



# PrairiesCan

**2024-2025**

**Financial Statements  
(Unaudited)**

For the Year Ended March 31, 2025





This publication report represents Prairies Economic Development Canada (PrairiesCan)'s 2024-2025 Financial Statements (Non-audited) for the year ended March 31, 2025.

Aussi disponible en français sous le titre : << 2024-2025 États financiers (non audités) Pour l'exercice terminé le 31 mars 2025>>.

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# Prairies Economic Development Canada

## Statement of Management Responsibility Including Internal Control Over Financial Reporting

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2025, and all information contained in these financial statements rests with the management of Prairies Economic Development Canada (PrairiesCan). These financial statements have been prepared by management using the Government of Canada's accounting policies, which are based on Canadian public sector accounting standards.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment, and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of PrairiesCan's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in PrairiesCan's *Departmental Results Report*, is consistent with these financial statements.

Management is also responsible for maintaining an effective system of internal control over financial reporting (ICFR) designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Financial Administration Act* and other applicable legislation, regulations, authorities and policies.

Management seeks to ensure the objectivity and integrity of data in its financial statements through careful selection, training and development of qualified staff; through organizational arrangements that provide appropriate divisions of responsibility; through communication programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout PrairiesCan and through conducting an annual risk-based assessment of the effectiveness of the system of ICFR.

The system of ICFR is designed to mitigate risks to a reasonable level based on an on-going process to identify key risks, to assess effectiveness of associated key controls, and to make any necessary adjustments.

PrairiesCan is subject to periodic Core Control Audits performed by the Office of the Comptroller General and uses the results of such audits to comply with the Treasury Board Policy on Financial Management.

In the interim, PrairiesCan has undertaken a self-assessment of the system of ICFR for the year ended March 31, 2025, in accordance with the Treasury Board Policy on Financial Management, and the results are summarized in the annex.

The financial statements of PrairiesCan have not been audited.



**Diane Gray, President**  
**Edmonton, Canada**

September 8, 2025

**Date**

**Cheema, Sundeeep**

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**Sundeeep Cheema, Chief Financial Officer**

**Date**

Prairies Economic Development Canada  
**Statement of Financial Position (Unaudited)**

As at March 31

(in dollars)

	2025	2024
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 4)	\$110,163,203	\$140,396,946
Vacation pay and compensatory leave	2,282,496	2,246,670
Employee future benefits (note 5)	747,965	591,891
<b>Total gross liabilities</b>	<b>113,193,664</b>	<b>143,235,507</b>
<b>Total net liabilities</b>	<b>113,193,664</b>	<b>143,235,507</b>
<b>Financial assets</b>		
Due from Consolidated Revenue Fund	110,081,701	140,329,449
Accounts receivable and advances (note 6)	165,127	3,890,108
Loans receivable (note 7)	310,012,601	361,209,122
<b>Total gross financial assets</b>	<b>420,259,429</b>	<b>505,428,679</b>
<b>Financial assets held on behalf of Government</b>		
Accounts receivable and advances (note 6)	(84,846)	(3,822,825)
Loans receivable (note 7)	(310,012,601)	(361,209,122)
<b>Total financial assets held on behalf of Government</b>	<b>(310,097,447)</b>	<b>(365,031,947)</b>
<b>Total net financial assets</b>	<b>110,161,982</b>	<b>140,396,732</b>
<b>Departmental net debt</b>	<b>3,031,682</b>	<b>2,838,775</b>
<b>Non-financial assets</b>		
Prepaid expenses	75,002	45,686
Tangible capital assets (note 8)	1,160,812	1,441,637
<b>Total non-financial assets</b>	<b>1,235,814</b>	<b>1,487,323</b>
<b>Departmental net financial position</b>	<b>\$ (1,795,868)</b>	<b>\$ (1,351,452)</b>

Contractual obligations (note 9)

The accompanying notes form an integral part of these financial statements.



