



# PrairiesCan

## Quarterly Financial Report

### Edmonton, Alberta

For the quarter ended, June 30, 2025



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 first quarter of fiscal year 2025-2026, 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 juin 2025>>.

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## **Prairies Economic Development Canada's Quarterly Financial Report for the quarter ended June 30, 2025**

**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 2025-26 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 June 30, 2025.

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

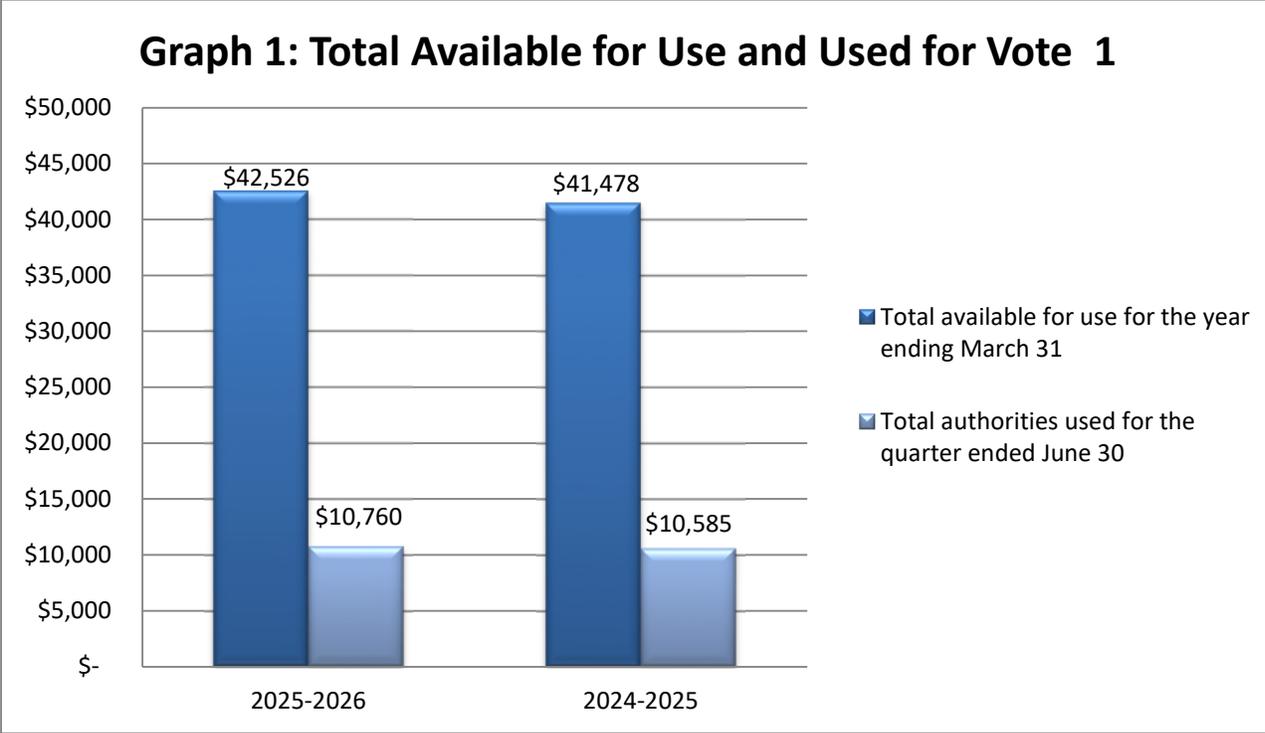
Total authorities available for use for fiscal year 2025-2026 are \$42.5 million, a net increase of \$1.0 million, or 3%, compared to \$41.5 million for 2024-2025. The net increase is explained by:

- \$0.9 million increase to support Regional Artificial Intelligence Initiative and Prairies Performing Arts Initiative announced in Budget 2024;
- \$0.6 million increase for Growth through Regional Innovation Program,
- \$0.3 million increase for collective bargaining agreement adjustments;
- \$0.4 million decrease in funding for Canada Coal Transition Initiative announced in Budget 2018; and
- \$0.4 million decrease in funding for various other minor adjustments.

Total authorities used has slightly increased to \$10.8 million for the quarter ended June 30, 2025, compared to \$10.6 million used at June 30, 2024.

