



# Canadian Space Agency

**2023-2024**

## **Quarterly Financial Report For the Quarter Ended September 30, 2023**

ISSN 2564-4262

**Management Statement  
for the Quarter Ended September 30, 2023**

## 1. Introduction

This quarterly financial report 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 quarterly financial report should be read in conjunction with the [2023-2024 Main Estimates](#)<sup>1</sup>.

### 1.1 Mandate and Program Activities

The Canadian Space Agency's (CSA) mandate is *to promote the peaceful use and development of space, to advance the knowledge of space through science and to ensure that space science and technologies provide social and economic benefits for Canadians.*

More information is available on the CSA's [mandate](#) and on the departmental results framework in the [2023-24 Departmental Plan](#)<sup>1</sup>.

<sup>1</sup> *The financial data presented as planned expenditures in the Main Estimates (ME) and the Departmental Plan may differ from the authorities available presented in this Quarterly Financial Report (QFR). The Departmental Plan data includes estimated adjustments to the ME for the entire year, whereas the QFR presents only the authorities granted to this date through the Estimates process (i.e. the ME and the Supplementary Estimates).*

### 1.2 Basis of Presentation

This quarterly financial report (QFR) has been prepared by management using an expenditure basis of accounting. The Statement of Authorities annexed to this report includes the CSA's spending authorities granted by Parliament and those used by the CSA, consistent with the Main Estimates and Supplementary estimates voted as at September 30, for fiscal year 2023-2024 compared to 2022-2023. 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 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.

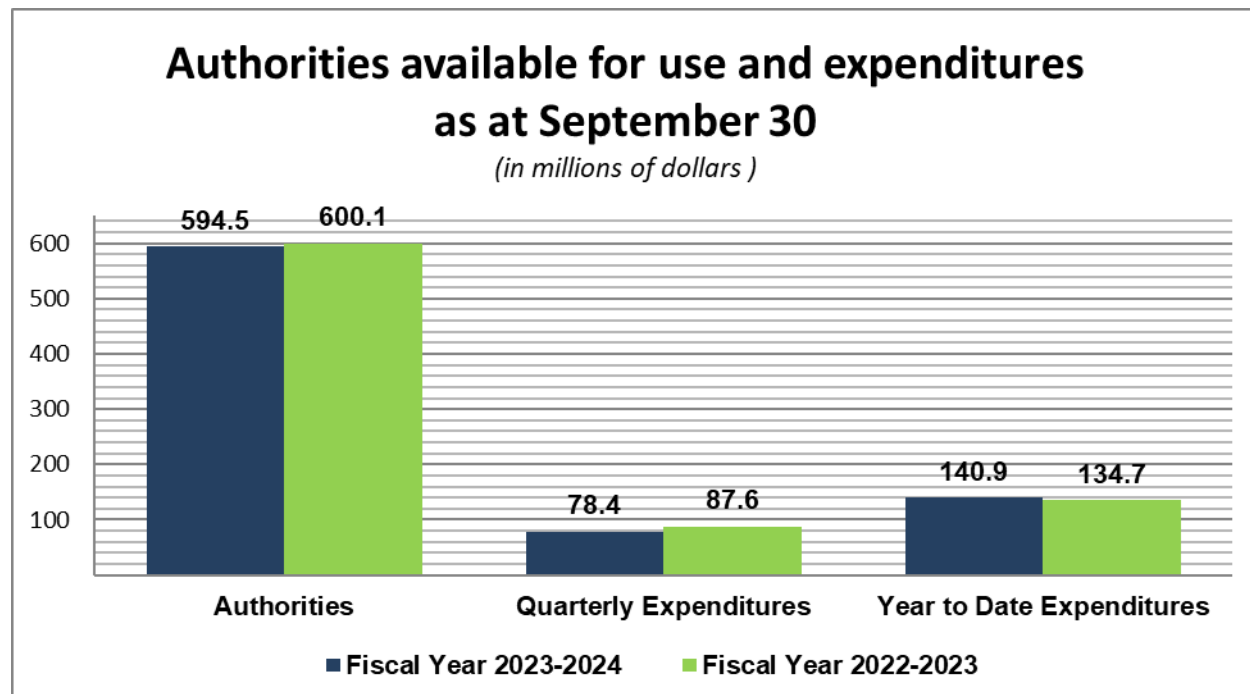
The CSA uses the full accrual method of accounting to prepare and present its annual financial statements, which are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis, which is, a partial accrual method of accounting. The partial accrual method of accounting includes disbursements as well as some accruals for salaries and salary allowances.

This QFR report has not been subject to an external audit. However, it was reviewed by the members of the CSA Audit Committee, who are satisfied with its presentation and content.

## 2. Highlights of the Quarterly Financial Results

This section highlights the significant elements that contributed to the changes to the authorities available for the fiscal year, as well as to the quarterly and year-to-date expenditures for the quarter ended September 30, 2023.

