



This publication is available in PDF and HTML formats  
on the Internet at [canadian-heritage/corporate/publications/plans-reports.html](http://canadian-heritage/corporate/publications/plans-reports.html)

©His Majesty the King in Right of Canada, represented by the Minister of Canadian Heritage, 2023.  
Catalogue No. CH2-4E-PDF  
ISSN 2816-2730

## Table of contents

1. Introduction.....	4
1.1 Authority, Mandate and Programs.....	4
1.2 Basis of Presentation .....	4
1.3 Canadian Heritage Financial Structure.....	5
2. Highlights of Fiscal Quarter and Fiscal Year-to-Date (YTD) Results.....	5
2.1 Statement of Authorities .....	5
2.2 Departmental Budgetary Expenditures by Standard Object .....	7
3. Risks and Uncertainties .....	10
4. Significant Changes in Relation to Operations, Personnel and Programs .....	9
5. Approval by Senior Officials .....	9
Statement of Authorities (unaudited) .....	10
Departmental budgetary expenditures by Standard Object (unaudited) .....	11

## Quarterly Financial Report for the Quarter Ended September 30, 2023

### 1. Introduction

This second quarterly financial report should be read in conjunction with the 2023-24 Main Estimates, the 2023-24 Supplementary Estimates A along with the 2022-23 Main Estimates and Supplementary Estimates A (nil for PCH). 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 have 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 [2023-24 Departmental Plan](#) and the [2023-24 Main Estimates](#).

#### 1.2 Basis of Presentation

This second 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 for the 2023-24 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.

# Canadian Heritage

## Quarterly Financial Report for the Quarter Ended September 30, 2023

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 2023-24 authorities available for use at the end of September 2023 decreased by \$211.9 million compared to last year, from \$2,204.7 million in 2022-23 to \$1,992.8 million at the end of this quarter. More specifically, the total authorities available for use decreased by \$192.6 million in Vote 5 - Grants and Contributions, \$18.9 million in Vote 1 - Operating expenditures and \$0.4 million in Statutory authorities.

The overall net decrease in authorities is mainly explained by the sunseting of various time-limited funding announced in the 2020 and 2021 Fall Economic Statements, in Budget 2021 and in Budget 2022, to promote recovery from the pandemic for Heritage, Arts and Sport sectors and to promote Official Languages.

The following table provides details on the changes observed in authorities from 2022-23 to 2023-24 at the end of the second quarter:

	<i>(in millions of \$)</i>			
<b>Items</b>	<b>Vote 1</b>	<b>Vote 5</b>	<b>Statutory</b>	<b>Total</b>
Sunset of funding for the Arts, Culture, Heritage, and Sport Recovery Fund, and for the Reopening Fund for Events and In-person Experiences (Budget 2021) and funding for the Viability of Canadian Creative, Cultural and Heritage Organizations (Budget 2022)	(13.9)	(180.9)	(1.7)	<b>(196.5)</b>

