NOTES TO THE CONSOLIDATED STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

1. GENERAL INFORMATION

CBC/Radio-Canada (the Corporation) 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. Its 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 from Divisions I to IV of Part X of the *Act*.

As the national public broadcaster, the Corporation provides 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 issuance by the Board of Directors on June 22, 2016.

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 (AcSB). The Corporation has consistently applied the same accounting policies throughout all periods presented, as if these policies had always been in effect. All amounts are in Canadian dollars, which is our functional currency, and rounded to the nearest thousand, unless otherwise noted. 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, as described in the notes.

B. BASIS OF PREPARATION

This section includes certain of the Corporation's accounting policies that relate to these consolidated statements as a whole, as well as estimates and judgments it has made and how they affect the amounts reported in the consolidated financial statements. Management developed estimates and made critical judgments in the process of applying the Corporation's policies. These critical accounting estimates and judgments could have a significant effect on the amounts reported in these consolidated financial statements since materially different amounts could be reported under 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.

I) PRINCIPLES OF CONSOLIDATION

Accounting Policies	Critical Accounting Estimates and Judgments
The Corporation consolidates the financial statements of all its subsidiaries (ARTV and Documentary Channel `*documentary*`) and structured entities (the Broadcast Centre Trust and the CBC Monetization Trust) from the date it gained control until the date its control ceases. Subsidiaries and structured entities are entities we control. Control is achieved by having each of: • Power over the investee through giving the Corporation 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 the Corporation to exercise its power over the investee to affect the returns of the investee. The accounting policies of the subsidiaries and structured entities are consistent with those of the Corporation. All intra-company transactions, balances, income and expenses are eliminated in full on consolidation. Changes in the Corporation's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions.	The Corporation consolidates the CBC Monetization Trust and the Broadcast Centre Trust, as it judges that it controls these investees, as defined in IFRS 10 *Consolidated Financial Statements*.

In thousands of Canadian dollars, unless otherwise noted

Information about the Corporation's subsidiaries and structured entities

Subsidiaries

The Corporation's two Canadian subsidiaries are:

	OWNERSHIP	PRINCIPAL ACTIVITY	HOW THE CORPORATION HAS ACHIEVED CONTROL
documentary	2016: 82% / 2015: 82%	Specialty service broadcasting documentaries	Majority interest and active participation on *documentary*'s Board of Directors and Board sub-committees.
ARTV	2015 and 2016: 100%	French-language arts and entertainment specialty channel	Wholly-owned subsidiary – full control over ARTV's relevant activities.

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

There are no significant restrictions imposed on the Corporation's ability to access or use assets and settle the liabilities of *documentary* and ARTV. Specifically, there are no significant restrictions imposed on the Corporation or its subsidiaries relating to their ability to transfer funds to their investors.

Structured entities

The Corporation has two structured entities:

The Broadcast Centre Trust (The "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 occupied by the Corporation. The rent payable by the Corporation 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 the Corporation for the land on which the building is located in Toronto and for which a one dollar rent was paid on October 1, 1988; and
- A lessor under a long-term sub-lease with the Corporation for the building.

The Corporation also guarantees, through its rent payments to the BCT, the bonds payable. See Note 16 for further details.

	NATURE OF TRUST	HOW THE CORPORATION HAS ACHIEVED CONTROL	OTHER INFORMATION
The Broadcast Centre Trust (the "BCT")	Charitable trust	Entity designed to conduct a narrow well-defined activity of leasing on behalf of the CBC, with the Corporation having the ultimate decision making powers over relevant activities	March 31 year-end

The CBC Monetization Trust - In 2003, the Corporation sold two parcels of land to Ontrea Inc., a wholly owned subsidiary of Ontario Teachers' Pension Plan Board, for the consideration of two promissory notes receivable. The CBC Monetization Trust was created in 2009 with the purpose of acquiring the Corporation's interest in the promissory notes receivable.

Through the CBC Monetization Trust, the Corporation has two promissory notes receivable and an investment in finance lease relating to the sale and rental of parcels of land. These receivables are pledged as collateral for their total carrying value to the Corporation's borrowings through notes payable. The Corporation provided an absolute and unconditional guarantee of the full and timely payments of receivables by the ultimate debtors until 2027. See Notes 7 and 8 for further information.

	NATURE OF TRUST	HOW THE CORPORATION HAS ACHIEVED CONTROL	OTHER INFORMATION
CBC Monetization Trust (CBCMT)	Charitable trust	CBC bears the majority of the risks associated with the collection of the Trust's receivables through the guarantee it has provided. 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. Predefined contractual arrangement confers CBC the majority of decision making powers over relevant activities that expose the Corporation to variable returns.	December 31 year-end Additional financial statements prepared for consolidation purposes.

The Corporation does not have interests in joint arrangements or unconsolidated structured entities.

During the current year, the Corporation has not provided, and has no current intention to provide, any further financial and other support to its consolidated structured entities.

II) Operating expenses

Television, Radio and Digital Services Costs

Television, radio and digital services costs are expensed when incurred 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 the expenses that are attributable to the cost of generating programming, such as services provided by Human Resources, Finance and Administration, Building Management and other shared services, as well as a portion of depreciation and amortization are also included in the related expenses. Television, radio and digital services costs also include 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 the Corporation's 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 Human Resources, Finance and Administration, Building Management and other Shared Services, 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 into 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. The Corporation's 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 the Corporation's property and equipment, intangible assets, assets under finance leases 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 the Corporation's 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 flow reflect public policy requirements and decisions. They reflect budgetary funding provided to the Corporation 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 after the reporting period.

VI) Regulatory Licences

The Corporation holds licences, granted by the Canadian Radio-television and Telecommunications Commission (CRTC), for all its conventional television, radio and specialty services. The Corporation is required to meet specific regulatory obligations in return for the privilege of holding a broadcasting licence. The Corporation has elected to record this non-monetary grant at its nominal value of nil.

In thousands of Canadian dollars, unless otherwise noted

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 references purposes:

Accounting Area	Page	Accounting Policies	Accounting Estimates and Judgments
Trade and Other Receivables (note 5)	60	✓	✓
Programming (note 6)	61	✓	✓
Property and Equipment (note 9)	64	✓	✓
Intangible Assets (note 10)	67	✓	✓
Assets under Finance Leases (note 11)	68	✓	✓
Investment in Associate (note 12)	69	✓	✓
Accounts payable and accrued liabilities (note 13)	70	✓	
Provisions (note 14)	71	✓	✓
Pension and Employee Related Liabilities (note 15)	72	✓	✓

Accounting Area	Page	Accounting Policies	Accounting Estimates and Judgments
Deferred Revenue (note 19)	80	✓	✓
Revenue (note 20)	80	✓	
Finance Costs (note 21)	82	✓	
Government Funding (note 22)	82	✓	✓
Income Taxes (note 23)	83	✓	✓
Financial Instruments (note 25)	85	✓	
Related Parties (note 26)	89	✓	
Commitments (note 27)	91	✓	✓

In thousands of Canadian dollars, unless otherwise noted

3. NEW AND FUTURE CHANGES IN ACCOUNTING POLICIES

A. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Corporation did not adopt any new or revised accounting pronouncements that had a material impact on its March 31, 2016 year-end consolidated financial statements.

B. FUTURE ACCOUNTING CHANGES

The IASB has issued the following new standards and amendments to existing standards that were not yet effective and not applied as at March 31, 2016, which could potentially impact the consolidated financial statements of the Corporation. The Corporation does not anticipate early adoption of these standards at this time.

STANDARD	DESCRIPTION	IMPACT	EFFECTIVE DATE
IFRS 9 *Financial Instruments*	Issued to replace IAS 39 *Financial instruments: recognition and measurement* and all previous versions of IFRS 9. Classification, measurement and disclosure of financial instruments based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of its financial assets and liabilities. Includes a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.	The Corporation is reviewing the standard to determine the potential impact, if any.	January 1, 2018, applied retrospectively with certain exceptions.
IFRS 15 *Revenue from Contracts with Customers*	Issued to replace IAS 18 *Revenues* and IAS 11 *Construction contracts* and the related Interpretations when it becomes effective. It provides guidance on the recognition of revenue from contracts with customers, including multiple-element arrangements and transactions not previously addressed comprehensively, and enhanced disclosures about revenue. Revenue to be recognized when an entity transfers goods or services to a customer based upon the amount of consideration to which the entity expects to be entitled to from the customer. Goods or services transferred when the customer has control of them. Extensive new qualitative and quantitative disclosures designed to help the users of financial statements understand the nature, amount, timing and uncertainty of revenue.	The Corporation is reviewing the standard as amended in April 2016 by the IASB to determine the potential impact.	January 1, 2018, applied retrospectively, with certain practical expedients available.
IFRS 16 *Leases*	Supersedes IAS 17 *Leases* and related interpretations. Eliminates the classification of leases as either operating or finance leases for a lessee as all leases are treated in a similar way to finance leases when applying IAS 17. Expected increase in leased assets and financial liabilities. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 has not yet been adopted by the AcSB, but is expected to be adopted shortly.	The Corporation is reviewing the standard to determine the potential impact.	January 1, 2019, applied retrospectively, with certain practical expedients available.
Amendments to IAS 1 *Presentation of financial statements - Disclosure initiative*	Issued to improve the effectiveness of presentation and disclosure in financial statements, with the objective of reducing immaterial note disclosures.	The Corporation has reviewed the standard and has determined the impact would be minimal given the presentation changes made to this year's annual consolidated financial statements.	January 1, 2016, applied prospectively.
Amendments to IAS 7 *Statement of Cash Flows*	Issued to require a reconciliation of the opening and closing financial position for each item for which cash flows have been, or would be, classified as financing activities, excluding equity items. Additional disclosures about matters that are relevant to understanding the entity's liquidity, such as restrictions that affect the decisions of an entity to use cash and cash equivalent balances.	The Corporation is reviewing the standard to determine the potential impact, if any.	January 1, 2017, applied prospectively.

