

Prairies Economic Development Canada's Quarterly Financial Report for the quarter ended December 31, 2023

ISSN 2817-2558

Statement Outlining Results, Risks and Significant Changes in Operations, Personnel and Programs

Introduction

This quarterly financial report should be read in conjunction with the [Main Estimates](#) and [Supplementary Estimates \(B\)](#). It has been prepared by management as required by section 65.1 of the [Financial Administration Act](#) (FAA) and in the form and manner prescribed by the Treasury Board. This quarterly report has not been subject to an external audit or review.

Authority, Mandate and Program Activities

Prairies Economic Development Canada's (PrairiesCan) mandate is to grow and diversify the economy of the prairie provinces and advance its interests of the region in national economic policy, programs, and projects. The department will achieve this mandate by working with clients and partners in our four roles as investor, advisor, pathfinder, and convener.

PrairiesCan operates under the provision of the *Western Economic Diversification Act*, which came into force on June 28, 1988. As a federal department, PrairiesCan is headed by a Minister and a Deputy Head (President).

The [Departmental Plan](#) and Main Estimates provide further information on PrairiesCan's authority, mandate and program activities.

Basis of Presentation

This quarterly 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 Supplementary Estimates (B) for the 2023-2024 fiscal year. This quarterly report 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 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.

Financial Structure

PrairiesCan manages its expenditures under two votes:

- Vote 1 – Net operating expenditures include salary, and other operating costs (e.g., transportation and communications; professional and special services).
- Vote 5 – Grants and contributions include all transfer payments.

Budgetary statutory authorities represent payments made under legislation approved by Parliament, and include items such as the Government of Canada's share of employee benefit plans and other minor items.

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

The following section highlights significant changes to fiscal quarter results as of December 31, 2023.

Statement of Authorities: Vote 1 – Net Operating Expenditures

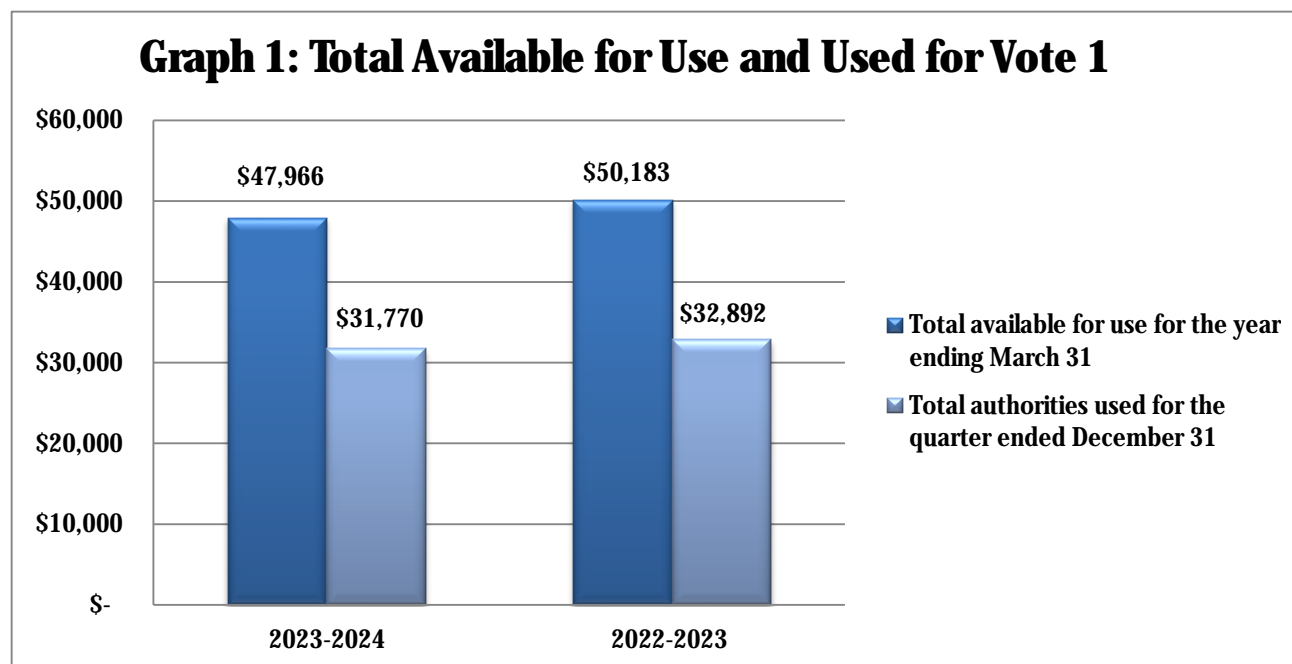
Total authorities available for use for fiscal year 2023-2024 are \$48.0 million, a net decrease of \$2.2 million, or -4%, compared to the \$50.2 million for 2022-2023. The net decrease is explained by:

