



# PrairiesCan

## Quarterly Financial Report

### Edmonton, Alberta

For the quarter ended, September 30, 2024



Prairies Economic  
Development Canada

Développement économique  
Canada pour les Prairies

Canada



This publication report represents Prairies Economic Development Canada (PrairiesCan)'s financial results for the second quarter of fiscal year 2024-2025, as required by section 65.1 of the Financial Administration Act.

Aussi disponible en français sous le titre : << Rapport financier trimestriel de Développement économique Canada pour les Prairies pour le trimestre terminé le 30 septembre 2024>>.

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## Prairies Economic Development Canada's Quarterly Financial Report for the quarter ended September 30, 2024

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](#). 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 convenor.

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 for the 2024-25 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 September 30, 2024.

### **Statement of Authorities: Vote 1 – Net Operating Expenditures**

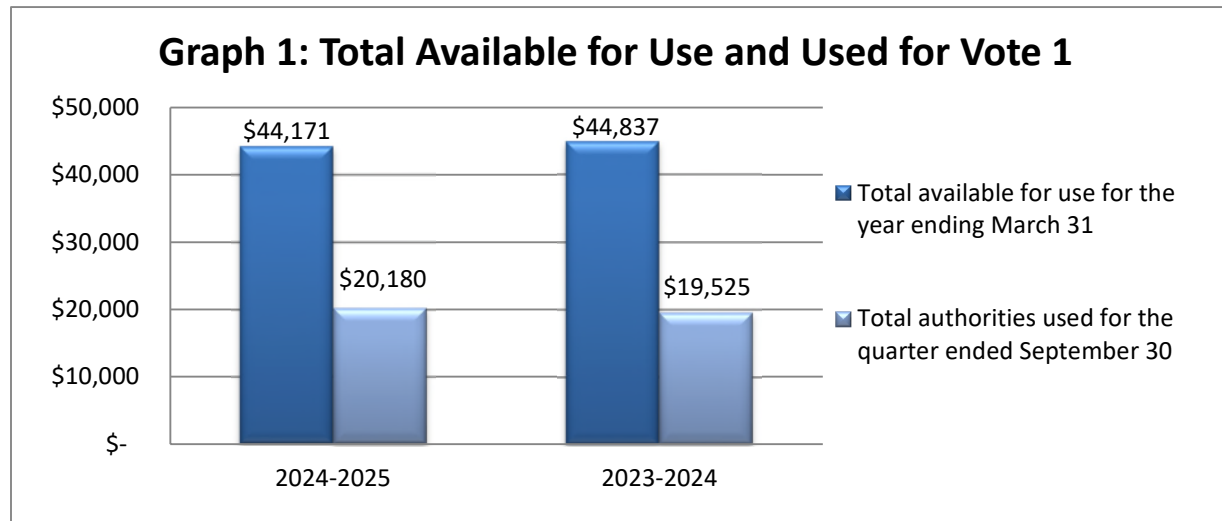
Total authorities available for use for fiscal year 2024-2025 are \$44.2 million, a net decrease of \$0.6 million, or -1%, compared to the \$44.8 million for 2023-2024. The net decrease is explained by:

- \$2.5 million increase for collective bargaining agreements and operating adjustments;
- \$0.3 million increase in funding to support Budget 2023 Tourism Growth Program;
- \$2.5 million decrease from various Budget 2021 program re-profiles;
- \$0.9 million decrease in funding due to Refocused Government Spending in Travel and Professional Services.

Total authorities used to date is \$20.2 million for the quarter ended September 30, 2024, compared to \$19.5 million used at September 30, 2023. The increase in net expenditures is primarily due to the timing of the receipt of revenue netted against expenditures for internal services support provided to PacifiCan.