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 2025-2026 are \$230.9 million, a net decrease of \$44.5 million, or -16%, compared to the \$275.4 million for 2024-2025. The net decrease is explained by:

- \$12.0 million increase to support Growth through Regional Innovation Program including Innovative Housing announced in Budget 2024;
- \$6.1 million increase to support Prairies Performing Arts Initiative announced in Budget 2024;
- \$6.0 million increase for transfers for the Carbon Fiber Manufacturing Equipment, Critical Minerals and New Flyer Industries projects;
- \$5.2 million increase to support Regional Artificial Intelligence Initiative announced in Budget 2024;
- \$1.5 million increase in funding for the RCMP Heritage Center announced in Budget 2024;
- \$31.7 million decrease in funding to the Canada Coal Transition Initiative announced in Budget 2018;
- \$30.0 million decrease in funding for the Hudson Bay Railway in Churchill Manitoba;
- \$10.7 million decrease in funding for the Canadian Critical Drug Initiative;

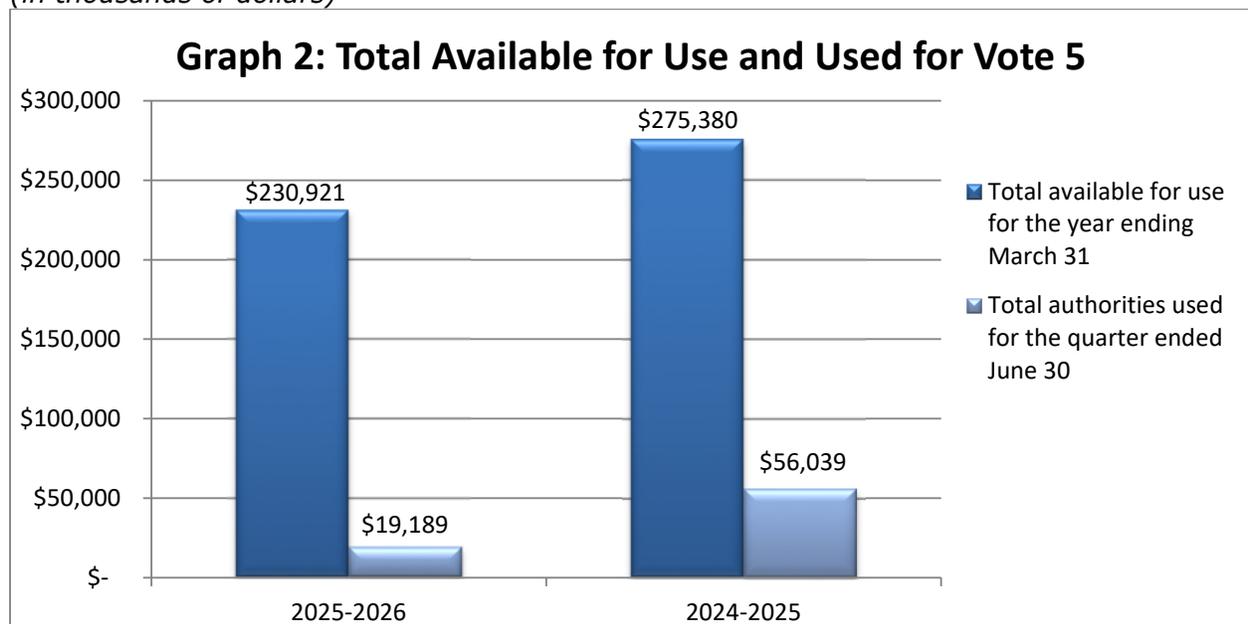
- \$2.5 million decrease for the Vaccine and Infectious Disease Organization project; and
- \$0.4 million decrease in a variety of Budget 2021 programs.

Total authorities used for the quarter-ended June 30, 2025 decreased to \$19.2 million, compared to \$56.0 million at June 30, 2024. The \$36.9 million decrease, or -66% is explained by:

- \$0.5 million increase for payment timing differences made to network partners;
- \$0.4 million increase in Prairies Performing Arts Initiative payments announced in Budget 2024;
- \$0.2 million increase in Regional Artificial Intelligence Initiative payments announced in Budget 2024;
- \$19.5 million decrease in payments for the Canadian Critical Drug Initiative;
- \$16.1 million decrease for payments restoring rail service to Churchill, Manitoba;
- \$1.7 million decrease in Western Diversification Program payments, investing in a diverse and growing economy; and
- \$0.7 million decrease in Regional Economic Growth through Innovation payments to deliver various other initiatives.

