

# Canadian Radio-television and Telecommunications Commission

2022–23

Quarterly financial report for the quarter ended  
September 30, 2022

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for the quarter ended  
September 30, 2022**

Canada

**Canadian Radio-television and Telecommunications Commission**  
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**Statement outlining results, risks and significant changes in  
operations, personnel and programs**

**1. Introduction**

This quarterly financial report (QFR) has been prepared by management as required by section 65.1 of the *Financial Administration Act* and in the form and manner prescribed by the Treasury Board. This QFR should be read in conjunction with the [Main Estimates](#). It has not been subject to an external audit or review.

A summary description of the Canadian Radio-television and Telecommunications Commission's (CRTC) raison d'être and core responsibilities can be found in [Part II of the Main Estimates](#).

**2. Basis of presentation**

This QFR has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the CRTC's spending authorities granted by Parliament and those used by the department consistent with the Main Estimates for both the 2021-22 and the 2022-23 fiscal years. This QFR has been prepared using a special purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities.

The authority of Parliament is required before moneys can be spent by the Government. Approvals are given in the form of annually approved limits through appropriation acts or through legislation in the form of statutory spending authority for specific purposes.

When Parliament is dissolved for the purposes of a general election, section 30 of the *Financial Administration Act* authorizes the Governor General, under certain conditions, to issue a special warrant authorizing the Government to withdraw funds from the Consolidated Revenue Fund. A special warrant is deemed to be an appropriation for the fiscal year in which it is issued.

The CRTC uses the modified accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

In this QFR, only those revenues netted against expenditures (i.e. spendable revenue) are being reported. All other revenue that is designated as non-spendable revenue is not reported in the quarterly financial reports, but will be reported annually in the Public Accounts of Canada and in the CRTC's Departmental Results Report (DRR).

**3. Highlights of fiscal quarter and fiscal year-to-date results**

The CRTC is financed in part by the Government of Canada through Parliamentary authorities (e.g. Statutory Vote for Employee Benefit Plans (EBP), Budgetary Vote for the *Anti-spam Legislation* activities and for the Voter Contact Registry). The balance is financed by vote-netted fees it collects from the broadcasting, telecommunications and telemarketing industries.

**Canadian Radio-television and Telecommunications Commission**  
**Quarterly Financial Report for the quarter ended September 30, 2022**

Vote-netting is a means of funding selected programs or activities wherein Parliament authorizes a department to apply revenues collected from fee payers towards costs directly incurred for specific activities. The CRTC has the authority to use a portion of: a) the Part I licence fees collected from broadcasters; b) the annual telecommunications fees collected from telecommunications carriers; and c) the unsolicited telecommunications fees collected from telemarketers to finance the costs it incurs in discharging its statutory responsibilities under the *Broadcasting Act* and the *Telecommunications Act* (i.e. spendable revenue). The balance of these three fees recovers the costs for items funded through budgetary authorities (e.g. EBP) and costs incurred by other government departments on the CRTC's behalf. That balance is classified as non-spendable revenue.

The majority of the CRTC's vote-netted revenue for the year is collected within the first two quarters of each fiscal year. As a result, it is expected that the CRTC quarterly financial reports will always show the net operating expenditures in a credit position. Further details on CRTC fees and revenues can be found in the 2022-23 Departmental Plan, in the supplementary information section entitled "Future-Oriented Condensed Statement of Operations."

The outbreak of the Coronavirus disease ("COVID-19") has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak are unknown at this time.

#### *Authorities*

To date in 2022-23, there is a net decrease in budgetary authorities of \$0.91 million compared to the budgetary authorities granted in the 2021-22. Factors contributing to the net decrease include:

##### *Increases*

- An increase of \$0.14 million in program spending for activities related to the implementation of Bill C-11.
- An increase of \$0.06 million in program spending due to reduced transfers to Treasury Board of Canada Secretariat.

##### *Decreases*

- A decrease of \$0.90 million in re-profiled funding for Les Terrasses de la Chaudière complex makeover and the Government of Canada Financial Management (GCFM) project.
- A decrease of \$0.09 million related to the Operating Budget Carry-Forward.
- A decrease of \$0.12 million in statutory authorities related to Employee Benefit Plans (EBP).

#### *Expenditures*

The CRTC's spending for the second quarter ended September 30, 2022 is lower compared to the second quarter of the previous fiscal year. Year-to-date total gross budgetary expenditures for 2022-23 are down (\$1.51 million) over the previous fiscal year. The main reason for this difference in spending is attributable to temporary delays in processing non-salary related items caused in great part by our transition to a new financial system and procurement challenges.