In thousands of Canadian dollars, unless otherwise noted

4. CASH

	March 31, 2016	March 31, 2015
Cash on hand	577	682
Bank balances	155,888	214,202
	156,465	214,884

Interest revenue generated from bank balances and included in Financing income totaled $1.9 million for the year (2015 - $2.3 million).

5. TRADE AND OTHER RECEIVABLES

Trade and other receivables represent amounts the Corporation expects to collect from other parties. The Corporation's trade and other receivables are mainly derived from the sale of advertising airtime.

Accounting Policies	Critical Accounting Estimates and Judgments
Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost less an allowance for doubtful accounts. The Corporation recognizes an allowance for doubtful accounts for receivables where there is objective evidence of impairment. Objective evidence is determined in accordance with Note 25 – Impairment of financial assets. Before accepting new advertising customers, the Corporation reviews the credit application submitted by the customer. 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, the Corporation monitors its customers throughout the year for any indications of deterioration in credit quality. When a trade receivable is uncollectible, it is written off against the allowance for doubtful accounts. Subsequent recoveries of amounts previously written off are credited to the consolidated statement of income (loss) in television, radio and digital services costs expenses.	Determining when there is reasonable expectation that the Corporation will not be able to collect some of the amounts due requires judgment.

Supporting information

	March 31, 2016	March 31, 2015
Trade receivables	123,121	140,999
Allowance for doubtful accounts	(2,058)	(2,683)
Other	15,307	13,128
	136,370	151,444

Trade receivables disclosed above include amounts (see paragraph A below) that are past due at the end of the reporting period for which the Corporation has not recognized an allowance for doubtful accounts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Consistent with others in the industry, the Corporation makes most of its conventional advertising sales through agencies. These agencies typically remit their payment over a period exceeding the Corporation's average credit term of 30 days. As such, a significant portion of the Corporation's trade receivables are past due but not impaired.

Since the Corporation is largely funded through parliamentary appropriations, it has determined that it is not subject to the concentration of credit risk typical of broadcasters who mostly rely on commercial revenue. The Corporation has no material concentration of credit risk with any single customer and mitigates the credit risk of advertising receivables by performing initial and ongoing credit evaluations of advertising customers.

The Corporation does not hold any collateral or other credit enhancements over these balances.

A. AGE OF TRADE RECEIVABLES THAT ARE PAST DUE BUT NOT IMPAIRED

	March 31, 2016	March 31, 2015
31 - 60 days	35,314	22,481
61 - 90 days	673	13,096
Over 90 days	13,874	16,724
Total	49,861	52,301

In thousands of Canadian dollars, unless otherwise noted

B. MOVEMENT IN ALLOWANCE FOR DOUBTFUL ACCOUNTS

	March 31, 2016	March 31, 2015
Opening balance	(2,683)	(3,719)
Amounts written off during the year as uncollectible	571	2,000
Impairment losses reversed	1,113	349
Net increase in allowance for new impairments	(1,059)	(1,313)
Balance, end of year	(2,058)	(2,683)

6. PROGRAMMING

Programming consists of internally produced television programs, externally produced television programs that require the Corporation's 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.

Payments made under the terms of each acquired license agreement are recorded as either current or non-current programming. 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 in television, radio and digital services costs on the Consolidated Statement of Income (Loss), according to the expense recognition schedule described in this section, or when deemed unusable, or when sold.

The amortization of programming costs is subject to the following expense recognition schedule, which is based on intended use. The Corporation's intended use of programming is reviewed at each year-end. In determining intended use, the Corporation considers program contract terms, past audience experience, and future telecast plans.

Costs of programs that are not considered to be recoverable are written off and recorded in the Consolidated Statement of Income (loss) as television, radio and digital services costs.

Critical Accounting Estimates and Judgments

The Corporation is required to determine an appropriate amortization rate for each type of programming. Management's intended use for each program-type considers program contract terms, past audience experience and future telecast plans when determining the expense recognition schedule for programming.

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 Statement of Financial Position and Statement of Income (Loss).

The Corporation has estimated the value of non-monetary consideration provided to Rogers Communications Inc. (Rogers) for *Hockey Night in Canada* sublicensing over the remainder of the contract term. See Note 6.B. for more information.

In thousands of Canadian dollars, unless otherwise noted

Expense recognition schedule

For programs with multiple telecasts, management uses the following recognition basis:

Category	Description	Expense recognition schedule by telecast
Movies	All movie genres	CBC: 50% / 30% / 20% RC: 45% / 20% / 20% / 15%
Series	Includes: Dramatic series, comedy series and animated programs (excluding strips[1])	Dramatic series: CBC: 70% / 20% / 10% RC: 85% / 15% All other series: 70% / 30%
Factual	Factual, informal education and game shows (excluding strips[1])	70% / 30%
Documentaries	Includes all type of documentaries	CBC: 50% / 30% / 20% RC: 100%
Arts, Music and Variety	Includes: Arts, music and variety programs and sketch comedy programs (excluding strips[1])	70% / 30%
Youth	Youth and children drama programs Other youth programs Children - animated and pre-school programs	70% / 30% 34% / 33% / 33% Evenly over each telecast up to a maximum of 5 telecasts
Programs telecast as strips[1]	With the intent to strip from 1st run	Evenly over each telecast up to a maximum of 5 telecasts
Programs telecast as strips[1]	With the intent to strip after 2nd run	50% / 30% / 20%

[1]Method of broadcasting consecutive episodes.

Expenses are recognized on a straight line basis over the broadcast right period for ICI ARTV and ICI Explora.

No changes in estimates were reflected in this fiscal year's expense recognition schedule.

Supporting information

A. Programming by Category

	March 31, 2016	March 31, 2015
Completed programs - externally produced	57,315	58,511
Completed programs - internally produced	3,761	3,407
Programs in process of production - externally produced	44,029	34,249
Programs in process of production - internally produced	19,495	5,479
Broadcast rights available for broadcast within the next twelve months	113,227	68,531
	237,827	170,177
Broadcast rights not available for broadcast within the next twelve months	107,629	140,113
	345,456	310,290

B. Movement in Programming

	March 31, 2016	March 31, 2015
Opening balance	310,290	223,714
Additions	990,842	1,070,776
Programs broadcast	(955,676)	(984,200)
Balance, end of year	345,456	310,290

The programming write-offs included in the Programs broadcast line in the above table for the year ended March 31, 2016, amount to $3.5 million (2015 – $5.0 million). Programming write-offs are mainly due to terminated projects, programs not telecast in the past two years, programming not suitable for telecast or pilots not progressing into a series.

During 2014-2015, the Corporation's agreement with Rogers Communications Inc. (Rogers) commenced for the continued airing of *Hockey Night in Canada* for Saturday night and playoff hockey. Under this arrangement, the Corporation has acquired the right to broadcast hockey in exchange for providing Rogers with facilities and production services, use of certain trademarks and with airtime to generate advertising revenue. The agreement is for five years, after an optional one-year extension was exercised at Rogers' discretion during the current year.

As no monetary amounts are to be exchanged, an estimate of the value of five year broadcast license acquired was calculated based on the fair value of assets given-up and has been recorded as Programming in the Corporation's consolidated financial statements. The fair value of facilities, production services and trademarks to be used by Rogers was determined using market rates. The fair value of airtime provided to Rogers was determined using the Corporation's advertising rate cards for the programs displaced as a result of airing hockey. An estimate of the corresponding costs associated with the provision of facilities and production services as well as deferred revenue was recorded in the liabilities of the Corporation's consolidated financial statements. The Corporation is recognizing these items in revenue and expenses over the five-year term of this agreement as games are aired and as related services are provided.

In thousands of Canadian dollars, unless otherwise noted

7. PROMISSORY NOTES RECEIVABLE

Through the CBC Monetization Trust, a structured entity, the Corporation has 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 arrear in equal blended monthly instalments.

The notes have a carrying value of $43.2 million (March 31, 2015 – $45.6 million) and are pledged as collateral for their total carrying value to the Corporation's borrowings through notes payable.

The Corporation provided an absolute and unconditional guarantee of the full and timely payment of receivables by the ultimate debtors until 2027.

The Corporation also holds a promissory note receivable from SiriusXM Canada Holdings Inc. that is non-interest bearing and is expected to be repaid within the next five years. The carrying amount at March 31, 2016, is $0.4 million (March 31, 2015 – $0.4 million).

Future minimum payments receivable under the term of the notes are as follows:

	March 31, 2016		March 31, 2015	
	Minimum payments receivable	Carrying amount	Minimum payments receivable	Carrying amount
Less than one year	5,567	2,651	5,567	2,474
Later than one year but not later than five years	22,673	13,046	22,673	12,179
More than five years	34,332	27,831	39,900	31,328
Less: unearned financing income	(19,044)	-	(22,159)	-
Total	43,528	43,528	45,981	45,981

Interest income included in current year's revenue and presented as financing income is $2.9 million (2015 – $3.1 million).

Carrying amount:

	March 31, 2016	March 31, 2015
Included in the Consolidated Statement of Financial Position as promissory notes receivable:		
Current	2,651	2,474
Non-current	40,877	43,507
	43,528	45,981

8. 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. The lease receivables are pledged as collateral for their total carrying value to the Corporation's borrowings through the notes payable.

The Corporation provided an absolute and unconditional guarantee of the full payment and timely payments of the finance lease by the ultimate debtors until 2027.

	March 31, 2016		March 31, 2015	
	Minimum payments receivable	Present value of minimum payments receivable	Minimum payments receivable	Present value of minimum payments receivable
Less than one year	6,050	2,960	6,050	2,759
Later than one year but not later than five years	24,199	13,429	24,199	12,519
More than five years	39,911	30,990	45,961	34,860
Less: unearned financing income	(22,781)	-	(26,072)	-
Total	47,379	47,379	50,138	50,138

Interest income included in current year's revenue and presented as financing income, is $3.1 million (2015 – $3.2 million).