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

*(in thousands of dollars)*



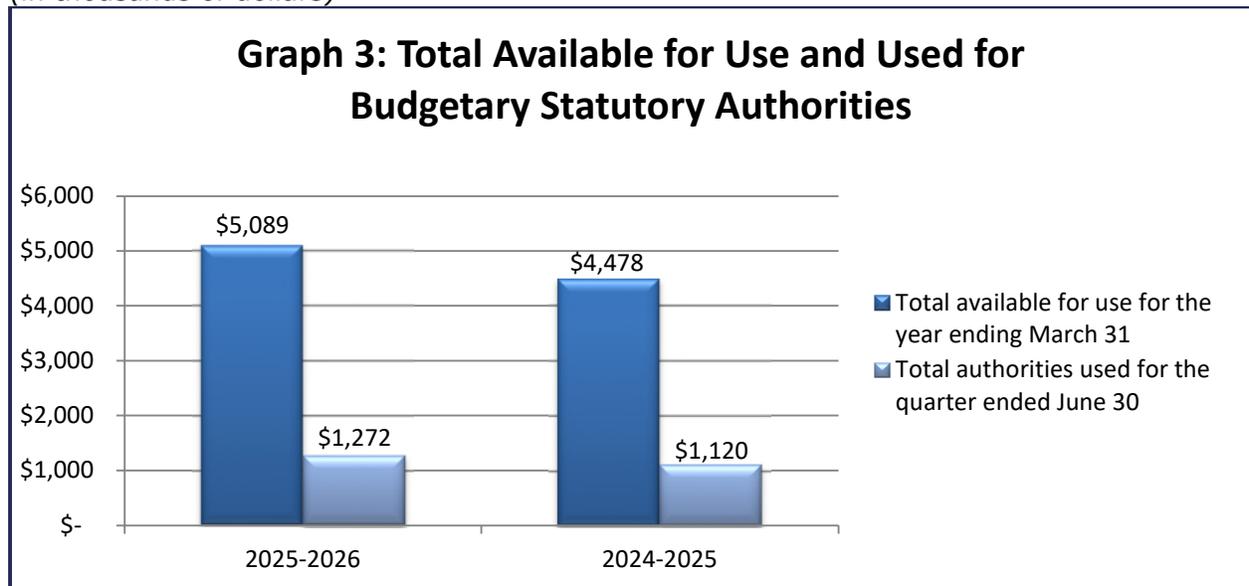
**Statement of Authorities: Budgetary Statutory Authorities**

Budgetary statutory authorities available for use for fiscal year 2025-2026 are \$5.1 million, an increase of \$0.6 million when compared to the \$4.5 million in 2024-2025. The variance is due to minor net adjustments in funding.

Budgetary statutory authorities used for fiscal year 2025-2026 are \$1.3 million, an increase of \$0.2 million when compared to the \$1.1 million in 2024-2025.

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 June 30, 2025, were \$31.2 million, which reflects a decrease of \$36.5 million, or -54% from the \$67.7 million at June 30, 2024.