## Canadian Heritage

### Quarterly Financial Report for the Quarter Ended September 30, 2023

Net decrease in the funding profile for Official Languages Programs for the initiative Promoting our Official Languages (Budget 2021), the sunset of funding for Enhancing Support for Minority Language Education in Canada (Budget 2019) and decrease in the funding profile for Modernization of <i>Official Languages Act</i> (Budget 2021)	(1.9)	(64.5)	(0.4)	<b>(66.8)</b>
Sunset of funding to support the Canada Performing Arts Worker Resilience Fund which responded to ongoing adverse economic conditions affecting the arts and culture sector (Fall Economic Statement 2021)	(1.8)	(60.0)	(0.3)	<b>(62.1)</b>
Net decrease in funding for Community Support, Multiculturalism and Anti-Racism Initiatives Program and Anti-Racism Action Program (Budget 2019 and Fall Economic Statement - 2020)	(4.1)	(15.0)	(1.0)	<b>(20.1)</b>
Net decrease in the time-limited funding for the initiative Community Sport for All (Budget 2021)	0.0	(20.0)	0.0	<b>(20.0)</b>
New funding to support a More Inclusive Arts Training Sector (Budget 2022)	0.2	3.8	0.0	<b>4.0</b>
Increase in authorities due to a net decrease in transfers with other departments (OGDs)	1.2	4.7	0.0	<b>5.9</b>
Increase in funding for the Indigenous Youth and Sport initiative to continue supporting leadership development and culturally relevant sport for indigenous youth (Off Cycle)	0.0	6.3	0.0	<b>6.3</b>
Net increase in funding for the Digital Citizen Initiative and the Diversity of Content Online Initiative to continue and strengthen the efforts to understand and build resilience to online disinformation and to support a more diverse, healthy, and inclusive media environment (Off Cycle)	0.4	7.5	0.1	<b>8.0</b>
New funding to support Local and Diverse Journalism (Budget 2022)	1.0	22.1	0.2	<b>23.3</b>
New Funding for the redevelopment and modernization of the Jewish Community Centre of Greater Vancouver (Budget 2022)	0.0	25.0	0.0	<b>25.0</b>
Increase in funding to Indigenous communities in their efforts to reclaim, maintain and strengthen their languages (Budget 2021), as well as an increase in the funding profile for the Indigenous Languages and Cultures Program for the purpose	0.0	74.2	0.0	<b>74.2</b>

## Canadian Heritage

### Quarterly Financial Report for the Quarter Ended September 30, 2023

of preserving, promoting, and revitalizing indigenous languages (Budget 2019)				
Other Adjustments	0.0	4.2	2.7	<b>6.9</b>
<b>Grand Total</b>	<b>(18.9)</b>	<b>(192.6)</b>	<b>(0.4)</b>	<b>(211.9)</b>

## 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.

The expenditures during the second quarter of 2023-24 decreased by \$89.7 million compared to the same period last year. The decrease is mainly attributed to a reduction of \$85.3 million in Vote 5 - Grants and Contributions (from \$354.6 million in 2022-23 to \$269.3 million in 2023-24), representing an overall decrease of 24% for this quarter.

The net decrease in transfer payments is mainly explained by the sunsetting of various time-limited funding announced in the 2020 and 2021 Fall Economic Statements, in Budget 2021 and in Budget 2022, to promote recovery from the pandemic for Heritage, Arts and Sport sectors. The programs affected the most are the Celebrations and Commemoration Program, the Indigenous Languages and Cultures Program, the Canada Arts Presentation Fund and the Museum Assistance Program.

The decrease is partially offset by a one-time payment during the second quarter of 2023-24 to the Jewish Community Centre of Greater Vancouver, which funding was announced in Budget 2022.