Present value of minimum lease payments receivable:

	March 31, 2016	March 31, 2015
Included in the Consolidated Statement of Financial Position as investment in finance lease:		
Current	2,960	2,759
Non-current	44,419	47,379
	47,379	50,138

9. PROPERTY AND EQUIPMENT

The majority of the Corporation's tangible assets are the buildings and technical equipment. These assets are depreciated over their estimated useful lives.

Accounting Policies

Recognition and measurement

Property and equipment are recorded at cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition of the items. The cost of assets constructed by the Corporation includes material, direct labour and related overheads. Amounts included in uncompleted capital projects are transferred to the appropriate property and equipment classification upon completion.

Depreciation

Depreciation of property and equipment is calculated using the straight-line method based on rates based on the estimated useful life of the property and equipment, and begins 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 the Corporation and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

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

Assets held for sale

The Corporation classifies 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. Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Derecognition

The Corporation derecognizes 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 a non-operating item in the Consolidated Statement of Income (Loss).

Critical Accounting Estimates and Judgments

The Corporation is required to estimate the expected useful lives of property and equipment. In determining the expected useful lives of these assets, the Corporation takes 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 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 or amortization 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)

The useful lives used in the calculation of depreciation are as follows:

Buildings	15 to 65 years
Technical equipment	
Transmitters and towers	20 years
Electrical equipment	16 years
Other	8 years
Furnishings and office equipment	10 years
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
Automobiles and minivans	5 years

In thousands of Canadian dollars, unless otherwise noted

Supporting information

A. COST AND ACCUMULATED DEPRECIATION

The property and equipment carrying amounts are as follows:

	March 31, 2016	March 31, 2015
Cost	2,056,402	2,092,572
Accumulated depreciation	(1,171,333)	(1,189,820)
	885,069	902,752

	Land	Buildings	Leasehold improvements	Technical equipment	Other	Uncompleted capital projects	Total
Cost as at March 31, 2015	174,552	553,585	53,253	1,129,557	139,591	42,034	2,092,572
Additions	-	10	-	11,390	4,998	76,240	92,638
Transfers (refer to Note 10)	6	14,237	10,625	46,746	11,588	(78,304)	4,898
Assets classified as held for sale	(257)	(5,472)	-	-	-	-	(5,729)
Disposals and write-offs	5	(6,938)	-	(112,070)	(8,974)	-	(127,977)
Cost as at March 31, 2016	174,306	555,422	63,878	1,075,623	147,203	39,970	2,056,402
Accumulated depreciation as at March 31, 2015	-	(209,726)	(28,864)	(847,406)	(103,824)	-	(1,189,820)
Depreciation for the year	-	(30,461)	(3,935)	(56,097)	(11,749)	-	(102,242)
Reclassification of depreciation on assets classified as held for sale	-	2,790	-	-	-	-	2,790
Reclassification of depreciation on disposals and write-offs	-	3,266	-	107,012	7,661	-	117,939
Accumulated depreciation as at March 31, 2016	-	(234,131)	(32,799)	(796,491)	(107,912)	-	(1,171,333)
Net carrying amount as at March 31, 2016	174,306	321,291	31,079	279,132	39,291	39,970	885,069

	Land	Buildings	Leasehold improvements	Technical equipment	Other	Uncompleted capital projects	Total
Cost as at March 31, 2014	174,709	547,264	52,874	1,209,026	142,580	27,170	2,153,623
Additions	-	-	-	9,774	2,808	55,681	68,263
Transfers (refer to Note 10)	-	13,017	409	21,802	7,214	(40,760)	1,682
Transfers from assets under finance leases	-	-	-	7,208	2,947	-	10,155
Assets classified as held for sale	(48)	(3,190)	-	(2,453)	-	-	(5,691)
Disposals and write-offs	(109)	(3,506)	(30)	(115,800)	(15,958)	(57)	(135,460)
Cost as at March 31, 2015	174,552	553,585	53,253	1,129,557	139,591	42,034	2,092,572
Accumulated depreciation as at March 31, 2014	-	(179,369)	(25,836)	(895,476)	(106,405)	-	(1,207,086)
Accumulated depreciation on transfers from assets under finance leases	-	-	-	(3,574)	(1,054)	-	(4,628)
Depreciation for the year	-	(35,376)	(3,058)	(60,219)	(11,997)	-	(110,650)
Reclassification of depreciation on assets classified as held for sale	-	3,188	-	2,453	-	-	5,641
Reclassification of depreciation on disposals and write-offs	-	1,831	30	109,410	15,632	-	126,903
Accumulated depreciation as at March 31, 2015	-	(209,726)	(28,864)	(847,406)	(103,824)	-	(1,189,820)
Net carrying amount as at March 31, 2015	174,552	343,859	24,389	282,151	35,767	42,034	902,752

The contractual commitments for the acquisition of property and equipment are $21.0 million as at March 31, 2016 (March 31, 2015 – $11.9 million).

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

	For the year ended March 31	
	2016	2015
Television, radio and digital services costs	80 031	88 118
Transmission, distribution and collection costs	21 832	22 112
Corporate management	379	420
Total	102 242	110 650

B. Impairment and Other Charges

There were no impairment losses recorded or reversed during the year ended March 31, 2016 (2015 – nil).

C. Assets Classified as Held For Sale

Consistent with the Corporation's financial plan to reduce its real estate footprint, several properties were classified as held for sale for accounting purposes as at March 31, 2016 that have a total carrying value of $3.5 million (March 31, 2015 - $1.6 million). These properties are expected to be sold on a site by site basis over the next twelve months.

D. Disposals

During the fiscal year, the Corporation sold its mobile assets, a property located in Sudbury (Ontario) and properties located in Iqaluit (Nunavut), Gander (Newfoundland), Grand Falls (New Brunswick) and Saint-Norbert (Québec) that were previously held for sale. The proceeds on the sale of these assets were $10.1 million and resulted in a gain of $3.6 million.

The Corporation also recorded a gain of $1.1 million (2015 - $8.7 million) for insurance proceeds related to a mobile production vehicle that was damaged beyond repair in May 2014. In addition, a loss of $2.4 million related to this mobile unit was recorded during 2014-2015.

During the fiscal year, the Corporation recorded a loss of $2.5 million for the partial derecognition of a component of the TBC building, which was replaced by a new one.

During 2014-2015, the Corporation sold properties located in Halifax, Nova Scotia, Windsor, Ontario and Yellowknife, Northwest Territories that were previously held for sale. The proceeds on the sale of these properties were $7.6 million and resulted in a gain of $2.7 million.

Other net gains and losses during the current and the previous fiscal years resulted from the disposal or retirements of equipment as part of the Corporation's normal asset refresh cycle.

In thousands of Canadian dollars, unless otherwise noted

10. INTANGIBLE ASSETS

Intangible assets are non-monetary assets which are identifiable, represent future economic benefits and are controlled by the Corporation. The Corporation's 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 applications are technically feasible;
- The Corporation intends to complete the asset and to use it;
- The Corporation has the ability to use the asset;
- The development costs can be reliably measured;
- The Corporation has the 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 the 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 on the Consolidated Statement of Income (Loss), for presentation purposes.

The Corporation derecognizes 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 a non-operating item in the Consolidated Statement of Income (Loss).

Critical Accounting Estimates and Judgments

The Corporation uses judgment to determine whether expenditures it has 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, the Corporation is required to estimate the expected useful lives of these assets.

In determining the expected useful lives of these assets, the Corporation takes 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

The intangible assets carrying amounts are as follows:

	March 31, 2016	March 31, 2015
Cost	185,854	176,695
Accumulated amortization	(157,097)	(151,371)
	28,757	25,324

In thousands of Canadian dollars, unless otherwise noted

	Internally developed software	Acquired software	Uncompleted capital projects	Total
Cost as at March 31, 2015	140,594	26,602	9,499	176,695
Additions	-	251	14,902	15,153
Transfers (refer to Note 9)	681	5,919	(11,498)	(4,898)
Disposals and write-offs	(515)	(581)	-	(1,096)
Cost as at March 31, 2016	140,760	32,191	12,903	185,854
Accumulated amortization as at March 31, 2015	(137,090)	(14,281)	-	(151,371)
Amortization for the year	(1,252)	(5,132)	-	(6,384)
Reclassification of amortization on disposals and write-offs	515	143	-	658
Accumulated amortization as at March 31, 2016	(137,827)	(19,270)	-	(157,097)
Net carrying amount as at March 31, 2016	2,933	12,921	12,903	28,757

	Internally developed software	Acquired software	Uncompleted capital projects	Total
Cost as at March 31, 2014	140,893	23,887	4,948	169,728
Additions	-	97	10,150	10,247
Transfers (refer to Note 9)	1,299	2,618	(5,599)	(1,682)
Disposals and write-offs	(1,598)	-	-	(1,598)
Cost as at March 31, 2015	140,594	26,602	9,499	176,695
Accumulated amortization as at March 31, 2014	(136,720)	(9,612)	-	(146,332)
Amortization for the year	(1,830)	(4,669)	-	(6,499)
Reclassification of amortization on disposals and write-offs	1,460	-	-	1,460
Accumulated amortization as at March 31, 2015	(137,090)	(14,281)	-	(151,371)
Net carrying amount as at March 31, 2015	3,504	12,321	9,499	25,324

There were no impairment losses recorded or reversed during the year ended March 31, 2016 (2015 – nil).

The amortization for the year of $6.4 million (2015 - $6.5 million) has been recorded in the Corporation's Consolidated Statement of Income (Loss) in Television, radio and digital services costs.

11. ASSETS UNDER FINANCE LEASES

Assets under finance lease consisted of a lease for satellite transponders and leasehold improvements with original lease terms of seventeen and seven years respectively.

