273	80	721,353
Balance as at March 31, 2022		1,990,558	835	1,991,393

<i>(in thousands of Canadian dollars)</i>	<i>NOTE</i>	Retained earnings and total equity attributable to the Corporation	Non-controlling interests	Total
Balance as at March 31, 2020		921,214	710	921,924
Changes during the year				
Net results for the year		142,049	45	142,094
Remeasurements of defined benefit plans	15	206,022	-	206,022
Total comprehensive income for the year		348,071	45	348,116
Balance as at March 31, 2021		1,269,285	755	1,270,040

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(in thousands of Canadian dollars)</i>	<i>NOTE</i>	For the year ended March 31	
		2022	2021*
CASH FLOWS FROM (USED IN)			
OPERATING ACTIVITIES			
Net results for the year		(92,073)	142,094
Adjustments for:			
Loss (gain) on disposal of property and equipment and intangibles	10,11	680	(3,046)
Financing and investment income	19	(5,789)	(6,953)
Finance costs	21	24,147	26,509
Income tax (recovery) expense	22	(28,651)	31,149
Net (gain) loss from the change in fair value of financial instruments	19,24	(451)	2,002
Depreciation and amortization	10,11,12	110,584	108,629
Change in deferred charges		484	(391)
Net change in programming asset	8	(10,668)	43,979
Amortization of deferred capital funding	20	(96,320)	(98,944)
Change in deferred revenue and other liabilities [non-current]	18	(6,521)	(7,213)
Pension and other post-employment plans expenses	15	117,655	108,338
Pension and other post-employment plans cash payments	15	(75,075)	(72,156)
Amortization of bond premium	5	652	405
Income taxes paid, net of refund	22	(26,926)	-
Movements in working capital	23	61,044	(125,904)
		(27,228)	148,498
FINANCING ACTIVITIES			
Payment of lease liabilities	17	(18,343)	(18,199)
Repayment of financial obligations	16	(29,408)	(27,536)
Interest paid		(24,219)	(26,386)
		(71,970)	(72,121)
INVESTING ACTIVITIES			
Parliamentary appropriations for capital funding	20	106,730	71,513
Additions to property and equipment and intangible assets	10,11	(75,724)	(103,089)
Acquisition of bonds receivable	5	(105,068)	(123,735)
Acquisition of marketable securities	4	(3,814)	(3,802)
Net proceeds from disposal of property and equipment	10	1,370	950
Collection of financial assets	5,6,9	159,655	93,336
Collection of marketable securities	4	3,802	-
Interest received		5,100	6,171
		92,051	(58,656)
Change in cash		(7,147)	17,721
Cash, beginning of the year		90,107	72,386
Cash, end of the year		82,960	90,107

The accompanying notes form an integral part of the consolidated financial statements.

* Certain comparative figures have been reclassified to conform to the current year presentation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

BUSINESS AND ENVIRONMENT

This Section sets out the Corporation's accounting policies that relate to the financial statements as a whole. Where an accounting policy is specific to one note, the policy is described in the note to which it relates. This section also shows new and future changes in policies, if any, and whether they are effective in 2022 or later years. We explain how these changes are expected to impact the financial position and performance of the Corporation.

1. GENERAL INFORMATION

CBC/Radio-Canada ("the Corporation", "We", "Us", "Our") was first established by the 1936 *Broadcasting Act*. The Corporation, a federal Crown Corporation domiciled in Canada, is an agent of Her Majesty and all assets and liabilities are those of the Government. Our registered office is located at 181 Queen Street, Ottawa ON K1P 1K9. The Corporation is accountable to Parliament through the Minister of Canadian Heritage and in accordance with section 85(1.1) of the *Financial Administration Act*, the Corporation is exempt from certain sections of this *Act*¹.

As the national public broadcaster, we provide radio, television and digital services in both official languages, delivering predominantly and distinctly Canadian programming to reflect Canada and its regions to national and regional audiences.

These consolidated financial statements have been authorized for issue by the Board of Directors on June 16, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

These consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the Accounting Standards Board Canada. We have consistently applied the same accounting policies throughout all periods presented, as if these policies had always been in effect. These consolidated financial statements were prepared on a historical cost basis, except for pension plans and post-employment benefits which are measured on an actuarial basis.

All amounts are in Canadian dollars, which is our functional currency, and rounded to the nearest thousand, unless otherwise noted.

B. Significant Items in the Current Year

Olympic Games

During the second and fourth quarters of 2021-2022, the Corporation broadcast the Tokyo 2020 Olympic Games and the Beijing 2022 Olympic Games. Seasonal fluctuations related to broadcasting major events such as the Olympics have a significant impact on the Corporation's financial statements, including our revenue, expenses and trade receivables.

Income tax

Due to our positive taxable net results in 2020-2021, we recognized a \$31.1 million income tax expense in the prior year. This year, we recognized a \$28.7 million income tax recovery as a result of our tax loss. We anticipate recovering the remaining amount paid in 2020-2021 in future years.

C. Basis of Preparation

This section includes accounting policies that relate to the basis of preparation of these consolidated statements as a whole. It also describes estimates Management developed and critical judgments made in the process of applying our

¹ The Corporation is exempt from *Divisions I to IV of Part X of the Act, except for sections 89.8 to 89.92, subsection 105(2) and sections 113.1, 119, 131 to 148 and 154.01.*

policies, and how they affect the amounts reported in the consolidated financial statements. These critical accounting estimates and judgments could have a significant effect on the amounts reported since materially different amounts could result from different conditions or using different assumptions. Where an accounting policy is applicable to a specific note to the financial statements, the policy is described within that note, together with any related estimates and judgments.

i) Principles of Consolidation

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
<p>We consolidate the financial statements of our subsidiary (Documentary Channel “documentary”) and structured entities (the Broadcast Centre Trust and the CBC Monetization Trust) from the date we gained control. The subsidiary and structured entities are entities we continue to control. Control is achieved by having each of the following:</p> <ul style="list-style-type: none"> • Power over the investee through giving us the right to direct the relevant activities of the investee; • Exposure, or rights, to variable returns from involvement with the investee; and • The ability for us to exercise our power over the investee to affect the returns of the investee. 	<p>We consolidate the CBC Monetization Trust and the Broadcast Centre Trust, as we judge that we control these investees, as defined in IFRS 10 <i>Consolidated Financial Statements</i>.</p>
<p>The accounting policies of the subsidiary and structured entities are consistent with our accounting policies. All inter-company transactions, balances, income and expenses are eliminated in full on consolidation. Changes in our interests in the subsidiary that do not result in a loss of control are accounted for as equity transactions.</p>	

Information about our Subsidiary and Structured Entities

Subsidiary

Our Canadian subsidiary is *documentary*:

<i>documentary</i>	
Ownership	2022 & 2021: 82%
Principal Activity	Discretionary television service broadcasting documentaries
How we Achieved Control	Majority interest and active participation on <i>documentary</i> 's Board of Directors and Board sub-committees.

Since *documentary*'s fiscal year end is August 31, additional financial statements corresponding to our reporting period are prepared for consolidation purposes.

There are no significant restrictions imposed on our ability to access or use assets and settle the liabilities of *documentary*. Specifically, there are no significant restrictions imposed on us or our subsidiary relating to the ability to transfer funds to investors.

Consolidated Structured Entities

We have two structured entities:

The Broadcast Centre Trust (BCT) – In order to finance the construction of the Canadian Broadcasting Centre (the building), the BCT issued \$400 million of bonds on January 30, 1997 maturing in May 2027, which are guaranteed by the rent payments for the premises that we occupy. The rent payable by us to the BCT covers all interest and principal on the bonds, all other payments on the bonds and all operating expenses and liabilities of the BCT. The BCT is:

- A lessee under a long-term lease with us for the land on which the building is located in Toronto and for which rent was paid in the amount of one dollar on October 1, 1988; and
- A lessor under a long-term sub-lease with us for the building.

Through our rent payments to the BCT, we also guarantee the bonds payable. See Note 16 for further details.

The Broadcast Centre Trust	
Nature of Trust	Charitable trust
How we Achieved Control	Entity designed to conduct a narrow well-defined leasing activity on our behalf, while management holds ultimate decision making powers over relevant activities
Other Information	March 31 year-end

The CBC Monetization Trust – In 2003, we sold two parcels of land to Ontrea Inc. in exchange for the consideration of two promissory notes receivable. The CBC Monetization Trust was created in 2009 for the purpose of acquiring our interest in the promissory notes receivable.

Through the CBC Monetization Trust, we have two promissory notes receivable and an investment in a finance lease relating to the sale and rental of parcels of land. These notes receivables are pledged as collateral for their total carrying value to our borrowings through notes payable. See Notes 6, 9 and 16 for further information.

CBC Monetization Trust	
Nature of Trust	Charitable trust
How we Achieved Control	<p>We bear the majority of the risks associated with the collection of the Trust's receivables through the guarantee we have provided.</p> <p>Entity designed to conduct a narrow well-defined activity to monetizing long-term receivables as part of the Recovery Plan implemented to manage budgetary shortfalls in 2009-2010.</p> <p>Predefined contractual arrangement gives us the majority of decision making powers over relevant activities that expose us to variable returns.</p>
Other Information	<p>December 31 year-end</p> <p>Additional financial statements prepared for consolidation purposes.</p>

We do not have interests in joint arrangements or unconsolidated structured entities.

During the current year, we have not provided, and have no current intention to provide any further financial and other support to our consolidated structured entities.

ii) Operating Expenses

Television, Radio and Digital Services Costs

Television, radio and digital services costs are expensed when incurred or amortized and include all costs related to the production of programs, including direct out-of-pocket expenditures, departmental and administration expenses, the cost of activities related to technical labour and facilities. A portion of our indirect expenses that are attributable to the costs of generating programming (such as services provided by People and Culture, Finance and Administration, Technology and Infrastructure (T&I), as well as a portion of depreciation and amortization) are also included in the related program costs. Television, radio and digital services costs also include other programming-related activities, such as Marketing and Sales, Merchandising and Communications.

Transmission, Distribution and Collection Costs

Transmission, distribution and collection costs are expensed when incurred and include all costs related to the broadcasting of our programs, including direct out-of-pocket expenditures, departmental and administration expenses, and the cost of activities related to technical labour. A portion of the expenses that are attributable to the cost of transmission and distribution, such as services provided by People and Culture, Finance and Administration, T&I, as well as a portion of depreciation and amortization are included in the related expenses.

iii) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. For financial reporting purposes, fair value measurements are categorized as Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs. Our fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value.

The three levels of the fair value hierarchy are:

Level 1 – Fair value measurement derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Fair value measurements derived from inputs that are directly (i.e. as prices) or indirectly (i.e. derived from prices) observable other than Level 1 inputs.

Level 3 – Fair value measurements derived from valuation techniques that require inputs which are both based on unobservable market data and significant to the overall fair value measurement.

iv) Asset Impairment

The carrying amounts of our property and equipment, intangible assets, right-of-use (ROU) assets and programming assets are reviewed at each reporting date at the cash-generating unit (CGU) level to determine whether there is any indication of impairment. For the purpose of impairment testing, a CGU is the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. Assets are tested at the CGU level when they cannot be tested individually.

Assets that are not yet available for use are tested for impairment at every reporting period regardless of whether an impairment indicator exists.

Under our business model, no assets are considered to generate cash flows that are largely independent of the cash flows of other assets and liabilities. Instead, all assets interact to create the “broadcast network production operation” which includes real estate, equipment and intangible assets. These operations are funded by overall parliamentary appropriations, national and local advertising and other commercial revenue. Overall levels of cash flows reflect public policy requirements and decisions. They reflect budgetary funding provided to us in its entirety. If there are indicators of impairment present, the asset’s recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount.

v) Deferred Charges

Deferred charges are primarily composed of services paid in advance that will be received in a period that exceeds twelve months from the date of our Consolidated Statement of Financial Position.

vi) *Regulatory Licenses*

We hold licenses, granted by the Canadian Radio-television and Telecommunications Commission (CRTC), for all our conventional television, radio and specialty services. We are required to meet specific regulatory obligations in return for the privilege of holding these broadcasting licenses and have elected to record these non-monetary grants at their nominal value of nil.

vii) *Additional Significant Accounting Policies*

To ease the reading of these consolidated financial statements, additional significant accounting policies, estimates and judgments (with the exception of those identified in Note 2) are disclosed throughout the notes, with the related financial disclosures. See table below for reference purposes:

ACCOUNTING AREA	PAGE	ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENT	ACCOUNTING AREA	PAGE	ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENT
Trade and Other Receivables (Note 7)	77	✓	✓	Deferred Revenue and Other Liabilities (Note 18)	101	✓	✓
Programming (Note 8)	78	✓	✓	Revenue (Note 19)	102	✓	✓
Property and Equipment (Note 10)	81	✓	✓	Government Funding (Note 20)	107	✓	✓
Intangible Assets (Note 11)	84	✓	✓	Finance Costs (Note 21)	108	✓	
Right-of-Use (ROU) Assets (Note 12)	86	✓	✓	Income Taxes (Note 22)	109	✓	✓
Accounts Payable and Accrued Liabilities (Note 13)	87	✓		Financial Instruments (Note 24)	111	✓	✓
Provisions and Contingent Liabilities (Note 14)	88	✓	✓	Related Parties (Note 26)	117	✓	
Pension Plans and Employee-Related Liabilities (Note 15)	89	✓	✓	Commitments (Note 27)	119	✓	✓
Lease Liabilities (Note 17)	100	✓	✓				

3. NEW AND FUTURE CHANGES IN ACCOUNTING POLICIES

A. Adoption of New and Revised International Financial Reporting Standards

At the date of this report, there were no new pronouncements issued by the IASB or the IFRS Interpretations Committee that impacted these consolidated financial statements.

