



Quarterly Financial Report

For the quarter ended
December 31, 2023

1. Introduction

This Quarterly Financial Report (QFR) should be read in conjunction with the [Main Estimates](#) and [Supplementary Estimates](#). It has been prepared by management as required under section 65.1 of the *Financial Administration Act* and in the form and manner prescribed by the Directive on Accounting Standards, GC 4400 Departmental Quarterly Financial Report. It has not been subject to an external audit or review.

1.1 Raison d'être

Public Works and Government Services Canada (PWGSC) was established effective June 20, 1996, under the *Department of Public Works and Government Services Act*. As of November 4, 2015, PWGSC started operating as Public Services and Procurement Canada (PSPC). PSPC plays an important role in the daily operations of the Government of Canada. It supports federal departments and agencies in the achievement of their mandated objectives as their central purchasing agent, real property manager, linguistic authority, treasurer, accountant, pay and pension administrator, and common service provider. The Department's vision is to excel in government operations. Our mission is to deliver high-quality, central programs and services that ensure sound stewardship on behalf of Canadians and meet the program needs of federal institutions.

Further details on the Department's authority, mandate and core responsibilities can be found in the [Main Estimates \(Part II\)](#) and in the [2023-24 Departmental Plan](#).

1.2 Basis of presentation

This quarterly report has been prepared by management using an expenditure basis of accounting and a special-purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities. The accompanying [Table 1 - Statement of Authorities \(unaudited\)](#) includes the Department's spending authorities granted by Parliament, and those used by the Department and are consistent with the Main Estimates and Supplementary Estimates for the current fiscal year.

The authority of Parliament is required before money 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 Department uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental results reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

1.3 Public Services and Procurement Canada's financial structure

PSPC provides services to many government departments, agencies and Crown corporations through a variety of funding mechanisms. This includes budgetary authorities that are comprised of voted and statutory authorities, as well as non-budgetary authorities. The voted budgetary authorities include operating expenditures, vote-netted revenues and capital expenditures, while the statutory authorities are mainly composed of revolving funds, employee benefit plans and payments in lieu of taxes (PILT). The non-budgetary authorities consist primarily of the Seized Property Working Capital Account (the description can be found in paragraph 1.3.4).

PSPC's complex financial structure may result in significant fluctuations in authorities on a quarterly basis, which are due to timing differences that are resolved by year-end. These are summarized as follows:

1.3.1 Cost-recovery basis

For the most part, PSPC delivers its services on a cost-recovery basis, generating revenues via revolving fund ("the Funds") organizations and programs within the operating vote. These organizations and programs are mainly designed to provide services to other government organizations and are expected to recover the cost of their operations through revenues. However, the costs incurred by the Funds are usually disbursed prior to invoicing the client, which generally occurs upon completion of a project or after services are rendered, and thus revenues may be collected in a subsequent quarter.

1.3.2 Project management

PSPC manages a variety of real property projects that progress through phases from planning to funding and from procurement to construction. Historical trends have shown that expenditures against these projects are not incurred evenly throughout the year; thus, quarter-to-quarter fluctuations are normal. Such projects include the Alaska Highway in British Columbia and Yukon, and the rehabilitation of the Parliamentary Precinct in Ottawa.

1.3.3 Payments in lieu of taxes

PILT issued by PSPC are funded through a statutory vote and paid on behalf of other participating federal departments. Payments are subsequently recovered from the participating departments and are recorded as statutory grants in the Public Accounts of Canada. Timing fluctuations can occur between the payments and the recoveries from the other departments.

1.3.4 Seized property account

PSPC also manages seized property for the Government of Canada pursuant to the *Seized Property Management Act*. The financial management of this activity is undertaken through the non-budgetary Seized Property Working Capital Account. Charged to this account are expenditures and advances made to maintain and manage any seized or restrained property. PSPC recovers its costs from this account once the property owner loses the right to the property and it is disposed of.