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 2024-2025 are \$275.4 million, a net decrease of \$48.4 million, or -15%, compared to the \$323.8 million for 2023-2024. The net decrease is explained by:

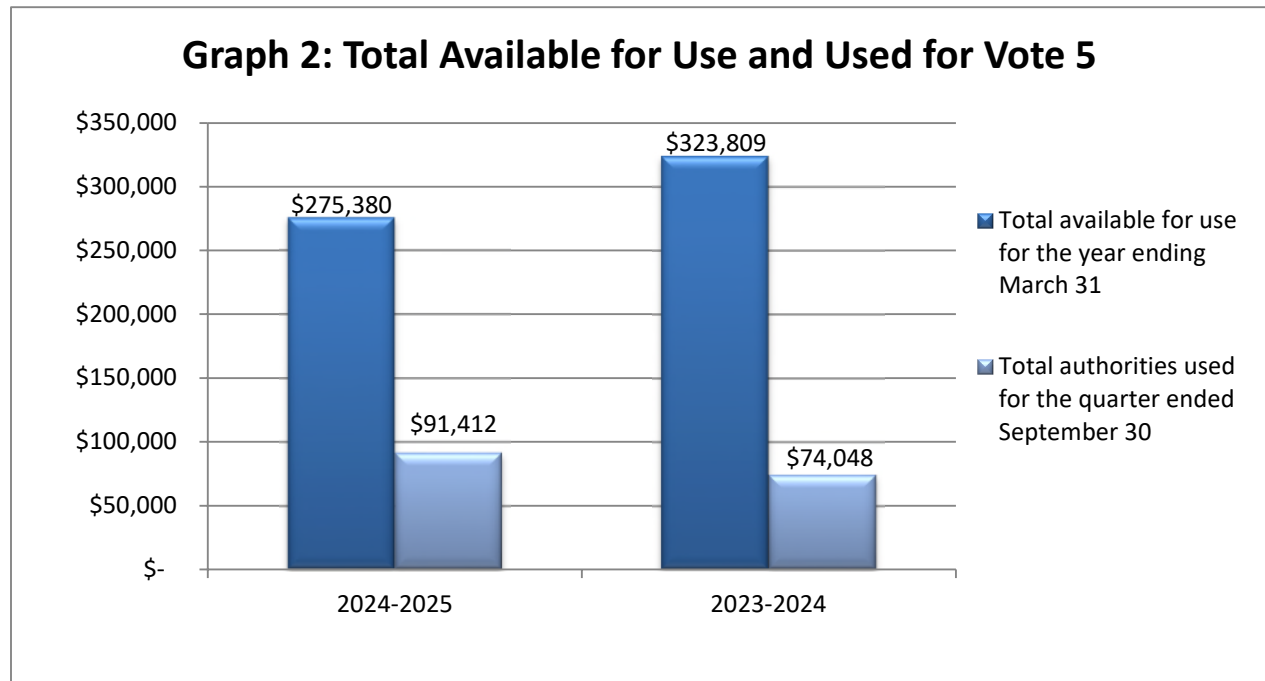
- \$18.7 million increase for Vaccine and Infectious Disease Organization project announced in Budget 2018;
- \$12.9 million increase in funding related to the phase out of contributions repayment recycling;
- \$7.4 million increase for the Tourism Growth Program announced in Budget 2023;
- \$7.2 million increase in funds for the Canada Coal Transition Initiative announced in Budget 2018;
- \$1.6 million increase for other minor transfers and cashflow adjustments;
- \$38.7 million decrease for the conclusion of the Jobs and Growth Initiative;
- \$18.0 million decrease for the conclusion of the Canada Community Revitalization Fund;
- \$15.4 million decrease for concluding the initiative supporting the Canadian aerospace sector;
- \$12.5 million decrease for the conclusion of the Tourism Relief Fund, and
- \$11.6 million decrease in funding for the Canadian Critical Drug Initiative.

