

KRISHNAN, T. R.  
--Features of DOC-CATV database.

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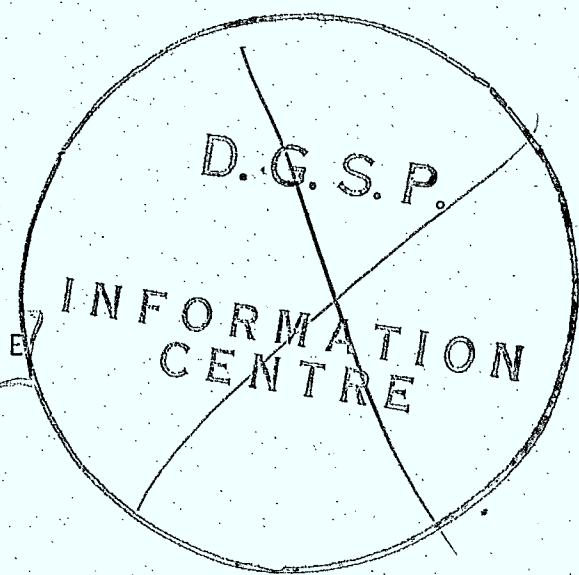
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2. FEATURES

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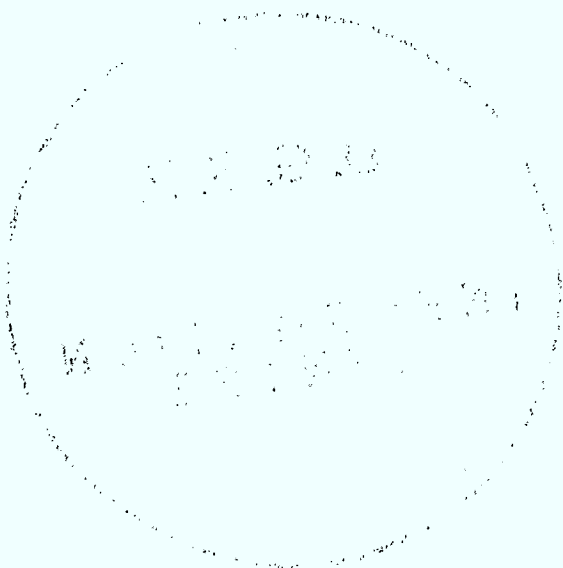
DOC-CATV DATABASE



prepared by *[Signature]* T. R. Krishnan MBA  
for the  
SOCIAL POLICY AND PROGRAMS BRANCH  
of the  
DEPARTMENT OF COMMUNICATIONS

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## SUMMARY

This report outlines the characteristics of the CATV database inventory stored by the statistics branch of the Department of Communications. The items discussed include the different types of information stored, how to access them and also the identification and verification of errors that is currently present in the database along with recommendations for improvements.

## 1.0 INTRODUCTION

The CATV licensees are required to submit their annual returns to the Statistics Canada by November 30th of each year. These annual returns are for the fiscal period ended August 31st of the same year and are submitted in triplicates. Statistics Canada, in turn, forwards one copy to the CRTC and another to the Department of Communications. The annual return contains eighteen pages of information including the names of directors and executive officers, ownership details of the licensee's equity securities, international payments and receipts, and the balance sheet and income statement information of the company. A copy of this "annual return" is included in Appendix A.

The contents of these annual returns are then transferred to the CATV database by the DSI staff. Thus, the information contained in these returns is accessible to us on a system/company basis. In addition, the financial data is also available on a system aggregate basis. This aggregation is done on a provincial as well as national basis as outlined below:

### Provincial/National Basis:

- 1) Non-operational systems;
- 2) Small systems - less than 1000 subscribers;
- 3) Large systems - more than 1000 subscribers;
- 4) All systems combined - includes non-operational.

Statistics Canada publishes cable television aggregate data annually in their catalogue 56-205. However, the DOC aggregate data cannot be directly compared with that of Statistics Canada because the latter publishes information on licensees with more than 1000 subscribers as opposed to systems with more than 1000 subscribers (DOC approach). The two differ because a licensee can have more than 1000 subscribers by having two cable systems with less than 1000 subscribers each. A comparison between DOC and Statistics Canada data is shown in Table 1.

TABLE 1 - Comparison Between Statistics Canada and DOC Aggregate Data on CATV

	(In Thousands)					
	1974		1973		1972	
	DOC	ST-CAN	DOC	ST-CAN	DOC	ST-CAN
Revenue	133,757	133,433	106,954	106,973	82,042	82,464
Profit Before Tax	28,906	28,436	22,554	22,526	16,666	16,822
Tax	14,250	13,992	10,116	10,115	7,490	7,603
Profit After Tax	14,345	14,444	12,353	12,411	9,026	9,219

Recently, the CRTC has decided to define a large CATV system as one with more than '3000' subscribers compared to the '1000' figure used by DOC. The CRTC's definition is based on the idea that only systems with more than 3000 subscribers are supposed to contribute to the community programming expenses and hence it would be better for them to tailor their data base to monitor this item.

## 2.0 DATA STORAGE AND ACCESS

Each item in the "annual cable television return" (appendix A) is given an "element code number" before transferring them into the database. These code numbers along with the corresponding items are shown in Appendix B. Using this Appendix, all our requests for calculations can be converted to the element code form and then submitted to the DSI for outputs. Some examples are given in Table 2.

TABLE 2. Conversion of CATV Requests to Element Codes (Using Appendix B)

CATV Requests	Element Codes
Return on Assets	Code (115 ÷ 372)
Current Ratio	Code (338 ÷ 390)
Debt Ratio	Code (410 ÷ 372)
Quick Ratio	Code $[(338 - 334) \div 390]$

The DOC database is usually accessed by a computer language called 'ALADIN' which was developed by the Computer Sciences Canada Ltd. Other languages such as COBOL or FORTRAN may also be used, but this would require the use of certain additional CSC commands.

## 3.0 ERRORS IN THE DOC CATV DATABASE

The CATV database in DOC is still in the final stages of verification and hence it contains several errors. These are discussed below.

### 3.1 Identification of Errors

Originally, three types of errors were identified in the database — system inconsistencies, addition errors and others.

**System Inconsistencies:** This type of error results from the fact that different number of systems reported the important items of the income statement (revenues, expenses, etc.) for the same year.

TABLE 3. Number of Systems Supplying Information for the Following Items of Income Statement

Data Base Element Code	Items	1972	1973	1974	1975	1976
010	Operating Revenue	312	318	333	344	361
095	Operating Expense	302	316	330	341	360
110	Operating Profit	304	316	327	339	359
096	Depreciation	262	271	279	291	316
098	Interest	185	198	219	235	262
112	Net Operating Profit	175	188	200	216	237
114	Net Profit Before Tax	296	308	317	331	358
106	Tax	109	127	137	141	155
115	Net Profit After Tax	174	188	200	215	238

Thus in 1976, 361 systems reported operating revenue, 358 systems reported profit before tax, 155 reported tax while 238 systems reported profit after tax. This is inconsistent.

**Addition Errors:** This type of error results from addition and subtraction mistakes in the database. Some examples will be given in the next section.

**Other Errors:** These refer to individual isolated cases of errors in the database. Again, some cases will be discussed in the next section.

### 3.2 Verification of Errors

**System Inconsistencies:** A detailed analysis was carried out on the CATV systems in two provinces to find the causes for system inconsistencies. The analysis is shown in Appendix C. This analysis brings out two reasons why such inconsistencies originate: (i) the failure of the database to distinguish between blanks and zeros and (ii) the inconsistent reporting methods used by some cable systems. These include reporting by small systems items such as tax, profit after tax, asset, liability, etc. Small systems are not required to report these items. (Please refer to "Cable Television Annual Return Index" of Appendix A for such information).



Addition Errors: Some Examples are discussed here for large systems aggregate data.

EX.1. Using Appendix B, we have the identity

$$\text{Code } (114 - 106 + 715) \equiv \text{Code } 115$$

substituting the corresponding values for large systems in 1976, the left hand side of above equation becomes \$(36,275,544 - 17,567,739 + 46,000)\$. This is equal to \$18,753,805. However, Code 115 of the computer gives us the value \$18,446,490. While this difference is small, there is no reason why an error should exist in such calculations.

EX.2. Again, Appendix B gives us the identity

$$\text{Code } (110 - 096 - 098 - 099 + 011 + 012 + 013 + 104) \equiv \text{Code } 112.$$

For large systems in 1976, the left hand side of the above equation gives us a value of \$36,473,907. The value recorded in Code 112 is \$36,207,353. This is an error.

Some other identities where such errors occur are

1. Code (010 - 095)  $\equiv$  Code 110
2. Code (112 + 014 - 101 - 102 + 103)  $\equiv$  Code 114
3. Code (115 + 426 + 429 + 427)  $\equiv$  Code 430
4. Code (001 + 002 + 003 + 004 + 005 + 006)  $\equiv$  Code 010
5. Code (110 - 096 - 098 - 099 + 011 + 012 + 013 + 104)  $\equiv$  Code 112
6. Code (114 - 106 + 715)  $\equiv$  Code 115

Other Errors: These refer to isolated cases. Some examples are given below.

1. The following element codes for large system aggregates in 1976 were negative: Codes 361 (fixed assets), 372 (total assets), 420 (total liabilities and equity) and 210 (historical cost of assets). This is incorrect.
2. Incidents of missing values. (e.g. In 1974, system 674 of B.C. reported only expenses while the operating revenue was recorded as zero. This was an operating system and hence this value should have been positive.
3. Isolated cases where new large systems fail to report assets and liabilities while certain small systems report these values while they are not required to do so.
4. Editing errors -- system No. 490 of BC (1974?) reports an operating revenue of \$65,000 and number of subscribers as 40.01.

5. Transfer errors — when a system is transferred into a different section either because it became a large system or because it was bought by another company, occasional transfer errors of data can be noted. This means that not all element codes are successfully transferred from the old system number to the new system number. Again, this happens only in isolated cases.

#### 4.0 RECOMMENDATIONS

The following improvements should considerably improve the accuracy of the database.

- 1) The database should recognise the difference between "-" and "0" — the former indicating information not available while the latter signifies that the info is available and the value is zero.
- 2) The program should count "0" as one system, which it doesn't do at present.
- 3) Blanks should be replaced by a known number such as "999999" so that allowance can be made for it.
- 4) Inconsistent reporting by CATV systems such as small systems reporting assets, liabilities, tax etc. should be edited at the time of input as opposed to entering them into the database as is done currently.
- 5) All addition/subtraction calculations in the aggregate data (provincial, national, small systems, large systems and all systems) should be verified using the identities given in Appendix B. The errors should be traced back to its origin, rather than neglecting it because it is insignificant. We might find that these minor errors lead us to isolated larger errors — if you know what I mean!!

In my opinion, the above verification process should remove almost all the errors in the database. What is left will be isolated cases which can be corrected only if one finds them.

A P P E N D I X    A

C A B L E   T E L E V I S I O N   A N N U A L   R E T U R N



1977

APPENDIX A

CONFIDENTIAL

# Annual Return Cable Television

(ANNUAL RETURN OF "BROADCASTING RECEIVING" LICENSEE)

TO BE SUBMITTED BY NOVEMBER 30th, 1977.

