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

Canadian Heritage

Quarterly Financial Report for the Quarter Ended September 30, 2025

1. Introduction

This second 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 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 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

Canadian Heritage

Quarterly Financial Report for the Quarter Ended September 30, 2025

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 2025-26 authorities available for use at the end of September 2025 increased by \$196.9 million compared to last year (from \$1,915.5 million in 2024-25 to \$2,112.4 million in 2025-26). More specifically, the total authorities available for use increased by \$177.5 million in Vote 5 - Grants and Contributions, increased by \$16.5 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 Local Journalism program, 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.

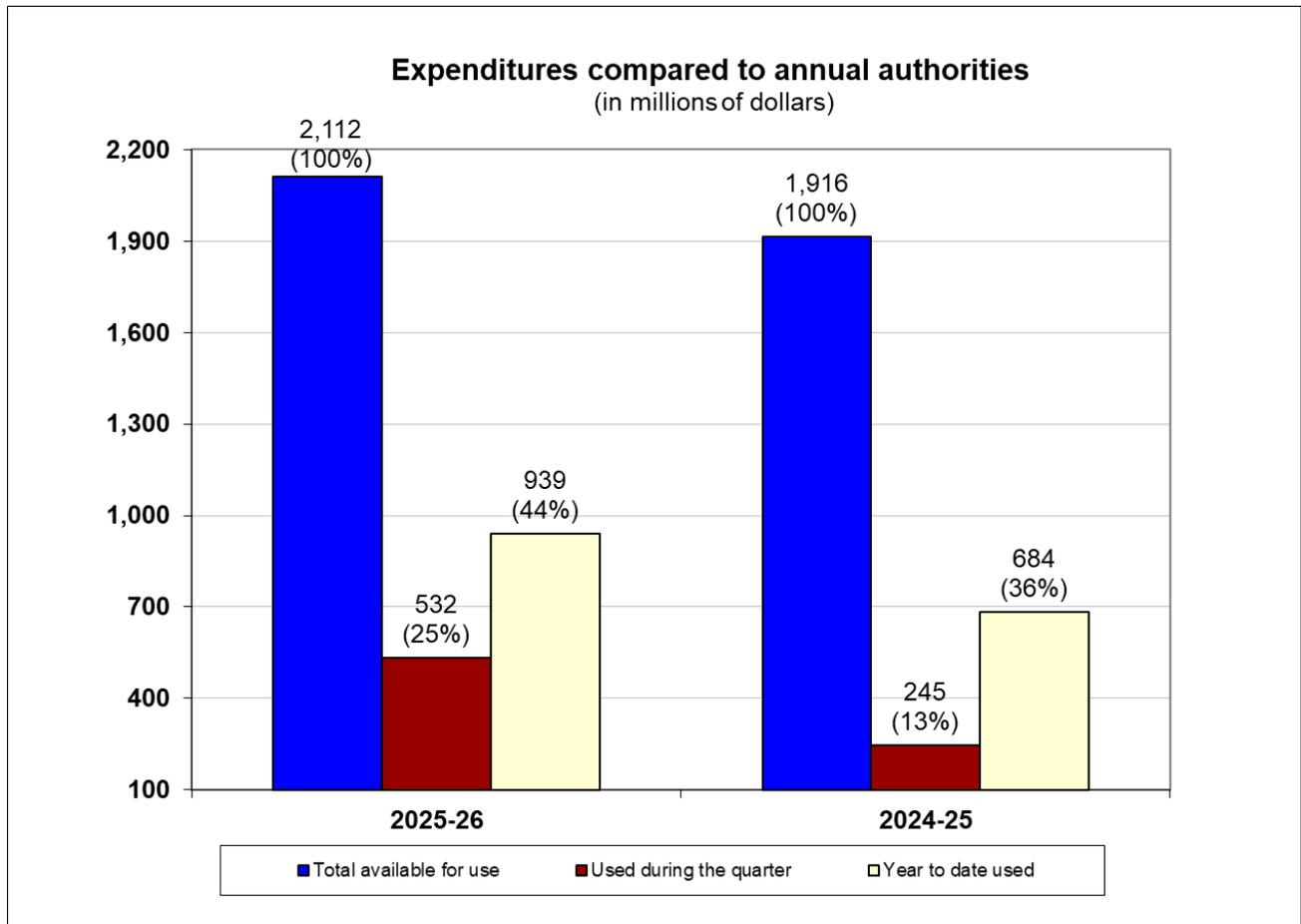
The total expenditures during the second quarter of 2025-26 increased by \$287.8 million compared to the second quarter of last year, representing an increase in expenditures of 117.6%.

