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Canadian Heritage

Quarterly Financial Report for the Quarter Ended December 31, 2024

1. Introduction

This third quarterly financial report should be read in conjunction with the 2024-25 Main Estimates and Supplementary Estimates A and B along with the 2023-24 Main Estimates and Supplementary Estimates A and B. It has been prepared by management as required by section 65.1 - [Quarterly financial reports of the Financial Administration Act](#) and is in the form and manner prescribed by the Treasury Board in accordance with the special purpose financial reporting framework described in the Directive on Accounting Standards: GC 4400 Departmental Quarterly Financial Report. The Departmental Audit Committee has reviewed the report.

The quarterly financial report outlines the results, risks and significant changes in operations, personnel and programs and includes financial information tables for the quarter. The purpose of the quarterly financial information tables is to provide a comparison of the in-year departmental spending with authorities granted by Parliament, as well as comparative financial information for the preceding year.

1.1 Authority, Mandate and Programs

The Department of Canadian Heritage and its Portfolio organizations play a vital role in the cultural, civic, and economic life of Canadians. Our policies and programs promote an environment where Canadians can experience dynamic cultural expressions, celebrate our history and heritage, and build strong communities. The Department invests in the future by supporting the arts, our official and Indigenous languages and our athletes and the sport system.

Further details on the Department of Canadian Heritage's (PCH) authority, mandate and programs can be found in the [2024-25 Departmental Plan](#) and the [2024-25 Main Estimates](#).

1.2 Basis of Presentation

This third quarterly financial report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the Department's spending authorities granted by Parliament, and those used by the Department consistent with the Main Estimates and the Supplementary Estimates A and B for the 2024-25 fiscal year.

The authority of Parliament is required before the Government can spend money. 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.

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PCH 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 Canadian Heritage Financial Structure

PCH has a financial structure composed of voted budgetary authorities that include Vote 1 – Operating expenditures and Vote 5 – Grants and Contributions, and Statutory authorities which are composed of contributions to employee benefits plans, Ministers' Salary and motor car allowances and Statutory Payments for Lieutenant Governors.

2. Highlights of Fiscal Quarter and Fiscal Year-to-Date (YTD) Results

2.1 Statement of Authorities

Please refer to the Statement of Authorities at the end of the report for more information.

PCH's 2024-25 authorities available for use at the end of December 2024 decreased by \$12.4 million compared to last year (from \$2,186.4 million in 2023-24 to \$2,174.0 million in 2024-25). More specifically, the total authorities available for use decreased by \$12 million in Vote 5 - Grants and Contributions, increased by \$0.3 million in Vote 1 - Operating expenditures and decreased by \$0.7 million in Statutory authorities.

The overall decrease in authorities is primarily due to reductions in funding to support Indigenous communities in their efforts to reclaim, revitalize, maintain, and strengthen Indigenous languages. Also contributing to the decrease in authorities is the expiration of one-year funding in 2023-24 for the redevelopment and modernization of the Jewish Community Centre of Greater Vancouver and a reduction in the funding profile to support performing arts festivals, cultural events, arts and heritage facilities, celebrations, and commemorations.

The decrease in authorities is partially offset by increases in sports programs, particularly in support of the hosting of the 2026 FIFA Men's World Cup, and a net increase in official languages programs, particularly the funding profile for intergovernmental collaboration on official languages and for the Action Plan for official languages 2023-28.

2.2 Departmental Budgetary Expenditures by Standard Object

Please refer to the Departmental budgetary expenditures by Standard Object table at the end of report for more information.