Licence fees are not to be remitted with this return. Statistics Canada will forward copies of this return to the Canadian Radio-television Telecommunications Commission and the Department of Communications. Keep one copy for your files and mail 3 completed copies to: Chief, Communications Section, Statistics Canada, Ottawa, K1A 0T6.

FOR THE FISCAL PERIOD ENDED August 31st, 1977.

# CABLE TELEVISION ANNUAL RETURN

## INDEX

Any enquiries concerning this return may be referred to Statistics Canada Telephone (613) 996-9274.

### 1. For the licensee

All licensees will return pages 1, 3 and 5.

All incorporated licensees will also return pages 6 and 7.

All licensees having a total of more than 1,000 subscribers (in all systems combined) will also return pages 4 and 8 to 11.

### 2. For the Cable Television System

All licensees will return one copy of page "12" for each cable television system.

All licensees having more than 1,000 subscribers (in all licensed systems combined) will also return pages 13 to 18 for each licensed system.

### For each Licensee

Page	Title	Who must File
1	Cover	All licensees.
2	Index	
3	General Information	All licensees.
4	Supplementary Documentation	Licensees with more than 1,000 subscribers (in all systems).
5	Proprietors, Directors & Executive Officers	All licensees.
6	Debt & Equity Securities	All incorporated licensees.
7	Ownership of Securities	
8	Investments	All licensees with more than 1,000 subscribers.
9	International Payments, Accountants' Comments Proprietary Payments	
10	Balance Sheet	
11	Income Statement, Source and Application of Funds	

### For each Cable System

Page	Title	Who must file
12	Summary	All systems.
13	Expenses	All systems operated by licensees with more than 1,000 subscribers.
14	System Information	
15	Summary of Standardized Depreciation of Fixed Assets and Lease Payments	
16-18	Supplementary Schedules of Historical Cost and Standardized Depreciation	

## INSTRUCTIONS

These reporting instructions are to assist in the completion of the "Cable Television Annual Return". If you have any queries regarding this questionnaire which these instructions do not answer, please contact the Chief, Communications Section, Statistics Canada, Ottawa, K1A 0T6 (Telephone: Area Code 613-996-9274).

(a) COMPLETION OF THE RETURN:

The return is to be typed or legibly written - PLEASE DO NOT USE BLUE INK OR BLUE BALL POINT PEN.

(b) LICENSEE NUMBER AND SYSTEM NUMBER:

On page 3 and pages 5 to 18 enter the licensee file number in the appropriate place. On pages 12 to 18 also enter the system number so that these pages can be related to the Cable Television licence. This information has been preprinted on page 1 of the questionnaire. The licensee file number is the four digit number to the right of the licensee's name. The municipality served by each system is listed below the licensee's name. The system number is represented by three letters and three digits.

(c) CHANGE OF OWNERSHIP:

When a change of ownership has been approved, within 90 days thereof the licensee shall file with Statistics Canada three copies of an Annual Return covering the period of operations between the first day of September prior to the transfer, to the day of transfer.

**GENERAL INFORMATION**  
(To be completed by all licensees)

1. Complete name of licensee:

2. Mailing address for correspondence

Name \_\_\_\_\_

Street and number \_\_\_\_\_

City and province \_\_\_\_\_

Postal code \_\_\_\_\_

3. Licensed broadcasting operations for which the enterprise holds a C.R.T.C. licence.

System  
Number

Municipality or County

Province

A \_\_\_\_\_

B \_\_\_\_\_

C \_\_\_\_\_

D \_\_\_\_\_

4. Name of staff member who should be contacted in connection with this form

Telephone No.

5. During the period covered by this return, has the licensee conducted business under a name or address other than that listed above?

☐ No

☐ Yes

↓  
Give other names and addresses used \_\_\_\_\_

6. The Annual Return should cover the 12 month period ending August 31, 1977

Is the information in this return for a period less than the 12 months ending August 31, 1977?

☐ No

☐ Yes

↓  
From: \_\_\_\_\_ to: \_\_\_\_\_

Reasons: \_\_\_\_\_

7. Type of business organization:

☐ Sole proprietorship

☐ Incorporated company, shares NOT publicly traded

☐ Incorporated company, shares publicly traded

☐ Other (specify) \_\_\_\_\_

8.

**MANAGEMENT CERTIFICATION**

I, \_\_\_\_\_ (Name) \_\_\_\_\_ (Title) am authorized to certify on behalf of

\_\_\_\_\_  
(Licensee)

that the information shown in this Return, and all the attachments thereto are true and complete in all respects to the best of my knowledge and belief.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

**BROADCASTING INFORMATION RETURNS REGULATIONS**

**Information Returns**

"3. (1) On or before November 30 in each year, every licensee shall file with the Commission in respect of each broadcasting undertaking that is being carried on by him an annual information return, in the form entitled Annual Return of Broadcasting Licensee obtainable by him from Statistics Canada.

(2) A return filed pursuant to subsection (1) shall contain the information required by the Annual Return of Broadcasting Licensee for the period commencing on September 1 of the year preceding the year in which the return is filed and ending on August 31 of the year in which the return is filed."

Date received

Licensee File Number

# SUPPLEMENTARY DOCUMENTATION

(To be completed by licensees with more than 1,000 subscribers)

## 1. Incorporation:

(a) Date \_\_\_\_\_ (b) Place \_\_\_\_\_  
 (c) Method of incorporation ☐ Letters patent ☐ Memorandum of association ☐ Special Act

	NO	YES: details:	
		Filed with CRTC	Attached
2. Are there any incorporating documents (including supplementary and amending documents)? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Are THREE copies of the most recent audited Financial Statements enclosed? In addition, submit consolidated financial statements where the licensee company engages in business with affiliated companies, in accordance with Research recommendation 3050-07 of the Canadian Institute of Chartered Accountants .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Are contingency voting rights attached to any securities? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Are voting trust agreements attached to any outstanding securities? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Are special privileges in the election of directors attached to any issue of security? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Are there any subsidiary enterprises? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Are any subsidiary enterprises consolidated with this return? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Were there any transactions during the year between the licensee and associated companies and/or individuals? (*) .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Have management fees been paid to or received from other divisions, corporations or individuals? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Have any changes in accounting practices occurred since August 31st, 1976? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Were there any unusual or non-recurring transactions during the year? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Are any significant items of the Cable Television plant not owned by the licensee? .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## INSTRUCTIONS

Check the appropriate box as far as these questions relate to the enterprise during the reporting period. If the answer is "Yes" details should either already be on file with the C.R.T.C. or should be attached to this return. Three copies of audited financial statements are required but only one copy of other documentation is required for the use of the C.R.T.C.

\*Item 9. For the purpose of this item only, an associated company or individual is a company or individual owning directly or indirectly more than 10% of the common shares of the licensee company during the fiscal period. Details of the transaction should include a full explanation such as the affiliate's name, nature of the transaction (purchase or sale of programs, technical, management or administrative services, program production and syndication, rental of property, debt financing etc.) and the amounts involved.



PROPRIETORS, DIRECTORS AND EXECUTIVE OFFICERS

During year ending 31 August, 1977

(To be completed by all licensees)

Name	Address of residence	Citizenship (Use Can., U.S., U.K., Other)	Directors and Executive Officers			
			Term of office		*Director	Office held
			Date of commencement	Duration		
<p>Include details for all Proprietors, Directors and Executive Officers. Indicate all Directors by a (*). If any of these persons hold public office by election or appointment please specify the office held under name of the person. Definition of Executive Officers. The persons designated in the by-laws of the corporation as the Chairman of the Board, President, Vice-President, Secretary, Assistant Secretary, Comptroller, Treasurer and Assistant Treasurer or by similar titles.</p>						

**DEBT AND EQUITY SECURITIES AUTHORIZED AND OUTSTANDING**  
(To be completed by all incorporated licensees)

Incorporated  
licensees

Full description of each class of debt stating name of 10 largest debt holders for each class of debt and guarantors if applicable	Principal sum	Terms of Payment	Rate %	Date of Maturity
DEBT:				
Full description of each class of equity securities	Number of units or shares		Votes per unit or share	Total number of unit holders or shareholders
PREFERRED:	Authorized	Outstanding		
COMMON:				

Licensee File Number

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(To be completed by all incorporated licensees)

Include at least: (i) ten largest shareholders; (ii) all non-Canadian shareholders in accordance with P.C. 1969-2229 as amended; (iii) all Directors & Executive Officers holding shares. Where applicable please specify name of beneficial owner in addition to registered holder. In the same manner give the names of owners of securities in all companies shown. If any of these persons hold public office by election or appointment please specify the office held under the name of the person.

Where two or more licensee companies are subsidiaries of a parent company or where a company holds a minority interest in two or more licensee companies, only one licensee company is required to submit detailed ownership information relative to the parent company (Pages 7 and 8 of the return). The subsidiaries not filing complete ownership information should cross-reference their annual return to the subsidiary filing the detailed ownership data.

**OTHER RELATED INVESTMENTS BY LICENSEE OR MAJOR SHAREHOLDERS**  
(To be completed by licensees with more than 1,000 subscribers)

Name of security holder	Name of business in which security is held	Business Classification code	Security held				Office held				Code	Business Classification
			Class or Description of security held	Voting rights		Per cent of total in class	Director	President	Chairman	Other		
				Yes	No							
											A	CRTC licence holder
											B	Newspaper or other publisher
											C	Theatre or cinema
											D	Advertising agency
											E	Broadcasting sales representatives
											F	Broadcasting program material producer or distributor
											G	Music recording producer or music publisher
											H	Lessor of property, plant or equipment to the licensee
											I	Company owning securities of any of the above categories

5-3511-101.1: 14-6-77

Give details of any investment by the licensee or major debt of shareholders (listed on page 5, 6 and 7) resulting in ownership in Canada of more than one per cent of any enterprise in business classification A and B or ten per cent of any enterprise in the business classification from C to I.

Licensee File Number


**OTHER RELATED INVESTMENTS BY LICENSEE OR MAJOR SHAREHOLDERS—continued**  
(To be completed by licensees with more than 1,000 subscribers)

Name of security holder	Name of business in which securities is held	Business Classification code	Security held				Office held				Code	Business Classification	
			Class or Description of security held	Voting rights		Per cent of total in class	Director	President	Chairman	Other			
				Yes	No								
												A	CRTC licence holder
												B	Newspaper or other media publisher
												C	Theatre or cinema
												D	Advertising agency
												E	Broadcasting sales representatives
												F	Broadcasting program material producer or distributor
												G	Music recording producer or music publisher
												H	Lessor of property, plant or equipment to the licensee
												I	Company owning securities in any of the above categories

5-3511-101.1: 14-6-77

Licensee File Number

# INTERNATIONAL PAYMENTS AND RECEIPTS

(To be completed by licensees with more than 1000 subscribers)

Business Services should include all commercial, financial, professional, technical, administrative or management services, including royalties, patents, copyrights, advertising, commissions, salaries, insurance premiums, equipment rentals. Merchandise imports and exports; freight and shipping are to be omitted. All amounts should be expressed in Canadian dollars. Withholding taxes should not be included.

## 1. Non-merchandise charges related to broadcasting operations

	Payments to non-residents			Receipts from non-residents		
	Business services	Interest	Dividends	Business services	Interest	Dividends
	\$ (omit cents)					
1.1 United States .....						
1.2 United Kingdom .....						
1.3 Other Western European countries .....						
1.4 Other Commonwealth countries .....						
1.5 All other countries .....						
1.6 Total .....						