Accounting Policies	Critical Accounting Estimates and Judgments
Recognition and measurement Assets acquired by way of a finance lease are stated at an amount equal to the lower of its fair value and the present value of minimum lease payments at inception of the lease, less accumulated depreciation and accumulated impairment losses. Depreciation Assets under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the related lease unless it is reasonably certain the Corporation will obtain ownership by the end of the lease term.	The determination that an arrangement for satellite transponders and leasehold improvements constitutes a lease under IFRIC 4 *Determining whether an arrangement contains a lease* and the determination that this lease meets the criteria of a finance lease because the Corporation has a right to use the transponders and leasehold improvements conveyed by the agreements for substantially all of the estimated economic useful life of the leased assets.

In thousands of Canadian dollars, unless otherwise noted

Supporting information

	March 31, 2016	March 31, 2015
Cost – leasehold improvements	7,821	-
Cost – satellite transponders	119,897	119,897
Accumulated depreciation – leasehold improvements	(624)	-
Accumulated depreciation – satellite transponders	(106,498)	(99,508)
Net carrying amount	20,596	20,389

Depreciation for the year ended March 31, 2016, was $7.6 million (2015 – $8.0 million). For more information on the related obligations, refer to Note 17.

12. INVESTMENT IN ASSOCIATE

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not result in control or joint control over those policies.

Accounting Policies	Critical Accounting Estimates and Judgments
These financial statements incorporate the Corporation's share of the results of its associate, Sirius XM Canada Holdings Inc. (SiriusXM), using the equity method of accounting. SiriusXM follows similar accounting principles and policies to CBC/Radio-Canada. The Corporation recognizes its investment in SiriusXM initially at cost, and then adjusts the carrying value based on the Corporation's share of SiriusXM income or loss. Distributions received by the Corporation from SiriusXM reduce the carrying amount of its investment. When the Corporation transacts with its associate, profits and losses are eliminated to the extent of the Corporation's interest in the relevant associate. The investment in associate is assessed for indicators of impairment at the end of each reporting period. Any impairment loss is recognized when the net carrying amount is not recoverable and exceeds its fair value.	The Corporation exercised significant influence over SiriusXM at March 31, 2016, while holding less than 20% voting control. In assessing significant influence, judgment was used in determining that the seat the Corporation has on SiriusXM's Board of Directors (through its ownership interest) confers the Corporation the power to participate in the financial and operating policy decisions of its investee.

Supporting Information

SiriusXM, a corporation located and domiciled in Canada, is a satellite radio communications company offering a variety of content on a subscription basis across Canada, including 6 channels carrying the Corporation's programming.

The equity-accounted investee information as at March 31 is summarized in the table below:

	Ownership interest held[1]		Voting interest held		Quoted Fair Value[2]		Carrying Amount		Dividends received[3]	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
SiriusXM	10.15%	10.18%	9.64%	9.67%	$60.5M	$71.8M	2,496	-	$5.5M	$16.9M

[1] As at March 31, 2016, the Corporation held 13,056,787 Class A Subordinate Voting Shares in SiriusXM.

[2] The quoted market value (fair value) was based on unadjusted quoted prices in active markets (Level 1).

[3] SiriusXM has a policy to pay dividends on a quarterly basis, as well as to issue special dividends at their discretion. Last year-end included the receipt of a special dividend of $10.4M (2016: none).

SiriusXM's fiscal year end is August 31 for financial reporting purposes, which differs from that of the Corporation. IAS 28, *Investments in Associates and Joint Ventures*, limits the difference between the end of the reporting period of an associate and that of the investor to no more than three months. As such, the Corporation has included its portion of the interim results of SiriusXM for the period up to February 29, 2016, which falls within the allowed three month window. This corresponds to the latest information available for SiriusXM that can be disclosed publicly.

On July 28, 2014, the Corporation sold 4.8 million of its Class A shares in SiriusXM for net proceeds and a gain of $33.5 million.

In thousands of Canadian dollars, unless otherwise noted

The summarized financial information presented below represents the amounts included in the IFRS financial statements of SiriusXM:

	March 31, 2016[1]	March 31, 2015[2]
Current assets	36,441	41,866
Non-current assets	256,410	256,300
Current liabilities	(208,413)	(215,575)
Non-current liabilities	(218,431)	(211,069)
Net assets	(133,993)	(128,478)
Revenue	334,271	307,741
Net results and total comprehensive income (loss)	48,688	(17,548)

[1]Amounts for the year ended March 31, 2016, include SiriusXM results/balances for the 12-month period ended February 29, 2016.

[2]Amounts for the year ended March 31, 2015, include SiriusXM results/balances for the 12-month period ended February 28, 2015.

A reconciliation of the summarized financial information above to the carrying amounts of SiriusXM recorded on the Consolidated Statement of Financial Position is as follows:

	March 31, 2016	March 31, 2015
Opening balance	-	1,855
Share of results in associate[1]	7,980	-
Dividends received[1]	(5,484)	(1,855)
Balance, end of year	2,496	-

[1] Total dividends received during the year ended March 31, 2016 amounted to $5.5 million (2015 - $16.9 million). In the prior year, dividends received grinded down the investment carrying value to nil. In the current year, the excess of dividends received over the investment carrying value of $8.0 million (2015 - $15.1 million) is recognized in net results under Share of results in associate.

Since the Corporation's share of losses and distributions exceeded its interest in SiriusXM in 2014-2015, its investment carrying value was grinded down to nil. In addition, the Corporation did not recognize losses totaling $2.4 million in relation to its interest in SiriusXM, because the Corporation had no obligation in respect of these losses. During the current year, the Corporation recognized gains totaling $4.9 million. However, $2.4 million of these gains offsetted prior year losses, which left the Corporation with a net gain of $2.5 million.

SiriusXM has no discontinued operations. There are no significant restrictions imposed on SiriusXM relating to their ability to transfer funds to their investors.

The Corporation has not incurred any contingent liabilities or commitments in relation to its associate.

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	Critical Accounting Estimates and Judgments
Accounts payable and accrued liabilities are recognized initially at fair value and subsequently measured at amortized cost.	There are no critical accounting estimates and judgments related to accounts payable and accrued liabilities.

	March 31, 2016	March 31, 2015
Trade payables	45,692	31,999
Accruals	65,130	53,565
Other	1,690	1,970
	112,512	87,534

In thousands of Canadian dollars, unless otherwise noted

14. PROVISIONS

Accounting Policies	Critical Accounting Estimates and Judgments
Provisions are recognized when: • The Corporation has a present obligation (legal or constructive) as a result of a past event; • It is probable that the Corporation 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.	When it has been determined by management that the Corporation has a provision to be accrued, 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 decision of management as to how the Corporation intends to handle the obligation. In addition, the Corporation has provided for termination benefits which are also complex processes and involve making and reassessing estimates. The actual amount and timing of outflows may deviate from assumptions, and the difference might materially affect future consolidated financial statements, with a potentially adverse impact on the consolidated results of operations, financial position and liquidity.

Supporting information

			Restructuring costs		
	Claims and legal proceedings	Environmental	Termination benefits	Decommissioning	Total
Opening balance	32,044	377	6,436	2,105	40,962
Additional provisions recognized	11,463	94	2,048	-	13,605
Provisions utilized	(3,264)	(128)	(3,872)	(2,007)	(9,271)
Reductions resulting from remeasurement or settlement without cost	(16,047)	-	(4,595)	(98)	(20,740)
Balance, end of year	24,196	343	17	-	24,556

A. RESTRUCTURING COSTS

Restructuring costs recognized last year relate to initiatives carried out as part of the Corporation's new strategic plan announced in June 2014 which requires a workforce reduction of up to 1,500 employees by 2020. During the year ended March 31, 2016, there were no new material restructuring announcements.

Expenses related to restructuring costs in connection with these workforce reductions comprise severance, benefits continuation and outplacement services, and were recognized where demonstrably committed and reasonable. All remaining amounts related to restructuring provisions are expected to be paid out within the next 12 months.

At March 31, 2016, the Corporation's provision related to termination benefits is immaterial (March 31, 2015 – $6.4 million) and is included in current liabilities.

The Corporation's decommissioning provision includes work associated with the shutdown of both analogue television and shortwave transmission services. At March 31, 2016, work associated with the provision has been completed and the balance was nil (March 31, 2015 – $2.1 million).

B. CLAIMS AND LEGAL PROCEEDINGS

Various claims and legal proceedings have been asserted or instituted against the Corporation. Some of these claims demand large monetary damages or other form of relief, and could result in significant expenditures. These claims consist mainly of copyright tariffs, grievances and other legal claims.

Litigation is subject to many uncertainties and the outcome of individual matters is not always predictable. Claims that are uncertain in terms of the outcome or potential outflow or that are not measurable are considered to be a contingency and are not recorded in the Corporation's consolidated financial statements. In addition, claims where cash outflows are not probable are considered as contingencies.

At March 31, 2016, the Corporation had provisions amounting to $24.2 million (March 31, 2015 – $32.0 million) in respect of legal claims. All matters are classified as current as, where estimable, the Corporation is working to resolve these matters within 12 months.

15. PENSION PLANS AND EMPLOYEE-RELATED LIABILITIES

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

PENSION PLANS AND POST-EMPLOYMENT BENEFITS

Accounting Policies

The cost of the defined benefit retirement plans are determined on an actuarial basis using the projected unit credit method and management's best assumptions (such as the rate of compensation, inflation, retirement ages of employees and mortality of members), 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. The Corporation recognizes 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 - The Corporation recognizes it 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 on the Consolidated Statement of Income.

- Remeasurements - comprises actuarial gains and losses and the return on plan assets (excluding interest). These are reflected immediately in the 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. The Corporation transfers all remeasurements directly from other comprehensive income to retained earnings as a policy choice.

The liability recognized in the 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 to the Corporation, 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 plan of the Corporation. 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 requires that assumptions be made to help value benefit obligations.

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.

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.