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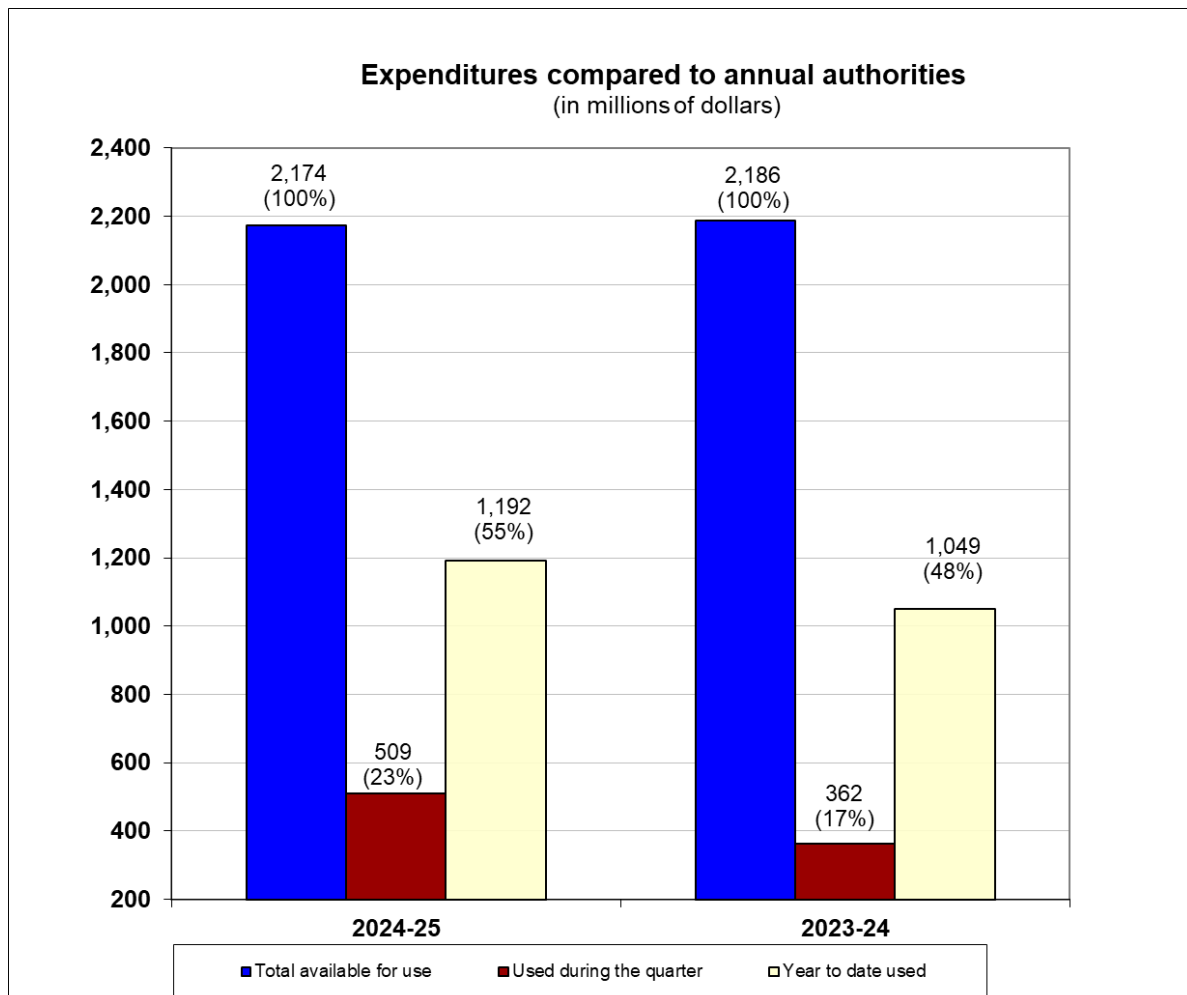
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The total expenditures during the third quarter of 2024-25 increased by \$146.4 million compared to the third quarter of last year, representing an increase in expenditures of 40%.

The increase in spending is primarily in transfer payments, which increase by \$152.4 million (from \$286.5 million in 2023-24 to \$438.9 million in 2024-25). The increase is explained by fluctuations in the timing of payments, particularly for the Canada Media Fund, which was paid earlier in 2024-25.

Although some payments were made earlier in 2024-25, total expenditures for both fiscal years are expected to be comparable as total authorities are similar.

As shown in the table below, PCH has spent 23% of its authorities in the third quarter of 2024-25, compared to 17% in the third quarter of 2023-24.



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3. Risks and Uncertainties

Spending reductions resulting from Government expenditure restructuring efforts will have an impact on most sectors served by the Department and could strain departmental capacity. The Department aims to mitigate these risks by supporting recipients through active communication intended to help them understand changes in impacted programs and funding processes and highlighting alternative measures or funding mechanisms available where applicable. The risk to departmental capacity to deliver is being managed through governance and oversight of both risk-based financial management strategies and implementation of departmental spending reduction plans.