The following graph provides an overview of the variations in the available authorities and the expenditures. Additional details on these variations are provided in sections 2.1 and 2.2 as well as in the appended annexes.



Totals may not add up with the Annexes due to rounding.

### 2.1 Significant Changes in the Authorities (Total Votes Available for Use) between fiscal years 2023-2024 and 2022-2023

The total votes available for use as at September 30, 2023, is \$594.5 million, which represents a decrease of \$5.6 million compared to the same period in the previous year.

Authorities <i>(in thousands of dollars)</i>	2023-2024	2022-2023	Variance	%
Vote 1 - Operating expenditures	224,163	227,955	(3,792)	(2%)
Vote 5 - Capital expenditures	280,277	273,721	6,556	2%
Vote 10 - Grants and contributions	77,913	85,581	(7,668)	(9%)
Contributions to employee benefit plans	12,160	12,271	(111)	(1%)
Proceeds from disposal of surplus Crown assets	5	583	(578)	(99%)
<b>Total budgetary authorities</b>	<b>594,518</b>	<b>600,111</b>	<b>(5,593)</b>	<b>(1%)</b>

The decrease of \$3.8 million in Vote 1 – Operating expenditures is mainly explained by the following items:

- An increase of \$2.3 million in salaries.
- A decrease of \$7.8 million relating to the 2023-2024 operating budget carry forward received, which has decreased versus that received in 2022-2023.
- The residual difference consists of multiple variations inherent to the Canadian Space Program (CSP) Resource Management. They result from the fact that budgetary requirements by vote are not linear from one year to the next, requiring vote transfers or fund carry forwards to another fiscal year.

The increase of \$6.6 million in Vote 5 – Capital expenditures is mainly explained by the following items:

- A decrease of \$34.0 million for Canadarm3 project-related activities.
- An increase of \$37.5 million relating to the 2023-2024 capital budget carry forward received, which has increased versus that received in 2022-2023.
- The residual difference consists of multiple variations inherent to the Canadian Space Program (CSP) Resource Management. They result from the fact that budgetary requirements by vote are not linear from one year to the next, requiring vote transfers or fund carry forwards to another fiscal year.

The decrease of \$7.7 million in Vote 10 – Grants and Contributions expenditures is mainly explained by the following item:

- A decrease of \$7.3 million for the global program of contributions to support research, awareness and education in space science and technology.

## 2.2 Significant Changes in the Quarterly and Year-to-Date Expenditures (Votes Used) between fiscal years 2023-2024 and 2022-2023

Cumulative expenditures as at September 30, 2023, are \$140.9 million and represent a cumulative increase of \$6.2 million over the same period last year. Quarterly expenditures as at September 30, 2023 are \$78.4 million and represent a decrease of \$9.2 million from the same quarter last year.

### Expenditures by Vote as at September 30

Expenditures by Vote (in thousands of dollars)	2023-2024		2022-2023		Variance	
	Quarterly	Year to date	Quarterly	Year to date	Quarterly	Year to date
Vote 1 - Operating expenditures	52,038	83,338	46,374	75,578	5,664	7,760
Vote 5 - Capital expenditures	18,544	34,150	33,633	39,481	(15,089)	(5,331)
Vote 10 - Grants and contributions	4,818	17,306	4,784	14,007	34	3,299
Contributions to employee benefit plans	3,040	6,080	2,819	5,638	221	442
Spending of proceeds from disposal of surplus Crown assets	-	-	-	-	-	-
<b>Total budgetary expenditures by Vote</b>	<b>78,440</b>	<b>140,874</b>	<b>87,610</b>	<b>134,704</b>	<b>(9,170)</b>	<b>6,170</b>

The increase of \$5.7 million in quarterly and the increase of \$7.8 million in year-to-date expenditures in Vote-1 - Operating Expenses, is primarily due to:

- An increase in salary expenses following an increase in the number of CSA staff and an increase in the payment schedule related to many projects such as the continuity of Earth observation services initiative.

The decrease of \$15.1 million in quarterly expenditures and \$5.3 million decrease in cumulative expenditures in Vote 5 - Capital Expenditures is primarily due to:

- A decrease in the payment schedule for the Canadarm3 project and activities related to the external robotic interfaces of the Gateway lunar space station.

### **Expenditures by Standard Object as at September 30**

Expenditures by Standard Object (in thousands of dollars)	2023-2024		2022-2023		Variance	
	Quarterly	Year to date	Quarterly	Year to date	Quarterly	Year to date
Personnel	26,382	50,717	23,709	46,144	2,673	4,573
Transportation and communications	2,060	3,044	1,212	1,643	848	1,401
Information	505	789	265	406	240	383
Professional and special services	38,996	61,321	52,579	65,496	(13,583)	(4,175)
Rentals	864	1,399	1,030	1,676	(166)	(277)
Repair and maintenance	1,253	1,654	539	1,068	714	586
Utilities, materials and supplies	479	757	286	568	193	189
Acquisition of land, buildings and works	-	-	-	-	-	-
Acquisition of machinery and equipment	1,102	1,900	1,349	1,844	(247)	56
Transfer payments	4,818	17,306	4,784	14,007	34	3,299
Other subsidies and payments	1,981	1,987	1,857	1,852	124	135
<b>Total budgetary expenditures by Standard Object</b>	<b>78,440</b>	<b>140,874</b>	<b>87,610</b>	<b>134,704</b>	<b>(9,170)</b>	<b>6,170</b>

The \$2.7 million increase in quarterly expenditure and \$4.6 million in cumulative quarterly expenditures for the Personnel standard object is primarily due to:

→ An increase in salary expenses following an increase in staff within the CSA.