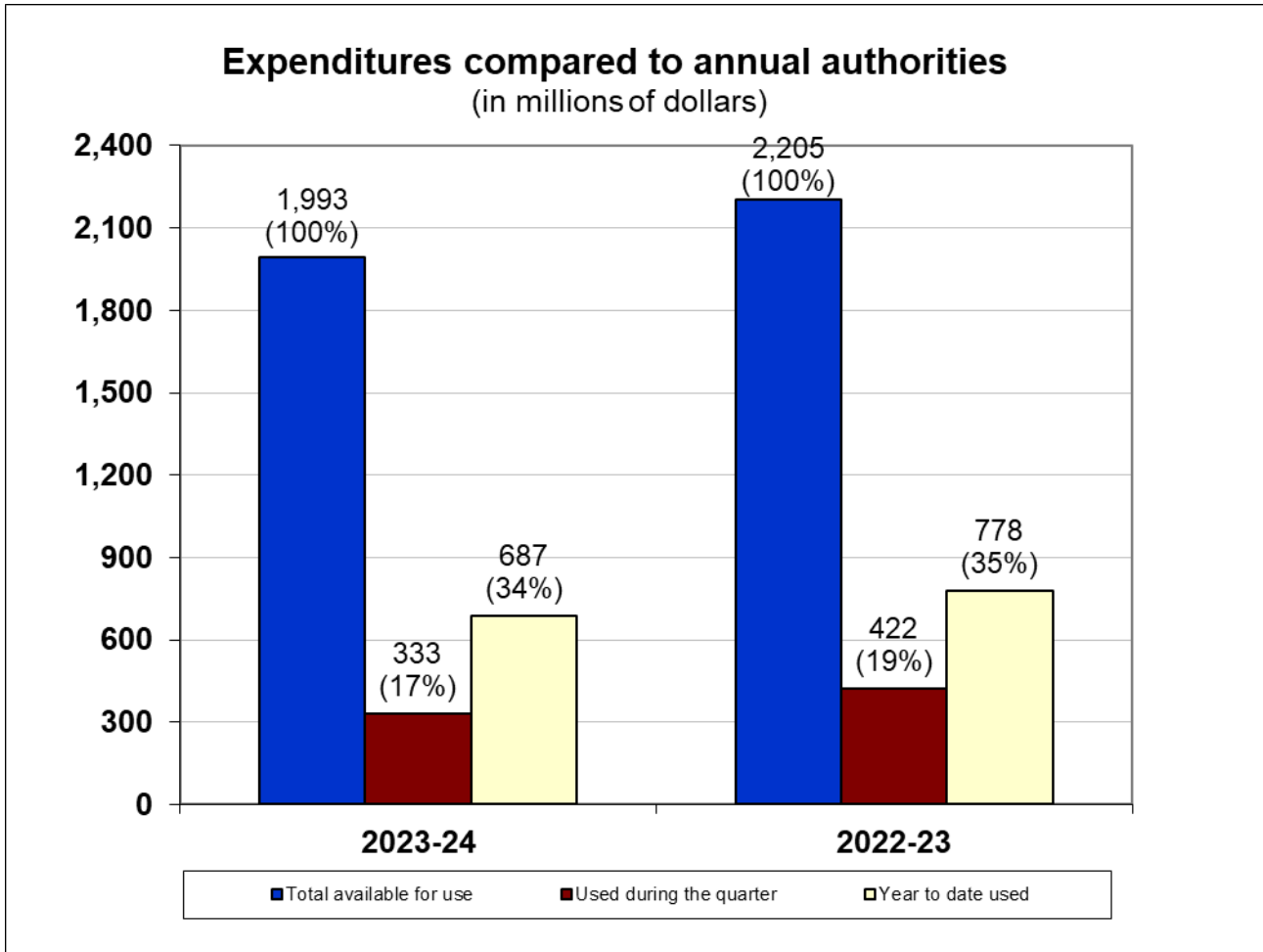
The remaining variance of \$4.4 million is explained by a decrease in operating expenditures, more specifically, in the standard objects below:

- Personnel: \$2.8 million decrease in expenditures due to the sunsetting of Budget 2021 temporary funding; and
- Professional and Special services: \$1.5 million decrease in expenditures due to one-time events in 2022-23 for the Royal Tour celebrating the commemorative initiatives to honour Her Majesty Queen Elizabeth II and the passing of Her Majesty Queen Elizabeth II.

As shown in the table below, PCH's spending rate has remained stable year over year, having spent 17% of its authorities in the second quarter of 2023-24, compared to 19% in the second quarter of 2022-23.

# Canadian Heritage

## Quarterly Financial Report for the Quarter Ended September 30, 2023





## Canadian Heritage

### Quarterly Financial Report for the Quarter Ended September 30, 2023

### 3. Risks and Uncertainties

As the arts, heritage, sports, and cultural sectors emerge from the COVID-19 pandemic, organizations funded through Canadian Heritage programs continue to face challenges related to the delivery of their activities.

The current year may see increased risks posed by global economic uncertainty, specifically inflation. Rapid inflation may put at risk events and projects due to significant cost increases. To mitigate the risks, PCH remains flexible in supporting organizations as they adapt so that they continue to offer events and activities during and beyond the recovery period.

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

During the second quarter of 2023-24, Véronique Côté joined the Department of Canadian Heritage as the new Chief Financial Officer starting August 28, 2023.