Canadian Heritage

Quarterly Financial Report for the Quarter Ended September 30, 2025

The increase in spending is mainly due to an increase in transfer payments of \$286.0 million (from \$173.4 million in 2024-25 to \$459.4 million in 2025-26). This increase is due to variations in payment schedules, particularly for the Canada Media Fund and the Official Languages programs, which were distributed earlier in the 2025-26 financial year. Furthermore, spending related to the hosting of the 2026 FIFA Men’s World Cup and the Canada Games has increased.

As shown in the table below, PCH has spent 25% of its authorities in the second quarter of 2025-26, compared to 13% in the second quarter of 2024-25.



Canadian Heritage

Quarterly Financial Report for the Quarter Ended September 30, 2025

3. Risks and Uncertainties

In Budget 2023, the government committed to reducing spending. As part of this, the department of 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, in order to ensure responsible and cost-effective spending that delivers results for Canadians.

More recently, Budget 2025 set out plans for \$13 billion in annual savings by 2028-29 across more than 100 federal organizations, resulting from the Comprehensive Expenditure Review. At Canadian Heritage, this represents savings of \$93.1 million per year by 2028-29. In order to achieve these savings targets over three years, the department will refocus its cultural programming by considering the evolving needs of recipients to ensure program effectiveness.

With a constant focus on improving efficiency, effectiveness and compliance with its core mandate, the department will reorganize its internal services and program administration to consolidate efforts, reduce overlap, and modernize workflows. Canadian Heritage will transform its transfer payment delivery model by standardizing processes, consolidating functions, and replacing fragmented systems with a modern digital platform while minimizing the impact on employees.

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: November 19, 2025

Gatineau, Canada
Date: November 17, 2025

Canadian Heritage

Quarterly Financial Report for the Quarter Ended September 30, 2025

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 September 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 September 30, 2024	Year to date used at quarter-end 2024-25
Vote 1 - Operating expenditures	263,342	64,539	122,319	246,880	63,585	117,835
Vote 5 - Grants and contributions	1,815,125	458,911	799,256	1,637,605	172,889	549,878
Statutory - Contributions to employee benefit plans	31,704	7,926	15,852	28,819	7,174	14,348
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	51	99	25	50
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	22	28	99	24	49
Statutory - Minister of Official Languages and Associate Minister of Public Safety – Motor car allowance	2	0	0	0	0	0
Statutory - Secretary of State (Nature) - Salary and motor car allowance	0	29	29	0	0	0
Statutory - Salaries of the Lieutenant-Governors	1,196	526	929	1,196	461	892
Statutory - Payments under the <i>Lieutenant Governors Superannuation Act</i> (R.S.C., 1985, c. L-8)	637	404	506	637	408	408
Statutory - Supplementary Retirement Benefits - Former Lieutenant-Governors	182	102	129	182	114	114
Refunds of previous years revenue	0	-3	0	0	35	74
Spending of Crown Asset Proceeds	60	0	0	15	0	0
Total Budgetary authorities	2,112,452	532,482	939,099	1,915,532	244,715	683,648
Total authorities	2,112,452	532,482	939,099	1,915,532	244,715	683,648

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

Canadian Heritage

Quarterly Financial Report for the Quarter Ended September 30, 2025

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 September 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 September 30, 2024	Year to date used at quarter-end 2024-25
Expenditures						
Personnel	249,118	61,127	120,287	246,369	61,007	117,768
Transportation and communications	3,533	714	1,193	806	738	1,303
Information	3,364	806	1,123	2,878	445	774
Professional and special services	36,627	9,339	14,787	24,236	7,786	11,943
Rentals	6,530	1,785	2,345	3,475	1,815	2,929
Repair and maintenance	1,584	109	216	2,219	260	463
Utilities, materials, and supplies	1,728	480	589	1,854	292	427
Acquisition of machinery and equipment	1,851	128	162	2,947	65	122
Transfer payments	1,815,944	459,417	799,891	1,638,425	173,410	550,399
Other subsidies and payments	205	209	1,626	355	868	1,335
Total gross budgetary expenditures	2,120,484	534,114	942,219	1,923,564	246,686	687,463
Less Revenues netted against expenditures:						
Revenue credited to the Vote	-8,032	-1,632	-3,120	-8,032	-1,971	-3,815
Total Revenues netted against expenditures:	-8,032	-1,632	-3,120	-8,032	-1,971	-3,815
Total net budgetary expenditures	2,112,452	532,482	939,099	1,915,532	244,715	683,648

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