

December 2, 1968  
(1:40 - 3:35 pm)

MINUTES OF 107TH FINANCE COMMITTEE MEETING

Mr. Denning moved, seconded by Mr. Hinds,

THAT the minutes of the 107th Finance Committee meeting of the Canadian Broadcasting Corporation, held in Ottawa on September 16, 1968, be approved.  
CARRIED.

FINANCIAL STATEMENTS AS AT OCTOBER 31, 1968

The Vice-President, Finance (Mr. Davies) reviewed the operating and capital results for the seven-month period ended October 31 and the following items were discussed:

- (a) The level of programs completed and in process of production as at October 31 were close to budget but represented a slight decrease compared with that of September 30th. Mr. Davies estimated that the favourable expenditure to budget position would prevail until March 31, 1969.
- (b) The net cost of operations for the seven-month period was \$1,467,000 under budget. Projected to the year-end, Mr. Davies estimated operations would be underspent by approximately \$1,000,000.

The President noted the over-expenditure of \$246,000 for "engineering and development" suggests that this department may be over staffed in relation to the amount of engineering that can be completed in one year. The President felt that the size of staff for this department would have to be assessed in relation to the volume of work once the major consolidation projects are well underway. Conceivably the staff requirements should be considerably less than what was needed when the planning, designing and estimating were at their peaks for the three large projects at Montreal, Toronto and Vancouver.

- (c) Capital expenditures to October 31 amounted to \$8,754,000 or 35% of the approved \$25,000,000 annual budget. The President advised that current estimates of projects completed, in progress or planned to commence prior to the end of the fiscal year totalled approximately \$19,354,000. Other projects planned to be underway by March 31, 1969 total \$3,301,000 leaving a balance of \$2,345,000 not committed.

1968/69 CAPITAL BUDGET AND SUPPLEMENTARY RESERVE LIST

Mr. Davies recalled that at the September Directors' meeting, Management was authorized to establish priorities for capital projects within a supplementary reserve list to be implemented in the event surplus funds become available due to delays and deferrals of approved projects. Since that time, Management has reviewed and updated the progress of the current budget expenditures as detailed in the agenda report. In order to maximize capital expenditures, Management proposes to continually review the supplementary reserve list which contain such projects as the acquisition of the Moose Jaw-Regina private TV stations, the purchase of the Moncton youth centre, accelerated land payments for Montreal consolidation and Sackville transmitter construction programme.

AUDITOR GENERAL'S REPORT - LONG FORM ON 1967/68 ACCOUNTS

Mr. Davies circulated this report and explained that it had just been received. With few exceptions it is similar to the annual