

Canadian Radio-television and Telecommunications Commission

2024-25

Quarterly financial report for the quarter
ended September 30, 2024

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Catalogue No. BC91-14E-PDF

ISSN 2564-4475



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for the quarter ended
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Canada

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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](#) and [Supplementary Estimates](#) for fiscal year 2024-25. 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 and Supplementary Estimates for both the 2023-24 and the 2024-25 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 *Canada's Anti-spam Legislation* activities and for the Voter Contact Registry). The balance is financed by revenues collected from the broadcasting, telecommunications and telemarketing industries.

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Parliament has authorized the CRTC to use a portion of these revenues to fund expenditures it incurs to meet its statutory responsibilities under the *Broadcasting Act* and *Telecommunications Act* (i.e. spendable revenue). The remaining balance of these revenues is classified as non-spendable revenue and is used to fund costs incurred by other government departments on the CRTC's behalf, including employee benefits.

The majority of the CRTC's vote-netted revenue is collected within the first two quarters of each fiscal year. Further details on CRTC fees and revenues can be found in the 2024-25 Departmental Plan in the supplementary information section entitled "Future-Oriented Statement of Operations".

Authorities

To date in 2024-25, there is a net increase in spending authorities of \$12.4 million compared to 2023-24.

Vote-netted revenues increased by \$14 million as a result of the coming into force of the *Online Streaming Act* (C-11) and the *Broadcasting Fees Regulations*, which increased the scope of broadcasting-related regulatory activities. The Commission has begun a series of public proceedings in order to fulfill the mandate entrusted to them by the Government under the new legislation. These processes are designed to meet the public interest and have necessitated an increase in staff and resources.

Budgetary authorities decreased by \$1.6 million following the sunset of temporary funding which had been approved up to 2023-24 for the implementation of the amendments to the *Broadcasting Act* (C-11).

Expenditures

The CRTC's gross budgetary expenditures for the second quarter ended September 30, 2024, is higher compared to the previous year by \$6.3 million. This variance is due to an increase of \$7.5 million in personnel costs, mainly due to an increase of employees compared to last year as well as the ratification of various collective agreements during fiscal year 2023-24. This was offset by a decrease of \$1.2 million in other operating costs which can be attributed mostly to decrease of \$0.7 million in professional and special services and \$0.3 million reduction in rental equipment.

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 [2023-143](#) for 2023-24 and [2024-144](#) for 2024-25.

The CRTC establishes its unsolicited telecommunications fees on an annual basis at levels anticipated to fully recover its approved investigations and enforcement operating costs, however there could be a revenue shortfall if fewer than expected telemarketers subscribed and paid their fees for access to the National DNCL. It is noted that, compared to the same quarter of the previous year, the amount collected to date is slightly higher. However, should the CRTC not collect the required \$3.3 million

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budget, measures will be taken internally to account for the shortfall while still maintaining the CRTC's National DNCL investigation and enforcement activities for 2024-25.

Of note, if the amount collected exceeds the regulatory costs, as per section 4(3) of the Unsolicited Telecommunications Fees Regulations, the amount in excess will be refunded to telemarketers accordingly.

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

There have been no significant changes in relation to operations, personnel and programs during this quarter.

Approval by senior officials

Approved by:

Eric Joyce acting for Vicky Eatrides
Chairperson and Chief Executive Officer
Gatineau, Canada

November 25, 2024

Marc Morin
Chief Financial Officer
Gatineau, Canada

November 22, 2024

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Statement of Authorities (unaudited)

Fiscal year 2024-25 (in thousands of dollars)

	Total available for use for the year ending March 31, 2025*	Used during the quarter ended September 30, 2024	Year to date used at quarter-end
Vote 1 – Program expenditures	98,262	22,116	41,729
Less: Revenues netted against expenditures	(86,819)	(763)	(85,569)
Net Vote 1 – Program expenditures	11,443	21,353	(43,840)
Statutory authorities – EBP	9,949	2,488	4,975
Total Budgetary Authorities	21,392	23,841	(38,865)

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

Fiscal year 2023-24 (in thousands of dollars)

	Total available for use for the year ending March 31, 2024*	Used during the quarter ended September 30, 2023	Year to date used at quarter-end
Vote 1 – Program expenditures	85,872	18,244	35,468
Less: Revenues netted against expenditures	(72,821)	(42,789)	(71,586)
Net Vote 1 – Program expenditures	13,051	(24,545)	(36,118)
Statutory authorities – EBP	9,933	2,483	4,966
Total Budgetary Authorities	22,984	(22,062)	(31,152)

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

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Departmental budgetary expenditures by Standard Object (unaudited)

Fiscal year 2024-25 (in thousands of dollars)

	Planned expenditures for the year ending March 31, 2025	Used during the quarter ended September 30, 2024	Year to date used at quarter-end
Expenditures:			
Personnel (including EBP contributions)	83,160	22,050	42,117
Transportation and communications	2,237	159	404
Information	4,392	641	1,057
Professional and special services	11,018	867	1,531
Rentals	3,715	460	756
Repair and maintenance	939	57	132
Utilities, materials and supplies	165	41	63
Acquisition of machinery and equipment	2,563	329	642
Other subsidies and payments	22	-	2
<i>Total gross budgetary expenditures</i>	108,211	24,604	46,704
Less: revenues netted against expenditures			
Revenues (Part I Broadcasting licence fees, Telecommunications fees and Unsolicited telecommunications fees)	(86,819)	(763)	(85,569)
<i>Total revenues netted against expenditures</i>	(86,819)	(763)	(85,569)
TOTAL NET BUDGETARY EXPENDITURES	21,392	23,841	(38,865)

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Fiscal year 2023-24 (in thousands of dollars)

	Planned expenditures for the year ending March 31, 2024	Used during the quarter ended September 30, 2023	Year to date used at quarter-end
Expenditures:			
Personnel (including EBP contributions)	76,362	18,009	34,599
Transportation and communications	1,672	232	539
Information	3,403	129	631
Professional and special services	10,499	1,464	2,271
Rentals	1,983	291	1,089
Repair and maintenance	253	301	360
Utilities, materials and supplies	239	23	62
Acquisition of machinery and equipment	1,380	226	831
Other subsidies and payments	14	52	52
<i>Total gross budgetary expenditures</i>	95,805	20,727	40,434
Less: revenues netted against expenditures			
Revenues (Part I Broadcasting licence fees, Telecommunications fees and Unsolicited telecommunications fees)	(72,821)	(42,789)	(71,586)
<i>Total revenues netted against expenditures</i>	(72,821)	(42,789)	(71,586)
TOTAL NET BUDGETARY EXPENDITURES	22,984	(22,062)	(31,152)