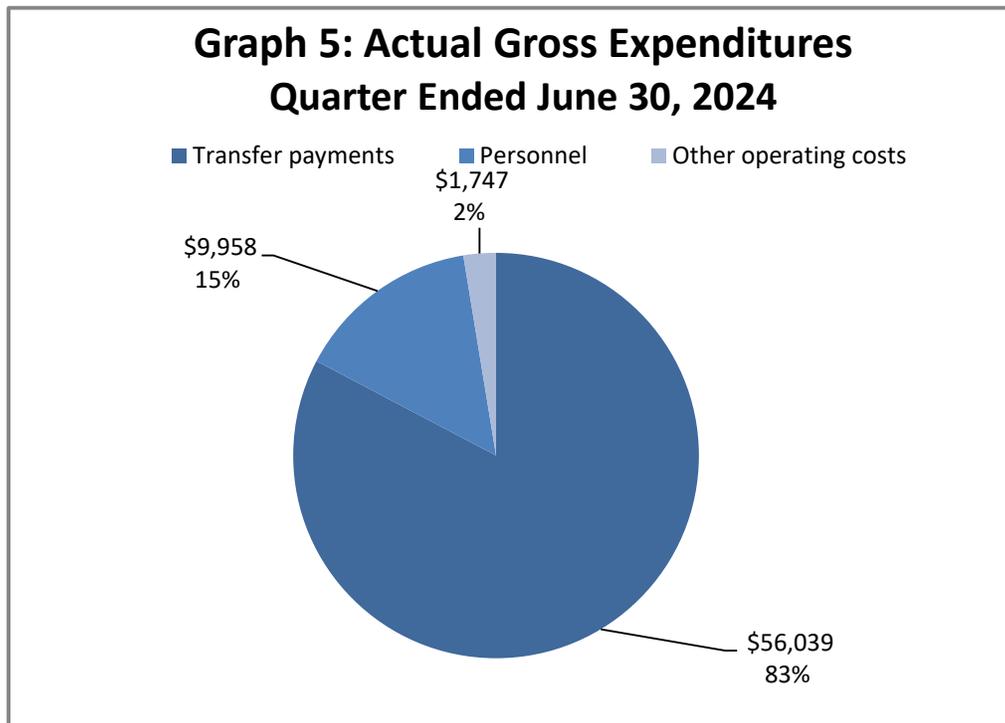
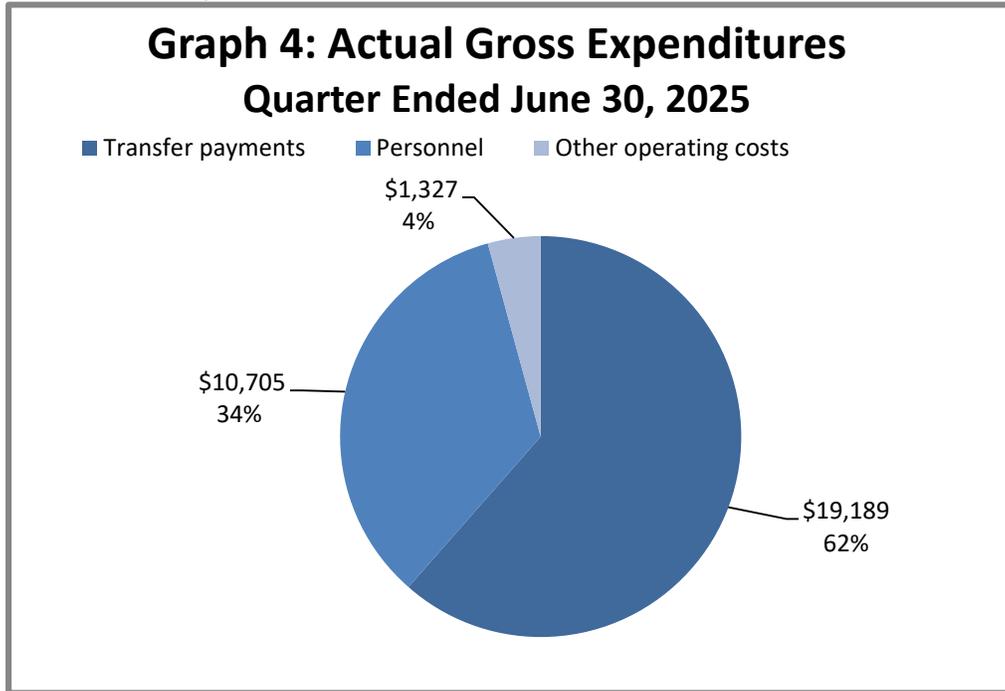
The variance is largely due to:

- \$0.5 million increase for payment timing differences made to network partners;
- \$0.4 million increase in Prairies Performing Arts Initiative payments announced in Budget 2024;
- \$0.4 million increase in operations, maintenance, and personnel costs;
- \$0.2 million increase in Regional Artificial Intelligence Initiative payments announced in Budget 2024;
- \$19.5 million decrease in payments for the Canadian Critical Drug Initiative;
- \$16.1 million decrease for payments restoring rail service to Churchill, Manitoba;
- \$1.7 million decrease in Western Diversification Program payments, investing in a diverse and growing economy; and
- \$0.7 million decrease in Regional Economic Growth through Innovation payments to deliver various other initiatives.