EMPLOYEE BENEFITS OTHER THAN POST-EMPLOYMENT

Accounting Policies	Critical Accounting Estimates and Judgments
<u>Short-term benefits including short-term compensated absences</u> The Corporation recognizes the expense relating to short-term benefits 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 the Corporation has 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. <u>Other long-term employee benefits</u> Other long-term employee benefits 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 the Consolidated Statement of Income (Loss) in the period they occur.	There are no critical accounting estimates and judgments related to employee benefits other than post-employment.

TERMINATION BENEFITS

Accounting Policies	Critical Accounting Estimates and Judgments
The Corporation recognizes termination benefits at the earlier of the following dates: (a) when the Corporation can no longer withdraw the offer of those benefits; and (b) when the Corporation recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of a voluntary departure, the Corporation can no longer withdraw an offer of termination benefits when either the employee accepts the offer, or when a restriction on the Corporation's ability to withdraw the offer exists. In the case of an involuntary departure, the Corporation can no longer withdraw an offer of termination benefits when it has communicated to the affected employees a plan of termination.	There are no critical accounting estimates and judgments related to termination benefits.

In thousands of Canadian dollars, unless otherwise noted

Supporting information

A. Pension Plan Asset/Liability and Employee-Related Liabilities

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

	Current		Non-current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Pension plan asset	-	-	145,406	190,342
Pension plan liability	-	-	102,739	106,801
Other post-employment plans	-	-	136,833	140,339
Vacation pay	55,056	55,315	-	-
Termination benefits	17,310	30,809	-	-
Salary-related liabilities	49,195	68,752	79	105
Total pension plan and employee-related liabilties	121,561	154,876	239,651	247,245

The amount included in the Consolidated Statement of Financial Position arising from the Corporation's obligation in respect of its defined benefit plans is as follows:

	March 31, 2016			March 31, 2015		
	Funded pension plan	Unfunded pension plans	Other post-employment plans	Funded pension plan	Unfunded pension plans	Other post-employment plans
Fair value of plan assets	6,456,327	-	-	6,648,816	-	-
Defined benefit obligation	6,310,921	102,739	136,833	6,458,474	106,801	140,339
Net asset (liability) arising from defined benefit obligation	145,406	(102,739)	(136,833)	190,342	(106,801)	(140,339)

The Corporation maintains a contributory defined benefit pension plan, the CBC/Radio-Canada Pension Plan, covering substantially all employees of the Corporation. 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, with the Corporation providing 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, 2015. While this valuation has been completed, it has not yet been filed with the pension authorities. The Corporation also maintains unfunded non-contributory defined benefit pension arrangements. All plans are subject to an annual actuarial valuation.

The Corporation maintains 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 the Corporation 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. The Corporation also provides 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 plan and the continuation of benefits coverage plan were made as at December 31, 2015. The measurement date for the pension plan assets and the defined benefit obligation is March 31, 2016.

The risks associated with the Corporation's defined benefit 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 the Corporation's pension 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 pension plans with long-term rate of return sufficient to assist the plans in meeting funding objectives and the ongoing growth of pension obligations.

Other risks: The plan 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, and pension, other post-employment and other long-term benefit liabilities can be significant and volatile at times.

In thousands of Canadian dollars, unless otherwise noted

B. Significant Actuarial Assumptions

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

Assumptions – annual rates	March 31, 2016	March 31, 2015
Assumptions for the calculation of pension benefit costs:		
Discount rate	3.50%	4.25%
Assumptions for the calculation of the benefit obligation:		
Discount rate - pension	3.75%	3.50%
Discount rate - long service gratuity	3.00%	2.75%
Discount rate - LTD benefit	3.00%	2.75%
Discount rate - life insurance	3.75%	3.50%
Mortality	CBC Pensioner mortality table based on CBC experience	CBC Pensioner mortality table based on CBC experience
Long-term rate of compensation increase, excluding merit and promotion	1.40% in 2016 & 2017 2.75% thereafter	1.40% in 2015 & 2016 2.75% thereafter
Health care cost trend rate	7.50% in 2016 declining to 4.50% over 10 years	7.53% in 2015 declining to 4.50% over 13 years
Indexation of pensions in payment	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, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Discount rate sensitivity				
100 basis points higher	-13.1%	-13.7%	-7.7%	-8.0%
100 basis points lower	16.8%	17.6%	9.1%	9.4%
Expected rate of future salary increases				
100 basis points higher	2.9%	3.2%	5.7%	7.5%
100 basis points lower	-2.5%	-2.8%	-5.1%	-6.6%
Expected rate of future pension increases				
100 basis points higher	13.4%	13.8%	N/A	N/A
100 basis points lower	-11.1%	-11.3%	N/A	N/A
Mortality sensivity				
Pensioners live an extra year	4.8%	4.8%	-1.7%	-1.6%
Pensioners die a year before	-4.9%	-4.9%	1.9%	1.9%
Health care cost trend rates sensitivity				
100 basis points higher	N/A	N/A	1.0%	0.9%
100 basis points lower	N/A	N/A	-0.9%	-0.8%

N/A = not available

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 the Consolidated Statement of Financial Position.

In thousands of Canadian dollars, unless otherwise noted

An asset/liability study is performed periodically to review the risk/reward 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 2015. Its main findings are summarized below:

- Maintained the value of the Plan's Liability Driven Investment (LDI)[(34)] strategy that focuses on reducing the interest rate and inflation risk mismatch between the Plan's assets and liabilities;
- Introduced a structure to systematically adjust the Plan's interest rate hedging ratio based on the level of interest rates;
- Recommended that the amount of return generating assets with higher return potential, such as equities, private investments and real estate be maintained at existing levels; and
- Introduced 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 to the Plan a percentage of their pensionable salary. The Corporation provides the balance of the funding, as required, based on actuarial valuations.

D. CONTRIBUTION RATE

The contribution rate for full-time employees is as follows:

	2015-2016	2014-2015
For earnings up to the maximum public pension plan earnings[1]		
April 1 to June 30	6.25%	6.19%
July 1 to March 31	6.98%	6.25%
For incremental earnings in excess of the maximum public pension plan earnings[1]		
April 1 to June 30	8.22%	8.14%
July 1 to March 31	9.18%	8.22%

[1] The maximum public pension earnings for 2016 is $54,900 (2015: $53,600, 2014: $52,500).

E. TOTAL CASH PAYMENTS

Cash payments for pension, other post-employment and other long-term benefits for the Corporation were as follows:

	For the year ended March 31	
	2016	2015
Benefits paid directly to beneficiaries	12,909	12,980
Employer regular contributions to pension benefit plans	56,163	60,062
Total cash payments for defined benefit plans	69,072	73,042

F. MATURITY PROFILE

The maturity profile of the benefit plan obligation and other post-employment benefits for the Corporation is as follows:

	Pension plans		Other post-employment plans	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Average duration of the benefit obligation	14.7 years	15.4 years	8.5 years	8.6 years
Active members	21.7 years	22.1 years	8.6 years	8.5 years
Deferred members	18.4 years	20.5 years	N/A	N/A
Retired members	10.7 years	10.9 years	7.7 years	10.3 years

N/A = not applicable

The Corporation expects to make a contribution of $51.8 million to the defined benefit pension plans during the next financial year. Over the next two years, the Corporation will be moving towards 50:50 current service cost-sharing between employees and employer for pension contributions for all members.

[(34)] LDI 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.

In thousands of Canadian dollars, unless otherwise noted

G. Defined benefit obligation

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

	March 31, 2016		March 31, 2015	
	Pension plans	Other post-employment plans	Pension plans	Other post-employment plans
Opening defined benefit obligation	6,565,275	140,339	5,649,933	136,481
Current service cost	125,661	5,564	98,839	5,311
Interest cost	227,795	4,049	237,284	4,874
Contributions from employees	46,064	-	47,359	-
Remeasurements:				
Actuarial losses (gains) arising from changes in demographic assumptions	-	(627)	-	-
Actuarial losses (gains) arising from changes in financial assumptions	(271,327)	(3,748)	810,039	6,653
Actuarial losses (gains) arising from experience adjustments	21,888	4,165	1,803	-
Benefits paid	(301,696)	(12,909)	(279,982)	(12,980)
Closing defined benefit obligation	6,413,660	136,833	6,565,275	140,339

H. Fair Value Of Plan Assets

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

	March 31, 2016		March 31, 2015	
	Pension plans	Other post-employment plans	Pension plans	Other post-employment plans
Opening fair value of plan assets	6,648,816	-	5,587,972	-
Administration fees (other than investment management fees)	(6,160)	-	(5,340)	-
Interest income on plan assets	229,510	-	233,795	-
Return on plan assets, excluding interest income	(216,370)	-	1,004,950	-
Contributions from employees	46,064	-	47,359	-
Contributions from the Corporation	56,163	12,909	60,062	12,980
Benefits paid	(301,696)	(12,909)	(279,982)	(12,980)
Closing fair value of plan assets	6,456,327	-	6,648,816	-

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

		March 31, 2016			March 31, 2015		
		Quoted market price in an active market (Level 1)	Not quoted market price in an active market (Level 2 & 3)	Total	Quoted market price in an active market (Level 1)	Not quoted market price in an active market (Level 2 & 3)	Total
Fixed income	Cash and short-term investments	228,005	243,921	471,926	246,415	17,634	264,049
	Canadian bonds	-	2,667,214	2,667,214	-	2,934,094	2,934,094
Equities	Canadian	345,307	179,522	524,829	343,289	277,065	620,354
	Global	1,193,468	236,659	1,430,127	1,470,164	50,763	1,520,927
Strategic	Property	38,351	555,205	593,556	41,079	498,253	539,332
	Private investments	-	594,384	594,384	-	536,882	536,882
	Hedge Funds	-	153,041	153,041	-	155,056	155,056
Other	Derivatives	(1,142)	11,100	9,958	(731)	34,723	33,992
Total investment assets		1,803,989	4,641,046	6,445,035	2,100,216	4,504,470	6,604,686
Non-investment assets less liabilities		-	-	11,292	-	-	44,130
Fair value of plan assets		-	-	6,456,327	-	-	6,648,816

The fair values of the above fixed income and equity instruments are 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 $57.2million or 0.88% (2015 – $1,273.1 million or 23.23%).