**Diane Gray, President**  
**Edmonton, Canada**

September 8, 2025

**Date**

**Cheema, Sundeep**

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 O = GC OU = WD-DEO  
 Date: 2025.09.02 09:29:09 -07'00'

**Sundeep Cheema, Chief Financial Officer**

**Date**

# Prairies Economic Development Canada

## Statement of Operations and Departmental Net Financial Position (*Unaudited*)

For the Year Ended March 31

(in dollars)

	2025 Planned Results	2025	2024
<b>Expenses</b>			
Innovation	\$ 109,361,914	\$ 130,099,710	\$ 89,098,499
Community Initiatives	52,890,994	128,465,491	142,804,584
Business Growth	45,854,402	59,463,700	31,973,839
Business Services	32,316,756	33,064,072	33,171,915
Internal Services	18,222,173	17,498,336	19,972,508
Expenses incurred on behalf of Government	50,224,181	(42,068,257)	(12,532,957)
<b>Total expenses</b>	<b>308,870,420</b>	<b>326,523,052</b>	<b>304,488,388</b>
<b>Revenues</b>			
Amortization of discount	12,775,236	19,404,411	6,207,750
Services to other government departments	3,800,000	2,326,504	4,083,683
Interest	1,414,118	2,024,928	783,001
Other	78,884	60,465	13,355
Revenues earned on behalf of Government	(18,067,831)	(23,816,308)	(11,087,789)
<b>Total revenues</b>	<b>407</b>	<b>0</b>	<b>0</b>
<b>Net cost of operations before government funding and transfers</b>	<b>308,870,013</b>	<b>326,523,052</b>	<b>304,488,388</b>
<b>Government funding and transfers</b>			
Net cash provided by Government of Canada		350,657,215	366,991,957
Change in due from Consolidated Revenue Fund		(30,247,748)	(68,223,538)
Services provided without charge by other government departments (note 12)		5,646,034	5,667,284
Transfer of assets and liabilities from other government departments (note 13)		23,135	12,451
<b>Net cost of operations after government funding and transfers</b>		<b>444,416</b>	<b>40,234</b>
<b>Departmental net financial position - Beginning of year</b>		<b>(1,351,452)</b>	<b>(1,311,218)</b>
<b>Departmental net financial position - End of year</b>		<b>\$ (1,795,868)</b>	<b>\$ (1,351,452)</b>

Segmented information (note 14)

The accompanying notes form an integral part of these financial statements.

Prairies Economic Development Canada  
**Statement of Change in Departmental Net Debt (Unaudited)**  
**For the Year Ended March 31**  
*(in dollars)*

	<u>2025</u>	<u>2024</u>
<b>Net cost of operations after government funding and transfers</b>	<b>\$ 444,416</b>	<b>\$ 40,234</b>
<b>Change due to tangible capital assets</b>		
Amortization of tangible capital assets	(280,825)	(280,825)
<b>Total change due to tangible capital assets</b>	<b>(280,825)</b>	<b>(280,825)</b>
<b>Change due to prepaid expenses</b>	<b>29,316</b>	<b>(17,219)</b>
<b>Net increase (decrease) in departmental net debt</b>	<b>192,907</b>	<b>(257,810)</b>
<b>Departmental net debt - Beginning of year</b>	<b>2,838,775</b>	<b>3,096,585</b>
<b>Departmental net debt - End of year</b>	<b><u>\$ 3,031,682</u></b>	<b><u>\$ 2,838,775</u></b>

The accompanying notes form an integral part of these financial statements.

# Prairies Economic Development Canada

## Statement of Cash Flows (*Unaudited*)

For the Year Ended March 31

(in dollars)

	2025	2024
<b>Operating activities</b>		
Net cost of operations before government funding and transfers	\$ 326,523,052	\$ 304,488,388
Non-cash items:		
Amortization of tangible capital assets	(280,825)	(280,825)
Services provided without charge by other government departments (note 12)	(5,646,034)	(5,667,284)
Variations in Statement of Financial Position:		
Increase (decrease) in accounts receivable and advances	12,998	(199,041)
Increase (decrease) in prepaid expenses	29,316	(17,219)
Decrease (increase) in accounts payable and accrued liabilities	30,233,743	68,399,214
Decrease (increase) in vacation pay and compensatory leave	(35,826)	249,840
Decrease (increase) in employee future benefits	(156,074)	31,335
Transfer of assets from other government departments (note 13)	(23,135)	(12,451)
<b>Cash used in operating activities</b>	<b>350,657,215</b>	<b>366,991,957</b>
<b>Net cash provided by Government of Canada</b>	<b>\$ 350,657,215</b>	<b>\$ 366,991,957</b>

The accompanying notes form an integral part of these financial statements.