Total authorities used for the quarter-ended September 30, 2024 increased to \$91.4 million, compared to \$74.0 million at September 30, 2023. The \$17.4 million increase, or 23% is explained by:

- \$ 24.8 million increase in payments for the Canadian Critical Drug Initiative;
- \$ 5.9 million increase in Western Diversification Program payments, investing in a diverse and growing economy;
- \$ 0.1 million increase for payment timing differences made to network partners;
- \$ 9.2 million decrease in Regional Economic Growth through Innovation payments to deliver various other initiatives;
- \$ 2.0 million decrease in payments for the completion of the Innovation and Skills Plan announced in Budget 2018;
- \$ 1.8 million decrease for payments restoring rail service to Churchill, Manitoba; and
- \$ 0.4 million decrease in payments supporting the Canada Coal Transition Initiative.

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

*(in thousands of dollars)*



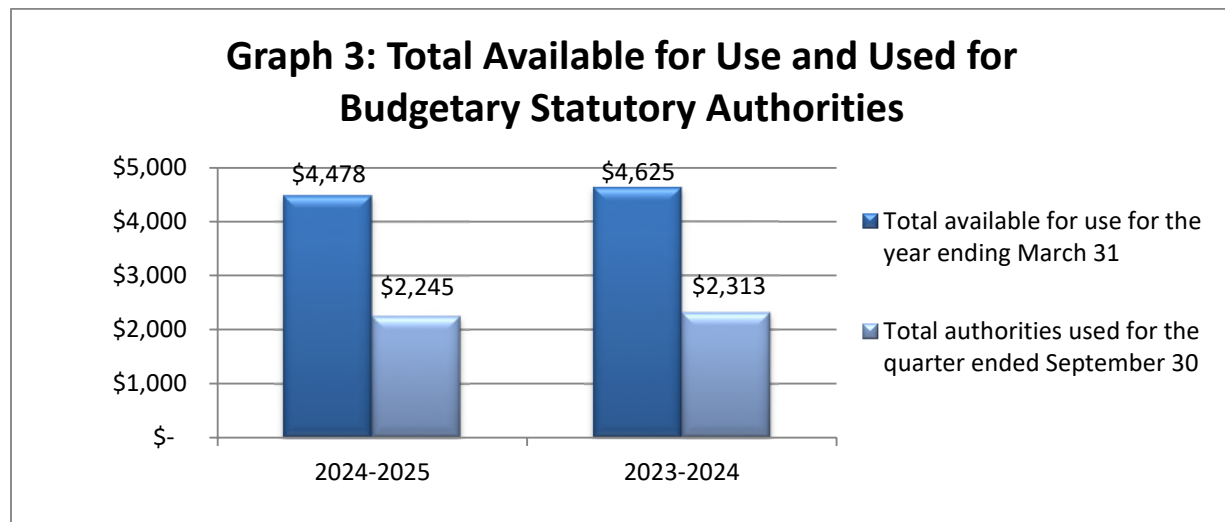
**Statement of Authorities: Budgetary Statutory Authorities**

Budgetary statutory authorities available for use for fiscal year 2024-2025 are \$4.5 million, a decrease of \$0.1 million when compared to the \$4.6 million in 2023-2024. The variance is due to minor net adjustments in funding.

Budgetary statutory authorities used for fiscal year 2024-2025 are \$2.2 million, a decrease of \$0.1 million when compared to the \$2.3 million in 2023-2024.

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 September 30, 2024, were \$46.1 million, which reflects a decrease of \$0.6 million, or -1% from the \$46.7 million at September 30, 2023.