- \$2.1 million increase from various Budget 2021 program re-profiles;
- \$1.3 million increase for collective bargaining agreement adjustments;
- \$0.8 million increase in funding related to Budget 2023 Regional Economic Growth through Innovation and Tourism Growth funding;
- \$0.2 million increase in minor adjustments related to the operating budget carryforward and other transfers;
- \$2.6 million decrease in funding for the Tourism Relief Fund announced in Budget 2021;
- \$2.1 million decrease in funding for the Canada Community Revitalization Fund announced in Budget 2021;
- \$1.7 million decrease in funding for the completion of Budget 2018 and 2021 programs;
- \$0.2 million decrease in funding related to Budget 2021 Jobs and Growth.

Total authorities used to date have decreased to \$31.8 million for the quarter ended December 31, 2023, compared to \$32.9 million at December 31, 2022. The decrease of \$1.1 million, or -3%, is primarily due to the timing of the receipt of revenue netted against expenditures for internal services support provided to PacifiCan (\$0.7M) and decreases in various operating and maintenance costs (\$0.4M).

Graph 1 illustrates total authorities available for use for the fiscal year, and authorities used at quarter-end.

(in thousands of dollars)



Statement of Authorities: Vote 5 – Grants and Contributions

Total authorities available for use for fiscal year 2023-2024 are \$362.0 million, a net decrease of \$145.6 million, or -29%, compared to the \$507.6 million for 2022-2023. The net decrease is explained by:

- \$43.3 million increase in funding for the Canadian Critical Drug Initiative;
- \$12.1 million increase in funding related to Budget 2023 Regional Economic Growth through Innovation;
- \$6.3 million increase for the Carbon Fibre Manufacturing Equipment project;
- \$3.3 million increase in funding to support Budget 2023 Tourism Growth Program;
- \$1.9 million increase for launching a National Quantum Strategy;
- \$0.4 million increase in funds for Black Entrepreneurship program and other transfers;
- \$62.6 million decrease for the Tourism Relief Fund announced in Budget 2021;
- \$41.0 million decrease for the Canada Community Revitalization Fund announced in Budget 2021;
- \$36.4 million decrease for the Jobs and Growth Initiative announced in Budget 2021;
- \$23.5 million decrease for the completion of the Innovation and Skills Plan announced in Budget 2018;
- \$19.9 million decrease for Vaccine and Infectious Disease Organization project announced in Budget 2018;
- \$12.9 million decrease in funding related to Repayable Contributions;