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# Prairies Economic Development Canada

## Notes to the Financial Statements (*Unaudited*)

### For the Year Ended March 31

#### 1. Authority and Objectives

Western Economic Diversification Canada (WD) was established in 1987 to promote growth and diversification in the economy of the West. In August 2021, WD's operating name was changed to Prairies Economic Development Canada (PrairiesCan). PrairiesCan promotes the economic growth and diversification in the economy of the prairie provinces (Alberta, Saskatchewan and Manitoba). PrairiesCan also advances the interests of the prairie provinces in national economic policy, program and project development and implementation. The Minister of Emergency Management and Community Resilience is responsible for PrairiesCan.

PrairiesCan's mandate, enabled by the Western Economic Diversification Act, is to grow and diversify the economy of the Prairies and to advance the interests of western Canada in national economic policy, program and project development and implementation. This broad mandate allows the department to deliver a wide range of initiatives across the Prairies and make strategic investments to build on regional competitive advantages. PrairiesCan also contributes to Government of Canada priorities and ministerial mandate letter commitments.

PrairiesCan builds upon the foundation created by WD. Since 2011, the department has touched over 1,080 communities, over 6,600 for-profits, over 3,900 not-for-profits, and supported 302,000 jobs.

This focus on the Prairies enables the department to foster strong partnerships with business and community organizations, research and academic institutions, Indigenous Peoples, and provincial and municipal governments. These connections help PrairiesCan reflect Prairie perspectives in national decision-making.

PrairiesCan is strengthening its four roles in the service of businesses and communities in Manitoba, Saskatchewan, and Alberta. These four roles are:

- Investor: create jobs and growth through strategic investments and targeted initiatives
- Convenor: connect economic actors to support collaboration and growth
- Advisor: inform economic decision-making and advocate for Prairie interests
- Pathfinder: help people navigate federal economic programs and services

We are proud to be able to assist the people of the Prairies to grow, transform, and achieve long-term success.

PrairiesCan promotes growth and diversification in the economy of the Prairies (Manitoba, Saskatchewan and Alberta) by enhancing innovation, improving business competitiveness and promoting the adoption of clean technologies, and inclusive growth.

The department's core responsibility is complemented by three departmental results:

1. Businesses are growing in the Prairies;
2. Communities are developing economically in the Prairies; and
3. Businesses are commercializing technology and adopting it in the Prairies.

The department's core responsibility, 'Economic Development in the Prairies,' primarily contributes to the "Prosperity" domain of the Quality of Life Framework for Canada and, more specifically, four indicators:

1. Gross Domestic Product (GDP) per capita;
2. Employment;
3. Productivity; and
4. Firm growth.

It also contributes to the "Environment" domain to a lesser extent, along with the cross-cutting sub-domains of "Fairness and Inclusion" and "Sustainability and Resilience" through investments in the clean economy and inclusive economic growth.

PrairiesCan's strategic outcome is advanced through the following programs:

- **Innovation:** Prairie businesses are innovative;
- **Business Growth:** Prairie businesses are competitive and export their products/services;
- **Business Services:** Prairie businesses have access to advisory services and capital;
- **Community Initiatives:** Prairie community economic development is supported; and
- **Internal Services:** Effective and efficient support for advancing the department's strategic outcome.

Prairies Economic Development Canada  
**Notes to the Financial Statements (Unaudited)**  
For the Year Ended March 31

**2. Summary of significant accounting policies**

These financial statements are prepared using the department's accounting policies stated below, which are based on Canadian Public Sector Accounting Standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Significant accounting policies are as follows:

(a) Parliamentary authorities

PrairiesCan is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to PrairiesCan do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and Departmental Net Financial Position and in the Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament.

Note 3 provides a reconciliation between the bases of reporting. The planned results amounts in the "Expenses" and "Revenues" sections of the Statement of Operations and Departmental Net Financial Position are the amounts reported in the Future-oriented Statement of Operations included in the 2024-2025 Departmental Plan. Planned results are not presented in the "Government funding and transfers" section of the Statement of Operations and Departmental Net Financial Position and in the Statement of Change in Departmental Net Debt because these amounts were not included in the 2024-2025 Departmental Plan.