## BROADCASTING INFORMATION RETURNS REGULATIONS

### Information Returns

"3.(1) On or before November 30 in each year, every licensee shall file with the Commission in respect of each broadcasting undertaking that is being carried on by him an annual information return, in the form entitled Annual Return of Broadcasting Licensee obtainable by him from Statistics Canada.

(2) A return filed pursuant to subsection (1), shall contain the information required by the Annual Return of Broadcasting Licensee for the period commencing on September 1 of the year preceding the year in which the return is filed and ending on August 31 of the year in which the return is filed."

### ACCOUNTANTS' COMMENTS

(2A or 2B must be signed)

2.(a) In our opinion, the financial statements as presented on pages 6 and 10 to 16 herein, present fairly the financial position of: -

as at August 31, 1977, and the results of its operations and the change in financial position for the period then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

City \_\_\_\_\_ Signed \_\_\_\_\_

Date \_\_\_\_\_ Professional Designation \_\_\_\_\_

### Disclaimer of Opinion

2.(b) The accompanying balance sheet and statements of income and change in financial position as reflected on pages 6 and 10 to 16 herein, related to the year ended August 31, 1977 have been prepared from the records of: -

In accordance with the terms of our engagement we have not performed an audit, and consequently do not express an opinion on these financial statements.

City \_\_\_\_\_ Signed \_\_\_\_\_

Date \_\_\_\_\_ Professional Designation \_\_\_\_\_

### PROPRIETARY PAYMENTS

3.1 State the total of salary, fees, bonuses, fringe benefits and other remuneration paid by the company to its three highest paid individuals .....

3.2 State the total of any salary, fee, bonus, fringe benefit or other remuneration paid to shareholders, directors, officers and employees not included in page 13 .....

3.3 Total interest earned by shareholders holding debt .....  
(Completion not required by companies whose securities are listed on a stock exchange)

\$ (omit cents)

Licensee File Number

--	--	--	--	--

BALANCE SHEET AS AT 31st AUGUST, 1977  
(To be completed by licensees with more than 1,000 subscribers)

ASSETS

1	3	7	11	22
4	0			

Do not punch

\$ (omit cents)

1. CURRENT

- 1. Cash .....
- 2. Securities .....
- 3. Receivables (net) .....
- 4. Inventories .....
- 5. Prepaid program rights .....
- 6. Other prepaid expenses .....
- 7. Other (specify) .....

8. Total Current Assets .....

2. INVESTMENTS AND ADVANCES

- 1. Associated companies .....
- 2. Other (specify) .....

3. Total investments and advances .....

3. FIXED AND OTHER ASSETS

FIXED ASSETS: Cable Television

- 1. Land, property and equipment .....
- 2. Accumulated depreciation .....
- 3. Net Fixed Assets— Cable Television .....
- 4. Net Fixed Assets— Non-Cable Television .....
- 5. Intangible assets .....
- 6. Other Assets .....

(specify) .....

7. Total fixed and other assets .....

4. TOTAL ASSETS .....

LIABILITIES

1	3	7	11	22
4	1			

Do not punch

\$ (omit cents)

5. CURRENT

- 1. Bank loans and overdraft .....
- 2. Other loans .....
- 3. Accounts payable and accrued .....
- 4. Income tax payable .....
- 5. Dividends payable .....
- 6. Unearned income .....
- 7. Current portion long-term debt .....
- 8. Other (specify) .....

9. Total Current Liabilities .....

6. NON-CURRENT LIABILITIES

- Long-term debt
- 1. Notes .....
- 2. Mortgages and bonds .....
- 3. Debentures .....
- 4. Less current portion .....
- 5. Total long-term debt .....
- 6. Deferred income taxes .....
- 7. Associated companies .....
- 8. Other liabilities .....

(specify) .....

9. Total Non-Current Liabilities .....

10. TOTAL LIABILITIES .....

7. SHAREHOLDERS' EQUITY

- Share capital issued:
- 1. Preferred .....
- 2. Common .....
- 3. Retained earnings (accumulated deficit) at end of period .....
- 4. Other surplus .....
- 5. Total shareholders' equity .....

8. TOTAL LIABILITIES AND EQUITY .....

INSTRUCTIONS

If not incorporated, please supply details of Capital Account. If appropriate attach a note for clarification of any entry.

Sec. 3. Fixed Assets should be segregated as to those that are used or allocated for use in the earning of broadcasting revenues. Item 3.1 should agree with the total of page 15 col. 1 for all systems reporting. All other fixed assets should be reported net of book depreciation in line 3.4.

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# LICENSEE INCOME STATEMENT FOR THE YEAR ENDED 31st AUGUST, 1977

(To be completed by licensees with more than 1,000 subscribers)

1	3	7	12	22
4	2			

Do not punch

1	3	7	12	22
4	2			

Do not punch

CONSOLIDATION:		Call sign	LICENSED OPERATIONS OWNED BY LICENSEE				TOTAL
			A	B	C	D	
			\$ (omit cents)				
1	Operating income (loss)						
2	Depreciation of cable television assets (recorded in accounts						
3	Interest expense						
4	Investment and interest income						
5	Incidental cable television income						
6	Adjustment of prior years' income						
7	Amortization of organization and start up expense						
8	Net operating profit (loss)						
9	Amortization of goodwill						
10	Gain (loss) from sale of fixed assets, investments, etc.						
11	Net profit (loss) before income taxes						
12	Provision for income taxes						
13	Net profit (loss) after income taxes						

## STATEMENT OF SOURCE & APPLICATION OF FUNDS FOR THE YEAR ENDED 31st AUGUST, 1977

### 2. SOURCE OF FUNDS:

#### OPERATIONS:

1 Net profit (loss) from Cable television after income taxes (from line 1.13)

2 Net profit (loss) from non-Cable television after tax

EXPENSES NOT REQUIRING OUTLAY OF FUNDS: -

3 Depreciation and amortization (recorded in accounts)

4 Deferred Income Taxes

5 Total funds provided from operations

#### OTHER:

6 Increase in long-term debt

7 Proceeds from sale of share capital

8 Decrease in fixed assets (a) Cable television only

9 (b) non-Cable television

10 Decrease in investments and advances

11 Other sources of funds provided (specify)

12 Total funds provided from other sources

13 Total funds provided

### 3. APPLICATION OF FUNDS:

1 Additions to fixed assets (a) Cable television only

2 (b) non-Cable television

3 Additions to investments and advances

4 Deferred expenditures

5 Dividends declared (a) common shares

6 (b) preferred shares

7 Reduction of long-term debt

8 Redemption of shares

9 Other application of funds (specify)

10 Total funds used

### 4. WORKING CAPITAL:

1 Increase (decrease) in working capital (net of 2.13 and 3.10)

2 Working capital at beginning of year

3 Working capital at end of year (current assets minus current liabilities on page 10)

1	3	7	12	22
4	3			

Do not punch

\$ (omit cents)

Licensee File Number

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## INSTRUCTIONS

### Income Statement:

Line 1.1 should equal page 12, 3.1 for each system operation ("A", "B", "C" etc.)

Line 1.2 should equal page 15 col. 4, line 12 for EACH operation.

Lines 1.4, 1.5, 1.6, 1.7, 1.9 and 1.10 must agree with 3.4 on page 12 for EACH operation.

In the absence of other criteria, where a licensee reports the results of several systems on page 11, the following guidelines are suggested as a basis for allocating corporate expenses:

### Line 1.3 Interest Expense:

Interest expense should be allocated to the system in the same proportion which the system's annual depreciation (item 1.2 page 11) is to the total depreciation (item 1.2 page 11. Total).

### Line 1.7 Amortization of Organization and Start Up Expense:

Amortization of organization and start up expense should be allocated in the same manner as Interest Expense.

### Line 1.4 Investment and Interest Income:

This should be allocated to the system in the same proportion which the system's Gross Revenue (item 1.6 page 12) is to the total gross revenue of all operations.

### Line 1.5 Incidental Cable Television Income;

### Line 1.6 Adjustment of Prior Years' Income;

### Line 1.9 Amortization of Goodwill;

### Line 1.10 Gain (Loss) from Sale of Fixed Assets, Investments, etc. All these items should be allocated in the same manner as Investment and Interest Income.

### Line 1.12 Provision for Income Taxes:

Provision for income taxes should be allocated in the same proportion which the net profit item (1.11, page 11), for each system is to the total net profit (item 1.11, page 11. Total).

### Statement of Source and Application of Funds:

Only income or expenses related to cable television by the licensee should flow into line 2.1 "Net profit (loss) from cable television operations after income taxes".

All other revenues and expenses should be netted out after provision for income taxes and included in line 2.2. However, where the licensee company records its portion of profits or losses of a subsidiary on an equity accounting basis then an increase in equity should be recorded in line 2.11 and 3.3 where there is a profit, and a decrease in equity should be recorded in line 2.10 and 3.9 where there is a loss.

OPERATING AND FINANCIAL SUMMARY  
(To be completed for each Cable TV licence)

1	3	7	12	22
5	4			

For office use

File No. \_\_\_\_\_

SYSTEM OFFICE

Street \_\_\_\_\_

Municipality \_\_\_\_\_

County \_\_\_\_\_ Province \_\_\_\_\_

Information on this page covers the period from \_\_\_\_\_ to \_\_\_\_\_

1. Revenue

1 Direct Subscribers ..... \$

2 Indirect Subscribers ..... \$

3 Installation (including re-connect) ..... \$

4 Education Services ..... \$

5 Other Cable operations ..... \$

6 Total ..... \$

2. Expenses

1 Program origination (from page 13 (1.9)) ..... \$

2 Technical (from page 13 (2.8)) ..... \$

3 Sales (from page 13 (3.5)) ..... \$

4 Administrative and General (from page 13 (4.10)) ..... \$

5 Total ..... \$

3. Other Items

1 Operating Income (Loss) before under noted items ..... \$

2 Less Depreciation (from page 15 col. 3 line 12) ..... \$

3 Interest Expense ..... \$

4 Other adjustments - expenses (or income) ..... \$

5 System Pre-Tax Profit (Loss) ..... \$

4. Operating Data

1 Salaries and other staff benefits (included in 2 above) .....

2 Number of employees (weekly average) .....

3 Direct subscribers (paying directly to licensee at standard rates) from page 14 2.1 .....

4 Indirect subscribers (residential units served by bulk contracts) from page 14 2.2 .....

5 Total subscribers (4.3 and 4.4) .....

6 Strand miles of distribution cable (to the nearest 1/10th) from page 14 3.1, 3.2 and 3.3 .....

7 Strand miles of main or trunk cable (not used for customer service drops) from page 14 3.4 .....

8 Individual households in area served by distribution cable from page 14 2.3 .....

9 Households in multiple dwellings offered service (i.e. apartments) from page 14 2.4 .....

10 Total residential units served by distribution cable (total of 4.8 and 4.9) from page 14 2.5 .....

11 Total dwelling units in licensed area (including area not served by cable plant) from page 14 2.6 .....

12 Standard monthly rate for direct subscribers from page 14 1.1 .....

13 Historical cost of fixed assets .....

Licensee File Number

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System No.

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FOR INSTRUCTION SEE OVER

## INSTRUCTIONS

Item 3.4 Other adjustments - expenses (or income) items 1.4, 1.5, 1.6, 1.7, 1.9, and 1.10 from page 11.