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. This includes discussion of the likelihood and potential impact of possible risks. Executive governance committees provide departmental risk oversight for most 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 in areas such as loan repayment, funding programs, employee physical and mental health, security, and cyber vulnerabilities.

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.
- 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

The Government of Canada has launched a Comprehensive Expenditure Review (CER) to meet our commitment to responsible, cost-effective spending that delivers results for Canadians. Organizations are being asked to bring forward ambitious savings proposals to spend less on the day-to-day running of government by targeting programs and activities that are underperforming, not core to the federal mandate, duplicative, or not aligned with government priorities. PrairiesCan is already making improvements to process efficiencies. Employees are engaged in problem-solving, using LEAN thinking and exercises, and optimizing internal operations.

The Honourable Eleanor Olszewski was appointed Minister responsible for Prairies Economic Development Canada on May 13, 2025.

## **Approval by Senior Officials**

**Approved by:**

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**Diane Gray**  
**President**  
*Edmonton, Canada*  
**Date: August 21, 2025**

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**Sundeep Cheema**  
**Chief Financial Officer**

## Statement of Authorities (unaudited)

Fiscal year 2025-2026 (in thousands of dollars)

Authorities	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
Vote 1 - Net operating expenditures	\$42,526	\$10,760	\$10,760
Vote 5 - Grants and contributions	230,921	19,189	19,189
Budgetary statutory authorities:			
Employee Benefit Plans	5,089	1,272	1,272
<b>Total authorities</b>	<b>\$278,536</b>	<b>\$31,221</b>	<b>\$31,221</b>

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 June 30, 2024	Year-to-date used at quarter-end
Vote 1 - Net operating expenditures	\$41,478	\$10,585	\$10,585
Vote 5 - Grants and contributions	275,380	56,039	56,039
Budgetary statutory authorities:			
Employee Benefit Plans	4,478	1,120	1,120
<b>Total authorities</b>	<b>\$321,336</b>	<b>\$67,744</b>	<b>\$67,744</b>

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

## Departmental budgetary expenditures by Standard Object (unaudited)

Fiscal Year 2025-2026 (in thousands of dollars)

Expenditures	Planned expenditures for the year ending March 31, 2026*	Expended during the quarter ended June 30, 2025	Year-to-date used at quarter-end
Personnel	\$38,347	\$10,705	\$10,705
Transportation and communications	905	178	178
Information	1,322	21	21
Professional and special services	5,594	750	750
Rentals	1,643	211	211
Repair and maintenance	702	0	0
Utilities, materials and supplies	162	7	7
Acquisition of machinery and equipment	1,540	3	3
Transfer payments	230,921	19,189	19,189
Other subsidies and payments	0	157	157
<b>Total gross budgetary expenditures</b>	<b>\$ 281,136</b>	<b>\$31,221</b>	<b>\$31,221</b>
Less Revenues netted against expenditures:			
Vote Netted Revenue	(2,600)	0	0
<b>Total net budgetary expenditures</b>	<b>\$278,536</b>	<b>\$31,221</b>	<b>\$31,221</b>

Prairies Economic Development Canada  
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**Fiscal year 2024-2025** (in thousands of dollars)

<b>Expenditures</b>	<b>Planned expenditures for the year ending March 31, 2025*</b>	<b>Expended during the quarter ended June 30, 2024</b>	<b>Year-to-date used at quarter-end</b>
Personnel	\$36,929	\$9,958	\$9,958
Transportation and communications	1,026	189	189
Information	1,451	34	34
Professional and special services	5,772	818	818
Rentals	1,704	492	492
Repair and maintenance	759	0	0
Utilities, materials and supplies	148	14	14
Acquisition of machinery and equipment	1,967	2	2
Transfer payments	275,380	56,039	56,039
Other subsidies and payments	0	198	198
<b>Total gross budgetary expenditures</b>	<b>\$325,136</b>	<b>\$67,744</b>	<b>\$67,744</b>
Less Revenues netted against expenditures:			
Vote Netted Revenue	(3,800)	0	0
<b>Total net budgetary expenditures</b>	<b>\$321,336</b>	<b>\$67,744</b>	<b>\$67,744</b>

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