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Canadian Heritage

Quarterly Financial Report for the Quarter Ended June 30, 2025

1. Introduction

This first quarterly financial report should be read in conjunction with the 2025-26 Main Estimates along with the 2024-25 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 [2025-26 Departmental Plan](#) and the [2025-26 Main Estimates](#).

1.2 Basis of Presentation

This first 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 for the 2025-26 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.

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

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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.

The Government was dissolved on Sunday March 23, 2025, as a result Main Estimates were not tabled, and interim supply was not secured by March 31. To ensure sufficient funding is available to maintain government operations during the election period, Governor General special warrants were approved. Main Estimates were approved, and supply were received at the end of June 2025.

PCH's 2025-26 authorities available for use at the end of June 2025 increased by \$188.4 million compared to last year (from \$1,907.2 million in 2024-25 to \$2,095.6 million in 2025-26). More specifically, the total authorities available for use increased by \$170.5 million in Vote 5 - Grants and Contributions, increased by \$15.0 million in Vote 1 - Operating expenditures and increased by \$2.9 million in Statutory authorities.

The overall increase in authorities, primarily in Grants and Contributions, is due to increased funding to support hosting of the 2026 FIFA Men's World Cup. Other programs also received increased funding announced in Budget 2024, including the Canada Music Fund, the renewal and expansion of the Canada Arts Presentation Fund, net increase in funding profile for the Indigenous Languages Program, the Multiculturalism and Anti-racism initiatives and the additional Support for Athletes. Furthermore, the department received new funding for specific grants, including those for the Glenn Gould Foundation, the Brian Mulroney Institute, the Terry Fox Humanitarian Award, and the Hellenic Community of Vancouver.

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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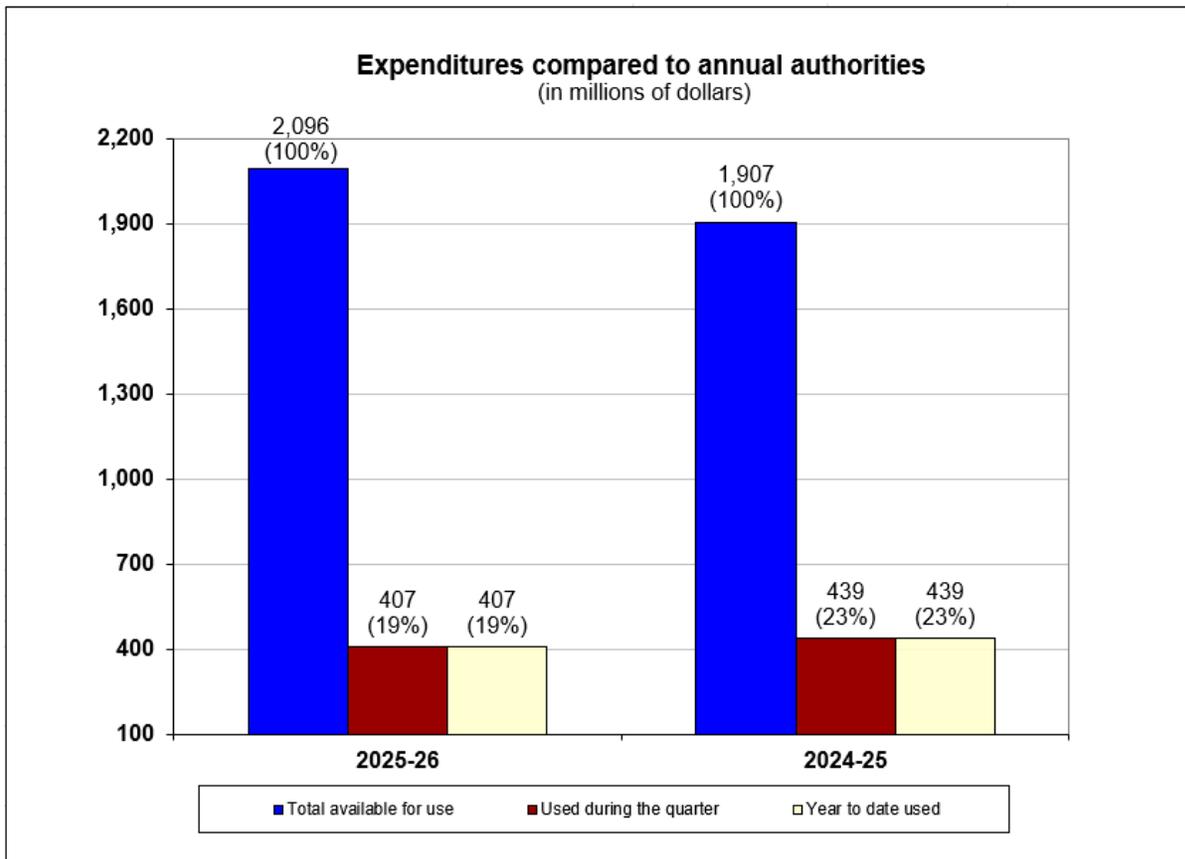
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The total expenditures during the first quarter of 2025-26 decreased by \$32.3 million compared to the first quarter of last year, representing a decrease in expenditures of 7%.