Item 4.2 Number of employees must agree with 6.6 column 1 page 13.

Item 4.3 Direct subscribers:

Direct subscribers should correspond to the number of single dwellings billed directly by the cable system operator. Single dwellings would include single houses, each half of a semi-detached (or double) house and each section of a row or terrace. Each single dwelling would be served by one main outlet. Auxiliary or additional outlets are not to be counted.

Item 4.4 Indirect subscribers:

State the number of indirect subscribers billed under each contract. Each indirect subscriber is considered to be served by one main outlet; additional outlets of indirect subscribers are not to be counted.

Item 4.8 Individual household in area served by distribution cable:

State the total number of households not in multiple dwellings in the area served by cable whether or not the occupant of the household is a subscriber. The number reported should be credible with item 4.6, strand miles of distribution cable.

Item 4.9 Households in multiple dwellings offered service (i.e. apartments):

State the total number of apartments, not the number of apartment buildings; in the area served by cable regardless of whether or not the occupant of the apartment is a subscriber.

Item 4.11 Total dwelling units in licensed area:

State the total number of dwelling units in the licensed area irrespective of whether these are served by cable. The number reported should include all households in the area (i.e. apartments plus single dwellings).

**DIRECT OPERATING EXPENSE SUMMARY**  
(To be completed by licensees with more than 1,000 subscribers)

1	3	7	12	22
5				

Program Origination				\$ (omit cents)
1	1	Payments for non-staff talent		
2	2	Material and supplies		
3	3	Other Production Costs		
4	4	"Theatrical" and "Short" Film or tape (rental and distribution costs)		
5	5	Package shows		
6	6	Program services		
7	7	Other (non production) origination costs (*)		
8	8	Remuneration (6.1.(4) below)		
9	9	Sub-Total (to page 12 (2.1))		

Technical				\$ (omit cents)
2	1	Rent, lease or other payments: Headend		
2	2	Distribution System		
3	3	Parts and Supplies		
4	4	Vehicle expenses		
5	5	Other Technical Costs (*)		
6	6	Remuneration (6.2.(4) below)		
7	7	Deduct wages capitalized		
8	8	Sub-Total (to page 12 (2.2))		

Sales				\$ (omit cents)
3	1	Sales Commission (non Staff)		
2	2	Promotion (including travel)		
3	3	Other Sales and Promotion Expenses (*)		
4	4	Remuneration (6.3.(4) below)		
5	5	Sub-Total (to page 12 (2.3))		

Administration and General				\$ (omit cents)
4	1	Cost of premises (rent or lease etc.)		
2	2	Professional Services		
3	3	C.R.T.C. Licence Fee		
4	4	Other Licence Fees, Dues and Subscriptions		
5	5	Office Supplies and Services (including telephone etc.)		
6	6	Management Services (involving direction of operations)		
7	7	Bad Debt Expense		
8	8	Other Administration and General (*)		
9	9	Remuneration (6.4.(4) and 6.5.(4) below)		
10	10	Sub-Total (to page 12 (2.4))		
5	1	TOTAL (1.9, 2.8, 3.5 and 4.10)		

**TOTAL REMUNERATION**

	Number of Staff (1)	Wages & Salaries (2)	Fringe Benefits (3)	Total (4)
6	1	\$ (omit cents)		
2	2			
3	3			
4	4			
5	5			
6	6			

Licensee File Number

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System No.

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## INSTRUCTIONS

Item 2.1 should include microwave and other equipment for acquiring signals "off air".

Remuneration should include: payments for regular hours worked, overtime, vacation and holidays, commissions paid to staff under the sales and promotion category. Directors' fees and emoluments should be shown separately. Fringe benefits should include the taxable items shown on employees T4 form such as profit sharing and bonus arrangements; also include 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, and unemployment insurance, workmen's compensation and other employee benefits. Do not include the value of board and lodging or other payments in kind.

Number of staff should be the typical weekly total 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 and their cost should be reported in 3.1.

\*Any single item which exceeds 10% of Departmental Expenses should be specified.

(To be completed by licensees with more than 1,000 subscribers)

1	3	7	12	22
5 7				

- 1 Basic monthly .....
- 2 Connection (installation) .....
- 3 Re-connect or move .....
- 4 Additional outlets (each) per month .....
- 5 FM service outlet per month .....
- 6 Monthly charge for channel converter service .....

[illegible]

## Households Connected to Cable Service:

- .1 By direct subscription ....  
.2 By indirect subscription

Reporting Year	
Beginning	End

## Households in Area Wired for Cable Services:

- .3 Individual houses .....  
 .4 Household units in multiple dwellings ...  
 .5 Total households offered cable services .....  
 .6 Total households in licensed area .....


1	Cable distribution plant - Aerial .....	Miles
2	- Conduit .....	Miles
3	- Buried .....	Miles
4	Main of trunk cable (not used for taps or drops) .....	Miles
5	Total .....	Miles
6	Number of amplifiers in use .....	
7	Channel capability .....	
8	Annual cost per pole (if pole attachment contract is in effect) .....	
9	Number of poles used .....	
10	Monthly cost per 1000 feet of cable (if leased) .....	
11	Radio relay (includes microwave) Number of microwave channels <input type="checkbox"/> .....	
12	Pole attachment contract in effect .....	
13	Partial lease in effect .....	
14	Full lease in effect .....	

[illegible]

- #### 4. CABLE TV PROGRAMMING:

- ### 1. Program Hours

- 1 Licensee Produced .....
- 2 Local Community Produced .....
- 3 Other Canadian Programs .....
- 4 Non-Canadian Programs .....
- 5 Total Program Hours .....

Hours per week on local channel				
Automated	Live	Film	Tape	Total

## 2. Program Capability

- |             |                               |                                  |                                 |   |  |
|-------------|-------------------------------|----------------------------------|---------------------------------|---|--|
| 1 Telecine  | <input type="checkbox"/> 8m/m | <input type="checkbox"/> 16m/m   | <input type="checkbox"/> 35m/m  | <input type="checkbox"/> Film Camera    | <input type="checkbox"/> Colour        |
| 2 VTR       | <input type="checkbox"/> 1/4" | <input type="checkbox"/> 1/2"    | <input type="checkbox"/> 1"     | <input type="checkbox"/> Videcon Camera | <input type="checkbox"/> Colour        |
| 3 Automated | <input type="checkbox"/> T/W  | <input type="checkbox"/> News    | <input type="checkbox"/> Sports | <input type="checkbox"/> Other          |  |
| 4 Service   | <input type="checkbox"/> Fire | <input type="checkbox"/> Burglar | <input type="checkbox"/> Police | <input type="checkbox"/> Facsimile      | <input type="checkbox"/> Polling       |
|             |                               |                                  |                                 |   | <input type="checkbox"/> Meter Reading |

Licensee File Number

System No.

## INSTRUCTIONS

### 1. Service Rates:

Service rates should be consistent with current practice, indicating the prevailing rates charged to households subscribing and billed directly. Estimate typical rates on a per household or per suite basis for indirect subscribers (i.e. those provided with cable television service collectively through a third party such as a landlord or community association).

### 2. Area:

Three distinct stages of cable television service in relation to households are asked for: first, the number of households (both in single and multiple dwellings) connected to the cable service, second, the number of households in the area which is wired for cable service, and finally, the total number of households in the licensed area.

Item 2.1 Second column should agree with item 4.3 page 12.

Item 2.2 Second column should agree with item 4.4 page 12.

Item 2.3, 2.4 and 2.5 should agree with items 4.8, 4.9 and 4.10 page 12.

Item 2.6 should agree with item 4.11 page 12. It should include all dwelling units in the licensed area (i.e. single homes, apartments, each section of a row of houses etc.).

### 3. Equipment:

Item 3.7 System Channel Capability:

State the number of channels currently operational including those carrying programs ("off air" and local organization) as well as vacant channels.

Item 3.8 Cost per pole. The contract annual rental per pole for attachment rights should be shown.

#### (\* Item 3.11 Radio Relay (Including Microwave) Channel Route Mileage:

The provision of this information is optional for this return. The route mileage is obtained by multiplying the number of one way microwave or radio relay channels in operation by the distance in miles between terminals.

#### 4.1 Program Hours:

State the typical hours per week of programming on the local channel by source and type, for all programs originated by the system.

#### 4.2 Program Capability:

Check the facilities which are used by the system.



# SUMMARY OF STANDARDIZED DEPRECIATION OF FIXED ASSETS AND LEASE PAYMENTS

(FIXED ASSETS USED FOR EARNING BROADCASTING REVENUE)

(System Summary at August 31, 1977)

1	3	7	12	22
5	9			

Classification of Fixed Assets	Historic cost of assets in use at Aug. 31, 1977	Accumulated standardized depreciation at Aug. 31, 1976	1977 Annual depreciation		1977 Annual lease payment
			Straight line (Standardized)	Recorded in licensee's accounts	
	(1)	(2)	(3)	(4)	(5)
			\$ (omit cents)		
1. Land .....					
2. Buildings (and land improvements) .....					
3. Head-end and components .....					
4. Distribution system plant .....					
5. Cost of subscriber drops and devices .....					
6. Test equipment and tools .....					
7. Furniture and fixtures .....					
8. Other property, plant and equipment .....					
9. Cable casting equipment .....					
10. Leasehold improvements (except cable system plant) ....					
11. Automobiles and trucks .....					
12. TOTAL .....	Enter on page 12, 4.13		Enter on page 12, 3.2	Enter on page 11, 1.2	

## INSTRUCTIONS

Column (1) is Net of disposals of fixed assets up to August 31, 1977.

Column (2) is Net of accumulated standardized depreciation on fixed assets disposed of up to August 31, 1976.

Standardized depreciation is designed to adjust the fixed asset account to establish a common basis for reporting cost and accumulated depreciation. It will need to be completed to provide uniform reporting of historical costs of assets devoted to cable television activities and the straight line depreciation of those assets.

Detail for column 1, 2 and 3, page 15 is obtained from pages 16-18. Fixed assets acquired in 1977 for use in Cable Television may require an adjustment to the rate of depreciation depending on the month in which these were acquired before calculating the current depreciation.

Assets which have been revalued through appraisal or because of purchase after prior use should be included in column 1 page 15 but depreciation recorded in the accounts or a variation thereof, that more adequately reflects the write-off "cost" or "value" over the remaining useful life of the assets should be used instead of calculating straight line (standardized) depreciation. If an asset in use is not owned by the licensee then the annual cost must be included in column 5 on page 15.

### Cost of Subscriber Drops and Devices:

Costs of subscriber drops and devices should be dealt with in all cases as capital expenditures of the licensee. This may not reflect the company's tax or corporate practice, but is required for uniformity of reporting by all licensees. These costs will be:

- (a) Where the licensee makes his own connection, the costs for labour and material (electronic equipment, miscellaneous hardware and wire); and
- (b) Where the licensee engages a contractor or other agent to make the connection, the amount paid or payable to such agent.

Both the costs of disconnections from and reconnections to existing subscriber drops and the cost of complete removal of the service from any particular premises should be treated as expenses of the year in which they are incurred. (Amounts received from the subscribers for original connections or for reconnections are to be included in the licensee's current income).