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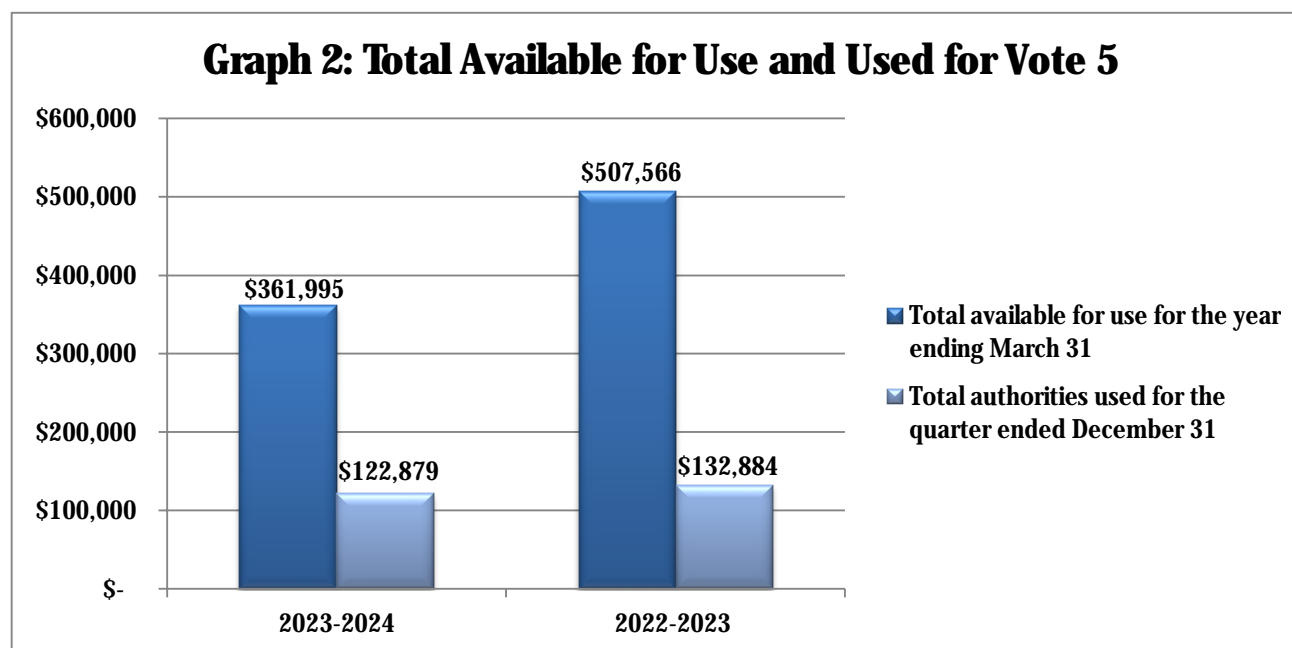
- \$5.5 million decrease in funding related to the Canada Coal Transition Initiative;
- \$5.0 million decrease in funding for the Regional Air Transportation Initiative;
- \$4.3 million decrease announced in Budget 2018 to support Women Entrepreneurship;
- \$1.3 million decrease for the RCMP Heritage reprofile; and
- \$0.5 million decrease for the Aerospace Regional Recovery Initiative announced in Budget 2021.

Total authorities used to date for the quarter-ended December 31, 2023 decreased to \$122.9 million, compared to \$132.9 million at December 31, 2022. The \$10.0 million decrease, or -8% is explained by:

- \$6.2 million increase for payments restoring rail service to Churchill, Manitoba;
- \$11.0 million decrease in Western Diversification Program payments, investing in a diverse and growing economy;
- \$2.8 million decrease for payment timing differences made to network partners;
- \$1.7 million decrease in Regional Economic Growth through Innovation payments to deliver the Innovation and Skills Plan;
- \$0.6 million decrease in payments supporting the Canada Coal Transition Initiative; and
- \$0.1 million decrease for various PrairiesCan Programs.

Graph 2 illustrates total authorities available for use for the fiscal year, and authorities used at quarter-end.

