



Reporting Guide for the 2004 Radio and Television Annual Return (Short Form)



This Reporting Guide is to assist in the completion of the **Annual Return of "Programming Undertaking" License** (Form No. 5-5300-377.1)

Survey Objective

This survey collects data which are essential for the statistical analysis of the Radio and Television Broadcasting industry and its impact on the Canadian economy. The data have become very important to users, given the current interest in Telecommunications industries and their role in economic growth. The results of this survey will be published in Statistics Canada Catalogue number 56-001.

Confidentiality Statement

This information is collected under the authority of the **Statistics Act**. Statistics Canada is prohibited by law from publishing any statistics which would divulge information obtained from this survey that relates to any identifiable business/institution/individual, without prior written consent. The data reported in this questionnaire will be treated in confidence and will be used exclusively for statistical purposes and published in aggregate form only. Either the Access to Information Act or any other Legislation, will not modify the confidentiality provisions of the Statistics Act, which treats confidential data.

Agreements and Regulations

In order to avoid duplication and ease the burden on respondents, Statistics Canada has entered into the following data sharing agreements concerning this Radio and Television Survey:

- A. Under section 11 of the Statistics Act with the "Institut de la statistique du Québec" for the sharing of information from this survey for broadcasting undertakings in Quebec. The Quebec Statistics Act includes the authority for the collection of this information and the same provisions for confidentiality and penalties for disclosure of information as the Federal Statistics Act;
- B. Under section 12 of the Statistics Act with the Canadian Radio-Television and Telecommunications Commission (CRTC) for all broadcasting undertakings in Canada. This information is required by the Commission under the authority of the Broadcasting Act and the regulations and conditions of licence thereunder. Statistics Canada is collecting the information on behalf of the Commission. The Commission will retain a copy of the questionnaire thus satisfying the requirements of the Television Broadcasting Regulations 1987 and Radio Regulations 1986 or conditions of licence for all broadcasters in Canada to provide this type of information to the Commission on or before November 30 of each year for the year ending on the previous August 31; and
- C. Under section 12 of the Statistics Act with the Federal Department of Canadian Heritage for all broadcasting undertakings in Canada, the Quebec Department of Communications for broadcasting undertakings in Quebec, and the Ontario Ministry of Economic Development and Trade for broadcasting undertakings in Ontario. The agreements we have with these agencies require that they keep the information confidential and only use it for statistical and research purposes. In the case of the agreements with these three agencies, respondents may object to the sharing of their information by giving notice in writing to the Chief Statistician and returning the letter of objection in a separate envelope addressed to: **Special Advisor, Telecommunications and Broadcasting Section, Science, Innovation and Electronic Information Division, Statistics Canada, Ottawa, Canada, K1A 0T6, Telephone: (613) 951-3177, Facsimile: (613) 951-9920.**

Change of Ownership

When a change of ownership has been approved by the CRTC, within 90 days thereof, the former licensee will file with Statistics Canada a copy of an annual return covering the period of operations from September 1 to the day of transfer. The new licensee will file an annual return from the day of transfer to August 31. In some cases, the new licensee elects to file an annual return for the full broadcast year. In either case, the licensee should indicate on the return, which period they are filing.

Completion of the Return

This Annual Return is to be completed by those persons licensed (ie: the "licensee") by the CRTC to operate a **non-profit** radio or a **non-profit** television programming undertaking(s) which earned **less than \$2.0 million** in total revenues. These undertakings, hereafter referred to as "television stations", include conventional television stations, licensed rebroadcasting stations and television networks and "radio stations" which include radio stations and networks as set out in the Television Broadcasting Regulations, 1987 and Radio Regulations, 1986.

The reporting period to be covered by this Annual Return is the broadcasting year which is the 12-month period from September 1, 2003 to August 31, 2004.

Page 2 of this Return requests information specific to the licensee and only needs to be completed once regardless of the number of undertakings reporting in the Return.

Page 3 of this Return requests information specific to the operating results of the licensed undertakings reporting in the Return and a separate page 3 must be completed for each undertaking.

CRTC "Employment Equity" Form: All licencees must complete this form.

CRTC "Alcohol Advertising" Form: All licencees must complete this form.