B. Future Accounting Changes

At the date of this report, there were no future accounting standards or amendments issued by the IASB that are expected to significantly impact our consolidated financial statements.

ASSETS AND LIABILITIES

This section shows the assets used to fulfill our mandate and the liabilities incurred as a result. On the following pages there are notes covering working capital, non-current assets and liabilities, provisions and pension.

4. CASH AND MARKETABLE SECURITIES

Marketable securities comprise short-term certificates of deposit with an original maturity of one year or less.

	March 31, 2022	March 31, 2021
Cash on hand	625	454
Bank balances	82,335	89,653
Total cash	82,960	90,107
Total marketable securities	3,814	3,802

Interest revenue generated from bank balances and marketable securities and presented as Financing and investment income totaled \$1.1 million for the year (2021 - \$1.5 million).

5. BONDS RECEIVABLE

We hold Canada Mortgage Bonds to fund future commitments. The following table presents the contractual maturity profile of bonds receivable based on their carrying value:

	March 31, 2022	March 31, 2021
Less than one year	59,692	95,678
Later than one year but not later than five years	14,422	26,687
Total	74,114	122,365

Interest revenue generated from bonds receivable and presented as Financing and investment income totaled \$0.3 million for the year (2021 - \$0.4 million).

6. PROMISSORY NOTES RECEIVABLE

At March 31, 2022, through the CBC Monetization Trust, a structured entity, we hold two promissory notes receivable relating to the sale of parcels of land. These notes, which mature in May 2027, bear a fixed annual interest rate of 7.15%, with payments made in arrears in equal blended monthly installments.

The notes have a carrying value of \$24.1 million as at March 31, 2022 (March 31, 2021 – \$27.9 million) and are pledged as collateral for their total carrying value to our borrowings through notes payable (see Note 16).

The following table presents the contractual maturity profile of promissory notes receivable based on carrying value:

	March 31, 2022	March 31, 2021
Less than one year	4,018	3,749
Later than one year but not later than five years	19,179	17,899
More than five years	909	6,207
Total	24,106	27,855

Interest revenue generated from promissory notes receivable and presented as Financing and investment income totaled \$1.7 million for the year (2021 - \$1.9 million).

7. TRADE AND OTHER RECEIVABLES

Trade and other receivables represent amounts we expect to collect from other parties. Our trade and other receivables are mainly derived from the sale of broadcast advertising and subscriptions.

ACCOUNTING POLICIES

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost less a provision for expected credit losses. We recognize a provision for expected credit losses for receivables based on a lifetime expected credit loss determined in accordance with Note 24 *Financial Instruments*.

Before accepting new advertising customers, we conduct a credit assessment. An external credit scoring agency may be used to assess the potential customer's credit quality and define credit limits by customer.

Limits and scoring attributed to customers are reviewed at least once a year to determine whether adjustments are required. In addition, we monitor our customers throughout the year for any indications of deterioration in credit quality.

When a trade receivable is deemed to be uncollectible, it is written off against the provision for expected credit losses. Subsequent recoveries of amounts previously written off are credited to the Consolidated Statement of Income (Loss) in Television, radio and digital services costs.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Determining when there is reasonable expectation that we will not be able to collect some of the amounts due requires judgment.

Supporting Information

	March 31, 2022	March 31, 2021
Trade receivables	201,373	166,001
Parliamentary appropriations receivable (Refer to Note 20)	21,000	-
Provision for expected credit losses	(473)	(507)
Other	11,141	12,347
Total	233,041	177,841

The increase in trade receivables compared to the prior year is mostly due to higher advertising receivables related to the Beijing 2022 Olympic Games in February 2022 that are not yet collected. Trade and other receivables are subject to credit risk, which is further discussed in Note 24 B.

8. PROGRAMMING

Programming consists of programs that require our involvement during the production and acquired license agreements for programming material.

ACCOUNTING POLICIES

Programming completed and in the process of production (excluding acquired license agreements) is recorded at cost less accumulated amortization and accumulated write-offs, on an individual basis. Costs include materials and services, labour and other direct expenses applicable to programming. A portion of our indirect expenses that are attributable to the costs of generating programming (such as services provided by People and Culture, Finance and Administration and Technology and Infrastructure (T&I), as well as a portion of depreciation and amortization) are also included in the related program costs.

Programming comprises inventory programs produced with our involvement ("non-procured programming") and license agreements acquired from third parties ("procured programming").

Payments made under the terms of each acquired license agreement are recorded as either current or non-current programming. Non-procured programming is usually recorded as current since the programs are available for immediate use once completed, unless noted otherwise in the agreement. License agreements are recorded as current programming if the rights to broadcast start within the next twelve months and as non-current programming if the right to broadcast starts beyond twelve months. Non-current programming rights are transferred to current programming once they are expected to be broadcast within the next twelve months.

Programming costs are recognized as television, radio and digital services costs on the Consolidated Statement of Income (Loss), according to the amortization schedule in this section or when deemed unrecoverable.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

We are required to determine an appropriate amortization rate for each type of programming. Management's intended use for each program-type considers program contract terms, broadcast experience, past audience experience and future telecast plans when determining the amortization schedule for programming. The intended use of programming is reviewed at each year-end.

There are a number of uncertainties inherent in estimating management's foreseeable use of its programming assets, particularly as they relate to assumptions regarding viewership patterns and consumption habits. Management periodically reviews amortization rates.

Changes in these assumptions could result in adjustments to amounts recognized in the Consolidated Statement of Financial Position and Statement of Income (Loss).

We have estimated the value of non-monetary consideration provided to Rogers Telecommunications Inc. ("Rogers") for *Hockey Night in Canada* ("HNIC") sublicensing over the remainder of the contract term. See Note 8 B. for more information.

Amortization Schedule

Management primarily uses the following recognition basis for our programming:

CATEGORY	DESCRIPTION	AMORTIZATION SCHEDULE BY TELECAST	
		CBC rates	Radio-Canada rates
Conventional television programming	Broadcast rights for all programming categories	Between 80% / 20% and 20% for each of the first five telecasts	Between 100% and 20% for each of the first five telecasts
Speciality television programming	Broadcast rights for all programming categories	Between 70% / 30% and 50% / 30% / 20%	Evenly over the contract period up to a maximum of 3 years
Digital programming	Streaming rights for all programming categories	100% once the program is made available online	100% once the program is made available online

Supporting Information

A. Programming by Category

	March 31, 2022	March 31, 2021
Completed programs	173,601	155,663
Programs in process of production	90,663	116,618
Broadcast rights available for broadcast within the next twelve months	36,169	112,126
Total current programming	300,433	384,407
Broadcast rights not available for broadcast within the next twelve months	48,156	36,812
Total programming	348,589	421,219

B. Movement in Programming

	March 31, 2022	March 31, 2021
Opening balance	421,219	399,441
Additions	1,334,348	1,106,713
Programs broadcast	(1,406,978)	(1,084,935)
Balance, end of year	348,589	421,219

Programs broadcast include programming write-offs for the year ended March 31, 2022 of \$6.4 million (2021 – \$8.9 million). Programming write-offs are mainly due to terminated projects, programming not suitable for telecast or pilots not progressing into a series.

The Corporation has an agreement with Rogers for the continued airing of *HNIC* for Saturday night and playoff hockey. Under this arrangement, we acquired a licence to broadcast hockey in exchange for providing Rogers airtime to generate advertising revenue and the use of certain trademarks. The agreement started in the year ended March 31, 2020, and is for seven years with optional cancellation clauses after the third year.

As no monetary amounts are to be exchanged, an estimate was calculated for the fair value of the broadcast licence acquired, and this has been recorded as Programming in our consolidated financial statements. An estimate of the corresponding deferred revenue has been recorded in the liabilities of our consolidated financial statements. We will recognize these items in revenue and expenses over the term of this agreement.

9. INVESTMENT IN FINANCE LEASE

The investment in finance lease, which is held by CBC Monetization Trust, relates to the rental of two parcels of land in Toronto that bear an implicit annual interest rate of 7.15% and with terms ending in May 2027. These receivables are pledged as collateral for their total carrying value to our borrowings through notes payable.

	Minimum payments receivable	Present value of minimum payments receivable	Minimum payments receivable	Present value of minimum payments receivable
	March 31, 2022		March 31, 2021	
Less than one year	6,050	5,825	6,050	5,825
Less: unearned financing income	(1,631)	-	(1,909)	-
	4,419	5,825	4,141	5,825
Later than one year but not later than five years	24,199	19,608	24,199	19,608
More than five years	1,008	353	7,058	4,755
Less: unearned financing income	(3,422)	-	(5,053)	-
	21,785	19,961	26,204	24,363
Total	26,204	25,786	30,345	30,188

Interest revenue presented as Financing and investment income totaled \$1.7 million for the year (2021 - \$2.0 million).

10. PROPERTY AND EQUIPMENT

ACCOUNTING POLICIES

Property and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. Costs include expenditures that are directly attributable to the acquisition of the items. The cost of assets we constructed include materials, direct labour and related overheads. Amounts included in uncompleted capital projects are transferred to the appropriate property and equipment classification upon completion.

Depreciation of property and equipment is calculated using the straight-line method and rates are based on the estimated useful life of the property and equipment, beginning when an asset becomes available for its intended use. Where major parts of an asset have useful lives different from the asset as a whole, they have been componentized and depreciated according to the major components to which they pertain. The cost of replacing a part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to us and its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

Leasehold improvements are capitalized and then depreciated over the shorter of the lease term and the asset's useful life.

We classify an asset as held for sale if its carrying amount will be recovered principally through a sale rather than through continuing use. This condition is met only when the sale is highly probable and the asset is available for immediate sale in its present condition. For assets with total expected sale proceeds of \$4 million or more, Governor in Council's approval is required for these assets to be classified as held for sale. Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

We derecognize an item of property and equipment on disposal, or when no future economic benefits are expected from its use. The gain or loss arising from the disposal or retirement of an item of property and equipment is determined as the difference between the sale net proceeds and the carrying amount of the asset, and is recognized as other gains and losses in the Consolidated Statement of Income (Loss).

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

We are required to estimate the expected useful lives of our property and equipment. In determining the expected useful lives of these assets, we take into account past experience, industry trends and specific factors, such as changing technologies and expectations for the in-service period of these assets.

The appropriateness of useful lives of these assets and depreciation method are assessed annually, with the effect of any changes in estimate accounted for on a prospective basis.

Changes to useful life estimates would affect future depreciation expenses and future carrying values of assets. Useful lives of property and equipment are included in the table below.

When an item of property and equipment comprises individual components for which different depreciation methods or rates are appropriate, judgment is used in determining the appropriate level of componentization.