# SUPPLEMENTARY SCHEDULE OF HISTORICAL COST AND STANDARDIZED DEPRECIATION

Year of Assets Acquisition	(2) Buildings (including land improvements) (20 years at 5%)				(3) Head End and Components (10 years at 10%)			
	Cost of assets acquired during the year	Stand-ardized depreciation (2) x .05	Multi-plier	Accumulated depreciation (2) x (4)	Cost of assets acquired during the year	Stand-ardized depreciation (6) x .10	Multi-plier	Accumulated depreciation (6) x (8)
(1)	(2)	(3) \$ (omit cents)	(4)	(5)	(6)	(7) \$ (omit cents)	(8)	(9)
1977 .....								
1976 .....			.05				.10	
1975 .....			.1				.20	
1974 .....			.15				.30	
1973 .....			.2				.40	
1972 .....			.25				.50	
1971 .....			.3				.60	
1970 .....			.35				.70	
1969 .....			.4				.80	
1968 .....			.45				.90	
1967 .....			.5				1.00	
1966 .....			.55		Total	Total		Total
1965 .....			.6		Enter on line 3 column 1, page 15	Enter on line 3 column 3 page 15		Enter on line 3 column 2, page 15
1964 .....			.65					
1963 .....			.7					
1962 .....			.75					
1961 .....			.8					
1960 .....			.85					
1959 .....			.9					
1958 .....			.95					
1957 and prior .....			1.00					
Total .....	Enter on line 2 column 1 page 15	Enter on line 2 column 3 page 15		Enter on line 2 column 2 page 15				

Licensee File Number

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System No.

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# SUPPLEMENTARY SCHEDULE OF HISTORICAL COST AND STANDARDIZED DEPRECIATION

\$ (omit cents)

Year of assets acquisition	(4) Distribution System Plant (10 years at 10%)				(5) Cost of Subscribers Drops and Devices (10 years at 10%)			
	Cost of assets acquired during the year (2)	Standardized depreciation (2) x .10 (3)	Multiplier (4)	Accumulated depreciation (2) x (4) (5)	Cost of assets acquired during the year (6)	Standardized depreciation (6) x .10 (7)	Multiplier (8)	Accumulated depreciation (6) x (8) (9)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1977 .....								
1976 .....			.10				.10	
1975 .....			.20				.20	
1974 .....			.30				.30	
1973 .....			.40				.40	
1972 .....			.50				.50	
1971 .....			.60				.60	
1970 .....			.70				.70	
1969 .....			.80				.80	
1968 .....			.90				.90	
1967 and prior .....			1.00				1.00	
Total .....	Enter on line 4 column 1 page 15	Enter on line 4 column 3 page 15		Enter on line 4 column 2 page 15	Enter on line 5 column 1 page 15	Enter on line 5 column 3 page 15		Enter on line 5 column 2 page 15

Year of assets acquisition	(6) Test equipment and tools (10 years at 10%)				(7) Furniture and fixtures (10 years at 10%)			
	Cost of assets acquired during the year (2)	Standardized depreciation (2) x .10 (3)	Multiplier (4)	Accumulated depreciation (2) x (4) (5)	Cost of assets acquired during the year (6)	Standardized depreciation (6) x .10 (7)	Multiplier (8)	Accumulated depreciation (6) x (8) (9)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1977 .....								
1976 .....			.10				.10	
1975 .....			.20				.20	
1974 .....			.30				.30	
1973 .....			.40				.40	
1972 .....			.50				.50	
1971 .....			.60				.60	
1970 .....			.70				.70	
1969 .....			.80				.80	
1968 .....			.90				.90	
1967 and prior .....			1.00				1.00	
Total .....	Enter on line 6 column 1 page 15	Enter on line 6 column 3 page 15		Enter on line 6 column 2 page 15	Enter on line 7 column 1 page 15	Enter on line 7 column 3 page 15		Enter on line 7 column 2 page 15

Licensee File Number

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System No.

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# SUPPLEMENTARY SCHEDULE OF HISTORICAL COST AND STANDARDIZED DEPRECIATION

\$ (omit cents)

Year of assets acquisition	(8) Other Property Plant and Equipment (10 years at 10%)				(9) Cable Casting Equipment (6-7 years at 15%)			
	Cost of assets acquired during the year	Stand-ardized depreciation (2) x .10	Multi-plier	Accumulated depreciation (2) x (4)	Cost of assets acquired during the year	Stand-ardized depreciation (6) x .15	Multi-plier	Accumulated depreciation (6) x (8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1977 .....								
1976 .....			.10				.15	
1975 .....			.20				.30	
1974 .....			.30				.45	
1973 .....			.40				.60	
1972 .....			.50				.75	
1971 .....			.60				.90	
1970 .....			.70				1.00	
1969 .....			.80		Total	Total		Total
1968 .....			.90		Enter on line 9 column 1 page 15	Enter on line 9 column 3 page 15		Enter on line 9 column 2 page 15
1967 and prior .....			1.00					
Total .....	Enter on line 8 column 1 page 15	Enter on line 8 column 3 page 15		Enter on line 8 column 2 page 15				

Year of assets acquisition	(10) Leasehold Improvements (except cablesystem Plant) (10 years at 10%)				(11) Automobiles and Trucks (5 years at 20%)			
	Cost of assets acquired during the year	Stand-ardized depreciation (2) x .10	Multi-plier	Accumulated depreciation (2) x (4)	Cost of assets acquired during the year	Stand-ardized depreciation (6) x .20	Multi-plier	Accumulated depreciation (6) x (8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1977 .....								
1976 .....			.10				.20	
1975 .....			.20				.40	
1974 .....			.30				.60	
1973 .....			.40				.80	
1972 .....			.50				1.00	
1971 .....			.60		Total	Total		Total
1970 .....			.70		Enter on line 11 column 1 page 15	Enter on line 11 column 3 page 15		Enter on line 11 column 2 page 15
1969 .....			.80					
1968 .....			.90					
1967 and prior .....			1.00					
Total .....	Enter on line 10 column 1 page 15	Enter on line 10 column 3 page 15		Enter on line 10 column 2 page 15				

Licensee File Number

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System No.

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APPENDIX B

ELEMENT CODE IDENTIFICATION OF CATV  
DATABASE

## INTERNATIONAL PAYMENTS AND RECEIPTS

Questionnaire Page 9

ELEMENT CODE	ITEM	ITEM NO. &/OR METHOD
	<u>Payments to Non-Residents</u>	
	<u>Business Services</u>	
481	United States	1.1
482	United Kingdom	1.2
483	Other Western European Countries	1.3
484	Other Commonwealth Countries	1.4
485	All Other Countries	1.5
701	Adjustment	*
490	Total Business Service Payments	1.6 Add 481 thru 485 $\pm$ 701 = 490
	<u>Interest</u>	
491	United States	1.1
492	United Kingdom	1.2
493	Other Western European Countries	1.3
494	Other Commonwealth Countries	1.4
495	All Other Countries	1.5
702	Adjustment	*
500	Total Interest Payments	1.6 Add 491 thru 495 $\pm$ 702 = 500
	<u>Dividends</u>	
501	United States	1.1
502	United Kingdom	1.2
503	Other Western European Countries	1.3
504	Other Commonwealth Countries	1.4
505	All Other Countries	1.5
703	Adjustment	*
510	Total Dividend Payments	1.6 Add 501 thru 505 $\pm$ 703 = 510

ELEMENT CODE	ITEM	ITEM NO. &/OR METHOD
	<u>Receipts from Non-Residents</u>	
	<u>Business Services</u>	
511	United States	1.1
512	United Kingdom	1.2
513	Other Western European Countries	1.3
514	Other Commonwealth Countries	1.4
515	All Other Countries	1.5
704	Adjustment	*
520	Total Business Service Receipts	1.6 Add 511 thru 515 $\pm$ 704 = 520
	<u>Interest</u>	
521	United States	1.1
522	United Kingdom	1.2
523	Other Western European Countries	1.3
524	Other Commonwealth Countries	1.4
525	All Other Countries	1.5
705	Adjustment	*
530	Total Interest Receipts	1.6 Add 521 thru 525 $\pm$ 705 = 530
	<u>Dividends</u>	
531	United States	1.1
532	United Kingdom	1.2
533	Other Western European Countries	1.3
534	Other Commonwealth Countries	1.4
535	All Other Countries	1.5
706	Adjustment	*
540	Total Dividend Receipts	1.6 Add 531 thru 535 $\pm$ 706 = 540



ELEMENT CODE	ITEM	ITEM NO. &/CR METHOD
<u>ASSETS</u>		
<u>Current Assets</u>		
331	Cash	1.1
332	Securities	1.2
333	Receivables (Net)	1.3
334	Inventories	1.4
335	Prepaid Program Rights	1.5
336	Other Prepaid Expenses	1.6
337	Other Current Assets	1.7
707	Adjustment	*
338	Total Current Assets	1.8 Add 331 thru 337 $\pm$ 707 = 338
<u>Investments and Advances</u>		
341	Associated Companies	2.1
342	Other Investments and Advances	2.2
343	Adjustment	*
345	Total Investments and Advances	2.3 341 - 342 $\pm$ 343 = 345
<u>Fixed and Other Assets</u>		
<u>Fixed Assets: Cable Television</u>		
361	Land, Property and Equipment	3.1
362	Accumulated Depreciation (Recorded in Accounts)	3.2
364	Adjustment	*
365	Net Fixed Assets:- Cable Television	3.3 361 - 362 $\pm$ 364 = 365
366	Net Fixed Assets:- Non-Cable Television	3.4
367	Intangible Assets	3.5
368	Other Assets	3.6
709	Adjustment	*
370	Total Fixed and Other Assets	3.7 Add 365 thru 368 $\pm$ 709 = 370
710	Adjustment	*
372	Total Assets	4.0 338 + 345 + 370 $\pm$ 710 = 372

ELEMENT CODE	ITEM	ITEM NO. &/OR METHOD
	<u>LIABILITIES</u>	
	<u>Current Liabilities</u>	
376	Bank Loans	5.1
377	Other Loans	5.2
378	Accounts Payable and Accrued	5.3
379	Income Tax Payable	5.4
381	Dividends Payable	5.5
382	Unearned Income	5.6
383	Current Portion Long-Term Debt	5.7
384	Other Current Liabilities	5.8
385	Adjustment	*
390	Total Current Liabilities	5.9 Add 376 thru 384 $\pm$ 385 = 390
	<u>Non-Current Liabilities</u>	
	<u>Long-Term Debt</u>	
391	Notes	6.1
392	Mortgages and Bonds	6.2
393	Debentures	6.3
394	Less Current Portion	6.4
395	Adjustment	*
400	Total Long-Term Debt	6.5 391 + 392 + 393 - 394 $\pm$ 395 = 400
401	Deferred Income Taxes	6.6
* 403	Associated Companies	6.7
402	Other Liabilities	6.8
712	Adjustment	*
405	Total Non-Current Liabilities	6.9 Add 400 + 401 + 402 + 403 $\pm$ 712 = 405
406	Adjustment	*
410	Total Liabilities	6.10 Add 390 + 405 $\pm$ 406 = 410
	* New Element in 1974	



ELEMENT CODE	ITEM	ITEM NO. &/OR METHOD
	<u>Shareholders' Equity</u>	
	<u>Share Capital Issued:</u>	
411	Preferred	7.1
412	Common	7.2
413	Retained Earnings (Accumulated Deficit) at end of period	7.3 $419 - 411 - 412 - 414 = 413$
414	Other Surplus	7.4
417	Adjustment	*
419	Total Shareholders' Equity	7.5 Add 411 + 412 + 413 + 414 $\pm 417 = 419$ $372 - 410 = 419$
714	Adjustment	*
420	Total Liabilities & Equity	8.0 Add 410 + 419 + 714 = 420 $420 = 372$