1.4 COVID-19 pandemic

One of the Government’s top priorities remains the health and safety of Canadians as the COVID-19 pandemic evolves. Throughout the pandemic, PSPC has been actively engaged in supporting the Government of Canada's response, through the procurement of an unprecedented and urgent demand for personal protective equipment (PPE), COVID-19 testing kits and supplies, vaccines and vaccination supplies and other medical equipment such as ventilators and emergency mobile health units and beds. Now, as the Government of Canada turns its attention to the post-pandemic reality, PSPC will be winding down COVID-19 procurement operations while continuing to maintain a portfolio of COVID-19 vaccines and plans to transition to sustainable management of COVID-19 vaccines. In the longer term, establishing domestic production capacity will further diversify Canada’s vaccine options and capabilities.

The COVID-19 pandemic has changed how Government of Canada employees work and the types of workplace accommodations that best support managers and employees providing critical services to Canadians. The department will collaborate with its government partners to help define the post-pandemic work environment by supporting the Government of Canada’s future of work, which includes transitioning to a hybrid work model.

2. Highlights of fiscal quarter and fiscal year-to-date results

2.1 Significant changes to authorities

When compared to the same quarter of the previous year, **year-to-date PSPC authorities available for use increased by \$293.9 million** (\$5,198.1 million at the third quarter of the fiscal year ending March 31, 2024 compared to \$4,904.2 million at the third quarter of the fiscal year ending March 31, 2023) as reflected in [Table 1–Statement of authorities \(unaudited\) – For the quarter ended December 31, 2023 \(in thousands of dollars\)](#). The items responsible for the overall increase are outlined in the table below, followed by a description for each variance:

Year-over-year variances in authorities available for use

(in millions of dollars)

Initiatives	Operating	Capital	Budgetary Statutory Authorities	Total Variance
Government of Canada’s Pay System	148.6	-	30.0	178.6
Collective Agreements	96.2	-	0.5	96.7
Price and Volume Protection	54.2	-	-	54.2
Planning and Investment in PSPC's Assets Portfolio	(62.6)	114.6	(0.9)	51.1
Employee Benefit Plan Adjustment	-	-	24.8	24.8
Laboratories Canada	18.0	-	0.6	18.6
Payments to Provide Supplies for the Health System	(128.6)	-	-	(128.6)
Other	(4.2)	-	2.7	(1.5)
Cumulative variance in authorities available for use	121.6	114.6	57.7	293.9

*Groupings can change between quarters due to materiality of initiatives.
Amounts may not balance with other public documents due to rounding.*

Government of Canada's Pay System – increase of \$178.6 million

The increase is mainly due to additional funding announced in Budget 2023 to offset funding that sunset in fiscal year 2022 to 2023. Funding will enable PSPC to continue fulfilling its mandate as the Government of Canada's pay administrator by maintaining overall stability, eliminating the backlog of cases older than one year, ensuring continuous improvement of its pay operations and making progress towards stabilizing queue management.

Collective Agreements – increase of \$96.7 million

Funding received from the Treasury Board Central Vote for Collective Bargaining as a result of the various collective agreements that were renewed, signed, and implemented following the 2023 to 2024 Main Estimates.

Price and Volume Protection – increase of \$54.2 million

The increase is a result of funding received for the protection from inflation and price variations relating to space requirements for real property elements over which PSPC has very little or no control such as rent, cost of utilities and accommodation costs.

Planning and Investment in PSPC's Assets Portfolio – increase of \$51.1 million

The increase reflects the Department's current funding approval to plan and deliver on its capital plan to maintain the quality of its infrastructure for the benefit of all Canadians.

Employee Benefit Plan (EBP) Adjustment – increase of \$24.8 million

The increase relates to the EBP rate adjustments as per the Treasury Board of Canada Secretariat (TBS) instructions which is applied on the year-over-year change in funding received.

Laboratories Canada – increase of \$18.6 million

The increase is mainly due to Budget 2023 funding received to continue supporting the renewal of key science and technology infrastructure. The Laboratories Canada strategy (previously referred to as the Federal Science and Technology Infrastructure Initiative) was established in 2018 as a 25-year initiative to be delivered in phases, to renew federal laboratories and support a collaborative approach to conducting science and technology.

Payments to Provide Supplies for the Health System – decrease of \$128.6 million

The decrease is mainly due to lapsed funding from 2021 to 2022 carried into 2022 to 2023. This funding was mainly for storing, deploying, operating and maintaining 4 mobile health units, logistics services, and staffing to continue delivering timely and effective procurement services in support of the Government of Canada's response to the pandemic.