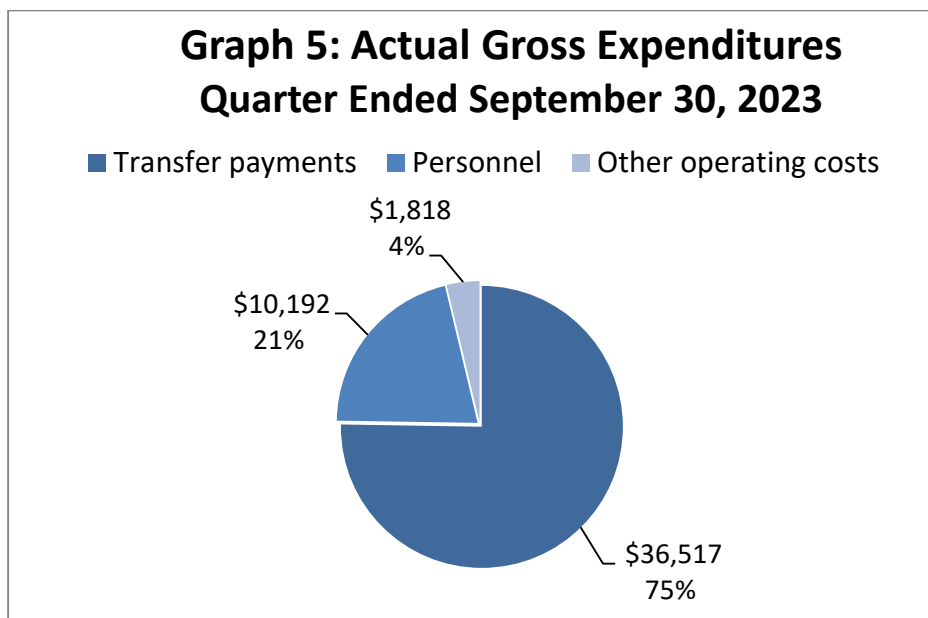
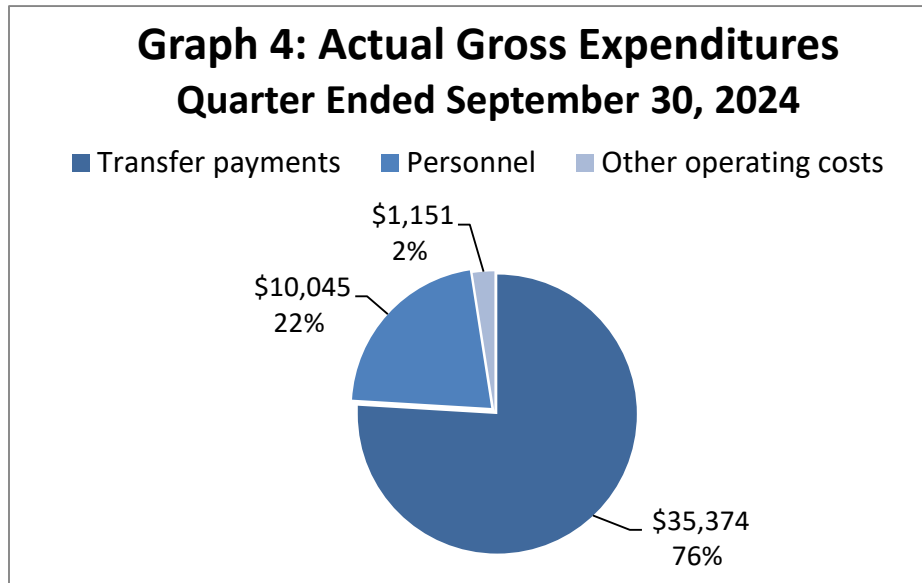
The variance is largely due to:

- \$3.6 million increase in Western Diversification Program payments, investing in a diverse and growing economy;
- \$1.8 million increase in Regional Economic Growth through Innovation payments to deliver various other initiatives;
- \$0.6 million increase for payment timing differences made to network partners;
- \$0.5 million increase in operations and maintenance costs;
- \$5.9 million decrease for payments restoring rail service to Churchill, Manitoba;
- \$0.9 million decrease in payments for the completion of the Innovation and Skills Plan announced in Budget 2018;
- \$0.3 million decrease in payments supporting the Canada Coal Transition Initiative.

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

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

*(in thousands of dollars)*





## Risks and Uncertainties

PrairiesCan allocates departmental funding and resources within a well-defined framework of accountabilities, policies, and procedures. This includes a system of budgets, reporting, and internal controls to manage within available resources and Parliamentary authorities.

PrairiesCan assesses risk in all areas of departmental decision making. Executive governance committees provide departmental risk oversight for these decisions. The department also provides bi-annual risk input to the TBS Office of the Comptroller General to inform the Regional Development Agency (RDA) Risk-Based Internal Audit Plan.