# INCOME STATEMENT (PER OWN ACCOUNTS)

Questionnaire Page 11

ELEMENT CODE	ITEM	ITEM NO. &/OR METHOD
	<u>Consolidation</u>	
110	Operating Income (Loss)	1.1 010 - 095 = 110 (If not equal use Page 12, 3.1)
096	Annual Depreciation Expense (Recorded in Accounts)	1.2 (If not equal use Page 15, 12.)
098	Interest Expense	1.3
011	Investment & Interest Income	1.4
012	Incidental Cable Television Income	1.5
013	Adjustment of Prior Years' Income	1.6
099	Amortization of Organization & Start Up Expense	1.7
104	Adjustment	*
112	Net Operating Profit (Loss)	1.8 110 - 096 - 098 - 099 + 011 + 012 + 013 ± 104 = 112
101	Amortization of Goodwill	1.9
014	Gain from Sale of Fixed Assets, Investments (or other property)	1.10 (Gain)
102	Loss from Sale of Fixed Assets, Investments, etc.	1.10 (Loss)
103	Adjustment	*
114	Net Profit (Loss) Before Income Taxes	1.11 112 + 014 - 101 - 102 ± 103 = 114
106	Provision for Income Taxes	1.12
715	Adjustment	*
115	Net Profit (Loss) After Income Taxes	1.13 114 - 106 ± 715 = 115

ELEMENT CO	ITEM	ITEM NO. &/OR METHOD
	<u>Source of Funds</u>	
	<u>Operations</u>	
425	Net Profit (Loss) from Cable Television after Income Taxes	2.1 Note: Used only when element 1.13 and 2.1 are not equal.
416	Net Profit (Loss) from Non-Cable Television After Tax	2.2
	<u>Expenses Not Requiring Outlay of Funds</u>	
429	Depreciation and Amortization (Recorded in Accounts)	2.3
427	Deferred Income Taxes	2.4
716	Adjustment	*
430	Total Funds Provided from Operations	2.5 $115 + 426 + 429 + 427$ $- \pm 716 = 430$
	<u>Other</u>	
431	Increase in Long-Term Debt	2.6
432	Proceeds from Sale of Share Capital	2.7
433	Decrease in Fixed Assets a) Cable TV only	2.8
434	b) Non-Cable TV	2.9
435	Decrease in Investments and Advances	2.10
436	Other Sources of Funds Provided	2.11
437	Adjustment	*
439	Total Funds Provided from Other Sources	2.12 Add 431 thru 436 $\pm 437 = 439$
717	Adjustment	*
440	Total Funds Provided	2.13 $430 + 439 \pm 717 = 440$

ELEMENT CODE	ITEM	ITEM NO. &/OR METHOD
<u>Application of Funds</u>		
441	Additions to Fixed Assets a) Cable TV only ←	3.1
442	b) Non-Cable TV ←	3.2
443	Additions to Investments and Advances ←	3.3
444	Deferred Expenditures	3.4
445	Dividends Declared a) Common Shares	3.5
446	b) Preferred Shares	3.6
447	Reduction of Long-Term Debt	3.7
448	Redemption of Shares	3.8
449	Other Application of Funds	3.9
451	Adjustment	*
455	Total Funds Used	3.10 Add 441 thru 449 + 451 = 455
<u>Working Capital</u>		
719	Adjustment	*
456	Increase (Decrease) in Working Capital	4.1 440 - 455 ± 719 = 456
457	Working Capital at Beginning of Year	4.2 (Should equal 458 of previous year)
720	Adjustment	*
458	Working Capital at End of Year	4.3 456 + 457 ± 720 = 458 338 - 390 = 458

FINANCIAL REVENUE & EXPENSES (PER OWN ACCOUNTS)

Questionnaire Page 12

ELEMENT CODE	ITEM	ITEM NO. &/OR METHOD
<u>Revenues</u>		
<u>Operating Revenue</u>		
001	Direct Subscribers (Individuals)	1.1
002	Indirect Subscribers (Bulk Contracts)	1.2
003	Installation (Including Re-connect) :	1.3
004	Education Services	1.4
005	Other Cable Operations	
006	Adjustment	*
010	Total Operating Revenue	1.6 Add 001 thru 005 $\pm$ 006 = 010
<u>Other Items</u>		
097	Less Depreciation Straight Line (Standardized)	3.2 (If not equal use Page 15, 12.2)
901	Interest Expense (on CRTC)	3.3
121	Other Adjustments	3.4
123	Adjustment	*
124	System Pre-Tax Profit (Loss) (CRTC Straight Line)	3.5 110 - 097 - 901 $\pm$ 121 $\pm$ 123 = 124



ELEMENT CODE	ITEM	ITEM NO. &/OR METHOD
	<u>Expenses</u>	
	<u>Operating Expenses</u>	
	<u>Program Origination Expenses</u>	
015	Payments for Non-Staff Talent	1.1
016	Material and Supplies	1.2
017	Other Production Costs	1.3
018	"Theatrical" and "Short" Film or Tape (Rental and Distribution Costs)	1.4
019	Package Shows	1.5
020	Program Services	1.6
021	Other (Non-Production) Origination Costs ?	1.7
022	Remuneration (Total Program Origination)	1.8 $023 + 024 \pm 724 = 022$
028	Adjustment	*
030	Total Program Origination Expenses	1.9 Add 015 thru 022 $\pm 028 = 030$
	<u>Technical Expenses</u>	
031	Rent, Lease or Other Payments: a) Headend	2.1
032	b) Distribution System	2.2
033	Parts and Supplies	2.3
034	Vehicle Expenses	2.4
035	Other Technical Costs	2.5
036	Remuneration (Total Technical)	2.6 $037 + 038 \pm 725 = 036$
039	Deduct Wages Capitalized	2.7
040	Adjustment	*
050	Total Technical Operating Expenses	2.8 Add 031 thru 036 - 039 $\pm 040 = 050$
	<u>Sales and Promotion Expenses</u>	
051	Sales Commission (Non-Staff)	3.1
052	Promotion (Including Travel)	3.2
053	Other Sales and Promotion Expenses	3.3
054	Remuneration (Total Sales & Promotion)	3.4 $055 + 056 \pm 726 = 054$
057	Adjustment	*
070	Total Sales and Promotion Expenses	3.5 Add 051 thru 054 $\pm 057 = 070$

ELEMENT CODE	ITEM	ITEM NO. &/OR METHOD
	<u>Administration and General Expenses</u>	
071	Cost of Premises (Rent or Lease etc.)	4.1
072	Professional Services	4.2
073	C.R.T.C. Licence Fee	4.3
074	Other Licence Fees, Dues and Subscriptions	4.4
075	Office Supplies and Services (Including Telephone etc.)	4.5
076	Management Services (Involving Direction of Operations)	4.6
077	Bad Debt Expenses	4.7
078	Other Administration and General Expenses	4.8
080	Remuneration (Total Administrative & General including Directors Fees)	4.9 081 + 082 + 083 + 084 ± 727 = 080
085	Adjustment	*
090	Total Administrative & General Expenses	4.10 Add 071 thru 080 ± 085 = 090
093	Adjustment	*
095	Total Operating Expenses	5.1 030 + 050 + 070 + 090 ± 093 = 095
	<u>Total Remuneration</u>	
	<u>Employees</u>	
	<u>Number of Employees</u>	
546	Program Origination	6.1(1)
547	Technical	6.2(1)
548	Sales and Promotion	6.3(1)
549	Administration and General	6.4(1)
721	Adjustment	*
550	Total Number of Employees	6.6(1) Add 546 thru 549 ± 721 = 55

ELEMENT CODE	ITEM	ITEM NO. &/OR METHOD
	<u>Wages and Salaries</u>	
023	Program Origination	6.1(2)
037	Technical	6.2(2)
055	Sales & Promotion (Including Commission Paid to Staff)	6.3(2)
081	Administration and General	6.4(2)
722	Adjustment	*
800	Total Wages and Salaries	6.6(2) 023 + 037 + 055 + 081 ± 722 = 80
083	Total Directors Fees (Only When Recorded)	6.5(4) -
	<u>Fringe Benefits</u>	
024	Program Origination	6.1(3)
038	Technical	6.2(3)
056	Sales & Promotion (Including Commission Paid to Staff)	6.3(3)
082	Administration and General	6.4(3)
723	Adjustment	*
801	Total Fringe Benefits	6.6(3) 024 + 038 + 056 + 082 ± 723 = 80
084	Directors Fringe Benefits	6.5(3)
802	Adjustment	* 800 + 801 + 083 + 084 ± 802 = 09
(Adjustments 724, 725, 726, 727 are used horizontally		to add Remuneration Totals)
724	Adjustment Program Origination	023 + 024 ± 724 = 022
725	Adjustment Technical	037 + 038 ± 725 = 036
726	Adjustment Sales & Promotion	055 + 056 ± 726 = 054
727	Adjustment Administration & General and Directors Fees	081 + 082 + 083 ± 727 = 080
728	Adjustment	*
091	Total Staff Remuneration	6.6(4) 022 + 036 + 054 + 080 ± 728 = 09



ELEMENT CODE	ITEM	ITEM NO. &/OR METHOD
	<u>Service Rates</u>	
	<u>Subscriber Rates</u>	
	<u>Direct</u>	
551	Basic Monthly	1.1
552	Connection (Installation)	1.2 (If two values are given, check 557 and 558)
553	Re-connect or Move	1.3
554	Additional Outlets (each) Per Month	1.4
555	FM Service Outlet Per Month	1.5
556	Monthly Charge for Channel Converter Service	1.6
557	Connection (Installation) (Home)	1.2(1)
558	Connection (Installation) (Apartment)	1.2(2)
	<u>Indirect</u>	
561	Basic Monthly	1.1
562	Connection (Installation)	1.2
563	Re-connect or Move	1.3
564	Additional Outlets (each) Per Month	1.4
565	FM Service Outlet Per Month	1.5
566	Monthly Charge for Channel Converter Service	1.6
	<u>Area</u>	
	<u>Households Connected to Cable Service</u>	
571	By Direct Subscription a) Beginning of Year	2.1(1)
572✓	b) End of Year	2.1(2)
573	By Indirect Subscription a) Beginning of Year	2.2(1)
574✓	b) End of Year	2.2(2)