(in thousands of dollars)



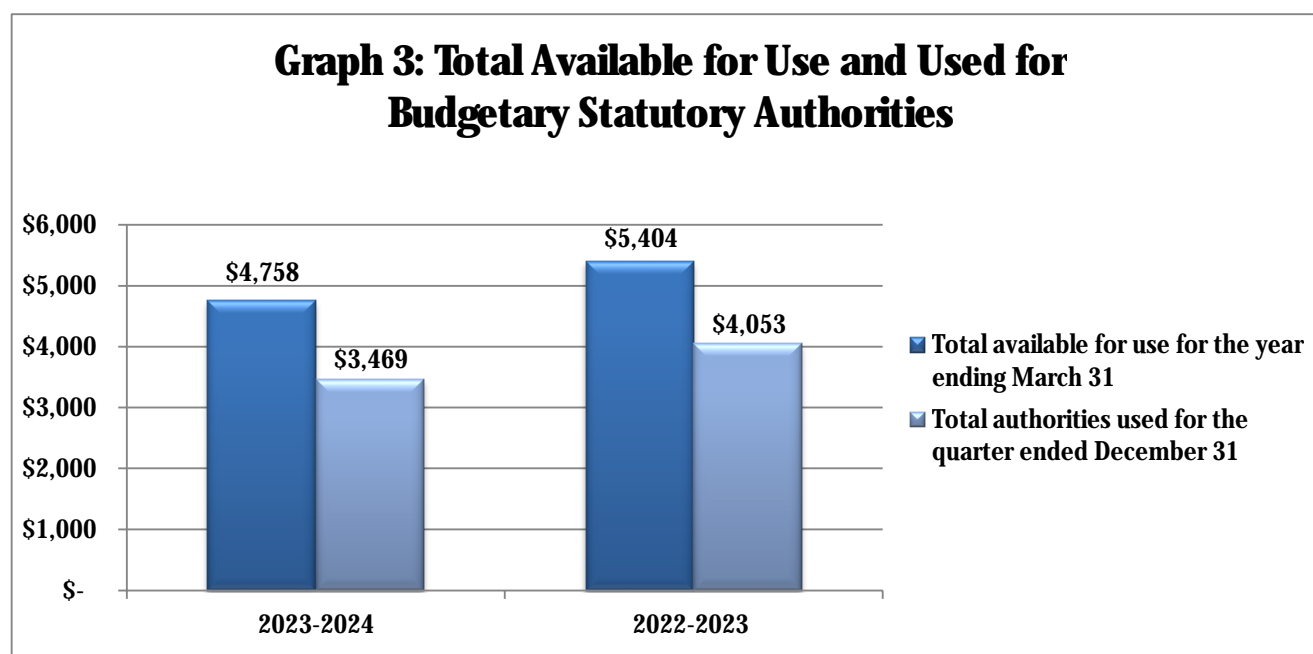
Statement of Authorities: Budgetary Statutory Authorities

Budgetary statutory authorities available for use for fiscal year 2023-2024 are \$4.8 million, a decrease of \$0.6 million when compared to the \$5.4 million in 2022-2023. The variance is due to minor net adjustments in funding.

Budgetary statutory authorities used for fiscal year 2023-2024 are \$3.5 million, a decrease of \$0.6 million when compared to the \$4.1 million in 2022-2023.

Graph 3 illustrates total authorities available for use for the fiscal year, and authorities used at quarter-end.

(in thousands of dollars)



Statement of the Departmental Budgetary Expenditures by Standard Object

Expenditures by standard object for the quarter ended December 31, 2023 were \$62.2 million, which reflects a net decrease of \$17.0 million, or -21% from the \$79.2 million at December 31, 2022.