Other – decrease of \$1.5 million

The decrease is the result of funding variances in miscellaneous projects and activities.

2.2 Significant changes to year-to-date net expenditures

As presented in [Table 2 - Departmental budgetary expenditures by standard object \(unaudited\)](#), **year-to-date total net budgetary expenditures have increased by \$469.4 million** as compared to the same quarter of the previous year (\$3,829.0 million in the current fiscal year compared to \$3,359.6 million in the previous fiscal year).

Overall, total spending at the end of the third quarter represents 74% of annual planned expenditures for the current fiscal year compared to 69% for the third quarter of the previous year.

Year-over-year variances in net budgetary expenditures (presented by standard object) (in millions of dollars)

Standard Object	December 31, 2023 Year to date used at quarter end	December 31, 2022 Year to date used at quarter end	Year-over-year variance
Personnel	1,527.0	1,322.2	204.8
Transportation and communications	49.8	49.3	0.5
Information	9.9	19.8	(9.9)
Professional and special services	1,555.5	1,328.4	227.1
Rentals	978.2	957.8	20.4
Repair and maintenance	1,128.9	1,071.6	57.3
Utilities, materials and supplies	60.5	252.3	(191.8)
Acquisition of land, buildings and works	533.2	431.0	102.2
Acquisition of machinery and equipment	54.2	50.1	4.1
Transfer payments	162.8	65.4	97.4
Public Debt charges	78.2	83.1	(4.9)
Other subsidies and payments	265.6	265.5	0.1
Revenues netted against expenditures	(2,574.8)	(2,536.9)	(37.9)
Total net budgetary expenditures	3,829.0	3,359.6	469.4

Comparative figures have been reclassified to conform to the current year's presentation.

Amounts may not balance with other public documents due to rounding.

The year-over-year **net increase of \$469.4 million** is mainly attributable to:

Personnel – increase of \$204.8 million

- The increase is mainly due to:
 - Increase in salaries as a result of the ratification of various collective agreements; and
 - Workforce dedicated to reducing the backlog of pay transactions and to stabilize pay operations as well as workforce required to meet business needs mainly in Real Property Services Revolving Fund activities.

Professional and special services – increase of \$227.1 million

- The increase is mainly due to:
 - Real Property Services Revolving Fund as a result of higher business volume related to other government departments, mostly in remediation projects such as Giant Mine and Faro Mine as well as modernization of laboratory facilities such as the Sidney Centre for Plant Health; and
 - Parliamentary Precinct portfolio for the Centre Block building which was impacted by a construction trades strike last fiscal year and additional work on the Centre Block basement commenced this fiscal year.

Repair and maintenance – increase of \$57.3 million

- The increase is mainly due to more work done in several buildings mostly in the National Capital Region such as Carling Campus and Tunney's Pasture.

Utilities, materials and supplies – decrease of \$191.8 million

- The decrease is mainly due to a change in presentation of vaccines-related transactions following the implementation of the new Public Sector Accounting Standard on revenue, which impacted the Optional Services Revolving Fund. The transactions are related to the procurement of vaccines on behalf of provincial and territorial governments, federal departments and agencies. In prior years, vaccines revenues collected and the related expenses were recorded separately. Starting this fiscal year, the cost of vaccines will be reduced by the vaccine revenues (net basis presentation).

Acquisition of land, buildings and works – increase of \$102.2 million

- The increase is mainly due to:
 - Renewal projects at Place du Portage, Les Terrasses de la Chaudière and the Lester B. Pearson building in the National Capital Region;
 - Projects in Western region for other government departments such as a new hangar at Iqaluit airport, construction of Clyde River small craft harbour and the Bowden Wastewater Lagoon rehabilitation; and
 - Projects in Atlantic region such as Bedford Institute of Oceanography (BIO) Jetty Wharf Replacement.
- The increase was partially offset by a decrease as a result of projects mostly completed in Pacific region such as east end dock extension at Esquimalt Graving Dock and top-lift asphalt installation and road surface conversion in sections of the Alaska Highway.

Transfer payments – increase of \$97.4 million

- The increase is due to a timing difference between when a payment in lieu of taxes is issued to municipalities and when the cost is recovered from other government departments.

