



Canadian Heritage Patrimoine canadien



# Canadian Heritage's Quarterly Financial Report

For the quarter ended September 30, 2024

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## 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 .....	6
3. Risks and Uncertainties .....	7
4. Significant Changes in Relation to Operations, Personnel and Programs .....	7
5. Approval by Senior Officials .....	8
Statement of Authorities (unaudited).....	9
Departmental budgetary expenditures by Standard Object (unaudited) .....	10

## Quarterly Financial Report for the Quarter Ended September 30, 2024

### 1. Introduction

This second quarterly financial report should be read in conjunction with the 2024-25 Main Estimates and Supplementary Estimates A along with the 2023-24 Main Estimates and Supplementary Estimates A. 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 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 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.

## Canadian Heritage

### Quarterly Financial Report for the Quarter Ended September 30, 2024

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 September 2024 decreased by \$77.3 million compared to last year (from \$1,992.8 million in 2023-24 to \$1,915.5 million in 2024-25). More specifically, the total authorities available for use decreased by \$106.3 million in Vote 5 - Grants and Contributions, increased by \$28.5 million in Vote 1 - Operating expenditures and increased by \$0.5 million in Statutory authorities.

The overall decrease in authorities is mainly due to the reduction in funding to support Indigenous communities in their efforts to reclaim, revitalize, maintain, and strengthen Indigenous languages and to support Indigenous organizations in their ongoing engagement on the implementation of the Indigenous Languages Act and by reductions announced in Budget 2023 to refocus government spending. Also explaining the decrease is the sunset of multiple temporary funding and a return to pre-COVID-19 departmental program activity levels.

The decrease is partially offset by an increase in the Official Languages programs with new funding for Intergovernmental collaboration on Official Languages and for the Action Plan for Official languages 2023-28 and by new funding received for Canada's Anti-Racism Strategy 2023-28 and to support the work of the Special Representative on Combatting Islamophobia.

The reduction in authorities will be alleviated by new funding announced in Budget 2024. As such, Canadian Heritage will receive a total of \$723.4 million over five years for initiatives related to supporting festivals, live events and performing arts; building museums and cultural centres; promoting access to books, news and journalism;

## Canadian Heritage

### Quarterly Financial Report for the Quarter Ended September 30, 2024

supporting Indigenous languages and cultures; countering hate; supporting official languages; supporting sport; and building diverse and safe communities. The work to access the funding has started and the funding should be reflected in future main or supplementary estimates.

#### **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.

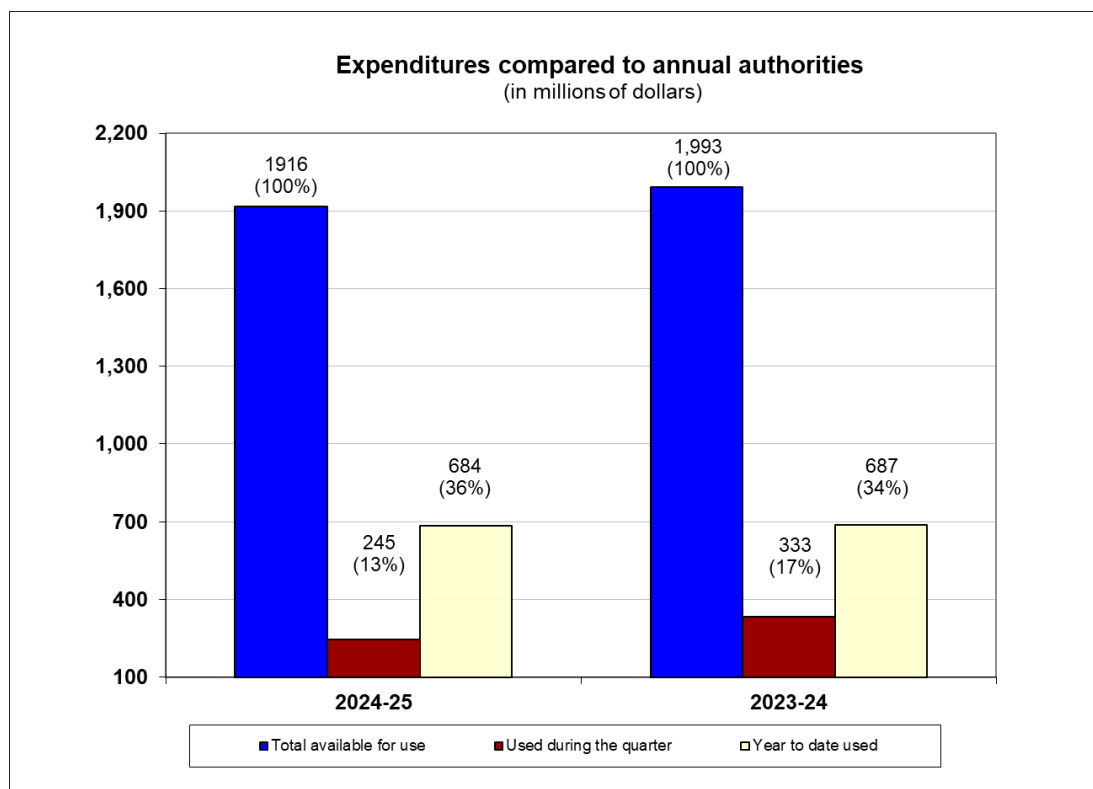
The total expenditures during the second quarter of 2024-25 decreased by \$87.9 million compared to the second quarter of last year, representing a decrease in expenditures of 26%.