Critical Accounting Estimates and Judgments (continued)

Useful lives used in the calculation of depreciation are as follows:

Buildings	15 to 65 years
Leasehold improvements	The lesser of the lease term and the economic useful life of the asset
Technical equipment	
Transmitters and towers	20 years
Electrical equipment	16 years
Other	8 years
Computer, office equipment and other	
Computers (hardware)	
Servers	5 years
Personal computers	3 years
Automotive	
Specialized vehicles	20 years
Television and radio news trucks, 5-ton and 10-ton heavy trucks	12 years
Snowmobiles, all terrain vehicles	10 years
Utility vehicles, vans	8 years
Automobile and minivans	5 years
Furnishings and office equipment	10 years

Supporting Information

A. Cost and Accumulated Depreciation

The property and equipment carrying amounts are as follows:

	Land	Buildings	Leasehold improvements	Technical equipment	Computer, office equipment and other	Uncompleted capital projects	Total
Cost as at March 31, 2021	107,816	461,017	183,779	976,219	157,700	129,864	2,016,395
Additions	48	92	-	7,761	4,724	42,272	54,897
Transfers (refer to Note 11)	-	7,834	7,415	84,526	31,988	(130,305)	1,458
Disposals and write-offs	-	(1,974)	(61)	(30,305)	(5,060)	-	(37,400)
Cost as at March 31, 2022	107,864	466,969	191,133	1,038,201	189,352	41,831	2,035,350
Accumulated depreciation as at March 31, 2021	-	(272,920)	(49,816)	(775,605)	(116,117)	-	(1,214,458)
Depreciation for the year	-	(19,710)	(8,695)	(38,514)	(12,857)	-	(79,776)
Reclassification of depreciation on disposals and write-offs	-	1,196	29	29,069	5,057	-	35,351
Accumulated depreciation as at March 31, 2022	-	(291,434)	(58,482)	(785,050)	(123,917)	-	(1,258,883)
Net carrying amount as at March 31, 2022	107,864	175,535	132,651	253,151	65,435	41,831	776,467

	Land	Buildings	Leasehold improvements	Technical equipment	Computer, office equipment and other	Uncompleted capital projects	Total
Cost as at March 31, 2020	107,790	459,590	182,739	977,756	148,652	90,639	1,967,166
Additions	101	10	-	8,373	5,754	68,992	83,230
Transfers (refer to Note 11)	(5)	9,257	1,114	13,487	7,269	(29,630)	1,492
Assets classified as held for sale	(70)	(30)	-	-	-	-	(100)
Disposals and write-offs	-	(7,810)	(74)	(23,397)	(3,975)	(137)	(35,393)
Cost as at March 31, 2021	107,816	461,017	183,779	976,219	157,700	129,864	2,016,395
Accumulated depreciation as at March 31, 2020	-	(260,652)	(41,585)	(758,470)	(108,462)	-	(1,169,169)
Depreciation for the year	-	(19,870)	(8,267)	(39,912)	(11,629)	-	(79,678)
Reclassification of depreciation on assets classified as held for sale	-	43	-	-	-	-	43
Reclassification of depreciation on disposals and write-offs	-	7,559	36	22,777	3,974	-	34,346
Accumulated depreciation as at March 31, 2021	-	(272,920)	(49,816)	(775,605)	(116,117)	-	(1,214,458)
Net carrying amount as at March 31, 2021	107,816	188,097	133,963	200,614	41,583	129,864	801,937

Refer to Note 27 A. for contractual commitments for the acquisition of property and equipment.

The depreciation for the year has been recorded in our Consolidated Statement of Income (Loss) as follows:

For the year ended March 31	2022	2021
Television, radio and digital services costs	66,208	65,724
Transmission, distribution and collection costs	13,184	13,580
Corporate management costs	384	374
Total	79,776	79,678

B. Impairment and Other Charges

There were no impairment losses recorded or reversed during the year ended March 31, 2022 (2021 - nil).

C. Disposals

During 2021-2022, we recorded a loss of \$0.8 million in relation to the derecognition of various buildings' components.

We also recognized insignificant gains and losses during the years ended March 31, 2022 and March 31, 2021 from disposing or retiring equipment as part of our normal asset refresh cycle.

11. INTANGIBLE ASSETS

Intangible assets are identifiable non-monetary assets without physical substance, represent future economic benefits and are controlled by us. Our intangible assets comprise software acquired separately and internally developed software for internal use.

ACCOUNTING POLICIES

Software acquired separately is recorded at cost at the acquisition date.

Expenditures relating to internally developed computer software applications are capitalized when the following criteria are met:

- The application is technically feasible;
- We intend to complete the asset and to use it;
- We have the ability to use the asset;
- The development costs can be reliably measured;
- We have adequate technical, financial and other resources to complete the development of the asset and to use it; and
- It is probable that the asset will generate future economic benefits.

The amount initially recognized for internally developed software is the total of the expenditure incurred from the date the intangible asset first meets the recognition criteria listed above. Capitalization ceases when the developed asset is ready for use.

Subsequent expenditures on an intangible asset after its purchase or completion are recognized as expenses when incurred, unless it is probable that these expenditures will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance, and the expenditure can be measured and attributed to the asset reliably. Where no internally developed software can be recognized, development expenditures are recognized in our Consolidated Statement of Income (Loss) in the period in which they are incurred.

Subsequent to initial recognition, software acquired separately and internally developed software are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over the estimated useful lives (three to five years) and the amortization expense is allocated between the various functions in our Consolidated Statement of Income (Loss), for presentation purposes.

We derecognize an intangible asset on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the disposal or retirement of an intangible asset is determined as the difference between the sale net proceeds and the carrying amount of the asset and is recognized as other gains and losses in our Consolidated Statement of Income (Loss).

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

We use judgment to determine whether expenditures we made on intangible items meet the recognition criteria for capitalization. Since intangible assets are accounted for at cost and amortized on a straight-line basis over their estimated useful lives, we are required to estimate the expected useful lives of these assets.

In determining the expected useful lives of these assets, we take into account past experience, industry trends and internally-specific factors, such as changing technologies and expectations for the in-service period of these assets.

The appropriateness of useful lives of these assets and their amortization method are assessed annually with the effect of any changes in estimate being accounted for on a prospective basis.

Changes to useful life estimates would affect future amortization expenses and future carrying values of assets.

Supporting Information

A. Cost and Accumulated Amortization

The intangible assets carrying amounts are as follows:

	Internally developed software	Acquired software	Uncompleted capital projects	Total
Cost as at March 31, 2021	136,068	54,661	15,964	206,693
Additions	-	922	16,603	17,525
Transfers (refer to Note 10)	1,868	27,480	(30,806)	(1,458)
Disposals and write-offs	(10,003)	(1,643)	-	(11,646)
Cost as at March 31, 2022	127,933	81,420	1,761	211,114
Accumulated amortization as at March 31, 2021	(134,039)	(40,217)	-	(174,256)
Amortization for the year	(827)	(7,621)	-	(8,448)
Reclassification of amortization on disposals and write-offs	10,003	1,643	-	11,646
Accumulated amortization as at March 31, 2022	(124,863)	(46,195)	-	(171,058)
Net carrying amount as at March 31, 2022	3,070	35,225	1,761	40,056

	Internally developed software	Acquired software	Uncompleted capital projects	Total
Cost as at March 31, 2020	139,504	51,603	5,220	196,327
Additions	-	700	15,554	16,254
Transfers (refer to Note 10)	886	2,432	(4,810)	(1,492)
Disposals and write-offs	(4,322)	(74)	-	(4,396)
Cost as at March 31, 2021	136,068	54,661	15,964	206,693
Accumulated amortization as at March 31, 2020	(137,450)	(34,016)	-	(171,466)
Amortization for the year	(911)	(6,275)	-	(7,186)
Reclassification of amortization on disposals and write-offs	4,322	74	-	4,396
Accumulated amortization as at March 31, 2021	(134,039)	(40,217)	-	(174,256)
Net carrying amount as at March 31, 2021	2,029	14,444	15,964	32,437

Refer to Note 27 A. for contractual commitments for the acquisition of intangible assets.

The amortization for the year has been recorded in our Consolidated Statement of Income (Loss) as follows:

For the year ended March 31	2022	2021
Television, radio and digital services costs	7,935	6,809
Transmission, distribution and collection costs	460	326
Corporate management costs	53	51
Total	8,448	7,186

B. Impairment and Other Charges

There were no impairment losses recorded or reversed during the year ended March 31, 2022 (2021 - nil).

C. Disposals

There were no gains or losses on disposals of intangible assets during 2021-2022.

In the prior year, we entered into a non-monetary transaction in which we upgraded software licences. This resulted in a gain of \$3.2 million.

12. RIGHT-OF-USE (ROU) ASSETS

ROU assets consist primarily of real estate leases for the rental of office space and technical equipment to carry our transmission activities. The lease of office space typically runs for periods between 2 and 37 years, and lease of technical equipment (including transmission assets) between 3 and 35 years.

ACCOUNTING POLICIES

Contracts are considered to be a lease when the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A contract conveys the right to control the use of an identified asset when all of the following apply:

- It conveys the right to control the use of an identified asset. If the supplier has a substantive substitution right, then the asset is not identified;
- We will obtain substantially all of the economic benefits from the use of the asset; and
- We can direct the use of the identified asset.

ROU assets are initially measured at cost which comprise the initial measurement of the lease liability (see Note 17) plus any lease payments made at or before the commencement date and any initial direct costs less any incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses. IAS 36 is applied to determine whether the ROU asset is impaired.

Our lease terms will include options to extend or terminate the lease when it is reasonably certain that we will exercise that option.

The ROU asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

We do not recognize a ROU asset or a lease liability for short-term leases that have a lease term of 12 months or less.

We do not recognize a ROU asset or a lease liability for low-value assets (i.e. assets below \$5,000).

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

We use judgment to determine if a contract is a lease at inception and to assess its term.

The determination of the lease term corresponds to the non-cancellable period and options of renewal or termination which are reasonably certain. We seek to exercise renewal options or not to exercise termination options in new leases when an economic incentive is available in our leasing arrangement.

Supporting Information

As at March 31, 2022	Land	Buildings	Leasehold improvements	Technical equipment	Total
Net carrying amount for the year	2,099	300,263	3,609	18,573	324,544
Depreciation charge for the year	349	17,320	602	4,089	22,360
As at March 31, 2021	Land	Buildings	Leasehold improvements	Technical equipment	Total
Net carrying amount for the year	2,230	313,529	4,211	19,494	339,464
Depreciation charge for the year	346	17,015	602	3,802	21,765

Additions to the ROU assets during the year ended March 31, 2022 were \$8.1 million (March 31, 2021 - \$12.5 million).

13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities mainly consist of amounts owed to suppliers and employees that have been invoiced or accrued.

ACCOUNTING POLICIES

Accounts payable and accrued liabilities are recognized initially at fair value and subsequently measured at amortized cost.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

There are no critical accounting estimates or judgments related to accounts payable and accrued liabilities.

Supporting Information

	March 31, 2022	March 31, 2021*
Trade payables	49,622	36,519
Accruals	54,639	48,911
Other	2,850	2,999
Total	107,111	88,429

* Certain comparative figures have been reclassified to conform to the current year presentation.

14. PROVISIONS AND CONTINGENT LIABILITIES

ACCOUNTING POLICIES

Provisions are recognized when:

- We have a present obligation (legal or constructive) as a result of a past event;
- It is probable that we will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

In situations where the amount of the obligation cannot be measured with sufficient reliability or the cash outflows are not probable, a contingent liability is disclosed.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

When it has been determined by management that we should record a provision, assumptions about the amount and likelihood of outflows and their timing are considered in determining a reliable estimate for the obligation. Factors affecting these assumptions include the nature of the provision, the existence of the claim amount, opinions or views of legal counsel and other advisors, experience in similar circumstances, and any management decision as to how we intend to handle the obligation.

Supporting Information

Provisions

As at March 31, 2022	Claims and Legal Proceedings	Other	Total
Opening balance	19,362	519	19,881
Additional provisions recognized	11,626	-	11,626
Provisions utilized	(1,905)	-	(1,905)
Reductions resulting from remeasurement or settlement without cost	(4,251)	(294)	(4,545)
Total	24,832	225	25,057

Various claims and legal proceedings have been asserted or instituted against us. Some of these claims or legal proceedings demand large monetary damages or other forms of relief, and could result in significant expenditures. They include ongoing legal, compensation, employment matters and copyright tariffs against CBC/Radio-Canada.

Other provisions consist of environmental decommissioning liabilities as well as probable costs relating to reorganizations, relocations and redundancies at CBC/Radio-Canada.

All provisions are classified as current because we are working to resolve these matters within 12 months.

Contingent Liabilities

There are potential claims against us but we do not expect any of these, individually or in the aggregate, to have a material adverse effect on our financial results.

15. PENSION PLANS AND EMPLOYEE-RELATED LIABILITIES

We provide pension and long-term service retirement benefits based on the length of service and final average earnings of our employees, and other defined benefit post-employment benefit plans to our employees such as post-employment life insurance.

PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS (OPEB)

ACCOUNTING POLICIES

Defined benefit pension plans

The cost of the defined benefit retirement plans is determined on an actuarial basis using the projected unit credit method and management's best assumptions, with actuarial valuations being carried out at the end of each annual reporting period.