Other standard objects – increase of \$10.3 million

- The increase is attributable to changes in expenditures related to day-to-day operations.

Revenues netted against expenditures – increase of \$37.9 million

- The increase is mainly due to:

- Real Property Services Revolving Fund as a result of higher business volume related to other government departments, mostly in remediation projects such as Giant Mine and Faro Mine as well as other projects in different regions such as the new hangar at Iqaluit airport and the Sidney Centre for Plant Health;
 - Timing difference of billing for information technology and contract security services occurring earlier this fiscal year compared to previous fiscal year; and
 - Higher revenues for pension services under Receiver General and Pension Branch due to rising salary costs as a result of the ratification of collective agreements.
- The increase was partially offset by a decrease due to the change in presentation of vaccines-related transactions following the implementation of the new Public Sector Accounting Standard on revenue, which impacted the Optional Services Revolving Fund. The transactions are related to the procurement of vaccines on behalf of provincial and territorial governments, federal departments and agencies. In prior years, vaccines revenues collected and the related expenses were recorded separately. Starting this fiscal year, the vaccine revenues will be recorded against the cost of vaccines under “Utilities, materials and supplies”, and no longer as revenues (net basis presentation).

3. Risks and uncertainties

PSPC integrates risk management principles into business planning, decision-making and organizational processes to minimize negative impacts and maximize opportunities across our diverse range of services and operations. Risk management at PSPC is carried out in accordance with the Treasury Board Secretariat’s Framework for the Management of Risk, the Management Accountability Framework, and PSPC’s Integrated Risk Management Framework.

The key risks identified as having a potential financial impact on PSPC’s operations are:

3.1 Funding mechanism and coordination

PSPC may be unable to achieve its departmental investment objectives and targets, due to the variety of funding mechanisms employed by the department and the need to have better tools to effectively implement the OnePSPC concept, which may impede on-going relationships with clients and the efficiency and effectiveness of the department’s programs and services. To mitigate this risk, PSPC is taking the following measures, among others:

- Improve PSPC’s Investment Management Framework and associated governance, further refine an enterprise-wide prioritization model for all of PSPC’s asset portfolios and align resources to priorities; and
- Implement Project Costing Model Modernization initiative, with focus on 4 key deliverables: PSPC Integrated Project Costing Framework, Monte Carlo simulation model, costing guides and tools, and project gating amendments.

3.2 PSPC’s ability to deliver on large-scale and complex initiatives

The effective and efficient delivery of major PSPC initiatives may be impeded due to the nature of large-scale and complex work (project scale, complexities, partner dependencies, evolving security requirements) along with current global events (inflation, supply delays and industry capacity limitations) which may affect the department’s credibility with stakeholders. To mitigate this risk, PSPC is taking the following measures, among others:

- Structuring, financing and accelerating the modernization of Fit-up programs to deliver on the GCWorkplace vision;
- Developing security, scientific equipment, IM/IT and real property strategies, solutions, costings, and requirements to advance projects and support the federal science community; and,
- Refreshing the National Project Management System and creating an Enterprise Governance Framework model for project management to reduce or lessen the impact should the risk materialize.

3.3 Real property asset integrity, safety and accessibility

The integrity, safety and accessibility of PSPC real property and infrastructure assets could be compromised by climate change, natural disasters, infrastructure deterioration and original design insufficiencies, as well as human related actions, which may impede the continuity of government operations and the well-being of Canadians. Without sufficient funding levels, PSPC will have difficulty successfully delivering programs, which could lead to additional costs, missed opportunities, and could potentially put the integrity of certain assets at risk. To mitigate this risk, PSPC is taking the following measures, among others:

- Undertaking extensive infrastructure renewal activities;
- Continue delivering various projects to preserve buildings, stop or reduce ongoing deterioration, respond to urgent building repair requirements, address health and safety issues, and reduce the cost and complexity of future work; and,
- Continue identifying and prioritizing projects according to a rigorous and cyclical portfolio planning process, as well as demonstration of cost savings.