In thousands of Canadian dollars, unless otherwise noted

I. Defined Benefit Plan Costs

Amounts recognized in the Consolidated Statement of Income (Loss) and in the 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	
	2016	2015
Current service cost	131,225	104,150
Administration fees (other than investment management fees)	6,160	5,340
Interest cost on defined benefit obligation	231,844	242,158
Interest income on plan assets	(229,510)	(233,795)
Other	(534)	1,002
Expense recognized in net results	139,185	118,855
Less:		
Remeasurements recognized in other comprehensive income (loss)	(32,745)	(187,457)
Total	106,440	(68,602)

Retained earnings include $400.1 million of cumulative actuarial gains as at March 31, 2016 (March 31, 2015 gains – $367.4 million).

The total expense recognized in net results has been recorded in the Corporation's Consolidated Statement of Income (Loss) as follows:

	For the year ended March 31	
	2016	2015
Television, radio and digital services costs	133,617	114,100
Transmission, distribution and collection	4,176	3,566
Corporate management	1,392	1,189
Total	139,185	118,855

For the year ending March 31, 2016, the total expense related to employee benefits, which includes all salary and related costs, was $925.7 million (2015 - $989.8 million).

16. BONDS PAYABLE

The Broadcast Centre Trust (the "BCT") issued $400 million in secured bonds on January 30, 1997, which will mature in May 2027. The Corporation, through its relationship with the BCT, guarantees the bonds payable with its rent payments for the premises occupied by the Corporation in Toronto.

The bonds are secured by the assets of Canadian Broadcasting Centre, which have a carrying value of $187.4 million (March 31, 2015 - $198.1 million). They bear a fixed interest rate of 7.53% annually and require blended semi-annual payments of $16.5 million, which will require the following principal amounts:

	March 31, 2016		March 31, 2015	
	Minimum payments	Carrying amount	Minimum payments	Carrying amount
Less than one year	33,039	22,269	33,039	21,663
Later than one year but not later than five years	132,155	69,462	132,155	64,513
More than five years	214,752	167,389	247,790	186,724
Less: future finance charges	(120,826)	-	(140,084)	-
Total	259,120	259,120	272,900	272,900

Interest expense related to bonds payable included in current year's expenses and presented as finance costs is $19.3 million (2015 – $20.2 million).

Carrying amount:

	March 31, 2016	March 31, 2015
Included in the Consolidated Statement of Financial Position as bonds payable:		
Current	22,269	21,663
Non-current	236,851	251,237
	259,120	272,900

In thousands of Canadian dollars, unless otherwise noted

17. OBLIGATIONS UNDER FINANCE LEASES

Obligations under finance leases mainly consist of satellite transponders and leasehold improvements. Payments made under finance leases are apportioned between financing costs and the reduction of the outstanding liability. The financing costs are allocated to each period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

	Effective Interest rate	Ending Date
Leasehold improvements	2.12 % per annum	June 2022
Transponder lease	6.82 % per annum	February 2018

	March 31, 2016		March 31, 2015	
	Future minimum lease payments	Present value of future minimum lease payments	Future minimum lease payments	Present value of future minimum lease payments
Less than one year	12,733	11,476	12,030	10,232
Later than one year but not later than five years	12,787	11,984	22,055	20,671
More than five years	4,716	4,597	-	-
Less: future finance charges	(2,179)	-	(3,182)	-
Total	28,057	28,057	30,903	30,903

	March 31, 2016	March 31, 2015
Included in the Consolidated Statement of Financial Position as obligations under finance leases:		
Current	11,476	10,232
Non-current	16,581	20,671
	28,057	30,903

Interest expense related to obligations under finance leases and included in current year's expenses as part of finance costs is $1.9 million (2015 – $2.6 million).

18. 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 7 and 8.

Principal payments are scheduled as follows:

	March 31, 2016		March 31, 2015	
	Minimum payments	Carrying amount	Minimum payments	Carrying amount
Less than one year	11,473	8,523	11,473	8,319
Later than one year but not later than five years	45,892	30,342	45,892	28,936
More than five years	74,574	63,442	86,047	71,577
Less: future finance charges	(29,632)		(34,580)	-
Total	102,307	102,307	108,832	108,832

Interest expense related to notes payable and included in current year's expenses as part of finance costs is $4.9 million (2015 – $5.3 million).

Carrying amount:

	March 31, 2016	March 31, 2015
Included in the Consolidated Statement of Financial Position as notes payable:		
Current	8,523	8,319
Non-current	93,784	100,513
	102,307	108,832

In thousands of Canadian dollars, unless otherwise noted

19. DEFERRED REVENUE

Deferred revenue are revenue received in advance for facilities and production services not yet provided. Deferred revenue also relates to rent-free periods granted on leases where the Corporation is a lessee, as well as payments received for services not yet rendered.

Accounting Policies	Critical Accounting Estimates and Judgments
Deferred revenue related to facilities and production services not yet provided and payments received for services not yet rendered are recognized as revenue when services have been rendered. Deferred revenue related to rent-free periods granted on leases are recognized in the Consolidated Statement of Income (Loss) on a straight-line basis over the terms of the agreements.	The Corporation has estimated the value of deferred revenue for the services owed to Rogers Communications Inc. (Rogers) for *Hockey Night in Canada* sublicensing over the remainder of the contract term. See note 6.B for more information.

Supporting information

	March 31, 2016	March 31, 2015
Opening balance	69,259	27,628
Deferred during the year	41,730	75,554
Recognized in net results during the year	(52,409)	(33,923)
Balance, end of year	58,580	69,259

	March 31, 2016	March 31, 2015
Included in the Consolidated Statement of Financial Position as deferred revenue:		
Current	25,729	30,105
Non-current	32,851	39,154
	58,580	69,259

20. REVENUE

Revenue mainly consists of amounts earned by the Corporation through it provision of goods and services to external customers.

Accounting Policies	Critical Accounting Estimates and Judgments
Revenue is measured at the fair value of the consideration received or receivable arising from the rendering of services and sale of goods in the ordinary course of the Corporation's activities. Revenue is recorded net of discounts. Revenue is recognized when: • The amount of revenue can be reliably measured; • It is probable that the future economic benefits will flow to the Corporation; and • The significant risks and rewards of ownership are transferred to customers and the Corporation retains neither continuing managerial involvement nor effective control.	There are no critical accounting estimates and judgments related to revenue.

SOURCE OF REVENUE	HOW THE CORPORATION RECOGNIZES REVENUE
Advertising revenue from the sale of advertising airtime	When the advertisement has been broadcast, the Corporation has no remaining obligations and collectability is reasonably assured
Subscriber fees revenue from specialty television channels and other subscription-based sales of programming	When the services have been provided, the Corporation has no remaining obligations, and collectability is reasonably assured
Revenue from the leasing of facilities and services; commercial production sales; program sponsorship; retransmission rights and host broadcaster's activities	When the delivery has occurred or when services have been provided, the Corporation has no remaining obligations, and collectability is reasonably assured.
Rental income from the leasing of space or contracting of facilities and related services	On a straight-line basis over the term of the lease.
Lease incentives granted	As a reduction of rental income over the term of the lease
Revenue from the sale of other services such as commercial production sales, program sponsorship and other services revenue	When the service has been delivered and the receipt of the income is probable On a straight-line basis when the delivery is over a period of time and an indeterminate number of acts
Retransmission rights and contributions from the Canada Media Fund (CMF).	On an accrual basis in accordance with the substance of the relevant agreements
Financing income from bank accounts, notes receivable and on the investment in finance lease	As it is earned for bank interest Using the effective interest method for other financing income

Supporting information

The Corporation has recognized revenue from the following sources:

	For the year ended March 31	
	2016	2015
Advertising	253,220	333,420
Subscriber fees	134,541	132,814
Building, tower, facility and service rentals	45,080	50,310
Production revenue	43,972	24,440
Digital programming	16,414	18,312
Retransmission rights	4,083	5,795
Program sponsorship	3,377	4,706
Other services	5,187	3,430
Total Rendering of services	505,874	573,227
Total Financing income	10,235	10,834
Contribution from the Local Programming Improvement Fund (LPIF)	-	8,891
Reciprocal trade revenues other than advertising	10,942	6,731
Foreign exchange gain	1,590	845
Net loss from the change in fair value of financial instruments	(255)	(393)
Total Revenue	528,386	600,135

In thousands of Canadian dollars, unless otherwise noted

21. FINANCE COSTS

Finance costs comprise the interest attributable to bonds payable, obligations under finance leases, notes payable and the accretion of liabilities.

Accounting Policies	Critical Accounting Estimates and Judgments
Finance costs are recognized in the Consolidated Statement of Income (Loss) in the period in which they are incurred using the effective interest method.	There are no critical accounting estimates and judgments related to finance costs.

Supporting information

The Corporation's finance costs include the following:

	For the year ended March 31	
	2016	2015
Interest on bonds payable	19,258	20,241
Interest on notes payable	4,948	5,251
Interest on obligations under finance leases	1,931	2,563
Other non-cash finance costs	1,995	2,519
	28,132	30,574

22. GOVERNMENT FUNDING

The Corporation receives a substantial portion of its 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 the Consolidated Statement of Income (Loss) in the fiscal year for which the appropriations were approved. Parliamentary appropriations for property and equipment and intangible assets that are subject to depreciation are recorded as deferred capital funding on the Consolidated Statement of Financial Position, with income being recognized in the Consolidated Statement of Income (Loss) on the same basis and over the same periods as the assets acquired using the appropriations. Parliamentary appropriations for the purchase of land are recorded in the Consolidated Statement of Income.	The Corporation is required to make estimates in determining the amount of government funding to recognize in income related to capital expenditures. The amount recognized in income each year is based on the estimated useful lives and proportion of the Corporation's property and equipment, and intangible assets purchased using government funding for capital expenditures relative to the estimated useful lives and proportion purchased from self-generated funding.