Important: If you are missing any part of this 3 page Reporting Guide or the 2 page Annual Return, or if the cover page's listing of undertakings is not consistent with your organizational structure, please contact Statistics Canada immediately at the address listed on page 2 of this Guide.

The return is to be typed or legibly written. A postage paid addressed envelope is enclosed for your convenience. If you have any queries regarding this questionnaire, please contact the:

Special Advisor,
Telecommunications and Broadcasting Section,
Science, Innovation and Electronic Information Division
Statistics Canada,
Ottawa, Canada, K1A 0T6 Telephone: (613) 951-3177 Facsimile: (613) 951-9920.
E-mail: daniel.april@statcan.ca

Financial Statements

Subject to (i) and (ii) below, please submit three copies of the licensee's audited Financial Statements for the 12-month period ending August 31, 2004 along with the three copies of the Annual Return:

- (i) subject to (ii) below, all licensees of radio and/or television programming undertakings, including networks, must file audited financial statements at the licensee level for the 12 month period ending August 31, 2004 (see the Appendix on page 3 of this guide).
- (ii) other than licensees who are public companies, all licensees of radio and/or television programming and network undertakings who do not have a condition of licence related to financial performance and who do not have total advertising revenues of more than \$10 million for all of their licensed undertakings combined may, in lieu of audited financial statements, file non-audited financial statements at the licensee level for the 12 month period ending August 31, 2004, (see the Appendix on page 3 of this guide).

CRTC File Number, Call Sign and CRTC Undertaking Number

The CRTC file number, the call sign and CRTC Undertaking number should be entered at the bottom of pages 2 and 3. This information has been pre-printed on the cover of the questionnaire. The CRTC file number is the seven digit number while the CRTC undertaking number is nine digits in length.

CRTC Licence Fees

Licence fees **are not** to be remitted with this return but mailed directly to:

Director, Financial Operations
The Canadian Radio-television and
Telecommunications Commission,
Ottawa, Ontario, K1A 0N2

Enquiries pertaining to licence fees should be referred to the above. Telephone: (819) 997-4384 or Fax: (819) 953-5107.

Page 3: Financial Summary

1. Revenue

- Line 1.1** "Local Time Sales" should include revenue from the sale of air time by local sales representatives, net of advertising agency commissions and trade discounts. The fair market value of bartered contra, sponsorship or any other non-monetary transactions should also be included on this line.
- Line 1.2** "National Time Sales" should include revenue for national advertising, net of any advertising agency commissions and trade discounts. National sales are usually commissionable to the station's national representative.
- Line 1.3** "Network Payments to Station" - For the network, it should include net payments made to the affiliates as a reduction of the revenue. For the affiliates it should include their share of the network net payments, or the reverse as the case may be.
- Line 1.4** "Sales/Syndication of programs" should include revenue for syndication of programs and program rights to other broadcasting stations and revenue received from the sale of programs and production services. Do not include revenue from promotional services.
- Line 1.5(a)** "Corporate Grants" should include revenues received from corporations, associations, foundations and/or individuals, either in support of the general broadcasting operation, or in underwriting specific initiatives. Contributors should not have received commercial spot time as a result of making a grant, although they may have been identified in a brief on-air credit recognizing their support. Grants received from sectors of government should not be included here, but reported under Government Grants. Grants for which commercial announcements were made as a result of a contribution should not be reported here, but included in Local Time Sales or National Time Sales, as the case may be.
- Line 1.5(b)** "Government Grants" should include revenues received from sectors of government (federal, provincial, local or foreign), either in support of the general broadcasting operation, or for specific initiatives. Contributors should not have received commercial spot time as a result of making a grant, although they may have been identified in a brief on-air credit recognizing their support. Grants for which commercial announcements were made as a result of a contribution should not be reported here, but included in Local Time Sales or National Time Sales, as the case may be.
- Line 1.5(c)** "Subsidiary Communications" should include revenues received from the sale of broadcast activity such as SCA, SCMO and VBI.

SCA or SCMO is defined as the technique that involves the unused spectrum of the frequency assigned to FM radio stations to be utilized for a variety of services such as the transmittal of background music services to commercial establishments.