ELEMENT CODE	ITEM	ITEM NO. &/OR METHOD
	<u>Households in Area Wired for Cable Services</u>	
575	Individual Houses a) Beginning of Year	2.3(1)
576	b) End of Year	2.3(2)
	Household Units in Multiple Dwellings	
577	a) Beginning of Year	2.4(1)
578	b) End of Year	2.4(2)
729	Adjustment	*
	Total Households Offered Cable Services	
579	a) Beginning of Year	2.5(1) $575 + 577 \pm 729 = 579$
730	Adjustment	*
580	b) End of Year	2.5(2) $576 + 578 \pm 730 = 580$
	Total Households in Licensed Area	
581	a) Beginning of Year	2.6(1)
582	b) End of Year	2.6(2)
	<u>Equipment</u>	
	<u>Cable Distribution Plant-</u>	
583	Aerial (Miles) a) Beginning of Year	3.1(1)
	b) End of Year	3.1(2)
587	Conduit (Miles) a) Beginning of Year	3.2(1)
588	b) End of Year	3.2(2)
591	Buried (Miles) a) Beginning of Year	3.3(1)
592	b) End of Year	3.3(2)
595	Main or Trunk Cable (Miles) a) Beginning of Year	3.4(1)
596	(Not Used for Taps or Drops) b) End of Year	3.4(2)
731	Adjustment	*
599	Total Cable Equipment (Miles) a) Beginning of Year	3.5(1) $583 + 587 + 591 + 595 \pm 731 = 599$
732	Adjustment	*
600	b) End of Year	3.5(2) $584 + 588 + 592 + 596 \pm 732 = 600$
601	Number of Amplifiers in Use	3.6
602	Channel Capability	3.7
603	Annual Cost Per Pole (If Pole Attachment Contract is in Effect)	3.8 (If need be convert to annual)
604	Number of Poles Used	3.9
605	Monthly Cost Per 1000 Feet of Cable (If Leased)	3.10 (Convert to 1000 feet if not already that)
610	Radio Relay (Includes Microwave) Number of Microwave Channels	3.11
606	Radio Relay (Includes Microwave) Route Miles	3.11
607	Pole Attachment Contract in Effect	3.12 }
608	Partial Lease in Effect	3.13 } 1 if Yes
609	Full Lease in Effect	3.14 } 2 if No

ELEMENT CODE	ITEM	ITEM NO. &/OR METHOD
✓	<u>Cable TV Programming</u>	
	<u>Hours Per Week on Local Channel</u>	
	<u>Program Hours</u>	
611	→ Licensee Produced → a) Automated	4.1.1(1)
612	→ b) Live	4.1.1(2)
613	→ c) Film	4.1.1(3)
614	→ d) Tape	4.1.1(4)
733	Adjustment	*
620	Total Licensee Produced	4.1.1(5) Add 611 thru 614 ± 733 = 6
621	→ Local Community Produced a) Automated	4.1.2(1)
622	b) Live	4.1.2(2)
623	c) Film	4.1.2(3)
624	d) Tape	4.1.2(4)
734	Adjustment	*
630	Total Local Community Produced	4.1.2(5) Add 621 thru 624 ± 734 = 6
631	→ Other Canadian Programs a) Automated	4.1.3(1)
632	b) Live	4.1.3(2)
633	c) Film	4.1.3(3)
634	d) Tape	4.1.3(4)
735	Adjustment	*
640	Total Other Canadian Programs	4.1.3(5) Add 631 thru 634 ± 735 = 6
641	→ Non-Canadian Programs a) Automated	4.1.4(1)
642	b) Live	4.1.4(2)
643	c) Film	4.1.4(3)
644	d) Tape	4.1.4(4)
736	Adjustment	*
660	Total Non-Canadian Programs	4.1.4(5) Add 641 thru 644 ± 736 = 6
661	Total Program Hours a) Automated	4.1.5(1)
662	b) Live	4.1.5(2)
663	c) Film	4.1.5(3)
664	d) Tape	4.1.5(4)
737	Adjustment (horiz.)	*
670	Total Program Hours Per Week on Local Channel	4.1.5(5) Add 661 thru 664 ± 737 = 6
738	Adjustment (vert.)	* 620 + 630 + 640 + 660 ± 738 = 67

ELEMENT CODE	ITEM	ITEM NO. &/OR METHOD
	<u>Program Capability</u>	
671	Telecine                      Codes 1: 8m/m 2: 16m/m 3: 35m/m 4: Film Camera 5: Colour	4.2.1
672	VTR                              Codes 1: 1/4" 2: 1/2" 7: 3/4" 3: 1" 4: 2" 5: Video Camera 6: Colour	4.2.2
673	Automated                      Codes 1: T/W 2: News 3: Sports 4: Other	4.2.3
674	Service                          Codes 1: Fire 2: Burglar 3: Police 4: Facsimile 5: Polling 6: Meter Reading	4.2.4
	Note: If more than one code number is needed in 671, 672, 673 or 674, eg. 8m/m, 35m/m and Colour, the code would be written 135 all on the same line.	

DETAIL OF PROPERTY, PLANT AND EQUIPMENT

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ELEMENT CO	ITEM	ITEM NO. &/OR METHOD
	<u>Historical Cost of Assets in Use at Aug. 31, 19</u>	
191	Land	1.1
192	Buildings (Including Land Improvements)	2.1
193	Head-end and Components	3.1
194	Distribution System Plant	4.1
195	Cost of Subscriber Drops and Devices	5.1
196	Test Equipment and Tools	6.1
199	Furniture and Fixtures	7.1
201	Other Property, Plant and Equipment	8.1
197	Cable Casting Equipment	9.1
202	Leasehold Improvements (Except Cable System Plant)	10.1
198	Automobiles and Trucks	11.1
203	Adjustment	*
210	Total Balance End of Period	12.1 Add 191 thru 199 + 201 + 202 ± 203 = 210
	<u>Accumulated Standardized Depreciation at Aug. 31, 19</u> (as taken from 1974 return)	
	Land	
272	Buildings (and Land Improvements)	2.2
273	Head-end and Components	3.2
274	Distribution System Plant	4.2
275	Costs of Subscriber Drops and Devices	5.2
276	Test Equipment and Tools	6.2
279	Furniture and Fixtures	7.2
281	Other Property, Plant and Equipment	8.2
277	Cable Casting Equipment	9.2
282	Leasehold Improvements (Except Cable System Plant)	10.2
278	Automobiles and Trucks	11.2
283	Adjustment	*
290	Total Balance Beginning of Period	12.2 Add 272 thru 279 + 281 + 282 ± 283 = 290



ELEMENT CODE	ITEM	ITEM NO. &/OR METHOD
19	<u>Annual Depreciation</u> (Straight Line Standardized)	
	Land	
252	Buildings (Including Land Improvements)	2.3
253	Head-end and Components	3.3
254	Distribution System Plant	4.3
255	Costs of Subscriber Drops and Devices	5.3
256	Test Equipment and Tools	6.3
259	Furniture and Fixtures	7.3
261	Other Property, Plant and Equipment	8.3
257	Cable Casting Equipment	9.3
262	Leasehold Improvements (Except Cable System Plant)	10.3
258	Automobiles and Trucks	11.3
263	Adjustment	*
	Total Annual Depreciation (Straight Line Standardized)	12.3 Add 252 thru 259 + 261 + 262 ± 263 = 097 (Equals 097, Page 12, 3.2)
19	<u>Annual Depreciation</u> as Recorded in Licensee's Accounts	
	Land	
292	Buildings (and Land Improvements)	2.4
293	Head-end and Components	3.4
294	Distribution System Plant	4.4
295	Cost of Subscriber Drops and Devices	5.4
296	Test Equipment and Tools	6.4
299	Furniture and Fixtures	7.4
301	Other Property, Plant and Equipment	8.4
297	Cable Casting Equipment	9.4
302	Leasehold Improvements (Except Cable System Plant)	10.4
298	Automobiles and Trucks	11.4
303	Adjustment	*
	Total Annual Depreciation as Recorded in Licensee's Accounts	12.4 Add 292 thru 299 + 301 + 302 ± 303 = 096 (Equals 096, Page 11, 1.2)

ELEMENT CODE	ITEM	ITEM NO. &/OR METHOD
	<u>Annual Lease Payment 19</u>	
311	Land	1.5
312	Buildings (Including Land Improvements)	2.5
313	Head-end and Components	3.5
314	Distribution System Plant	4.5
315	Cost of Subscriber Drops and Devices	5.5
316	Test Equipment and Tools	6.5
319	Furniture and Fixtures	7.5
321	Other Property, Plant and Equipment	8.5
317	Cable Casting Equipment	9.5
322	Leasehold Improvements (Except Cable System Plant)	10.5
318	Automobiles and Trucks	11.5
323	Adjustment	*
330	Total Lease Payment	12.5 Add 311 thru 319 + 321. + 322 + 323 = 330

Supplementary Schedule of Historical Cost

Questionnaire Page 16,  
17 and 18

Cost of Assets Acquired During the Year

211	Buildings (Including Land Improvements)	2.2
212	Head End and Components (10 yrs at 10%)	3.6
213	Distribution System Plant (10 yrs at 10%)	4.2
214	Cost of Subscriber Drops and Devices (10 yrs at 10%)	5.6
215	Test Equipment and Tools (10 yrs at 10%)	6.2
218	Furniture and Fixtures (10 yrs at 10%)	7.6
219	Other Property Plant and Equipment (10 yrs at 10%)	8.2
216	Cable Casting Equipment (6-7 yrs at 15%)	9.6
220	Leasehold Improvements (Except Cable System Plant) (10 yrs at 10%)	10.2
217	Automobiles and Trucks (5 yrs at 20%)	11.6

Note: Code only the column headed "Cost of  
Assets Acquired During the Year".

only for current year - i.e. 19

ITEM CODE	ITEM	ITEM NO. &/OR METHOD
	<u>Revenue</u>	
	<u>Operating Revenue</u>	
001	Direct Subscribers (individual)	1.1
002	Indirect Subscribers (bulk contracts)	1.2
003	Installation (including re-connect)	1.3
004	Education Services	1.4
005	Other Cable Operations	1.5
006	Adjustment	
010	Total Operating Revenue	1.6 Add 001 thru 006 = 010
	<u>Expenses</u>	
	<u>Operating Expenses</u>	
030	Program Origination Expenses	2.1
050	Technical Expenses	2.2
070	Sales Expenses	2.3
090	Administrative and General Expenses	2.4
093	Adjustment	
095	Total Operating Expenses	2.5 Add 030 thru 093 = 095
	<u>Other Items</u>	
110	Operating Profit (Loss) Before Undernoted Items	3.1
096	Less Depreciation	3.2
098	Interest Expense	3.3
121	Other Adjustments - Expenses (or income)	3.4 If income add, If expenses subtract
123	Adjustment	
114	System Pre-Tax Profit (Loss)	3.5 110-096-098-121 = 114
	<u>Operating Data</u>	
091	Salaries and Other Staff Benefits	4.1
550	No. of Employees (weekly average)	4.2
570	Direct Subscribers (paying directly at (standard rates)	4.3
574	Indirect Subscribers (residential limits saved bulk contracts)	4.4
739	Adjustment	
570	Total Subscribers	4.5 572+574+739 = 570



OPERATING AND FINANCIAL SUMMARY

EXHIBIT CODE	ITEM	ITEM NO. &/OR METHOD
594	Strand Miles of Distribution Cable (to (nearest 1 10th)	4.6
596	Strand Miles of Main or Trunk Cable (not used for customer drops)	4.7
576	Individual Households in area served by Distribution Cable	4.8
578	Households in Multiple Dwellings Offered service (i.e. apartments)	4.9
730	Adjustment	
580	Total Residential Units Served by Distribution Cable	4.10 576+578+730 = 580
	Total Dwelling Units in Licensed Area (Including area not served by Cable Plant)	4.11
551	Standard Monthly Rate for Direct Subscribers	4.12
210	Historical Cost of Fixed Assets	4.13

APPENDIX C

VERIFICATION OF SYSTEM INCONSISTENCY

ERRORS

PRELIMINARY ANALYSIS OF FINANCIAL STRUCTUREOF THE CABLE INDUSTRYOBJECTIVE

The main purpose of this analysis was to obtain information as to why the number of systems, reporting different items in the income statement (revenue, expense, profit, etc.), were different. To recall the issue (please refer to Table I of my last report dated October 17, 1977), only 155 systems reported tax in 1976 whereas during the same year 238 systems reported profit after tax. This is inconsistent.