Although authorities in transfer payment increased, spending decreased by \$36.5 million (from \$377.0 million in 2024-25 to \$340.5 million in 2025-26).

During the election period and under the Governor General special warrants, the department carefully managed its budget, only allowing payments to organizations with urgent needs. This context explains the overall decrease in expenditures.

As shown in the table below, PCH has spent 19% of its authorities in the first quarter of 2025-26, compared to 23% in the first quarter of 2024-25.



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3. Risks and Uncertainties

In the Budget of 2023, the government committed to reducing spending. As part of this, Canadian Heritage identified spending reductions of \$14.4 million for 2024-25, \$25.2 million for 2025-26 and \$39.7 million for 2026-27 and onwards to ensure responsible, cost-effective spending that delivers results for Canadians.

In July 2025, as part of its ongoing efforts to evaluate and reduce public spending, the Government of Canada launched a new comprehensive expenditure review aimed at reducing operational spending while ensuring the effective delivery of services to Canadians. The savings proposals will be implemented from 2026-27 onwards through a gradual, three-year approach.

In the context of current budget constraints and unprecedented challenges associated with the rapidly changing economic, social, and technological environment, the Department could face challenges in prioritizing initiatives and aligning its resources, to adapt to the priorities and expectations from the new Government in place and to growing needs of all Canadians, to ensure and maintain efficient and effective funding delivery. The Department is taking measures to mitigate these risks.

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

There were no significant changes in Canadian Heritage senior management since last quarterly financial report.

5. Approval by Senior Officials

Approved by:

Isabelle Mondou, Deputy Minister

Véronique Côté, Chief Financial Officer

Gatineau, Canada
Date: August 21, 2025

Gatineau, Canada
Date: August 20, 2025

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Statement of Authorities (unaudited)

Fiscal year 2025-26 and 2024-25 (in thousands of dollars)

	Total available for use for the year ending March 31, 2026*	Used during the quarter ended June 30, 2025	Year to date used at quarter-end 2025-26	Total available for use for the year ending March 31, 2025*	Used during the quarter ended June 30, 2024	Year to date used at quarter-end 2024-25
Vote 1 - Operating expenditures	253,537	57,780	57,780	238,537	54,250	54,250
Vote 5 - Grants and contributions	1,808,126	340,344	340,344	1,637,605	376,989	376,989
Statutory - Contributions to employee benefit plans	31,704	7,926	7,926	28,819	7,175	7,175
Statutory - Minister of Canadian Identity and Culture and Minister responsible for Official Languages - Salary and motor car allowance Minister of Canadian Heritage - Salary and motor car allowance	102	26	26	99	25	25
Statutory – Secretary of State (Sport) - Salary and motor car allowance Minister of Sport and Minister responsible for Prairies Economic Development Canada Minister of Sport and Physical Activity – Salary and motor car allowance	102	6	6	99	24	24
Statutory - Minister of Official Languages and Associate Minister of Public Safety – Motor car allowance	2	0	0	0	0	0
Statutory - Salaries of the Lieutenant-Governors	1,196	403	403	1,196	431	431
Statutory - Payments under the <i>Lieutenant Governors Superannuation Act</i> (R.S.C., 1985, c. L-8)	637	103	103	637	0	0
Statutory - Supplementary Retirement Benefits - Former Lieutenant-Governors	182	26	26	182	0	0
Refunds of previous years revenue	0	3	3	0	39	39
Spending of Crown Asset Proceeds	53	0	0	11	0	0
Total Budgetary authorities	2,095,641	406,617	406,617	1,907,185	438,933	438,933
Total authorities	2,095,641	406,617	406,617	1,907,185	438,933	438,933

* 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 2025-26 and 2024-25 (in thousands of dollars)

	Total available for use for the year ending March 31, 2026*	Used during the quarter ended June 30, 2025	Year to date used at quarter-end 2025-26	Total available for use for the year ending March 31, 2025*	Used during the quarter ended June 30, 2024	Year to date used at quarter-end 2024-25
Expenditures						
Personnel	240,322	59,159	59,159	238,621	56,762	56,762
Transportation and communications	3,533	479	479	806	565	565
Information	3,364	318	318	2,878	329	329
Professional and special services	35,617	5,448	5,448	23,641	4,156	4,156
Rentals	6,530	560	560	3,475	1,114	1,114
Repair and maintenance	1,584	107	107	2,219	204	204
Utilities, materials, and supplies	1,728	109	109	1,854	134	134
Acquisition of machinery and equipment	1,845	34	34	2,944	57	57
Transfer payments	1,808,945	340,473	340,473	1,638,424	376,989	376,989
Other subsidies and payments	205	1,417	1,417	355	467	467
Total gross budgetary expenditures	2,103,673	408,105	408,105	1,915,217	440,777	440,777
Less Revenues netted against expenditures:						
Revenue credited to the Vote	-8,032	-1,488	-1,488	-8,032	-1,844	-1,844
Total Revenues netted against expenditures:	-8,032	-1,488	-1,488	-8,032	-1,844	-1,844
Total net budgetary expenditures	2,095,641	406,617	406,617	1,907,185	438,933	438,933

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