Supporting information

Parliamentary appropriations approved and the amounts received by the Corporation are as follows:

	For the year ended March 31	
	2016	2015
Operating funding		
Base funding	941,693	941,687
Additional non-recurring funding for programming initiatives	-	-
Compensation adjustment allocated from Treasury Board	-	6
Transfer to capital funding	(13,361)	(12,409)
Operating funding received	928,332	929,284
Capital funding		
Base funding	92,331	92,331
Transfer from operating funding	13,361	12,409
Capital funding received	105,692	104,740
Working capital funding	4,000	4,000
	1,038,024	1,038,024

In thousands of Canadian dollars, unless otherwise noted

Total funding approved and received by the Corporation for the year is not the same as the total government funding presented in the Consolidated Statement of Income (Loss). Capital Funding received is recorded as Deferred Capital Funding in the Consolidated Statement of Financial Position, with income being recognized in the Consolidated Statement of Income (Loss) on the same basis and over the same periods as the related property, equipment and intangible assets. Movement in deferred capital funding was as follows:

	March 31, 2016	March 31, 2015
Opening balance	520,200	518,272
Government funding for capital expenditures	105,692	104,740
Amortization of deferred capital funding	(94,597)	(102,812)
Balance, end of year	531,295	520,200

23. 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. The Corporation's 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.

<u>Current tax</u>

Taxable net results differs from net results as reported in the 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. The Corporation's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

<u>Deferred tax</u>

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

Critical Estimates and Judgments

Management has used judgment to determine that, as of the reporting date, deferred taxes should not be recognized because the Corporation does 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 expense for the year can be reconciled to the income tax expense that would be computed by applying the Corporation's federal statutory tax rate of 25.00% (2015 – 25.00%) to accounting profit as follows:

	For the year ended March 31	
	2016	2015
Income tax provision at federal statutory rate	(15,998)	(11,848)
Permanent differences	387	(8,755)
Increase resulting from adjustment to reflect the expected income tax payable in future periods in respect of taxable and deductible temporary differences	15,611	20,603
Income tax expense recognized in net results	-	-

The tax rate used for the 2016 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 payable in future periods in respect of taxable and deductible temporary differences is reflected above.

In thousands of Canadian dollars, unless otherwise noted

B. Temporary Differences

	March 31, 2016	March 31, 2015
The sources of the deductible (taxable) temporary differences for which no deferred tax asset or liability was recognized were as follows:		
Accrued liabilities	34,063	61,074
Pension plan	(42,667)	(83,541)
Employee-related liabilities	132,599	140,443
Loss carry-forward	58,568	43,480
Non-current receivables and investments	8,498	11,905
Deferred income for tax purposes related to the sale of receivables	(39,600)	(43,077)
Property and equipment	(192,028)	(200,946)
Other	(17,133)	(10,430)
Total	(57,700)	(81,092)

The loss carry-forwards will begin to expire in 2030.

24. MOVEMENTS IN WORKING CAPITAL

	For the year ended March 31	
	2016	2015
Changes in Working Capital are comprised of:		
Trade and other receivables	15,018	135,411
Programming asset (current)	(67,650)	41,551
Merchandising inventory	16	(17)
Prepaid expenses	(11,709)	(5,725)
Accounts payable and accrued liabilities	24,961	(18,779)
Provisions	(16,406)	8,339
Pension plans and employee-related liabilities (current)	(34,257)	19,077
Programming liability (current)	-	15,151
Deferred revenues (current)	(4,376)	20,682
	(94,403)	215,690

25. FINANCIAL INSTRUMENTS

Outlined below are the Corporation's financial instruments and related financial risk management objectives, its policies and its exposure and sensitivity to financial risks.

Accounting Policies

Recognition

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

Classification and Measurement of Financial Instruments

Financial assets and financial liabilities are initially measured at fair value. The Corporation measures financial instruments by grouping them into classes on initial recognition, based on the nature and purpose of the individual instruments. The Corporation classifies all of its non-derivative financial assets as either designated at fair value through profit or loss (FVTPL) or loans and receivables. The Corporation classifies non-derivative financial liabilities as other financial liabilities.

- Financial instruments at FVTPL - include cash and derivatives. The Corporation initially measures these instruments at fair value, with any changes in fair value arising on remeasurement recognized in "Other income" or "Finance costs" in the Consolidated Statement of Income (Loss).
- Loans and receivables – financial assets with fixed or determinable payments such as accounts receivable and promissory notes receivables. The Corporation initially measures these assets at fair value plus transaction costs directly attributable to acquiring them, and then at amortized cost using the effective interest method, net of any impairment.
- Other liabilities - include accounts payable, bonds and notes payables. The Corporation initially measures these liabilities at fair value less transaction costs directly attributable to issuing them, and then at amortized cost using the effective interest method.

Impairment of financial assets

Management assesses at each reporting end whether there is objective evidence that financial assets are impaired. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been affected.

For certain categories of financial assets, such as trade receivables, assets are assessed in addition for impairment on a collective basis. Objective evidence of impairment for a group of receivables could include the Corporation's past experience of collecting payments, an increase in the number of delayed payments past the average credit terms as well as observable changes in national or local economic conditions that correlate with default on receivables.

Critical Accounting Estimates and Judgments

There are no critical accounting estimates and judgments related to financial instruments.

Asset/Liability	Classification	Measurement
Cash	FVTPL	Fair value
Trade and other receivables	Loans and receivables	Amortized cost
Promissory notes receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost
Bonds payable	Other liabilities	Amortized cost
Notes payable	Other liabilities	Amortized cost
Derivatives	Held for trading	Fair value

In thousands of Canadian dollars, unless otherwise noted

Supporting information

A. Fair Value

The fair values of cash, trade and other receivables, the current portion of the promissory notes receivable, the current portion of the investment in finance lease, accounts payable and accrued liabilities, the current portion of the bonds payable, the current portion of the obligations under finance leases and the current portion of the notes payable approximate their carrying value due to the current nature of these instruments.

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

	March 31, 2016		March 31, 2015		
	Carrying values	Fair values (Level 2)	Carrying values	Fair values (Level 2)	Note
Financial instruments measured at fair value on a recurring basis:					
Derivative financial instruments					
Forward contracts (assets)	-	-	161	161	(a)
Stock options	151	151	108	108	(b)
Total	151	151	269	269	
Forward contracts (liabilities)	159	159	-	-	(a)
Financial instruments measured at amortized cost:					
Promissory notes receivable (non-current)	40,877	48,270	43,507	51,970	(c)
Investment in finance lease (non-current)	44,419	53,507	47,379	57,470	(c)
Bonds payable (non-current)	236,851	317,488	251,237	343,663	(d)
Obligations under finance leases (non-current)	16,581	16,780	20,671	21,629	(d)
Notes payable (non-current)	93,784	107,335	100,513	115,918	(d)

There have been no transfers between levels during the year ended March 31, 2016.

(a) The fair value is based on a discounted cash flow model based on observable forward market prices.

(b) The estimated fair value is determined using an option pricing model whose key inputs include the closing price and volatility of the related shares, published Government bond rates and directly observable dividend yields.

(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 reflect the credit worthiness of the various counterparties.

(d) The fair values related to the Corporation's 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 the Corporation's credit worthiness.

B. Capital Risk Management

The Corporation defines capital that it manages as the aggregate of its equity, which is comprised of retained earnings.

The Corporation is not subject to externally imposed capital requirements. The Corporation is, however, 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.

The Corporation's objectives in managing capital are to safeguard its ability to continue as a going concern, to fund its asset base and to fulfil its mission and objectives for the Government of Canada to the benefit of Canadians.

The Corporation manages its capital by reviewing formally, on a regular basis, the actual results against set budgets, and shares this information with its Audit Committee and Board of Directors. The Corporation's overall strategy with respect to capital management includes the balancing of its operating and capital activities with its funding on an annual basis. The Corporation makes adjustments to its capital management strategy in light of general economic conditions, the risk characteristics of the underlying assets and the Corporation's working capital requirements.

The Corporation's objectives, policies and processes for managing capital are consistent with those in place as at March 31, 2015.

In thousands of Canadian dollars, unless otherwise noted

C. Categories of Financial Instruments

	For the year ended March 31	
	2016	2015
Financial assets		
Fair value through profit or loss (FVTPL)		
Cash	156,465	214,884
Derivative financial instruments	151	269
Loans and receivables	179,898	197,425
Financial liabilities		
Fair value through profit or loss (FVTPL)		
Derivative financial instruments	159	-
Other liabilities	473,939	469,266

D. Financial Risk Management

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

E. 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. The Corporation is exposed to all of these risks.

The Corporation's exposure to market risk and its objectives, policies and processes for managing market risk are consistent with those in place as at March 31, 2015.

F. 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. The Corporation is 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 the Corporation to minimize currency risk to protect the value of foreign cash flows, both committed and anticipated, from the negative impact of exchange rate fluctuations.

The Corporation mitigates this risk by entering into forward exchange contracts. Accordingly, the Corporation has limited sensitivity to changes in foreign exchange rates.

The Corporation's net foreign currency exposure is immaterial as at March 31 2016 (2015 – immaterial).

Based on the net exposure as at March 31, 2016, and assuming all the other variables remain constant, a hypothetical 5% change in the Canadian dollar against the US dollar, the Euro and the GBP would not have a significant impact on the Corporation's net results.

G. Interest Rate Risk

Interest 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. The Corporation's notes receivable, bonds payable 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 the profit or loss of the Corporation.