### 5. Approval by Senior Officials

Approved by:

---

Isabelle Mondou, Deputy Minister

---

Véronique Côté, Chief Financial Officer

Gatineau, Canada  
Date: November 24<sup>th</sup>, 2023

Gatineau, Canada  
Date: November 21<sup>st</sup>, 2023

## Canadian Heritage

### Quarterly Financial Report for the Quarter Ended September 30, 2023

#### Statement of Authorities (unaudited)

#### Fiscal year 2023-24 and 2022-23 (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 2023-24	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 2022-23
Vote 1 - Operating expenditures	218,374	55,990	107,317	237,254	60,017	115,795
Vote 5 - Grants and contributions	1,743,891	268,811	564,484	1,936,475	354,241	646,473
Statutory - Contributions to employee benefit plans	28,336	6,780	13,560	28,755	7,189	14,378
Statutory - Minister of Canadian Heritage - Salary and motor car allowance	95	23	47	93	8	46
Statutory - Minister of Sport and Persons with Disabilities - Motor car allowance	95	16	39	93	46	46
Statutory - Minister of Sport and Minister responsible for the Economic Development Agency of Canada for the Regions of Quebec - Motor car allowance						
Statutory - Minister of State (Minister of Official Languages and Minister responsible for the Atlantic Canada Opportunities Agency) - Motor car allowance	0	0	0	0	1	1
Statutory - Salaries of the Lieutenant-Governors	1,196	420	841	1,196	420	857
Statutory - Payments under the Lieutenant Governors Superannuation Act (R.S.C., 1985, c. L-8)	637	402	402	637	323	323
Statutory - Supplementary Retirement Benefits - Former Lieutenant-Governors	182	104	104	182	69	69
Refunds of previous years revenue	0	35	45	0	0	0
Spending of Crown Asset Proceeds	18	0	0	28	0	0
<b>Total Budgetary authorities</b>	<b>1,992,824</b>	<b>332,581</b>	<b>686,839</b>	<b>2,204,713</b>	<b>422,314</b>	<b>777,988</b>
<b>Total authorities</b>	<b>1,992,824</b>	<b>332,581</b>	<b>686,839</b>	<b>2,204,713</b>	<b>422,314</b>	<b>777,988</b>

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

# Canadian Heritage

## Quarterly Financial Report for the Quarter Ended September 30, 2023

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

#### Fiscal year 2023-24 and 2022-23 (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 2023-24	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 2022-23
<b>Expenditures</b>						
Personnel	217,979	54,013	105,965	229,599	56,804	111,417
Transportation and communications	1,580	871	1,245	862	1,015	1,540
Information	2,307	804	1,225	2,997	1,009	1,347
Professional and special services	26,266	5,817	10,712	29,442	7,318	14,597
Rentals	2,474	2,059	3,284	3,295	1,828	3,378
Repair and maintenance	928	189	341	1,448	214	293
Utilities, materials, and supplies	1,696	332	518	2,378	456	682
Acquisition of machinery and equipment	2,510	46	101	5,198	129	230
Transfer payments	1,744,711	269,316	564,989	1,937,294	354,633	646,865
Other subsidies and payments	405	946	1,991	943	567	1,366
<b>Total gross budgetary expenditures</b>	<b>2,000,856</b>	<b>334,393</b>	<b>690,371</b>	<b>2,213,456</b>	<b>423,973</b>	<b>781,715</b>
Revenue credited to the Vote	-8,032	-1,812	-3,532	-8,743	-1,659	-3,727
<b>Total Revenues netted against expenditures:</b>	<b>-8,032</b>	<b>-1,812</b>	<b>-3,532</b>	<b>-8,743</b>	<b>-1,659</b>	<b>-3,727</b>
<b>Total net budgetary expenditures</b>	<b>1,992,824</b>	<b>332,581</b>	<b>686,839</b>	<b>2,204,713</b>	<b>422,314</b>	<b>777,988</b>

## Canadian Heritage

### Quarterly Financial Report for the Quarter Ended September 30, 2023

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