The \$13.6 million decrease in quarterly expenditures and \$4.2 million in cumulative expenditures for the Professional and special services standard object are primarily due to:

→ A decrease in the payment schedule for the Canadarm3 project and activities related to the external robotic interfaces of the Gateway lunar space station.

### **3. Risks and Uncertainties**

The year-to-date expenditures for the 2<sup>nd</sup> quarter of 2023-2024 represent 24% of the planned expenditures for the year ending March 31, 2024, whereas 50% of the fiscal year has passed. The level of expenditures is higher than it was in the 2022-2023 fiscal year (22%) and lower than the 2021-2022 fiscal year (26%). The current situation presents no concerns. Cumulative expenditures will be restored at year-end when the accruals are recorded, in accordance with the full accrual method of accounting, combined with the deferral of budgets to the following year.

The specific nature of the Canadian Space Program confronts the CSA with issues related to the advanced technologies used in space missions as well as the international aspect of some projects. For Canada, activities in space must be carried out in partnership with other spacefaring nations, using innovative technologies. The international nature and technical challenges associated with developing and implementing disruptive technologies, in collaboration with multiple partners, generate risks in the delivery of projects. Also, the possibility of a disruption of services or unauthorized disclosure of information resulting from a cybersecurity event poses an additional risk to CSA's operations. These elements translate into financial risks associated with the use of funds such as the deferral of funds and costs increases.

Risks also arise from the Canada / European Space Agency (ESA) Cooperation Agreement. They include variations in amounts payable resulting from changes in the Gross National Product (GNP)



**CANADIAN SPACE AGENCY**  
**Quarterly Financial Report**  
**For the quarter ended September 30, 2023**  
**Statement of Authorities** (unaudited)  
(in thousands of dollars)

Annex 1

	<b>Fiscal Year 2023-2024</b>			<b>Fiscal Year 2022-2023</b>		
	Total available for use for the year ending March 31, 2024 (1)	Used during the quarter ended September 30, 2023	Year to date used at quarter-end	Total available for use for the year ending March 31, 2023 (1)	Used during the quarter ended September 30, 2022	Year to date used at quarter-end
	\$	\$	\$	\$	\$	\$
Vote 1: Operating expenditures	224,163	52,038	83,338	227,955	46,374	75,578
Vote 5: Capital expenditures	280,277	18,544	34,150	273,721	33,633	39,481
Vote 10: Grants and contributions	77,913	4,818	17,306	85,581	4,784	14,007
Contributions to employee benefit plans	12,160	3,040	6,080	12,271	2,819	5,638
Spending of proceeds from the disposal of surplus Crown assets	5	-	-	583	-	-
<b>Total budgetary authorities</b>	<b>594,518</b>	<b>78,440</b>	<b>140,874</b>	<b>600,111</b>	<b>87,610</b>	<b>134,704</b>

(1) Includes only Authorities available for use and granted by Parliament at quarter-end.



**CANADIAN SPACE AGENCY**

**Quarterly Financial Report**

**For the quarter ended September 30, 2023**

**Departmental budgetary expenditures by Standard Object (unaudited)**

(in thousands of dollars)

	<b>Fiscal Year 2023-2024</b>			<b>Fiscal Year 2022-2023</b>		
	Planned expenditures for the year ending March 31, 2024	Used during the quarter ended September 30, 2023	Year to date used at quarter-end	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>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Personnel	95,909	26,382	50,717	93,184	23,709	46,144
Transportation and communications	9,721	2,060	3,044	9,121	1,212	1,643
Information	2,513	505	789	2,202	265	406
Professional and special services	379,836	38,996	61,321	390,154	52,579	65,496
Rentals	5,052	864	1,399	4,644	1,030	1,676
Repair and maintenance	10,092	1,253	1,654	5,662	539	1,068
Utilities, materials and supplies	2,330	479	757	1,327	286	568
Acquisition of land, buildings and works	568	-	-	-	-	-
Acquisition of machinery and equipment	7,525	1,102	1,900	5,643	1,349	1,844
Transfer payments	77,913	4,818	17,306	85,581	4,784	14,007
Other subsidies and payments	3,059	1,981	1,987	2,593	1,857	1,852
<b>Total budgetary expenditures</b>	<b>594,518</b>	<b>78,440</b>	<b>140,874</b>	<b>600,111</b>	<b>87,610</b>	<b>134,704</b>