The decrease in expenditures is mainly noted in transfer payments, which decreased by \$95.9 million (from \$269.3 million in 2023-24 to \$173.4 million in 2024-25). The decrease is explained by variations in payment calendars as well as the signing of multi-year agreements in 2023-24, allowing earlier payments in 2024-25.

It is important to note that although each completed quarter of 2024-25 indicates a spending variation with those of 2023-24, the cumulative spending for the first six months of both fiscal exercise is comparable.

As shown in the table below, PCH has spent 13% of its authorities in the second quarter of 2024-25, compared to 17% in the second quarter of 2023-24.

Quarterly Financial Report for the Quarter Ended September 30, 2024



### 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.

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

Effective October 10, 2024, David Dendooven, Assistant Deputy Minister of the Strategic Policy, Planning and Corporate Affairs Sector has retired from the federal public service.

Effective October 15, 2024, Gaveen Cadotte, Assistant Deputy Minister, Multiculturalism and Anti-Racism joined the Privy Council Office.

## Canadian Heritage

### Quarterly Financial Report for the Quarter Ended September 30, 2024

Effective October 15, 2024, Owen Ripley, Assistant Deputy Minister, Cultural Affairs, accepted a position at Justice Canada.

Effective November 12, 2024, Charles Slowey, Assistant Deputy Minister at Canadian Heritage, has accepted a position at Indigenous Services Canada.

### 5. Approval by Senior Officials

Approved by:

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Isabelle Mondou, Deputy Minister

Gatineau, Canada  
Date: November 24, 2024

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Véronique Côté, Chief Financial Officer

Gatineau, Canada  
Date: November 19, 2024



## Canadian Heritage

### Quarterly Financial Report for the Quarter Ended September 30, 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 September 30, 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 September 30, 2023	Year to date used at quarter-end 2023-24
Vote 1 - Operating expenditures	246,880	63,585	117,835	218,374	55,990	107,317
Vote 5 - Grants and contributions	1,637,605	172,889	549,878	1,743,891	268,811	564,484
Statutory - Contributions to employee benefit plans	28,819	7,174	14,348	28,336	6,780	13,560
Statutory - Minister of Canadian Heritage - Salary and motor car allowance	99	25	50	95	23	47
Statutory - Minister of Sport and Physical Activity – Salary and motor car allowance	99	24	49	95	16	39
Statutory - Salaries of the Lieutenant-Governors	1,196	461	892	1,196	420	841
Statutory - Payments under the Lieutenant Governors Superannuation Act (R.S.C., 1985, c. L-8)	637	408	408	637	402	402
Statutory - Supplementary Retirement Benefits - Former Lieutenant-Governors	182	114	114	182	104	104
Refunds of previous years revenue	0	35	74	0	35	45
Spending of Crown Asset Proceeds	15	0	0	18	0	0
<b>Total Budgetary authorities</b>	<b>1,915,532</b>	<b>244,715</b>	<b>683,648</b>	<b>1,992,824</b>	<b>332,581</b>	<b>686,839</b>
<b>Total authorities</b>	<b>1,915,532</b>	<b>244,715</b>	<b>683,648</b>	<b>1,992,824</b>	<b>332,581</b>	<b>686,839</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, 2024

#### 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 September 30, 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 September 30, 2023	Year to date used at quarter-end 2023-24
<b>Expenditures</b>						
Personnel	246,369	61,007	117,768	217,979	54,013	105,965
Transportation and communications	806	738	1,303	1,580	871	1,245
Information	2,878	445	774	2,307	804	1,225
Professional and special services	24,236	7,786	11,943	26,266	5,817	10,712
Rentals	3,475	1,815	2,929	2,474	2,059	3,284
Repair and maintenance	2,219	260	463	928	189	341
Utilities, materials, and supplies	1,854	292	427	1,696	332	518
Acquisition of machinery and equipment	2,947	65	122	2,510	46	101
Transfer payments	1,638,425	173,410	550,399	1,744,711	269,316	564,989
Other subsidies and payments	355	868	1,335	405	946	1,991
<b>Total gross budgetary expenditures</b>	<b>1,923,564</b>	<b>246,686</b>	<b>687,463</b>	<b>2,000,856</b>	<b>334,393</b>	<b>690,371</b>
Revenue credited to the Vote	-8,032	-1,971	-3,815	-8,032	-1,812	-3,532
<b>Total Revenues netted against expenditures:</b>	<b>-8,032</b>	<b>-1,971</b>	<b>-3,815</b>	<b>-8,032</b>	<b>-1,812</b>	<b>-3,532</b>
<b>Total net budgetary expenditures</b>	<b>1,915,532</b>	<b>244,715</b>	<b>683,648</b>	<b>1,992,824</b>	<b>332,581</b>	<b>686,839</b>

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