The components of defined benefit costs are categorized as follows:

- **Service cost** - includes current service cost and past service cost. We recognize it as part of net results for the period. Past service costs, generally resulting from changes in the benefits payable for past services under an existing plan, are recognized in the Consolidated Statement of Income (Loss) in the period of a plan amendment.
- **Net interest expense or income** - recognized as part of net results for the period. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

These two components, in aggregate, are allocated between the various functions in our Consolidated Statement of Income (Loss).

- **Remeasurements** - comprises actuarial gains and losses and the return on plan assets (excluding interest). These are reflected immediately in our Consolidated Statement of Financial Position with a charge or credit recognized in other comprehensive income (loss) in the period in which they occur. Remeasurements recognized in other comprehensive income are never subsequently reclassified to net results. We transfer all remeasurements directly from other comprehensive income to retained earnings as a policy choice.

The liability recognized in our Consolidated Statement of Financial Position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rate determined by reference to market yields at the end of the reporting period on high quality Canadian corporate bonds that have terms to maturity approximating the terms of the related defined benefit obligation.

When the actuarial calculation results in a benefit asset, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any of our plans. An economic benefit is available if it is realizable during the life of the plan, or on settlement of the plan liabilities.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Accounting for defined benefit pension plans and OPEB requires that assumptions be made to help value benefit obligations and pension assets.

The primary assumptions and estimates include the discount rates, health care cost trend rates, long-term rate of compensation increase, future pension increases and mortality of members. These assumptions are of a long-term nature, which is consistent with the nature of post-employment benefits.

We use the Fiera Capital curve ('CIA curve') to determine the discount rate for calculating the defined benefit obligation.

Changes to these primary assumptions and estimates would impact amounts recognized in net results and amounts recognized in Other Comprehensive Income, as applicable. A sensitivity analysis of these changes in primary assumptions is disclosed in Note 15 C.

OPEB AND EMPLOYEE BENEFITS OTHER THAN POST-EMPLOYMENT BENEFITS

ACCOUNTING POLICIES

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

OPEB

OPEB liabilities are recognized as follows:

- For long-term disability and workers' compensation when the event that obligates the Corporation occurs;
- For continuation of benefit coverage for employees on long-term disability and the non-contributory long-term benefit plan, the provision is determined on an actuarial basis using discount rates and assumptions consistent with those used for post-employment benefits and the related expense is recognized over the period the employees render the services. Actuarial gains (losses) and past service costs are recognized immediately in our Consolidated Statement of Income (Loss) in the period they occur.

There are no critical accounting estimates or judgments related to employee benefits other than those relating to the primary actuarial assumptions discussed previously.

Employee benefits other than post-employment benefits

We recognize the expense relating to short-term benefits including short-term compensated absences as follows:

- For salaries, social security contribution, bonuses and vacations in the period the employees render the services;
- For employee health, dental and life insurance plans in the period the expenses are incurred; and
- For short-term non-accumulating compensated absences such as sick leave, parental leave, short-term disability and workers' compensation in the period the absence occurs.

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if we have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

TERMINATION BENEFITS

ACCOUNTING POLICIES

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

We recognize termination benefits at the earliest of the following dates: (a) when we can no longer withdraw the offer of those benefits; and (b) when we recognize costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

There are no critical accounting estimates or judgments related to termination benefits.

In the case of a voluntary departure, we can no longer withdraw an offer of termination benefits when either the employee accepts the offer, or when a restriction on our ability to withdraw the offer exists. In the case of an involuntary departure, we can no longer withdraw an offer of termination benefits when we have communicated to the affected employees a plan of termination.

Supporting Information

A. Pension Plans Asset/Liabilities and Employee-Related Liabilities

Employee-related asset/liabilities recognized and presented in our Consolidated Statement of Financial Position are as follows:

	Current		Non-current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Pension plan asset	-	-	1,621,166	868,261
Pension plans liability	-	-	122,115	128,163
Other post-employment plans	-	-	103,267	115,160
Vacation pay	78,082	76,867	-	-
Termination benefits	4,960	9,957	-	-
Salary-related liabilities	134,565	132,567	-	-
Total pension plans and employee-related liabilities	217,607	219,391	225,382	243,323

The amount included in our Consolidated Statement of Financial Position arising from our obligation in respect of our defined benefit plans is as follows:

	Funded	Unfunded	Other post-	Funded	Unfunded	Other post-
	pension	pension	employment	pension	pension	employment
	plan	plans	plans	plan	plans	plans
	March 31, 2022			March 31, 2021		
Fair value of plan assets	8,430,477	-	-	8,163,234	-	-
Defined benefit obligation	6,809,311	122,115	103,267	7,294,973	128,163	115,160
Net asset (liability) arising from defined benefit obligation	1,621,166	(122,115)	(103,267)	868,261	(128,163)	(115,160)

We maintain a contributory defined benefit pension plan and non-contributory long-term benefit plans as defined below:

Contributory defined benefit pension plan

The Canadian Broadcasting Corporation Pension Plan (the "Plan") covers substantially all our employees. The Plan is administered by the CBC Pension Board of Trustees, including the management of the Plan's assets and the payment of benefits promised to Plan members and their survivors. The Plan is federally regulated and is governed by the provisions of the *Pension Benefits Standards Act* (the *Act*), and other applicable regulations.

Retirement benefits are based on the length of pensionable service and on the average of the best five consecutive years of pensionable salary in the last 10 years of employment. Employees are required to contribute a percentage of their pensionable salary to the Plan and we provide the balance of the funding, as required, based on actuarial valuations. The amounts included in these consolidated financial statements reflect the latest funding valuation which was performed as of December 31, 2021.

The measurement date for the Plan's assets and the defined benefit obligation is March 31, 2022.

The risks associated with our Plan are as follows:

- **Funding risk:** One of the primary risks that Plan sponsors face is funding risk, which is the risk that the investment asset growth and contribution rates of our Plan will not be sufficient to cover the pension obligations, resulting in unfunded liabilities. When a funding deficit exists, regulatory authorities require that special payments be made over specified future periods.

The major contributors to funding risk are the declines in discount rates and investments failing to achieve expected returns. In addition, the pension obligations are affected by non-economic factors like changes in member demographics.

Funding risk is managed by monitoring and reviewing the funded ratio on an ongoing basis and ensuring that investment decisions are made in accordance with established investment policies and procedures and applicable legislation. The Statement of Investment Policies and Procedures (SIPP) is reviewed annually by the CBC Pension Board of Trustees with a view to provide the Plan with a long-term rate of return sufficient to assist the Plan in meeting its funding objectives and the ongoing changes in pension obligations.

- **Other risks:** The Plan's assets are also subject to a variety of financial risks as a result of investment activities. These risks include credit risk, market risk (interest rate, currency risk and price risk) and liquidity risk. In addition, the defined benefit obligation and costs are subject to measurement uncertainty due to the use of actuarial assumptions (see below). The impact of these factors on the remeasurement of the pension benefit asset can be significant and volatile at times.

Unfunded non-contributory defined benefit pension plans

We also maintain unfunded non-contributory defined benefit pension arrangements. All plans are subject to an annual actuarial valuation.

Non-contributory long-term benefit plans

We provide the following long-term employee benefits to our employees:

- A non-contributory long-term benefit plan for certain employees hired prior to the various plan closure dates which vary by category of employees between April 1, 2005 and October 1, 2007. Under the plan, employees retiring with more than three years of service with us can choose to receive a cash award upon retirement or improve their pension benefits. The benefits are based on the length of pensionable service and on the salary rate at March 2005, July 2005 or at retirement/death, depending on the category of employees.
- Other employee future benefits such as long-term disability and workers' compensation, continuation of benefits coverage for employees on long-term disability and post-retirement life insurance.

The last actuarial valuations for the non-contributory long-term benefit plans and the continuation of benefits coverage plan were made as at December 31, 2021.

B. Significant Actuarial Assumptions

The significant actuarial assumptions used for the purposes of determining the defined benefit obligation and pension benefit costs were:

Assumptions – annual rates	March 31, 2022	March 31, 2021
Assumptions for the calculation of pension benefit costs:		
Discount rate	3.30%	3.79%
Assumptions for the calculation of the benefit obligation:		
Discount rate - pension	4.00%	3.30%
Discount rate - long service gratuity	3.81%	2.68%
Discount rate - LTD benefit	3.81%	2.68%
Discount rate - life insurance	3.97%	3.14%
Mortality	CBC 2019 Pensioner mortality table based on CBC experience with CPM projection scale B	CBC 2019 Pensioner mortality table based on CBC experience with CPM projection scale B
Long-term rate of compensation increase, excluding merit and promotion	1.50% in 2023 to 2024 2.50% thereafter	1.50% in 2021 to 2023 2.50% thereafter
Health care cost trend rate	5.56% for 2022-2026, decreasing linearly to 4.81% in 2029 and grading down to an ultimate rate of 3.57% per annum in 2040 and thereafter	4.82% for 2019-2024, decreasing linearly to 4.36% in 2029 and grading down to an ultimate rate of 3.39% per annum in 2040 and thereafter
Indexation of pensions in payment	2023 to 2024: 2.70% then 1.86%	1.86%

C. Sensitivity Analysis

The sensitivity analysis of the significant actuarial assumptions would show the following changes in the present value of the defined benefit obligations:

	Pension plans		Other post-employment plans	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Discount rate sensitivity				
100 basis points higher	-12.5%	-13.4%	-6.5%	-7.6%
100 basis points lower	15.9%	17.2%	7.6%	9.0%
Expected rate of future salary increases				
100 basis points higher	2.3%	2.6%	3.9%	5.5%
100 basis points lower	-2.1%	-2.3%	-3.4%	-5.0%
Expected rate of future pension increases				
100 basis points higher	13.1%	14.1%	1.2%	1.1%
100 basis points lower	-10.8%	-11.5%	-1.0%	-0.9%
Mortality sensitivity				
Pensioners live an extra year	-3.1%	3.3%	-1.5%	-1.4%
Pensioners die a year before	3.1%	-3.3%	1.8%	1.6%
Health care cost trend rates sensitivity				
100 basis points higher	N/A	N/A	1.4%	2.5%
100 basis points lower	N/A	N/A	-1.2%	-2.0%

N/A = not applicable

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within our Consolidated Statement of Financial Position.

For the contributory defined benefit pension plan, an asset/liability modeling study is performed periodically to review the risks and rewards associated with the existing long-term asset mix policy, analyze the risk/reward profile that would result from alternative asset mix policies, and consider the impact of various economic environments on both the assets and liabilities (pension obligations). The most recent asset/liability study was completed in 2019.

Its main findings were:

- Maintain the value of the Plan's Liability Driven Investment (LDI)² strategy that focuses on reducing the interest rate and inflation risk mismatch between the Plan's assets and liabilities;
- Introduce a structure to systematically adjust the Plan's interest rate hedging ratio based on the level of interest rates;
- Maintain at existing levels the amount of return generating assets with higher return potential, such as equities, private investments and real estate and;
- Introduce a quantified risk tolerance for the Plan.

The Plan is funded on the basis of actuarial valuations, which are made on an annual basis. Employees are required to contribute a percentage of their pensionable salary and we provide the balance of the funding, as required, based on actuarial valuations.

D. Contribution Rate

The contribution rate for employees that are covered by the Plan are as follows:

	March 31, 2022	March 31, 2021
<hr/>		
For earnings up to the maximum public pension plan earnings*		
April 1 to June 30	8.27%	8.13%
July 1 to March 31	8.44%	8.27%
For incremental earnings in excess of the maximum public pension plan earnings*		
April 1 to June 30	10.87%	10.69%
July 1 to March 31	11.10%	10.87%

*The maximum public pension earnings for 2022 is \$64,900 (2021: \$61,600, 2020: \$58,700)

The current service cost-sharing between employees and employer for pension contributions for all members is 50:50.

E. Total Cash Payments

Our cash payments for pension, other post-employment and other long-term benefits were as follows:

For the year ended March 31	2022	2021
Benefits paid directly to beneficiaries	13,598	13,286
Employer regular contributions to pension plans	61,477	58,870
Total cash payments for defined benefit plans	75,075	72,156

We expect to make a contribution of \$6.2 million to the unfunded pension plans and none to the funded pension plan during the next fiscal year.