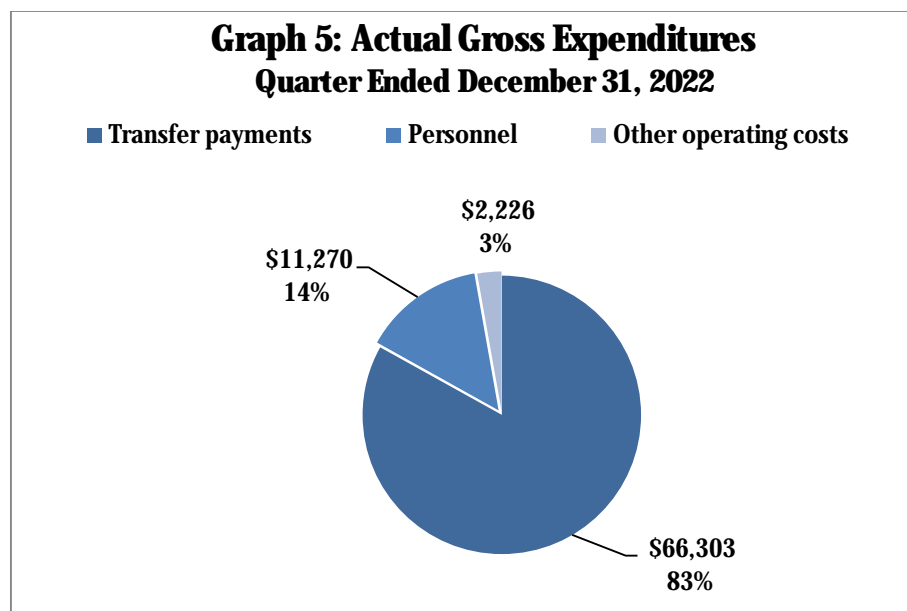
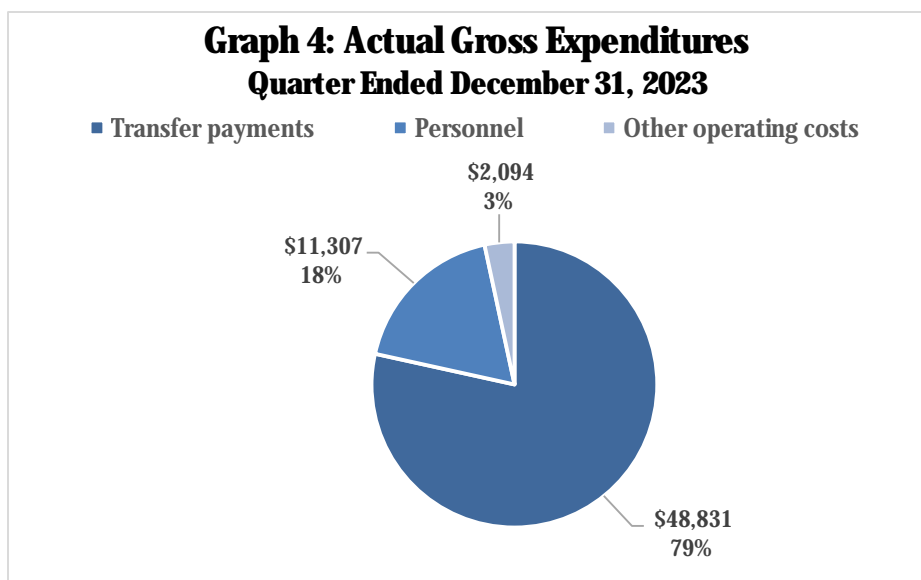
The variance is largely due to:

- \$0.4 million increase in operations and maintenance costs;
- \$6.3 million decrease in Regional Economic Growth through Innovation payments to deliver the Innovation and Skills Plan;
- \$5.5 million decrease in Western Diversification Program payments, investing in a diverse and growing economy;
- \$3.3 million decrease for payment timing differences made to network partners; and
- \$2.3 million decrease for payments restoring rail service to Churchill, Manitoba.

Additional information can be found in the Statement of Authorities, Vote 1 and Vote 5 sections above.

Graphs 4 and 5 illustrate actual expenditures for the quarter-end.

(in thousands of dollars)



Risks and Uncertainties

The department is managing the allocation of resources within a well-defined framework of

accountabilities, policies and procedures including a system of budgets, reporting and other internal controls to manage within available resources and Parliamentary authorities.