3.4 HR-to-Pay stabilization

PSPC may encounter delays to achieving full stabilization of pay administration for the Government of Canada (including pay processing and transfer of information to the pension administrator), as a result of the sustained increases in the volume of work received at the Pay Centre from client departments while facing capacity constraints, which could further impede efforts to increase stakeholder trust and lessen liabilities to the Government of Canada. To mitigate this risk, PSPC is taking the following measures, among others:

- Providing business intelligence and reports on HR-to-Pay stabilization and delivering monthly timeliness reports to departments and agencies to assist with the identification of upstream issues that affect pay; and
- Prioritizing cases with high financial impact to employees that are more than a year old once intake management is stabilized and additional resources start working on the Pay Centre queue.

4. Significant changes to operations, personnel and programs

This section highlights significant changes in operations, personnel, and programs during the third quarter of the current fiscal year:

- On November 2, 2023, the Prime Minister [announced](#) the appointment of Arianne Reza as Deputy Minister of Public Services and Procurement, effective on the same date.
- On November 15, 2023, the Next Generation Human Resources and Pay System Initiative was transferred from Shared Services Canada to PSPC (Order in Council [2023-1140](#)).
- On December 15, 2023, the Prime Minister [announced](#) the appointment of Michael Mills as Associate Deputy Minister of Public Services and Procurement, effective December 18, 2023.

Approved by:

The original version was signed by _____

Michael Mills for
Arianne Reza
Deputy Minister

Gatineau, Canada
February 22, 2024

The original version was signed by _____

Wojo Zielonka, CPA
Assistant Deputy Minister and
Chief Financial Officer

Gatineau, Canada
February 20, 2024

Table 1 – STATEMENT OF AUTHORITIES (unaudited)

	Fiscal year ending March 31, 2024			Fiscal year ending March 31, 2023		
	Total available for use for the year ending March 31, 2024 1) 2)	Used during the quarter ended December 31, 2023	Year-to-date used at quarter end	Total available for use for the year ending March 31, 2023 1) 2)	Used during the quarter ended December 31, 2022	Year-to-date used at quarter end
<i>(In thousands of dollars)</i>						
Vote 1						
Gross operating expenditures	4,649,797	1,171,607	3,210,793	4,467,767	1,023,233	2,993,922
Vote-netted revenues	(1,399,243)	(418,479)	(1,061,404)	(1,338,862)	(357,020)	(998,456)
Net operating expenditures	3,250,554	753,128	2,149,389	3,128,905	666,213	1,995,466
Vote 5 - Capital expenditures	1,725,029	659,612	1,234,460	1,610,417	361,128	1,049,383
Revolving fund authorities						
Real Property Services Revolving Fund						
Gross expenditures	2,308,780	734,064	1,554,865	2,478,069	589,422	1,353,428
Revenues	(2,305,280)	(687,989)	(1,374,689)	(2,479,911)	(589,691)	(1,227,319)
Net expenditures	3,500	46,075	180,176	(1,842)	(269)	126,109
Translation Bureau Revolving Fund						
Gross expenditures	182,525	62,238	138,281	177,701	43,653	117,610
Revenues	(174,456)	(50,378)	(121,055)	(170,349)	(46,328)	(114,262)
Net expenditures	8,069	11,860	17,226	7,352	(2,675)	3,348
Optional Services Revolving Fund						
Gross expenditures	15,630	(4,707)	4,778	262,724	146,363	199,142
Revenues	(15,815)	(3,665)	(17,679)	(262,401)	(116,548)	(196,879)
Net expenditures	(185)	(8,372)	(12,901)	323	29,815	2,263
Total of all revolving funds						
Gross expenditures	2,506,935	791,595	1,697,924	2,918,494	779,438	1,670,180
Revenues	(2,495,551)	(742,032)	(1,513,423)	(2,912,661)	(752,567)	(1,538,460)
Total revolving fund net expenditures	11,384	49,563	184,501	5,833	26,871	131,720

Table 1 – STATEMENT OF AUTHORITIES - CONTINUED (unaudited)