F. Maturity Profile

The maturity profile of our benefit plans obligation and other post-employment benefits is as follows:

	Pension plans		Other post-employment plans	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Average duration of the benefit obligation	14.2 years	15.2 years	8.1 years	8.1 years
Active members	20.5 years	21.7 years	8.1 years	8.1 years
Deferred members	21.5 years	22.9 years	N/A	N/A
Retired members	10.3 years	11.0 years	7.7 years	7.3 years

N/A = not applicable

²LDI is an investment strategy that manages a pension plan's assets relative to its liabilities with the intent to minimize pension surplus volatility. Under LDI, pension plan assets are grouped into matched and unmatched assets. Matched assets (fixed income) have the similar interest rate and inflation sensitivities as the pension plan's liabilities. Unmatched assets (equities and alternative investments) do not have the same interest rate and inflation sensitivities as the pension plan's liabilities.

G. Defined Benefit Obligation

Movements in the present value of the defined benefit obligation were as follows:

	Pension plans	Other post- employment plans	Pension plans	Other post- employment plans
	March 31, 2022		March 31, 2021	
Opening defined benefit obligation	7,423,136	115,160	6,901,326	114,117
Current service cost	127,987	5,848	109,004	5,322
Interest cost	242,547	3,248	258,514	4,023
Contributions from employees	61,854	-	57,881	-
Remeasurements:				
Actuarial (gains) arising from changes in demographic assumptions	-	(1,403)	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	(652,357)	(6,139)	452,111	4,984
Actuarial losses/(gains) arising from experience adjustments	55,935	151	(31,960)	-
Benefits paid	(327,676)	(13,598)	(323,740)	(13,286)
Closing defined benefit obligation	6,931,426	103,267	7,423,136	115,160

H. Fair Value of Plan Assets

Movements in the fair value of the plan assets were as follows:

	Pension plans	Other post- employment plans	Pension plans	Other post- employment plans
	March 31, 2022		March 31, 2021	
Opening fair value of plan assets	8,163,234	-	7,470,541	-
Administration fees (other than investment management fees)	(8,000)	-	(8,000)	-
Interest income on plan assets	265,819	-	279,089	-
Return on plan assets, excluding interest income	213,769	-	628,593	-
Contributions from employees	61,854	-	57,881	-
Contributions from the Corporation	61,477	13,598	58,870	13,286
Benefits paid	(327,676)	(13,598)	(323,740)	(13,286)
Closing fair value of plan assets	8,430,477	-	8,163,234	-

The fair value of the plan assets can be allocated to the following categories:

		Quoted market price in an active market (Level 1)	Not quoted market price in an active market (Level 2)	Not quoted market price in an active market (Level 3)	Total March 31, 2022
Investment assets					
Fixed income	Cash and short-term investments	343,070	-	-	343,070
	Canadian bonds	-	2,048,454	1,002,508	3,050,962
	Fixed income alternatives	-	-	194,446	194,446
Equities	Canadian	454,871	-	-	454,871
	Global	2,054,712	376,151	-	2,430,863
Strategic	Property	25,161	-	1,260,140	1,285,301
	Private investments	-	-	672,733	672,733
Other	Derivatives	-	7,903	-	7,903
Total investment assets		2,877,814	2,432,508	3,129,827	8,440,149
Investment liabilities					
Other	Derivatives	-	(39,764)	-	(39,764)
Total investment liabilities		-	(39,764)	-	(39,764)
Total investment assets less liabilities		2,877,814	2,392,744	3,129,827	8,400,385
Non-investment assets less liabilities					30,092
Fair value of plan assets					8,430,477

		Quoted market price in an active market (Level 1)	Not quoted market price in an active market (Level 2)	Not quoted market price in an active market (Level 3)	Total March 31, 2021
Investment assets					
Fixed income	Cash and short-term investments	449,290	-	-	449,290
	Canadian bonds	-	2,493,547	988,106	3,481,653
	Fixed income alternatives	-	-	61,658	61,658
Equities	Canadian	-	484,832	-	484,832
	Global	1,955,197	392,092	-	2,347,289
Strategic	Property	22,668	-	943,133	965,801
	Private investments	-	-	524,336	524,336
Other	Derivatives	-	1,084	-	1,084
Total investment assets		2,427,155	3,371,555	2,517,233	8,315,943
Investment liabilities					
Fixed income	Securities sold under repurchase agreements	-	(32,423)	-	(32,423)
Other	Derivatives	-	(137,759)	-	(137,759)
Equities	Options	(56)	-	-	(56)
Total investment liabilities		(56)	(170,182)	-	(170,238)
Total investment assets less liabilities		2,427,099	3,201,373	2,517,233	8,145,705
Non-investment assets less liabilities					17,529
Fair value of plan assets					8,163,234

The fair values of the above fixed income and equity instruments are mostly determined based on quoted market prices in active markets whereas the fair values of strategic investments and derivatives are not based on quoted market prices in active markets. The actual return on plan assets was \$555.4 million or 6.93% (2021 - \$951.0 million or 12.95%).

I. Pension and Other Post-Employment Plans Expenses

Amounts recognized in our Consolidated Statement of Income (Loss) and in our Consolidated Statement of Comprehensive Income (Loss) in respect to these defined benefit plans are indicated in the table below:

For the year ended March 31	2022	2021
Current service cost	133,835	114,326
Administration fees (other than investment management fees)	8,000	8,000
Interest cost on defined benefit obligation	245,795	262,537
Interest income on plan assets	(265,819)	(279,089)
Other	(4,156)	2,564
Expense recognized in net results	117,655	108,338
Less:		
Remeasurements of defined benefit plans recognized in OCI	813,426	206,022
Total	(695,771)	(97,684)

Retained earnings include \$2,193.2 million of cumulative actuarial gains as at March 31, 2022 (March 31, 2021 gains – \$1,379.8 million).

The total expense recognized in net results has been recorded in our Consolidated Statements of Income (Loss) as follows:

For the year ended March 31	2022	2021
Television, radio and digital services costs	112,949	104,005
Transmission, distribution and collection costs	3,530	3,250
Corporate management costs	1,176	1,083
Total	117,655	108,338

For the year ending March 31, 2022, total employee benefits, which includes all salary and related costs, were \$1,081.9 million (2021 - \$1,004.8 million).

16. FINANCIAL OBLIGATIONS

Financial obligations consist of bonds payable and notes payable.

	March 31, 2022	March 31, 2021
Current financial obligations		
Bonds payable	27,015	26,071
Notes payable	9,923	9,661
	36,938	35,732
Non-current financial obligations		
Bonds payable	124,153	146,569
Notes payable	45,956	54,903
	170,109	201,472
Total	207,047	237,204

A. Bonds Payable

The Broadcast Centre Trust (the "BCT") issued \$400 million in secured bonds on January 30, 1997, which will mature in May 2027. Through our relationship with the BCT, we guarantee the bonds payable with rent payments for the premises we occupy in Toronto.

The bonds are secured by the assets of Canadian Broadcasting Centre, which have a carrying value of \$109.9 million (March 31, 2021 - \$123.9 million). They bear a fixed interest rate of 7.53% annually and require blended semi-annual payments of \$16.5 million.

The following table presents the contractual maturity profile of the bonds payable based on carrying value:

	March 31, 2022	March 31, 2021
Less than one year	27,015	26,071
Later than one year but not later than five years	108,233	100,521
More than five years	15,920	46,048
Total	151,168	172,640

Interest expense related to bonds payable and presented as Finance costs totaled \$11.6 million for the year (2021 - \$13.1 million).

B. Notes Payable

The CBC Monetization Trust held notes payable which mature in May 2027 and bear interest at an annual rate of 4.688%. Blended semi-annual payments are made in May and November of each year.

The notes are redeemable at the CBC Monetization Trust's option in whole or in part from time to time before maturity, on not less than 30 days and not more than 60 days prior notice. The redemption price is the greater of the outstanding principal amount of the notes to be redeemed and the net present value of all scheduled semi-annual payments on the notes from the date of redemption to the date of maturity, using the Government of Canada yield plus 0.30% on such date, together, in each case, with accrued but unpaid interest to, but excluding, the redemption date. The notes payable are secured by the promissory notes receivable and the investment in finance lease described in Notes 6 and 9.

The following table presents the contractual maturity profile of the notes payable based on carrying value:

	March 31, 2022	March 31, 2021
Less than one year	9,923	9,661
Later than one year but not later than five years	40,337	38,467
More than five years	5,619	16,436
Total	55,879	64,564

Interest expense related to notes payable and presented as Finance costs totaled \$2.8 million for the year (2021 - \$3.2 million).

17. LEASE LIABILITIES

ACCOUNTING POLICIES

Lease liabilities are calculated as the present value of the remaining lease payments as of the commencement date. As our leases do not provide an implicit rate, we use an estimated incremental borrowing rate based on the information available at the commencement date in determining the present value of the lease payments. We remeasure the lease liability (and make a corresponding adjustment to the related ROU asset) whenever the lease term has changed, there is a change in the assessment of exercise of a purchase option, the lease payments change due to changes in an index or a rate or a lease contract is modified and when the lease modification is not accounted for as a separate lease.

Lease payments associated with short-term leases (defined as leases with a term of 12 months or less) and leases of low value assets are recognized as an expense under "Television, radio and digital services costs" and "Transmission, distribution and collection costs" on a straight line basis over the term of the lease.

Lease payments included in the measurement of the lease liability comprise of the following payments:

- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or rate; and
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option.

The lease liability is subsequently measured using the effective interest method.

The finance cost is charged to our Consolidated Statement of Income (Loss) over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

For a contract that contains a lease component and one or more additional lease or non-lease components, we allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The determination of the discount rate used to calculate the lease liability is based on an estimated incremental borrowing rate at the commencement of the contract and/or at the effective date of a lease modification, as applicable.

Supporting Information

	March 31, 2022	March 31, 2021
Land	2,050	2,157
Buildings	295,250	304,732
Leasehold improvements	4,010	4,603
Technical equipment	19,663	20,507
Total	320,973	331,999
Current	22,285	18,610
Non-current	298,688	313,389
Total	320,973	331,999

Maturity Analysis

	March 31, 2022	March 31, 2021
Contractual undiscounted cash flows		
Less than one year	30,226	26,814
One to five years	92,190	94,979
More than five years	311,049	326,859
Total undiscounted lease liabilities	433,465	448,652
Lease liabilities included in the Consolidated Statement of Financial Position	320,973	331,999

Amounts recognized in our Consolidated Statement of Income (Loss)

For the year ended March 31, 2022:

- There were no significant expenses or commitments made related to short-term leases;
- There were no significant expenses related to leases of low-value assets; and
- There were no gains (losses) arising from sale and leaseback transactions.

Amounts recognized in our Consolidated Statement of Cash Flows

For the year ended March 31, 2022, total cash outflow for leases amounted to \$27.5 million (2021 - \$27.6 million). Interest expense related to lease liabilities and presented as Finance costs totaled \$9.1 million for the year (2021 - \$9.4 million).

Some of the real estate leases in which we are the lessee contain variable lease payments that are linked to an index or rate. These types of payments are common in the real estate industry.

18. DEFERRED REVENUE AND OTHER LIABILITIES

Deferred revenue and other liabilities relate to considerations received in advance for facilities, production, and other services not yet provided.

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
Recognition of revenue related to facilities and production services not yet provided and payments received for services not yet rendered is deferred until services have been rendered.	We estimated the value of deferred revenue for the services owed to Rogers Telecommunications Inc. for <i>HNIC</i> sublicensing over the remainder of the contract term. See Note 8 B. for more information.

Supporting Information

	March 31, 2022	March 31, 2021
Opening balance	48,613	53,807
Revenue deferred during the year	10,357	11,342
Revenue recognized in net results during the year	(16,152)	(16,536)
Balance, end of year	42,818	48,613
Current	18,336	18,286
Non-current	24,482	30,327
Total	42,818	48,613

INCOME, EXPENSES AND CASH FLOWS

This Section focuses on our results and cash flows. On the following pages you will find disclosures explaining our revenue and government funding for the year, finance costs, income taxes and supplemental cash flow information.

19. REVENUE

ACCOUNTING POLICIES

Revenue is recognized when control of the promised goods and services is transferred to our customers in an amount that reflects the consideration expected in exchange for those goods and services. Our primary revenue streams are:

- Advertising;
- Subscriber fees;
- Production revenue; and
- Program license sales.

The transaction price of a contract for any of these revenue streams can include fixed and variable consideration as well as, infrequently, non-monetary compensation that is measured at its fair value. If we cannot reasonably estimate the fair value of the non-monetary compensation, we measure the consideration received indirectly by reference to the stand-alone selling price of the goods or services transferred.