PrairiesCan conducts an annual risk assessment exercise as part of its overall risk management approach. In 2023-24, which is post-COVID-19 pandemic, the department continues to identify increased enterprise-wide risks such as employee physical and mental health, cyber vulnerabilities, and loan repayment.

To minimize risk, PrairiesCan employs risk-based mitigation such as:

- business continuity planning;
- occupational health and safety planning;
- people management strategies;
- a robust system of network systems including encrypted signature, electronic security protocols, and mobile equipment to employ remote connectivity; and
- when implementing programs, and assessing and approving grants and contributions projects, the department uses risk assessments, governance processes, process mapping, and separation of duties.

Significant Changes in Relation to Operations, Personnel and Programs

There are no significant changes in relation to operations, personnel and programs for this reporting period.

Approval by Senior Officials

Approved by:

Diane Gray
President

Sundee Cheema
Chief Financial Officer

Edmonton, Canada
Date: February 12, 2024

Statement of Authorities (unaudited)

Fiscal year 2023-2024 (in thousands of dollars)

Authorities	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
Vote 1 - Net operating expenditures	\$ 47,966	\$ 12,245	\$ 31,770
Vote 5 - Grants and contributions	361,995	48,831	122,879
Budgetary statutory authorities:			
Employee Benefit Plans	4,758	1,156	3,469
Total authorities	\$ 414,719	\$ 62,232	\$ 158,118

Fiscal year 2022-2023 (in thousands of dollars)

Authorities	Total available for use for the year ending March 31, 2023*	Used during the quarter ended December 31, 2022	Year-to-date used at quarter-end
Vote 1 - Net operating expenditures	\$ 50,183	\$ 11,589	\$ 32,892
Vote 5 - Grants and contributions	507,566	66,303	132,884
Budgetary statutory authorities:			
Employee Benefit Plans	5,404	1,351	4,053
Total authorities	\$ 563,153	\$ 79,243	\$ 169,829

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

Departmental budgetary expenditures by Standard Object (unaudited)

Fiscal year 2023-2024 (in thousands of dollars)

Expenditures	Planned expenditures for the year ending March 31, 2024*	Expended during the quarter ended December 31, 2023	Year-to-date used at quarter-end
Personnel	\$ 39,139	\$ 11,307	\$ 31,488
Transportation and communications	1,571	213	631
Information	1,208	92	137
Professional and special services	10,413	1,391	3,300
Rentals	1,204	71	535
Repair and maintenance	1,305	40	86
Utilities, materials and supplies	320	26	56
Acquisition of machinery and equipment	1,364	488	508
Transfer payments	361,995	48,831	122,879
Other subsidies and payments	0	(227)	318
Total Gross budgetary expenditures	\$ 418,519	\$ 62,232	\$ 159,938
Less Revenues netted against expenditures:			
Vote Netted Revenue	(3,800)	0	(1,820)
Total net budgetary expenditures	\$ 414,719	\$ 62,232	\$ 158,118

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Fiscal Year 2022-2023 (in thousands of dollars)

Expenditures	Planned expenditures for the year ending March 31, 2023*	Expended during the quarter ended December 31, 2022	Year-to-date used at quarter-end
Personnel	\$ 42,545	\$ 11,270	\$ 32,068
Transportation and communications	1,596	345	671
Information	1,540	97	285
Professional and special services	8,963	1,355	3,660
Rentals	1,670	109	401
Repair and maintenance	921	107	119
Utilities, materials and supplies	550	22	54
Acquisition of machinery and equipment	1,802	251	585
Transfer payments	507,566	66,303	132,884
Other subsidies and payments		(60)	236
Total gross budgetary expenditures	\$ 567,153	\$ 79,799	\$ 170,963
Less Revenues netted against expenditures:			
Vote Netted Revenue	(4,000)	(556)	(1,134)
Total net budgetary expenditures	\$ 563,153	\$ 79,243	\$ 169,829

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