**Canadian Radio-television and Telecommunications Commission**  
**Quarterly Financial Report for the quarter ended September 30, 2022**

**4. Risks and uncertainties**

The estimated telemarketing and regulatory costs and revenue target for unsolicited telecommunications fees, the CRTC's National Do Not Call List (DNCL), total \$3.3 million per year. A public notice of these amounts was issued in CRTC Compliance and Enforcement Orders [2021-202](#) for 2021-22 and [2022-159](#) for 2022-23.

**5. Significant changes in relation to operations, personnel and programs**

There have been no significant changes in relation to operations, personnel and programs over the past year.

**6. Approval by senior officials**

Approved by:

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Ian Scott  
Chairperson and Chief Executive Officer  
Gatineau, Canada

November 15, 2022

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Claude Doucet, CPA, CGA  
Chief Financial Officer  
Gatineau, Canada

November 10, 2022

Canadian Radio-television and Telecommunications Commission  
Quarterly Financial Report for the quarter ended September 30, 2022

Statement of Authorities (unaudited)

Fiscal year 2022-23 (in thousands of dollars)

	Total available for use for the year ending March 31, 2023*	Used during the quarter ended September 30, 2022	Year to date used at quarter-end
Vote 1 – Program expenditures	79,500	15,954	30,998
Less: Revenues netted against expenditures	(67,647)	(41,032)	(66,265)
Net Vote 1 – Program expenditures	11,853	(25,078)	(35,267)
Statutory authorities – EBP	8,356	2,089	4,178
<b>Total Budgetary Authorities</b>	<b>20,209</b>	<b>(22,989)</b>	<b>(31,089)</b>

\* Only includes Authorities available for use and granted by Parliament at quarter-end.

Fiscal year 2021-22 (in thousands of dollars)

	Total available for use for the year ending March 31, 2022*	Used during the quarter ended September 30, 2021	Year to date used at quarter-end
Vote 1 – Program expenditures	71,746	16,843	32,731
Less: Revenues netted against expenditures	(59,103)	(660)	(57,741)
Net Vote 1 – Program expenditures	12,643	16,183	(25,010)
Statutory authorities – EBP	8,472	1,977	3,954
<b>Total Budgetary Authorities</b>	<b>21,115</b>	<b>18,160</b>	<b>(21,056)</b>

\* Only includes Authorities available for use and granted by Parliament at quarter-end.

Canadian Radio-television and Telecommunications Commission  
Quarterly Financial Report for the quarter ended September 30, 2022

Departmental budgetary expenditures by Standard Object (unaudited)

Fiscal year 2022-23 (in thousands of dollars)

	Planned expenditures for the year ending March 31, 2023	Used during the quarter ended September 30, 2022	Year to date used at quarter-end
<b>Expenditures:</b>			
Personnel (including EBP contributions)	68,103	15,414	31,263
Transportation and communications	1,359	111	237
Information	3,598	93	378
Professional and special services	11,045	1,731	2,052
Rentals	1,848	304	722
Repair and maintenance	233	63	63
Utilities, materials and supplies	308	78	211
Acquisition of machinery and equipment	1,346	249	250
Other subsidies and payments	16	0	0
<i>Total gross budgetary expenditures</i>	87,856	18,043	35,176
<b>Less: revenues netted against expenditures</b>			
Revenues (Part I Broadcasting licence fees, Telecommunications fees and Unsolicited telecommunications fees)	(67,647)	(41,032)	(66,265)
<i>Total revenues netted against expenditures</i>	(67,647)	(41,032)	(66,265)
<b>TOTAL NET BUDGETARY EXPENDITURES</b>	<b>20,209</b>	<b>(22,989)</b>	<b>(31,089)</b>



Canadian Radio-television and Telecommunications Commission  
Quarterly Financial Report for the quarter ended September 30, 2022

Fiscal year 2021-22 (in thousands of dollars)

	Planned expenditures for the year ending March 31, 2022	Used during the quarter ended September 30, 2021	Year to date used at quarter-end
<b>Expenditures:</b>			
Personnel (including EBP contributions)	63,996	16,213	32,168
Transportation and communications	1,541	160	283
Information	3,212	633	921
Professional and special services	7,787	1,416	2,365
Rentals	1,687	231	660
Repair and maintenance	693	23	54
Utilities, materials and supplies	259	34	41
Acquisition of machinery and equipment	1,038	94	177
Other subsidies and payments	5	16	16
<i>Total gross budgetary expenditures</i>	80,218	18,820	36,685
<b>Less: revenues netted against expenditures</b>			
Revenues (Part I Broadcasting licence fees, Telecommunications fees and Unsolicited telecommunications fees)	(59,103)	(660)	(57,741)
<i>Total revenues netted against expenditures</i>	(59,103)	(660)	(57,741)
<b>TOTAL NET BUDGETARY EXPENDITURES</b>	<b>21,115</b>	<b>18,160</b>	<b>(21,056)</b>