PCH is assessing overall supply risk and identifying potential mitigation measures arising from the uncertainty around the supply process due to the Prorogation of Parliament.

4. Significant Changes in Relation to Operations, Personnel and Programs

Paul Pelletier is appointed Assistant Deputy Minister, Community and Identity, effective January 16, 2025.

Blair McMurren joins the Cultural Affairs sector as Acting Associate Assistant Deputy Minister, effective January 16, 2025.

Vincent Ngan joins the Strategic Policy, Planning and Corporate Affairs sector as Assistant Deputy Minister, effective January 20, 2025.

5. Approval by Senior Officials

Approved by:

Isabelle Mondou, Deputy Minister

Véronique Côté, Chief Financial Officer

Gatineau, Canada
Date: February 21, 2025

Gatineau, Canada
Date: February 20, 2025

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Quarterly Financial Report for the Quarter Ended December 31, 2024

Statement of Authorities (unaudited)

Fiscal year 2024-25 and 2023-24 (in thousands of dollars)

	Total available for use for the year ending March 31, 2025 *	Used during the quarter ended December 31, 2024	Year to date used at quarter-end 2024-25	Total available for use for the year ending March 31, 2024, *	Used during the quarter ended December 31, 2023	Year to date used at quarter-end 2023-24
Vote 1 - Operating expenditures	255,238	61,974	179,809	254,878	68,455	175,773
Vote 5 - Grants and contributions	1,886,715	438,829	988,706	1,898,765	286,249	850,732
Statutory - Contributions to employee benefit plans	29,870	7,175	21,524	30,592	6,780	20,340
Statutory - Minister of Canadian Heritage - Salary and motor car allowance	99	25	74	95	24	71
Statutory - Minister of Sport and Physical Activity – Salary and motor car allowance	99	21	71	95	32	71
Statutory - Salaries of the Lieutenant-Governors	1,196	438	1,330	1,196	349	1,190
Statutory - Payments under the Lieutenant Governors Superannuation Act (R.S.C., 1985, c. L-8)	637	81	489	637	228	631
Statutory - Supplementary Retirement Benefits - Former Lieutenant-Governors	182	24	138	182	57	160
Refunds of previous years revenue	0	11	85	0	15	60
Spending of Crown Asset Proceeds	24	0	0	17	0	0
Total Budgetary authorities	2,174,060	508,578	1,192,226	2,186,457	362,189	1,049,028
Total authorities	2,174,060	508,578	1,192,226	2,186,457	362,189	1,049,028

* Includes only 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 and 2023-24 (in thousands of dollars)

	Total available for use for the year ending March 31, 2025*	Used during the quarter ended December 31, 2024	Year to date used at quarter-end 2024-25	Total available for use for the year ending March 31, 2024*	Used during the quarter ended December 31, 2023	Year to date used at quarter-end 2023-24
Expenditures						
Personnel	251,331	59,188	176,956	251,586	68,688	174,653
Transportation and communications	806	1,074	2,378	2,040	986	2,231
Information	2,878	541	1,315	2,308	284	1,509
Professional and special services	28,684	8,583	20,525	31,959	5,978	16,690
Rentals	3,475	1,022	3,950	2,474	649	3,933
Repair and maintenance	2,219	265	728	928	354	695
Utilities, materials, and supplies	1,854	434	861	1,696	410	928
Acquisition of machinery and equipment	2,956	624	747	2,510	610	711
Transfer payments	1,887,534	438,934	989,333	1,899,584	286,534	851,523
Other subsidies and payments	355	-226	1,109	404	-212	1,824
Total gross budgetary expenditures	2,182,092	510,439	1,197,902	2,195,489	364,281	1,054,697
Revenue credited to the Vote	-8,032	-1,861	-5,676	-9,032	-2,092	-5,669
Total Revenues netted against expenditures:	-8,032	-1,861	-5,676	-9,032	-2,092	-5,669
Total net budgetary expenditures	2,174,060	508,578	1,192,226	2,186,457	362,189	1,049,028

* Includes only Authorities available for use and granted by Parliament at quarter-end.