	Fiscal year ending March 31, 2024			Fiscal year ending March 31, 2023		
	Total available for use for the year ending March 31, 2024 1) 2)	Used during the quarter ended December 31, 2023	Year-to-date used at quarter end	Total available for use for the year ending March 31, 2023 1) 2)	Used during the quarter ended December 31, 2022	Year-to-date used at quarter end
<i>(In thousands of dollars)</i>						
Other budgetary statutory authorities						
Contributions to employee benefit plans	210,156	32,601	97,803	158,167	39,114	117,342
Minister of PSP salary and motor car allowance	95	24	72	92	23	69
Refunds of amounts credited to revenues in previous years	-	-	-	-	-	-
Spending of proceeds from the disposal of surplus Crown assets	846	1	48	737	188	195
Collection agency fees	-	-	-	-	-	-
Payment in lieu of taxes to municipalities and other taxing authorities ²⁾	-	(25,359)	162,793	-	(22,578)	65,457
Total other budgetary statutory authorities	211,097	7,267	260,716	158,996	16,747	183,063
Total budgetary authorities	5,198,064	1,469,570	3,829,066	4,904,151	1,070,959	3,359,632
Non-budgetary authority						
Seized Property Working Capital Account	-	-	-	-	-	-
Total authorities	5,198,064	1,469,570	3,829,066	4,904,151	1,070,959	3,359,632

Net increase of \$293.9 million

Notes:

- 1) Includes only Authorities available for use and approved by Parliament at quarter-end. Amounts may not balance with other public documents due to rounding.
- 2) Consistent with the presentation in the Main Estimates, "Total available for use for the year", for both fiscal years ending March 31, 2024 and March 31, 2023, under "PILT", is presented net of planned PILT made to municipalities and the equivalent planned recoveries from other government departments. A description of PILT is provided in Section 1.3 of this report.

Table 2 – DEPARTMENTAL BUDGETARY EXPENDITURES BY STANDARD OBJECT (unaudited)

	Fiscal year ending March 31, 2024			Fiscal year ending March 31, 2023		
	Planned expenditures for the year ending March 31, 2024 1) 2)	Expended during the quarter ended December 31, 2023	Year-to-date used at quarter end	Planned expenditures for the year ending March 31, 2023 1) 2)	Expended during the quarter ended December 31, 2022	Year-to-date used at quarter end
<i>(In thousands of dollars)</i>						
Expenditures						
Personnel	2,078,914	600,157	1,527,004	1,811,015	442,000	1,322,198
Transportation and communications	66,045	19,671	49,862	120,239	22,776	49,314
Information	16,731	4,315	9,855	18,506	13,654	19,781
Professional and special services	2,574,991	675,204	1,555,535	2,446,951	568,452	1,328,365
Rentals	1,357,274	326,438	978,221	1,326,390	319,367	957,790
Repair and maintenance	1,193,380	621,031	1,128,887	1,334,741	351,654	1,071,650
Utilities, materials and supplies	157,840	15,976	60,511	433,084	166,194	252,275
Acquisition of land, buildings and works	963,212	254,792	533,184	938,077	192,519	430,995
Acquisition of machinery and equipment	153,124	29,084	54,216	171,950	23,805	50,087
Transfer payments ²⁾	-	(25,358)	162,794	-	(22,578)	65,457
Public debt charges	124,808	25,693	78,260	130,224	27,245	83,103
Other subsidies and payments	406,539	83,078	265,564	424,497	75,458	265,533
Total gross budgetary expenditures	9,092,858	2,630,081	6,403,893	9,155,674	2,180,546	5,896,548
Less revenues netted against expenditures						
Revolving funds revenues	(2,495,551)	(742,032)	(1,513,423)	(2,912,661)	(752,567)	(1,538,460)
Vote-netted revenues	(1,399,243)	(418,479)	(1,061,404)	(1,338,862)	(357,020)	(998,456)
Total revenues netted against expenditures	(3,894,794)	(1,160,511)	(2,574,827)	(4,251,523)	(1,109,587)	(2,536,916)
Total net budgetary expenditures	5,198,064	1,469,570	3,829,066	4,904,151	1,070,959	3,359,632

Net increase of \$469.4 million

Notes:

- 1) Includes only Authorities available for use and approved by Parliament at quarter-end. Amounts may not balance with other public documents due to rounding.
- 2) Consistent with the presentation in the Main Estimates, "Planned expenditures for the year" for both fiscal years ending March 31, 2024 and March 31, 2023, under "Transfer payments", are presented net of planned PILT made to municipalities and the equivalent planned recoveries from other government departments. A description of PILT is provided in Section 1.3 of this report.