Consistent with other organizations in the industry, sales of advertising airtime are primarily made through agencies. These agencies typically remit their payment within 90 days. For other revenue streams, payment is typically received within 30 days, which are our average credit terms.

Detailed accounting policies are presented below for each of our main revenue streams.

Our contracts with customers may include multiple performance obligations. For such arrangements, we allocate the transaction price to each identified performance obligation based on its relative standalone selling price. We generally determine standalone selling prices based on the prices charged to customers of the same class in similar transactions.

We have elected to use the following practical expedients:

- We do not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less.
- We do not adjust the amount of consideration for the effects of a significant financing component since the period between when we provide a service and obtain payment from a customer is usually one year or less.

In addition to these primary revenue streams, we also recognize revenue for our Canadian retransmission rights.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Judgment is required in the identification of performance obligations in each of the major revenue streams.

Furthermore, judgment is required in the determination of the stand-alone selling price of some performance obligations for purposes of allocating the transaction price.

All of the above have the potential to result in a different timing of revenue recognition arising from the estimates and judgments made.

For more details about our critical judgments by revenue stream, refer to the tables below.

Supporting Information

For the year ended March 31	2022	2021
TV advertising ¹	333,856	198,728
Digital advertising	85,694	54,744
Subscriber fees	122,234	124,045
Production revenue ²	20,584	19,739
Program license sales	35,395	23,618
Canadian retransmission rights	4,200	5,542
Program sponsorship	4,555	331
Other services	6,567	4,675
Revenue from contracts with customers	613,085	431,422
Leasing income	32,186	33,146
Financing and investment income	5,789	6,953
Net gain (loss) from the change in fair value of financial instruments	451	(2,002)
Other retransmission rights	1,688	33,289
Foreign exchange (loss) gain	(1,782)	1,136
Other sources of income*	38,332	72,522
	651,417	503,944

* Revenue streams outside the scope of *IFRS 15 Revenue from Contracts with Customers*.

¹ For the year ended March 31, 2022, TV advertising included revenue from exchange of services of \$1.0 million (2021 - \$0.9 million)

² For the year ended March 31, 2022, Production revenue included revenue from exchange of services of \$9.9 million (2021 - \$8.3 million).

ACCOUNTING POLICIES - ADVERTISING

NATURE OF PERFORMANCE OBLIGATIONS	HOW WE RECOGNIZE REVENUE
<p>We offer advertising services through our television and digital platforms. Advertising sales revenue arises from the sale of advertising placements in exchange for monetary and/ or non-monetary compensation, based on negotiated rates with agencies and direct advertisers.</p> <p>Each advertising placement represents a performance obligation under advertising sales agreements. An advertising placement can either be provided in exchange for compensation or provided for free as part of a sales incentive.</p> <p>We also offer creative services to our advertising customers. They range from the conception to the production and integration of advertisements for television and digital platforms. Though bundled with advertising services in a contract, creative services are considered separate performance obligations.</p>	<p>Revenue from the provision of advertising services is recognized at the time the advertising placement has been broadcast and when the guaranteed level of audience or ratings has been achieved.</p> <p>When the guaranteed level of audience or ratings has not been achieved, the performance obligation is not satisfied until a compensational spot has been broadcast and when the guaranteed level of audience or ratings has been achieved.</p> <p>The standalone selling price of each advertising spot is determined based on observable inputs such as those listed in published rate cards.</p> <p>Revenue from creative services is recognized when the service is provided to the customer.</p>

Supporting Information

For the year ended March 31	2022	2021
Advertising revenue		
English services	248,969	122,471
French services	170,581	131,001
Total	419,550	253,472

The increase in advertising revenue compared to the prior year is mostly due to the broadcast of the Tokyo 2020 Olympic Games in July 2021 and the Beijing 2022 Olympic Games in February 2022.

ACCOUNTING POLICIES – SUBSCRIBER FEES

NATURE OF PERFORMANCE OBLIGATIONS	HOW WE RECOGNIZE REVENUE
<p>We provide ongoing delivery of programming to:</p> <ul style="list-style-type: none">• Cable, national direct to home satellite, or internet protocol television service providers (commonly referred as Broadcast Distribution Undertakings or “BDUs”) through discretionary channel subscriptions; and• Individual customers through online monthly subscriptions. <p>The performance obligations under subscription agreements consist of a right to access the programming which is provided on a monthly basis.</p>	<p><u>Discretionary channels subscriptions</u></p> <p>The performance obligation is satisfied as we make our discretionary TV signal available to the BDU as required by the contract.</p> <p>Consideration consists of a fixed fee for the subscription period and at times also includes usage-based variable fees. The fixed fee is recognized as revenue on a straight-line basis because performance occurs evenly over the subscription period. The variable fees are recognized as revenue in the period the usage is incurred.</p> <p><u>Online subscriptions</u></p> <p>The performance obligation is satisfied as we make our content available to customers online.</p> <p>Consideration consists of a fixed fee for the subscription period and revenue is recognized on a straight-line basis because performance occurs evenly over the subscription period.</p>

Supporting Information

For the year ended March 31	2022	2021
Subscriber revenue		
English services	61,659	62,612
French services	60,575	61,433
Total	122,234	124,045

ACCOUNTING POLICIES - OTHER INCOME

NATURE OF PERFORMANCE OBLIGATIONS	HOW WE RECOGNIZE REVENUE
<p>Production revenue comprises mainly revenue from:</p> <ul style="list-style-type: none">• <u>Facilities and services rental</u> to independent producers in exchange for monetary and/ or non-monetary compensation. These service arrangements generally include the use of our facilities, equipment as well as labour hours.• <u>Host broadcasting services</u> – We enter into agreements to sell broadcasting feeds to third party networks, most notably during major sporting events such as the Olympic Games. <p>Services provided under a facilities and services rental contract or a host broadcasting arrangement are accounted for as a single performance obligation since the services are provided concurrently to the customer over the contract term.</p>	<p>Production revenue is recognized:</p> <ul style="list-style-type: none">• Over time as the independent producer simultaneously receives and consumes the benefits of our <u>facilities and services rental</u>. We are compensated for each day of service based on agreed upon daily rates. Consideration for any additional services provided is recognized as revenue in the period it is provided. Revenue is recognized at the daily rate for each day of facilities and service rentals provided.• Over time as the broadcasting feed is provided to the customer in accordance with the contract terms. Consideration for <u>host broadcasting services</u> consists of fixed prices stated in the contract.
<p>Program license sales are earned when we enter into programming agreements to sell content in the domestic market and overseas.</p> <p>These licenses grant rights to third parties for them to use existing CBC/Radio-Canada’s programs that have either ended (commonly referred to as “syndicated content”) or are still in production (commonly referred to as “current content”).</p> <p>For both syndicated and current content licensing arrangements of a season of programs, the bundle of license rights of individual episodes represent a single combined performance obligation since the licenses are delivered concurrently and the right to use has commenced for all licenses within a bundle.</p>	<p>Program license sales are recognized when the content is delivered and when the license term commences.</p> <p>Consideration consists of fixed prices stated in the contract for the content or license.</p>
<p>Leasing income arises when we enter into agreements with third parties to lease excess space within its buildings and/or transmission towers.</p>	<p>Leasing income is recognized on a straight-line basis over the term of the lease agreement and accounted for in accordance with IFRS 16 - <i>Leases</i>.</p>
<p>Other retransmission rights arise when the Corporation asserts a right to a share of foreign copyright royalties for signals retransmitted outside of Canada.</p>	<p>Other retransmission rights recognition is contingent on a copyright settlement that has been confirmed by the relevant jurisdiction.</p>

Supporting Information

For the year ended March 31	2022	2021
Other income		
<u>Production revenue</u>		
English services	9,239	8,411
French services	11,345	11,328
Total production revenue	20,584	19,739
<u>Program license sales</u>		
English services	27,711	17,023
French services	7,684	6,595
Total program license sales	35,395	23,618
Leasing income*	32,186	33,146
Canadian retransmission rights	4,200	5,542
Program sponsorship	4,555	331
Net gain (loss) from the change in fair value of financial instruments*	451	(2,002)
Other retransmission rights*	1,688	33,289
Foreign exchange (loss) gain*	(1,782)	1,136
Other services	6,567	4,675
	47,865	76,117
Total	103,844	119,474

* Revenue streams outside the scope of IFRS 15 *Revenue from Contracts with Customers*.

Contract Balances

Contract assets represent our right to consideration in exchange for services that have already been transferred to a customer when that right is conditioned on something other than the passage of time. Contract assets primarily comprise usage-based royalties from Canadian retransmission rights arrangements related to previously satisfied performance obligations. As a copyright owner of radio and TV programming, we are entitled to revenue from retransmission rights as distant signals are retransmitted in Canada. Our right to consideration is dependent upon the tariff set by the Copyright Board of Canada and our share within various retransmission rights collectives.

Contract assets are presented under “Trade and Other Receivables” in our Consolidated Statement of Financial Position. Trade and Other Receivables include \$13.7 million of contract assets as at March 31, 2022 (March 31, 2021 – \$9.5 million). There was no impairment loss in relation to contract assets for the periods considered.

Contract liabilities primarily relate to cash payments received in advance of meeting our performance obligations, mostly related to host broadcasting and program sponsorship revenue streams. Contract liabilities are presented as current liabilities under “Deferred Revenue and other liabilities” in our Consolidated Statement of Financial Position. Deferred Revenue includes \$9.0 million of contract liabilities as at March 31, 2022 (March 31, 2021 - \$8.4 million).

Transaction price allocated to the remaining performance obligations

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognized, excluding variable consideration allocated entirely to distinct services or performance obligations that will be satisfied in the future in revenue streams such as Subscriber Revenue.

20. GOVERNMENT FUNDING

We receive a substantial portion of our funding from the Government of Canada.

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
Parliamentary appropriations for operating expenditures and Parliamentary appropriations for working capital are recognized as government funding in our Consolidated Statement of Income (Loss) in the fiscal year for which the appropriations were approved.	We are required to make estimates in determining the amount of government funding to be recognized in income related to capital expenditures.
Parliamentary appropriations for property and equipment and intangible assets that are subject to depreciation and amortization are recorded as deferred capital funding in our Consolidated Statement of Financial Position, with income being recognized in our Consolidated Statement of Income (Loss) over the average useful life of assets acquired using the appropriations in a given year.	The amount recognized in income each year is based on the estimated useful lives and proportion of our property and equipment, and intangible assets purchased using government funding for capital expenditures.
Parliamentary appropriations for the purchase of land are recorded in our Consolidated Statement of Income (Loss).	

Supporting Information

A. Government funding received

Parliamentary appropriations approved and the amounts we received are as follows:

For the year ended March 31	2022	2021*
Operating funding received		
Base funding**	1,176,214	1,120,887
Voted appropriations - Funding for critical operating requirements (COVID-19)	21,000	-
Retroactive salary inflation funding	-	119,418
Vote transfer from 2021-2022 operating funding to 2020-2021	(36,700)	36,700
Vote transfer from capital funding for 2020-2021	-	33,733
Transfer to capital funding	(20,820)	(19,336)
Operating funding received	1,139,694	1,291,402
Capital funding received		
Base funding	85,910	85,910
Vote transfer to operating funding for 2020-2021	-	(33,733)
Transfer from operating funding	20,820	19,336
Capital funding received	106,730	71,513
Working capital funding	4,000	4,000
	1,250,424	1,366,915

*Certain comparative figures have been reclassified to conform to the current year presentation.

**Starting in 2021-2022, Base funding includes salary inflation funding.

Voted transfers are requests made to and approved by Parliament. The amounts presented are consistent with the Supplementary Estimates published by the Treasury Board of Canada Secretariat subsequent to the parliamentary approval process.

Transfers to capital/from operating funding are consistent with business cases submitted for capital projects through operations and are usually partly offset by transfer of proceeds from the sale of capital assets where it has been deemed that the proceeds would be used in operations.

The total funding approved and received for the year is not the same as the total government funding presented in our Consolidated Statement of Income (Loss).

Change in Presentation

We modified the *Government funding received* disclosure to better reflect the nature of the funding received. As a result, a total of \$6.4 million was reclassified from “Capital base funding” to “Operating base funding” for the year ended March 31, 2021. This change also impacted transfers to capital funding/from operating funding by the same amount.

B. Deferred capital funding

Capital funding received is recorded as Deferred Capital Funding in our Consolidated Statement of Financial Position, with income being recognized in our Consolidated Statement of Income (Loss) over the same basis and over the same periods as the assets acquired using the appropriations.