The department continues to identify and mitigate enterprise-wide risks such as employee physical and mental health, cyber vulnerabilities, loan repayment, and funding programs risk.

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

- business continuity planning;
- occupational health and safety planning;
- people management strategies;
- Public Service Employee Survey (PSES) results and recommendations;
- a robust system of network controls including encrypted signature, electronic security protocols, and mobile equipment to employ remote connectivity; and
- when implementing and assessing funding programs and projects, the department uses risk assessments, governance processes, process mapping, and separation of duties.

PrairiesCan will continue to apply risk management practices and principles at all levels of the organization to support strategic priority setting, resource allocation, informed decisions, and improved results.

## 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:**

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**Diane Gray**  
President

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**Sundeep Cheema**  
Chief Financial Officer

**Edmonton, Canada**  
**Date: October 29, 2024**

## Statement of Authorities (unaudited)

Fiscal year 2024-2025 (in thousands of dollars)

Authorities	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
Vote 1 - Net operating expenditures	\$44,171	\$9,595	\$20,180
Vote 5 - Grants and contributions	275,380	35,373	91,412
Budgetary statutory authorities:			
Employee Benefit Plans	4,478	1,119	2,239
Collection Agency Fees	0	6	6
<b>Total authorities</b>	<b>\$324,029</b>	<b>\$46,093</b>	<b>\$113,837</b>

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 September 30, 2023	Year-to-date used at quarter-end
Vote 1 - Net operating expenditures	\$44,837	\$9,033	\$19,525
Vote 5 - Grants and contributions	323,809	36,517	74,048
Budgetary statutory authorities:			
Employee Benefit Plans	4,625	1,157	2,313
<b>Total authorities</b>	<b>\$373,271</b>	<b>\$46,707</b>	<b>\$95,886</b>

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

## Departmental budgetary expenditures by Standard Object (unaudited)

Fiscal year 2024-2025 (in thousands of dollars)

Expenditures	Planned expenditures for the year ending March 31, 2025*	Expended during the quarter ended September 30, 2024	Year-to-date used at quarter-end
Personnel	\$36,930	\$10,045	\$20,003
Transportation and communications	1,203	126	315
Information	1,702	25	59
Professional and special services	6,769	863	1,681
Rentals	1,998	53	545
Repair and maintenance	890	-	-
Utilities, materials and supplies	174	12	26
Acquisition of machinery and equipment	2,306	90	92
Transfer payments	275,380	35,374	91,413
Other subsidies and payments	-	(18)	180
<b>Total gross budgetary expenditures</b>	<b>\$327,352</b>	<b>\$46,570</b>	<b>\$114,314</b>
Vote Netted Revenue	(3,323)	(477)	(477)
<b>Total net budgetary expenditures</b>	<b>\$324,029</b>	<b>\$46,093</b>	<b>\$113,837</b>

Prairies Economic Development Canada  
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**Fiscal Year 2023-2024** (in thousands of dollars)

<b>Expenditures</b>	<b>Planned expenditures for the year ending March 31, 2024*</b>	<b>Expended during the quarter ended September 30, 2023</b>	<b>Year-to-date used at quarter-end</b>
Personnel	\$35,054	\$10,192	\$20,181
Transportation and communications	1,531	160	418
Information	848	21	45
Professional and special services	9,962	1,254	1,909
Rentals	1,173	202	464
Repair and maintenance	1,280	46	46
Utilities, materials and supplies	305	11	30
Acquisition of machinery and equipment	1,309	(69)	20
Transfer payments	323,809	36,517	74,048
Other subsidies and payments	0	193	545
<b>Total gross budgetary expenditures</b>	<b>\$375,271</b>	<b>\$48,527</b>	<b>\$ 97,706</b>
Vote Netted Revenue	(2,000)	(1,820)	(1,820)
<b>Total net budgetary expenditures</b>	<b>\$373,271</b>	<b>\$46,707</b>	<b>\$95,886</b>

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