For its short-term cash balances, the Corporation has a policy of maximizing interest revenue. Given that the prevailing interest rates on treasury bills and other similar investments have not been favourable, the Corporation did not have any such investments as at March 31, 2016 (March 31, 2015 – nil). The Corporation may invest in marketable securities with terms to maturity of less than one year. To be compliant with the Broadcasting Act, these securities must be fully guaranteed by the Government of Canada (e.g. Canada treasury bills). The Corporation may also place its 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, the Corporation deals with a number of banks to obtain competitive rates and to mitigate its exposure to any one particular investment vehicle.

In thousands of Canadian dollars, unless otherwise noted

H. Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Corporation. The Corporation has adopted a policy of only extending credit to creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Corporation's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by senior management.

The Corporation is exposed to credit risk through its cash, trade and other receivables, forward exchange contracts, promissory notes receivable and investment in finance lease.

The maximum exposure to credit risk of the Corporation at March 31, 2016 and March 31, 2015 is the carrying value of these assets.

Cash

The Corporation has deposited cash 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

The Corporation's trade and other receivables are mainly derived from the sale of advertising airtime. Credit risk concentration with respect to trade receivables is limited and managed through a program of credit evaluation and by restricting the amount of customer credit where deemed necessary. The Corporation does not believe that it is exposed to an unusual or significant level of credit risk. See Note 5 for more information.

The Corporation establishes an allowance for doubtful accounts that reflects the estimated impairment of accounts receivable. The Corporation has a specific policy on credit and collections and guidelines that provide for how the allowance should be determined. The Corporation establishes a specific allowance for receivables where there is objective evidence that the receivable is not recoverable. This is determined by considering the Corporation's knowledge of the financial condition of its customers, the aging of accounts receivable, the current economic climate, customer and industry concentrations, and historical experience.

The Corporation's allowance for doubtful accounts amounted to $2.1 million at March 31, 2016 (March 31, 2015 – $2.7 million). See Note 5 for more information.

Promissory notes receivable and Investment in finance lease

The Corporation's promissory notes receivable and investment in finance lease are the result of transactions that occurred in 2003, when the Corporation 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, the Corporation ensured that the counterparty met the criteria set out by the Corporation with regards to credit worthiness and risk, especially given the long-term nature of the receivables. The Corporation monitors 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.

Forward exchange contracts

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. To this end, the Corporation has five counterparties meeting this criterion with which it places all its currency hedging business.

	March 31, 2016		March 31, 2015	
	Notional	Fair values	Notional	Fair values
Forward exchange contracts-$US[1]	13,143	(159)	12,525	161

[1]The forward contracts rates are between 1.31375 and 1.31470 for forward contracts in US dollars and the maturity dates are between April 2016 and January 2017.

In thousands of Canadian dollars, unless otherwise noted

I. Liquidity Risk

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

The Corporation's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring losses. The Corporation also manages liquidity risk by continuously monitoring actual and budgeted cash flows. Also, the Board of Directors reviews and approves the Corporation's operating and capital budgets, as well as large transactions.

The Corporation does 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 the Corporation's financial liabilities based on the expected cash flows from the date of the 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, 2016	Contractual cash flows	Within 1 Year	2 to 5 Years	Over 5 years
Bonds payable	259,120	379,946	33,039	132,155	214,752
Notes payable	102,307	131,939	11,473	45,892	74,574
Finance lease – Transponders	20,671	22,055	12,030	10,025	-
Finance lease – Leasehold improvements	7,386	8,181	703	2,762	4,716

	Carrying amount of liability at March 31, 2015	Contractual cash flows	Within 1 Year	2 to 5 Years	Over 5 years
Bonds payable	272,900	412,984	33,039	132,155	247,790
Notes payable	108,832	143,412	11,473	45,892	86,047
Finance lease – Transponders	30,903	34,085	12,030	22,055	-

26. RELATED PARTIES

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

Accounting Policies	Critical Accounting Estimates and Judgments
The Corporation enters 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. These transactions are recorded at fair value by the Corporation.	There are no critical accounting estimates and judgments related to related parties.

Supporting information

These transactions are recorded at fair value by the Corporation. The following transactions were carried out with related parties:

A. Transactions with Related Parties Excluding Government-Related Entities

	Rendering of services		Pension contributions	
	For the year ended March 31			
	2016	2015	2016	2015
Associate	2,401	2,416	-	-
Other related entities[1]	111	121	-	-
Corporate Pension Plan	-	-	56,163	60,062
	2,512	2,537	56,163	60,062

[1] Transations with other related entities primarily relate to administration services provided to the Corporate Pension Plan.

In thousands of Canadian dollars, unless otherwise noted

The following balances were outstanding at the end of the period and are included in Trade and other receivables on the Consolidated Statement of Financial Position:

	Amounts owed by related parties	
	March 31, 2016	March 31, 2015
Associate	579	542
Other related entities	-	-
	579	542

There are no amounts owing to related parties at March 31, 2016 (March 31, 2015 – nil).

The amounts outstanding are unsecured and will be settled in cash. 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.

Other Transactions with Associate

There were no significant transactions with the Corporation's associate during the current or previous fiscal year other than the dividends received, as discussed in Note 12.

Transactions with Government-Related Entities

CBC/Radio-Canada is 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"). The Corporation has transactions with other government-related entities including but not limited to sales and purchases of goods and rendering and receiving of services.

The Corporation has 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.

B. Compensation of Key Management Personnel

Key management personnel are those people that have authority and responsibility for planning, directing and controlling the activities of the Corporation. This includes the Senior Executive Team (SET) and all members of the Board of Directors.

The remuneration of the Senior Executive Team during the year was as follows:

	March 31, 2016	March 31, 2015
Short-term benefits[1]	4,326	4,096
Post-employment benefits[2]	1,836	1,545
Other benefits[3]	144	536
	6,306	6,177

[1]Short-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, accident insurance) for current employees.

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

[3]Other benefits include long-term incentive pay, long-term disability, worker's compensation and termination benefits. Termination benefits are 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, severance pay and long-service gratuity.

The remuneration of key management personnel is 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 total compensation paid to the members of the Board of Directors, excluding the President and CEO, during the year was $0.3 million (2015 – $0.2 million).

SET members' remuneration, excluding the President and CEO, 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.

In thousands of Canadian dollars, unless otherwise noted

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 the Corporation is yet to receive or provide the goods or services contractually agreed.

Accounting Policies	Critical Estimates and Judgments
The Corporation is party to many leasing arrangements, which requires management to determine whether the lease is a finance lease or an operating lease. Leases in which the Corporation assumes substantially all the risks and rewards of ownership are classified as finance leases. Payments made under finance leases are apportioned between financing costs and the reduction of the outstanding liability. The financing costs are allocated to each period so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leases in which the Corporation does not assume substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognized as an expense on a straight-line basis over the lease term. Lease incentives received are recognized as an integral part of the total lease expense over the term of the lease.	The determination that an arrangement to lease a portion of a building owned by the Corporation meets the criteria of an operating lease and that the leased portion of the building does not qualify as investment property under IAS 40 *Investment Property.*

A. PROGRAM-RELATED AND OTHER

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

	March 31, 2016	March 31, 2015
Facilities management	158,440	200,676
Programming	221,649	147,930
Transmission distribution	29,348	34,806
Maintenance & support	31,936	34,569
Property and equipment	21,014	12,332
Other	28,431	28,974
	490,818	459,287

	March 31, 2016	March 31, 2015
Less than one year	146,457	140,917
Later than one year but not later than five years	272,948	280,649
More than five years	71,413	37,721
	490,818	459,287

B. THE CORPORATION AS A LESSEE - OPERATING LEASES

Operating leases relate to leases of property, network distribution and equipment with remaining lease terms of between one and 27 years. Certain leases contain clauses allowing for the renewal/extension of the original term at market rates. The Corporation does not have an option to purchase any of the property, network distribution or equipment at the expiry of the lease periods.

As at March 31 the future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	March 31, 2016	March 31, 2015
Less than one year	20,735	20,451
Later than one year but not later than five years	69,537	68,850
More than five years	53,443	57,515
	143,715	146,816

The amounts presented above include a total of $49.2 million (March 31, 2015 – $50.8 million) representing operating costs and property taxes payable.

The payments recognized as an expense for minimum lease payments in 2016 amounted to $22.4 million (2015 – $22.3 million).

In thousands of Canadian dollars, unless otherwise noted

C. THE CORPORATION AS A LESSOR - OPERATING LEASES

Operating leases relate to buildings and transmission towers owned by the Corporation with remaining lease terms of between one to 94 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.

As at March 31 the future aggregate minimum lease receivables under non-cancellable operating leases are as follows:

	March 31, 2016	March 31, 2015
Less than one year	13,608	10,209
Later than one year but not later than five years	50,075	38,855
More than five years	325,161	324,629
	388,844	373,693

In addition to the amounts presented above, the Corporation has receivables related to operating expenses and property taxes under building leases that total $162.8 (March 31, 2015 – $157.2 million).

28. SUBSEQUENT EVENTS

On May 13, 2016, CBC/Radio-Canada announced its intention to sell its shares by voting in favour of the privatization and recapitalization transaction undertaken by its associate, Sirius XM Canada Holdings (SiriusXM). The transaction would involve the sale of the Corporation's 10.2% economic interest at $4.50 a share, for expected proceeds of approximately $58 million. The completion of the transaction is expected to take place in 2016-2017, subject to certain regulatory and CRTC approvals.

On May 18, 2016, CBC/Radio-Canada issued a progress update on the redevelopment of the Maison de Radio-Canada in Montreal. A shortlist of two proposals is being considered for the development of a new building on a portion of the same site. In addition, four proposals are being considered for the sale of the existing facility. The final choice of proposals for both the new building and sale of the existing facility is expected in the fall of 2016 and will be subject to Governor in Council approval. No significant financial impacts from the sale and redevelopment are currently expected prior to the end of 2016-2017.