ANALYSIS

To clarify the above problem an analysis on a provincial basis was attempted. In particular, Manitoba and Alberta were selected for this purpose because the number of cable systems in these provinces were small enough for manual verification. Again, it was decided to check on the systems reporting tax, net profit before tax and net profit after tax. The data is presented in Table I.

TABLE I - Number of Systems Supplying Information  
in Manitoba and Alberta (1975)

Province	System Type	Profit Before Tax	Tax	Profit After Tax
MANITOBA	Small	3	1	1
	Large	3	2	3
	All	6	3	4
ALBERTA	Small	6	-	-
	Large	8	5	8
	All	14	5	8

We were informed by the DSI that the small systems were not required to declare either tax or the profit after tax. Then, the following questions may be raised:

- i) While the small systems from Alberta did not report tax (which should be the case), one of the three small systems from Manitoba did; why?
- ii) Three large systems from Manitoba and eight large systems from Alberta reported profits before and after tax - whereas, only two (instead of three) large systems from the former and five (instead of eight) systems from the latter reported tax. Why?

An answer to these two questions should, in part, explain some of the discordance in the aggregate data.

MANITOBA

Data:

The province of Manitoba was analysed first. The ensuing data were collected from the DSI computer output - which is supposed to represent all the information furnished by the cable systems - on an individual system basis. This is shown in Table II.

TABLE II - Some Information on the Cable Systems in Manitoba (1975)

System Computer Code	No. of Subscribers	Designation	Profit Before Tax (\$)	Tax (\$)	Profit After Tax (\$)
067	1,173	Large	558	-	558
073	554	Small	12,469	-	-
232	57	Small	1,150	-	-
268	36,915	Large	580,915	309,000	271,915
817	566	Small	15,666	9,391	6,275
818	85,064	Large	1,429,432	856,847	572,585
TOTAL			2,040,190	1,175,238	851,333

Observation:

The following are my observations:

- i) There are six systems in Manitoba (excluding non-operational) of which three are small and the rest large.
- ii) All the three small systems reported profit before tax. While not expected to do so, system 817 - a small system - stated both tax and profit after tax.
- iii) All the large systems reported profits both before and after tax whereas only two of these systems reported tax. The reason for this was that system 067 - a large system - did not make enough profit to pay tax in 1975. Thus their profit before and after tax was identical.
- iv) The totals shown in Table II were subsequently used by DSI in the aggregate data on a provincial and national basis.

Comments:

- i) A further verification revealed that systems 817 (small) and 818 (large) were owned by the same company and they provided the tax and after tax profit information of the small system along with the

large one (on the same sheet). Thus it seems possible that some small systems, especially if owned by large ones, might declare tax and income after tax.

- ii) Large systems whose income is too low to pay tax might use a "0" or a "-" while submitting their forms - whatever be the case, the current computer program of the DSI does not count such systems while calculating the number of systems paying tax that year. This explains why the aggregate data shows that only two large systems - in Manitoba, in 1976 - reported tax, whereas three reported income after tax.

### ALBERTA

#### Data:

Before making recommendations, it was decided to search for more incompatibilities in the data, if any, by analysing one more province - Alberta. Please refer to Table III.

#### Observations:

- i) There are fifteen systems in Alberta (excluding non-operational) of which nine are large and the rest small.
- ii) The six small systems recorded only profit before tax - which should be the case.
- iii) All the nine large systems reported both before and after tax profits - it should be further noted that one of these systems - system 007 - suffered a loss, and another - system 590 - reported "0" profit.
- iv) Of the nine large systems, only five paid tax during 1975. While we can appreciate why systems 007 and 590 did not pay any tax, it beats me to reason why systems 100 and 558 - with profits in excess of \$220,000 each - did not pay any tax at all.

#### Comments:

- i) No comments on small systems - they are ok.
- ii) As explained already, the computer counts only those systems which pay tax when recording the number for code 106 (tax).
- iii) Table I - for which the information was obtained from provincial aggregate data - indicates that there are eight large systems in Alberta. On the otherhand, Table III - for which the information was obtained on an individual system basis - denotes that there are nine large systems in Alberta. The cause for this is that system 590 has a profit figure of "0" in 1975 and as usual, the computer fails to count this while aggregating the data. Any defence for this procedure should be thwarted for I find no reason to omit systems with "0" profit while embracing those with "+ve and "-ve" profits!

TABLE III - Some Information on the Cable Systems in  
Alberta (1975)

System Code	No. of Subscribers	Designation	Profit Before Tax (\$)	Tax (\$)	Profit After Tax (\$)
315	165	Small	8,557	-	-
007	3,482	Large	-20051	-	-20051
072	186	Small	-1,769	-	-
084	8,814	Large	165,548	89,177	76,371
088	8,850	Large	81,951	38,025	43,926
094	54,088	Large	788,978	111,278	677,700
100	37,583	Large	223,721	-	223,721
133	337	Small	870	-	-
135	40,616	Large	961,021	460,153	500,868
141	6,736	Large	67,290	47,859	19,431
261	673	Small	-6,059	-	-
558	41,762	Large	267,184	-	267,184
590	1,650	Large	0	-	0
681	227	Small	-1,507	-	-
697	635	Small	324	-	-



## FURTHER ANALYSIS

Till now, we considered the problems in codes 114 (NPBT), 106 (tax) and 115 (NPAT) only. Since we are interested in other items (assets, liability, etc.) as well, a check was done to see whether system incompatibilities existed elsewhere. Only large systems were selected for this analysis and the findings are presented in Table IV.

### Reading Table IV:

- a) Suppose we are interested in determining the income before interest and tax on a provincial aggregate basis. The design of the computer program is such that we should add the data in codes 112 and 098 to obtain this information. Table IV indicates that there is no system incompatibility for this information in Manitoba and Alberta - as the same three systems in Manitoba and the nine systems in Alberta supply both items 112 and 098.
- b) To get the net income minus pref dividends, we should use the form code 115 - code 411. In Manitoba, three systems report code 115 whereas only one report code 411 (ref Table IV). The corresponding numbers for Alberta are eight and two respectively. While there is system incompatibility in this case (in both provinces), it is acceptable because very few systems in the cable industry issue preferred stocks.
- c) Similarly, differences in the number of systems reporting intangible assets, non-cable assets, etc., are also acceptable for obvious reasons.
- d) But when we try to calculate net income (2) + interest using codes 115 and 098, we find that while there is compatibility in Manitoba (3 and 3), this is not the case in Alberta (8 and 9). This forces us to go back to Table III to identify the problem and we find that the computer has neglected to count system 590 of Alberta which reported "0" income. Thus actually, in this case, there is no incompatibility. However, sometimes this could lead to problems which will be identified shortly.
- e) In Alberta, only 7 systems reported code 400 (long term debt) and again an individual verification of the nine systems showed that systems 088 and 141, surprisingly, did not have long term debt.

TABLE IV - Information Items vs Number of Large Systems  
In Manitoba and Alberta (1975)

No	Item	Computer Code Definition	No of Systems (Large)	
			Manitoba	Alberta
1	Income (1) (Before int & tax)	112 + 098	3 + 3	9 + 9
2	Income (2) (After int & tax)	115	3	8
3	Income (2) + int	115 + 098	3 + 3	8 + 9
4	Income (2) - Pref. Dividends	115 - 411	3 - 1	8 - 2
5	Total Assets (less intangible, non-cable & other)	372 - (367 + 368 + 366)	3 - (0 + 3 + 0)	9 - (3 + 4 + 0)
6	Total Assets (less intangibles)	372 - 367	3 - 0	9 - 3
7	Total Assets	372	3	9
8	Total Assets - Current Liabilities	372 - 390	3 - 3	9 - 9
9	Stockholders Equity (Common)	419 - 411	3 - 1	9 - 2
10	Stockholders Equity (Total)	419	3	9
11	Revenue	010	3	9
12	Total Liabilities	410	3	9
13	Long Term Debt	400	3	7
14	Total Capitalization (L.T.D. + T.S.E.)	400 + 419	3 + 3	7 + 9
15	Current Assets	338	3	9
16	Current Liabilities	390	3	9
17	Current Assets - Inventory	338 - 334	3 - 2	9 - 5



## CONCLUSIONS AND RECOMMENDATIONS

In my opinion the following changes should be implemented in the computer program:

- 1) Even if some small systems provide us with tax and after tax profit information, this data should not be used in the input to maintain homogeneity. Errors, up to five percent, could result from this procedure.
- 2) The program should recognize the difference between "-" and "0" - the former indicating information not available while the latter signifies that the info is available and the value is zero.
- 3) If some large systems do not pay tax, these should be designated as a "0" instead of "-" so that compatibility is maintained. Similar problems elsewhere in the program, if any, should also be corrected the same way.
- 4) The program should count "0" as one system - which it doesn't do at present.
- 5) If it is necessary to get information as to how many firms actually paid tax - in which case one might want to ignore "0" quantities - special provision should be made for this. So should be the case for other items parallel to tax.

### Implications

It is important that system compatibility exists for the important items such as revenue, expense, profit, etc. In the case of Alberta, where we found one incompatibility, it was verified manually that the problem, in reality, did not exist. But when we are looking at the national aggregate data, is it possible to verify this manually? If we make the assumption that problems are insignificant, how much can we trust our calculations? Can we really say that the system incompatibilities are always due to the presence of "0" or is it possible that a few firms did not report a particular item which they are supposed to. Mr. Vanderveen of the DSI admits that such a possibility exists. Because of these reasons it is better to make the necessary changes in the program to facilitate our analysis on an aggregate basis.

It is also possible that if we let some small systems report tax and after tax profit this could mess up our system compatibility checks. By a proper combination of inconsistencies in both small and large systems we might have accidental, on the surface, system agreements which is again unwarranted.

The inconsistencies in Table I are on a provincial basis. These, in turn, explain why the data on a national basis (please refer to Table I of my previous report dated October 17, 1977) is incoherent. (or, should I say, a mess?!)

To put everything into vista, we should change the program such that Table I data takes the new values shown in Table V. (Please refer to Tables I, II, and III for a better understanding)

TABLE V - Comparison of Present and Suggested Future Data on Number of Systems in Winnipeg and Alberta

Province	System	Present Form			Suggested Form		
		P.B.T.	Tax	P.A.T.	P.B.T.	Tax	P.A.T.
MANITOBA	Small	3	1	1	3	-	-
	Large	3	2	3	3	3	3
	All	6	3	4	6	3	3
ALBERTA	Small	6	-	-	6	-	-
	Large	8	5	8	9	9	9
	All	14	5	8	15	9	9
<p>P.B.T. - Profit Before Tax</p> <p>P.A.T. - Profit After Tax</p>							

Immediately two advantages are visible:

- i) The suggested system is more homogeneous.
- ii) It might appear from the present form that there are only 14 systems in Alberta (this is taken from the aggregate data computer output). The suggested system will show that there are indeed 15 systems, thus maintaining the homogeneity.

Your comments will be valued!!!



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--Features of DOC-CATV database.

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