VBI (vertical blanking interval) is an integral part of every television signal but does not contain any part of the video picture. VBI can be used for the distribution of a variety of special services such as close captioning for the hearing impaired.
- Line 1.5(d)** "Other revenue" should include revenue received from the use of talent, services, technical facilities, management fees and other revenue not credited to accounts previously noted.

2. Expenses

- Line 2.1** "Programming and Production" expenses should include those expenses attributable to acquiring, producing and preparing the station's programs.
- Line 2.2** "Technical" expenses should include those expenses attributable to providing and maintaining the technical facilities necessary for the presentation and production of the station's programs.
- Line 2.3** "Sales and Promotion" expenses should include those expenses attributable to selling, advertising or promotion, directed toward prospective advertisers and audiences on behalf of the station.
- Line 2.4** "Administration and General" expenses should include the salaries and wages of the system management, including those engaged in the accounting function.
- Line 2.6** "Operating income (loss) - before interest, depreciation and other expenses" is determined by subtracting total expenses, (line 2.5), from total revenue (line 1.6).
- Line 2.8** "Interest expense" should include those expenses incurred on the station's obligations including notes, bonds and mortgages.
- Line 2.9** "Other expenses" should include any other broadcasting expenses not already allocated.
- Line 4** "Salaries and Other Staff Benefits" should include payments for regular hours worked, overtime, vacation and holidays, and commissions paid to staff under the sales and promotion category, the taxable items shown on employees' T4 slip, the cost to the employer of providing retirement pensions to employees, whether or not under the Canada Pension Plan, Quebec Pension Plan or other government pension plans and the cost of providing benefits such as group medical, group life, employment insurance, **workers'** compensation and other employee benefits. Do not include costs of room and board or any other payments of this type.
- Line 5** "Average Number of Employees" should be the typical weekly average of full and equivalent part-time employees. Where there are part-time employees include them as equivalent full time employees by calculating their work time in proportion to a typical full week's work. Non-Staff commissioned sales representatives should not be included as employees.

APPENDIX

1. Audited Financial Statements: (to be completed by licensee filing an audited financial statement)

- i) Licenses of radio undertakings having total advertising revenues of more than \$10 million for all of their licensed radio undertakings combined for the August 31 broadcast year being filed, must file audited financial statements along with the annual return.
- ii) Licensees of television programming and network undertakings having a condition of licence related to financial performance or having total advertising revenue of more than \$10 million for all of their licensed television undertakings combined for the August 31 broadcast year being filed, must file audited financial statements along with their annual return.

2. Non-audited Financial Statements: (to be completed by licensee filing non-audited financial statements)

Although not subject to an audit by the licensee's external auditors, they must nevertheless be prepared in accordance with Generally Accepted Accounting Principles (G.A.A.P.)* and be signed and dated by the licensee as follows:

"I, _____
(Name) (Title)

am authorized to certify on behalf of _____
(Licensee)

(Signature) (Date)

* Where the statements have not been prepared in accordance with G.A.A.P., please indicate the areas involved and how you treated them.

3. Licensees otherwise required to file audited financial statements and whose fiscal year end does not coincide with August 31 may, as an alternative to filing audited statements as at August 31, file non-audited financial statements at the licensee level for the 12 month period ending August 31 on which the licensee's auditor has performed a "Review Engagement" in accordance with section 8200 of the Canadian Institute of Chartered Accountant's handbook (the "C.I.C.A. handbook"). Licensees who elect to provide Review Engagement financial statements must also file, with their annual return, their audited financial statements for the most recently completed fiscal year ending immediately prior to the 31 August of the annual return being filed.
4. Licensees otherwise required to file audited financial statements and whose statements are included in the audited consolidated statements of a Parent company may, where audited statements at the licensee level are not prepared, file financial statements as follows:
 - i) where the year-end of the Parent is August 31, file non-audited statements at the licensee level and the audited consolidated statements of the Parent both for the 12 month period ending August 31,
 - ii) where the year-end of the Parent is other than August 31, file non-audited financial statements at the licensee level for the 12 month period ending August 31 on which the licensee's auditor has performed a Review Engagement and the audited consolidated financial statements for the Parent company's most recently completed fiscal year ending immediately prior to the August 31 of the annual return being filed.