	March 31, 2022	March 31, 2021
Opening balance	502,479	529,910
Government funding for capital expenditures	106,730	71,513
Amortization of deferred capital funding	(96,320)	(98,944)
Balance, end of year	512,889	502,479

21. FINANCE COSTS

Finance costs comprise the interest attributable to bonds payable, notes payable, lease liabilities and the accretion of liabilities.

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
Finance costs are recognized in our Consolidated Statement of Income (Loss) in the period in which they are incurred using the effective interest method.	There are no critical accounting estimates or judgments related to finance costs.

Supporting Information

Finance costs include the following:

For the year ended March 31	2022	2021
Interest on financial obligations (Note 16)	14,355	16,286
Interest on lease liabilities (Note 17)	9,116	9,398
Other non-cash finance costs	676	825
Total	24,147	26,509

22. INCOME TAXES

CBC/Radio-Canada is a prescribed federal Crown Corporation under Reg. 7100 of the *Income Tax Act (ITA)* and is subject to federal income tax as a prescribed corporation for purposes of subsection 27(2) of the *ITA*. Our activities are not subject to provincial taxes.

ACCOUNTING POLICIES

Management uses the liability method of accounting for income taxes. Under this method, Deferred Income Tax Assets and Liabilities are recognized based on the estimated tax effect of temporary differences between the carrying value of assets and liabilities on the financial statements and their respective tax bases.

Current tax

Taxable net results differ from net results as reported in our Consolidated Statement of Income (Loss) because of items of income or expense that are taxable or deductible in other years or because of items that are never taxable or deductible. Our income tax receivable (payable) is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

As a federal Crown Corporation that receives a substantial portion of its funding from the Government of Canada, we operate within a specific operating structure to match cash expenses with available resources, and to break even over the long term. We use appropriations only to the extent required to fund our operating expenses, and may not borrow to fund working capital shortfalls. Therefore, we do not expect to generate material taxable income or losses in the periods that temporary differences are scheduled to reverse. Accordingly, a deferred tax asset or liability is not recognized in our consolidated financial statements as long as these specified operating conditions are met at the end of the reporting period.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Management has used judgment to determine that, as of the reporting date, deferred taxes should not be recognized because we do not expect to generate material taxable income or losses in the periods temporary differences are scheduled to reverse due to its specific operating structure.

Supporting Information

A. *Income Tax Recognized in Net Results*

The income tax recovery (expense) for the year can be reconciled to the income tax recovery (expense) that would be computed by applying our federal statutory tax rate of 25.00% (2021 – 25.00%) to accounting profit as follows:

For the year ended March 31	2022	2021
Income tax recovery (provision) at federal statutory rate	30,181	(43,311)
Permanent differences	752	1,131
Adjustments to reflect the expected income tax (payable) receivable in future periods in respect of taxable and deductible temporary differences	(2,282)	11,031
Income tax recovery (expense)	28,651	(31,149)

The tax rate used for the 2022 reconciliation above is the corporate tax rate payable by a corporation that is a prescribed Federal Crown Corporation under Part LXXI of the *Income Tax Regulations* and is subject to the provisions of the *Income Tax Act (Canada)*. An adjustment to reflect the expected income tax receivable (payable) in future periods in respect of taxable and deductible temporary differences is reflected above.

B. Temporary Differences

For the year ended March 31	2022	2021
The sources of the deductible (taxable) temporary differences for which no deferred tax asset or liability was recognized were as follows:		
Accrued liabilities	28,777	27,349
Lease liabilities	320,973	331,999
Pension plans	(1,499,051)	(740,098)
Employee-related liabilities	103,267	115,160
Non-current receivables and investments	993	1,262
Deferred income for tax purposes related to the sale of receivables	(19,185)	(22,898)
Property and equipment	(246,822)	(206,037)
Right-of-use (ROU) assets	(303,200)	(317,664)
Other	(21,134)	(19,243)
Total	(1,635,382)	(830,170)

23. SUPPLEMENTAL CASH FLOW INFORMATION

A. Movements in Working Capital

For the year ended March 31	2022	2021*
Changes in Working Capital are comprised of:		
Trade and other receivables	(54,263)	(38,778)
Programming asset	83,974	(64,932)
Prepaid expenses	6,012	(10,666)
Accounts payable and accrued liabilities	22,027	(20,783)
Provisions	5,176	(9,864)
Pension plans and employee-related liabilities	(1,802)	18,762
Deferred revenue and other liabilities	(80)	357
Total	61,044	(125,904)

* Certain comparative figures have been reclassified to conform to the current year presentation.

B. Changes in Liabilities Arising from Financing Activities

	April 1, 2021	Cash flows		Non-cash	March 31, 2022
		Capital	Interest and other changes	Other changes	
Repayment of lease liabilities	331,999	(18,343)	(9,115)	16,432	320,973
Repayment of financial obligations	237,204	(29,408)	(15,104)	14,355	207,047
Distributions to non-controlling interests	755	-	-	80	835
Total liabilities from financing activities	569,958	(47,751)	(24,219)	30,867	528,855

OTHER

This section discloses information related to our financial instruments, capital management, related parties, commitments and contingent assets.

24. FINANCIAL INSTRUMENTS

Outlined below are our financial instruments and related financial risk management objectives, our policies and our exposure and sensitivity to financial risks.

ACCOUNTING POLICIES

Financial assets and financial liabilities are recognized when we become a party to the contractual provisions of the instrument.

Financial assets are classified and subsequently measured at amortized cost or fair value through profit or loss based on both the Corporation's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Our financial assets are classified and measured as follows:

- Financial assets held for the purpose of collecting contractual cash flows ("held to collect") that represent solely payments of principal and interest ("SPPI") are classified and measured at amortized cost;
- Financial assets that are not considered to be solely payments of principal and interest are classified and measured at fair value through profit or loss ("FVTPL").

Financial liabilities are classified and subsequently measured at amortized cost.

Derivative financial instruments are classified and subsequently measured at FVTPL.

See table below for classification of our financial instruments.

The impairment model is an expected credit loss ("ECL") model, which implies both an earlier recognition of impairment losses and a disclosure of more timely and forward-looking information. Additionally, it is no longer necessary for a loss event to occur before an impairment loss is recognized.

The simplified approach is applied to trade receivables and contract assets that result from transactions within the scope of IFRS 15. Under the simplified approach, a provision based on lifetime ECL is determined by historical loss rates, adjusted for current conditions and forward looking information, and applied to segments of receivable balances at each reporting date. The ECL for all other financial assets is determined by the present value of the cash shortfalls over the upcoming 12-month period.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The measurement of the provision for expected credit losses ("ECL") for our financial assets measured at amortized cost requires the use of complex models and significant assumptions about future economic conditions and credit behaviour.

Supporting Information

A. Classification and Risks Overview

Our activities are exposed to a variety of financial risks: credit risk, liquidity risk and market risk. Our overall risk management program focuses on the unpredictability of financial and economic markets and seeks to minimize potential effects on our financial performance. Risk management is carried out through financial management practices in conjunction with our overall governance practices. The Board of Directors is responsible for overseeing the management of financial risk.

Our financial instruments, the classification, and the nature of certain risks to which they may be subject are as set out in the following table:

	Risks			
	Credit	Liquidity	Market Risks	
			Currency	Interest rate
Measured and classified at amortized cost				
Bonds receivable	X			X
Promissory notes receivable	X			X
Trade and other receivables	X		X	
Investment in finance lease	X			X
Accounts payable and accrued liabilities		X	X	
Financial obligations		X		X
Lease liabilities		X		X
Measured and classified at fair value through profit and loss (FVTPL)				
Cash and marketable securities	X		X	X
Derivative financial instruments	X		X	

B. Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss. We record a provision for potential credit losses based on an ECL model in accordance with IFRS 9. Actual losses have not exceeded management's expectations in the past. Our maximum exposure to credit risk at March 31, 2022 and March 31, 2021 is the carrying value of these assets.

Cash and marketable securities

We have deposited cash or hold certificates of deposit with reputable financial institutions (members of the Canadian Payments Association or local Cooperative Credit Societies that are members of a Central Cooperative Credit Society having membership in the Canadian Payments Association or, subject to the approval of the Minister of Finance, any financial institutions outside Canada), from which management believes the risk of loss to be remote.

Trade and other receivables

Credit risk concentration with respect to trade and other receivables is limited and managed through a program of credit evaluation and by restricting the amount of customer credit where deemed necessary. Management does not believe that it is exposed to an unusual or significant level of credit risk.

We established a provision for ECL that reflects the lifetime ECL of our trade and other receivables as permitted under IFRS 9 simplified approach. We have a specific policy on credit and collections and guidelines that provide for how the provision should be determined. This is determined by considering our historical loss rates by customer type, adjusted for current conditions and forward looking information. At each reporting period, the amount of expected credit losses is updated to reflect any significant changes in credit risk of trade and other receivables since inception. In making this assessment, we consider both quantitative and qualitative information that is reasonable and supportable, including historical credit loss experience, payments past due over average credit terms by customer type, and forward-looking information such as economic reports.

Consistent with others in the industry, our trade and other receivables are mainly derived from the sale of advertising airtime through agencies. These agencies typically remit their payment over a period exceeding our average credit term of 30 days. As such, a significant portion of our trade receivables are past due but not impaired and the collection period is not necessarily an indicator of credit risk.

Since we are largely funded through parliamentary appropriations, we have determined that we are not subject to the concentration of credit risk typical of broadcasters who mostly rely on commercial revenue. We do not have a material concentration of credit risk with any single customer and mitigate the credit risk of advertising receivables by performing initial and ongoing credit evaluations of advertising customers.

We do not hold any collateral or other credit enhancements on trade and other receivables.

The tables below provide an aging of our customer trade and other receivables and additional information related to the provision for ECL.

Trade and other receivables over 30 days	March 31, 2022	March 31, 2021
31 - 60 days	110,863	40,868
61 - 90 days	2,480	1,663
Over 90 days	18,150	19,710
Total	131,493	62,241

Movement in provision for expected credit losses	March 31, 2022	March 31, 2021
Opening balance	(507)	(384)
Amounts written off during the year as uncollectible	178	313
Net increase in provision for new impairments	(144)	(436)
Balance, end of year	(473)	(507)

Promissory notes receivable and Investment in finance lease

Our promissory notes receivable and investment in finance lease are the result of transactions that occurred in 2003, when we agreed to sell and rent several parcels of land to a wholly-owned subsidiary of the Ontario Teachers' Pension Plan. At the time of the transaction, we ensured that the counterparty met our criteria with regards to credit worthiness and risk, especially given the long-term nature of the receivables. We monitor the collection of the promissory notes receivable and rental payments associated with the investment in finance lease, which are collected on a monthly basis through the CBC Monetization Trust.

Bonds receivable

Under the *Broadcasting Act*, we are allowed to invest any money administered by it in bonds or other securities of, or guaranteed by, the Government of Canada. As such, our bonds receivable are Canada Mortgage Bonds, which have a low credit risk. None of the held to maturity bonds are either past due or impaired.

Derivative financial instruments

The policy on currency risk requires that all significant forward contracts, options and other instruments used to economically hedge a foreign currency exposure will be negotiated with providers holding credit ratings equivalent to or better than that of the major Canadian banks. We place our currency hedging business with different counterparties that meet this criterion.

C. Liquidity Risk

Liquidity risk is the risk that we will encounter difficulties in meeting our financial obligations associated with financial liabilities.

Our approach to managing liquidity risk is to ensure, as far as possible, that we will have sufficient liquidity to meet our liabilities when due, under both normal and stressed conditions without incurring losses. We also manage liquidity risk by continuously monitoring actual and budgeted cash flows. The Board of Directors reviews and approves our operating and capital budgets, as well as large transactions.

We do not have the authority to obtain a line of credit or non-current debt without the prior approval of the Minister of Finance.

The following table presents a maturity analysis of our financial liabilities based on the expected cash flows from the date of our Consolidated Statement of Financial Position to the contractual maturity date. The amounts are the contractual undiscounted cash flows.

	Carrying amount of liability at March 31, 2022	Contractual cash flows			
		Total	Within 1 Year	2 to 5 Years	Over 5 Years
Financial Obligations (Note 16)	207,047	244,814	44,512	178,047	22,255
Lease Liabilities (Note 17)	320,973	433,465	30,226	92,190	311,049
Total	528,020	678,279	74,738	270,237	333,304

	Carrying amount of liability at March 31, 2021	Contractual cash flows			
		Total	Within 1 Year	2 to 5 Years	Over 5 Years
Financial Obligations (Note 16)	237,204	289,326	44,512	178,047	66,767
Lease Liabilities (Note 17)	331,999	448,652	26,814	94,979	326,859
Total	569,203	737,978	71,326	273,026	393,626

D. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk. We are mainly exposed to currency and interest rate risks.

E. Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. We are exposed to limited foreign exchange risk on revenue and expenses denominated in a foreign currency. The majority of these transactions are denominated in US dollars, Euros and British Pounds. The policy on currency risk requires us to minimize currency risk to protect the value of foreign cash flows, both committed and anticipated, from the negative impact of exchange rate fluctuations.

We mitigate this risk by entering into forward exchange contracts. Accordingly, we have limited sensitivity to changes in foreign exchange rates.

In terms of net foreign currency exposure, we are mostly exposed to the US dollar (expressed in Canadian equivalent dollars) as follows:

	March 31, 2022	March 31, 2021
Cash	4,203	1,417
Trade and other receivables	165	32,794
Accounts payable and accrued liabilities	(4,845)	(4,483)
Net exposure	(477)	29,728

Exposure to other foreign currencies is immaterial (2021 – immaterial).

F. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Our notes receivable, bonds receivable, investment in finance lease, bonds payable, obligations under finance leases and notes payable bear fixed interest rates and, as such, are subject to interest rate risk because the fair value of the financial instruments will be affected by changes in the market rates. However, a change in fair value would not impact our profit or loss.

For our short-term cash balances, we have a policy of maximizing interest revenue. We may place our cash in interest bearing accounts with Schedule I Canadian banks. Consequently, the interest rate risk associated with the cash balances is directly tied to the movements of the Bank of Canada's Key Overnight Lending Rate and to the banks' prime rates. To manage interest rate risk, we deal with a number of banks to obtain competitive rates and to mitigate our exposure to any one particular investment vehicle.

G. Fair Value

The carrying values and fair values of our remaining financial assets and financial liabilities are listed in the following table:

	March 31, 2022		March 31, 2021*		Method ¹	Note
	Carrying values	Fair values	Carrying values	Fair values		
<i>Financial instruments measured at fair value through profit and loss on a recurring basis:</i>						
Cash	82,960	82,960	90,107	90,107	Level 1	(a)
Marketable securities	3,814	3,814	3,802	3,802	Level 1	(a)
Financial assets	86,774	86,774	93,909	93,909		
Derivative financial instruments	141	141	592	592	Level 2	(d)
Financial liabilities	141	141	592	592		
<i>Financial instruments measured at amortized cost:</i>						
Bonds receivable (current)	59,692	59,834	95,678	96,042	Level 2	(b)
Promissory notes receivable (current)	4,018	4,018	3,749	3,749	Level 2	(a)
Trade and other receivables	233,041	233,041	177,841	177,841	Level 2	(a)
Investment in finance lease (current)	4,419	4,419	4,141	4,141	Level 2	(a)
Bonds receivable (non-current)	14,422	14,029	26,687	26,829	Level 2	(b)
Promissory notes receivable (non-current)	20,088	21,537	24,106	26,559	Level 2	(c)
Investment in finance lease (non-current)	21,785	25,216	26,204	30,651	Level 2	(c)
Financial assets	357,465	362,094	358,406	365,812		
Accounts payable and accrued liabilities	107,111	107,111	88,429	88,429	Level 2	(a)
Financial obligations (current)	36,938	36,938	35,732	35,732	Level 2	(a)
Financial obligations (non-current)	170,109	190,914	201,472	234,258	Level 2	(d)
Financial liabilities	314,158	334,963	325,633	358,419		

¹Method refers to the hierarchy levels described in Note 2 C. Each level is based on the availability of observable inputs used to measure the fair values of assets and liabilities.

* Certain comparative figures have been reclassified to conform to the current year presentation.

There have been no transfers between levels during the year ended March 31, 2022.

(a) The fair values approximate their carrying value due to the current nature of these instruments.

(b) The fair values for bonds that trade in markets that are not considered to be active are based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs.

(c) The fair values related to the various amounts receivable were determined using the expected future cash flows and discounted using published Government bond rates with similar terms and characteristics, adjusted by a factor that reflects the credit worthiness of the various counterparties.

(d) The fair values related to our various financial liabilities were determined using the expected future cash flows and were discounted using published Government bond rates with similar terms and characteristics, adjusted by a factor that reflects our credit worthiness.

25. CAPITAL MANAGEMENT

We are subject to Part III of *the Broadcasting Act*, which imposes restrictions in relation to borrowings and requires authorization from Parliament and approval from the Minister of Finance.

We define capital that we manage as the aggregate of our equity, which consists of retained earnings.

Our objectives in managing capital are as follows:

- To safeguard our ability to continue as a going concern;
- To fund our asset base; and
- To fulfil our mission and objectives for the Government of Canada to the benefit of Canadians.

We manage our capital by reviewing formally, on a regular basis, the actual results against set budgets, and share this information with the Audit Committee and Board of Directors. Our overall strategy with respect to capital management includes the balancing of our operating and capital activities with our funding on an annual basis. We make adjustments to our capital management strategy in light of general economic conditions, the risk characteristics of the underlying assets and our working capital requirements.

Our objectives, policies and processes for managing capital are consistent with those in place throughout 2020-2021.

We are not subject to externally imposed capital requirements.

26. RELATED PARTIES

Our related parties consist mainly of government departments, agencies, Crown Corporations, subsidiaries, our key management personnel or close family members of these individuals, private companies over which we have significant influence, and the Corporate Pension Plan. We are related in terms of common ownership to all Government of Canada created departments, agencies and Crown corporations.

ACCOUNTING POLICIES

We enter into transactions with these related parties in the normal course of business, on normal trade terms applicable to all individuals and enterprises and at market prices. We record these transactions at fair value.

We have elected to take an exemption under IAS 24 *Related Party Disclosures* which allows government related entities to limit the extent of disclosures about related party transactions with government and other government related entities.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

There are no critical accounting estimates or judgments related to related parties.

Supporting Information

A. Transactions with Related Parties Excluding Government-Related Entities

The transactions carried out with related parties were at fair value and are not significant.

In addition, cash payments for our contributions to the defined benefit plans are disclosed in Note 15 E.

There are no significant amounts owing to related parties at March 31, 2022 (March 31, 2021 – nil) and no expense has been recognized in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties.

B. Transactions with Government-Related Entities

We are a Federal Crown Corporation that operates in an economic environment dominated by entities directly or indirectly controlled by the federal government through its government authorities, agencies, affiliations and other organizations (collectively referred to as “government-related entities”). We have transactions with other government-related entities including but not limited to sales and purchases of goods and rendering and receiving of services.

Canada Mortgage Bonds

As described in Note 5 *Bonds receivable*, \$74.1 million was invested in Canada Mortgage Bonds (CMB) during the year (March 31, 2021 - \$122.4 million). CMB are issued by Canada Housing Trust (CHT), a special purpose trust guaranteed by Canada Mortgage and Housing Corporation (CMHC), another Crown Corporation, and backed by the Government of Canada.

Contract with other Government-Related Entity

Mauril is a new, free and ad-free digital platform leveraging a wide range of content from the Corporation to help users learn English and French. Financed and endorsed by the Government of Canada, this new tool is designed and deployed by the Corporation, in collaboration with a committee of pedagogical experts. It is meant to help improve oral comprehension and integrate language knowledge in everyday life. We have received \$2.8 million (March 31, 2021 - \$3.0 million) from the Government of Canada for the provision of services required to create this new platform and acquire content. At the end of the year, \$5.6 million was recorded as deferred revenue (March 31, 2021 - \$6.0 million).

C. Compensation of Key Management Personnel

Key management personnel are those people that have authority and responsibility for planning, directing and controlling our activities. This includes the President and CEO, the Vice-Presidents and the Board of Directors.

The remuneration of the President and CEO and the Vice-Presidents during the year was as follows:

	March 31, 2022	March 31, 2021
Short-term benefits ¹	4,536	4,197
Post-employment benefits ²	2,459	2,069
Other benefits ³	353	619
Total	7,348	6,885

¹Short-term benefits include wages, salaries, social security contributions, paid annual leave, short-term disability, incentive pay (if payable within twelve months of the end of the period) and other benefit packages (healthcare, life insurance, dental and accident insurance) for current employees.

²Post-employment benefits such as pensions and post-employment life insurance.

³Other benefits include long-term incentive pay, long-term disability, worker's compensation and termination benefits. Termination benefits that are payable as a result of the Corporation terminating employment before the normal retirement date or an employee's decision to accept an offer of voluntary departure. Termination benefits include termination payments, severances and long-service gratuity.

The total compensation paid to members of the Board of Directors, excluding the President and CEO, during the year was \$0.2 million (2021 - \$0.2 million).

The remuneration of key management personnel is determined as follows:

- **Members of the Board of Directors**, except the President and CEO, receive meeting fees for Board and Committee meetings based on a fee schedule established by Corporations' by-laws (as approved by the Minister of Canadian Heritage). The Chair of the Board also receives an annual retainer.
- **The Vice-Presidents'** remuneration is approved by the Board of Directors upon recommendation of the Human Resources and Governance Committee, having regard to the performance of individuals and market trends.
- **The President and CEO** is compensated in accordance with the terms of the Order-in-Council appointing her.

27. COMMITMENTS

A commitment is an agreement that is enforceable and legally binding to either make or receive a payment in the future for the purchase or provision of goods and services. These amounts are not recognized in these consolidated financial statements since we have yet to receive or provide the goods or services contractually agreed upon.

ACCOUNTING POLICIES	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
We are a lessor in several leasing arrangements, which requires management to determine whether the lease is a finance lease or an operating lease.	The determination that an arrangement to lease a portion of a building that we own meets the criteria of an operating lease and that the leased portion of the building does not qualify as investment property under IAS 40 <i>Investment Property</i> .
To classify each lease, management assesses whether the lease transfers substantially all the risks and rewards of ownership. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.	
We recognize lease payments received under operating leases as income on a straight-line basis over the lease term under "Other income".	
When we are an intermediate lessor, we account for our interest in the head lease and the sub-lease separately. We assess the lease classification of a sub-lease with reference to the right-of-use (ROU) asset arising from the head lease.	
If an arrangement contains lease and non-lease components, we apply IFRS 15 to allocate the consideration in the contract.	

A. Program Related and Other

This note shows amounts to which we are contractually committed, but which do not meet the criteria for inclusion in our Consolidated Statement of Financial Position.

	March 31, 2022	March 31, 2021
Facilities Management	63,982	73,610
Programming	328,927	142,592
Transmission and distribution	11,891	18,635
Maintenance and support	72,991	53,246
Property and equipment and intangibles ¹	2,770	2,895
Other	54,530	70,716
Total	535,091	361,694

¹Property and equipment and intangibles does not include any amount related to contractual commitments for the acquisition of intangible assets as at March 31, 2022 (March 31, 2021 - \$0.7 million).

The future aggregate payments are as follows:

	March 31, 2022	March 31, 2021
Less than one year	138,324	168,262
Later than one year but not later than five years	240,619	152,493
More than five years	156,148	40,939
Total	535,091	361,694

Commitments related to financial obligations are disclosed in Note 24 C.

B. Non-Cancellable Leases

The lease component of obligations to lessors is recognized in the Consolidated Statement of Financial Position and presented under "Lease liabilities". The non-lease component of these obligations and operating leases outside the scope of IFRS 16 are presented below.

The future aggregate payments under non-cancellable leases are as follows:

	March 31, 2022	March 31, 2021
Less than one year	19,591	19,095
Later than one year but not later than five years	71,417	70,364
More than five years	322,041	335,202
Total	413,049	424,661

The amounts presented above include a total of \$412.5 million (2021 - \$423.2 million) representing operating costs and property taxes payable.

C. Revenue-Generating Leases

Operating leases relate to buildings and transmission towers that we own with remaining lease terms between one to 88 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

The future aggregate minimum lease receivables under non-cancellable operating leases are as follows:

	March 31, 2022	March 31, 2021
Less than one year	11,138	12,473
Later than one year but not later than five years	45,554	48,103
More than five years	304,101	314,611
Total	360,793	375,187

In addition to the amounts presented above, we expect to receive amounts related to operating expenses and property taxes under building leases for a total of \$63.7 million (March 31, 2021 - \$63.3 million).

28. CONTINGENT ASSETS

Additional consideration may be payable to the Corporation with respect to some of our retransmission rights for past periods. The receipt of this additional consideration is probable, however no contingent asset has been recognized as a receivable at March 31, 2022 as the receipt of the amount is dependent on the outcome of legal proceedings.

Management determined that it is not practicable to make an estimate of the potential impact of this contingent asset.