(b) Net cash provided by Government

PrairiesCan operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by PrairiesCan is deposited to the CRF, and all cash disbursements made by PrairiesCan are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements, including transactions between departments of the Government.

(c) Amounts due from or to the CRF

Amounts due from or to the CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that PrairiesCan is entitled to draw from the CRF without further authorities to discharge its liabilities.

#### (d) Revenues

Revenues are comprised of revenues earned from non-tax sources. They include exchange transactions where goods or services are provided for consideration where a performance obligation exists, and non-exchange transactions where no performance obligations exist to provide a good or service. These transactions can be recurring or non-recurring in nature. Recurring transactions are viewed as ongoing, routine activities that form part of the normal course of operations and can be used to indicate if they can be reasonably expected to be earned again in future years.

Revenues are recognized in the period the event giving rise to the revenues occurred.

Revenues that are non-respendable are not available to discharge PrairiesCan's liabilities. While the Departmental Deputy Head is expected to maintain accounting control, she has no authority regarding the disposition of non-respendable revenues. As a result, non-respendable revenues are earned on behalf of the Government of Canada and are therefore presented as a reduction of the entity's gross revenues. Revenues earned on behalf of Government consist of the sale of services and gains on the sale of assets. These are recognized when earned.

#### (e) Expenses

Transfer payments are recorded as an expense in the year the transfer is authorized and all eligibility criteria have been met by the recipient.

Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.

Services provided without charge by other government departments for accommodation, employer contributions to the health and dental insurance plans, legal services and workers' compensation are recorded as operating expenses at their carrying value.

#### (f) Employee future benefits

- I. Pension benefits: Eligible employees participate in the Public Service Pension Plan (The *Public Service Superannuation Act*), a multiemployer pension plan administered by the Government. PrairiesCan's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. PrairiesCan's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.
- II. Severance benefits: The accumulation of severance benefits for voluntary departures ceased for applicable employee groups. The remaining obligation for employees who did not withdraw benefits is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

## (g) Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights, and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. PrairiesCan recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of accounts and loans receivable, and accounts payable and accrued liabilities.

All financial assets and liabilities are recorded at cost or amortized cost. Any associated transaction costs are added to the carrying value upon initial recognition. For financial instruments measured at amortized cost, the effective interest method is used to determine interest revenue or expense.

See Note 11 Risk Management for risks related to PrairiesCan's financial instruments.

Accounts and loans receivable are initially recorded at cost and where necessary, are discounted to reflect their concessionary terms. Concessionary terms of loans include cases where loans are made on a long-term, low interest or interest-free basis or include forgiveness clauses. Unconditionally repayable contributions are recognized as loans receivable. When necessary, an allowance for valuation is recorded to reduce the carrying value of accounts and loans receivable to amounts that approximate their net recoverable value. Loans receivable are subsequently measured at amortized cost.

## (h) Non-financial assets

The costs of acquiring land, buildings, equipment and other capital property are capitalized as tangible capital assets and, except for land, are amortized to expense over the estimated useful lives of the assets, as described in Note 8. All tangible capital assets and leasehold improvements having an initial cost of \$10,000 or more are recorded at their acquisition cost. Tangible capital assets do not include immovable assets located on reserves as defined in the *Indian Act*, works of art, museum collection and Crown land to which no acquisition cost is attributable; and intangible assets.

## (i) Contingent Liabilities

Contingent liabilities, including the allowance for guarantees, are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, a provision is accrued, and an expense recorded to other expenses. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

For guarantees, an allowance is recorded when it is determined that a loss is likely and the amount of the allowance is estimated taking into consideration the nature of the guarantee, loss experience and current conditions. The allowance is reviewed on an ongoing basis and changes in the allowance are recorded as expenses in the year they become known.

#### (j) Contingent assets

Contingent assets are possible assets which may become actual assets when one or more future events occur or fail to occur. If the future event is likely to occur or fail to occur, the contingent asset is disclosed in the notes to the financial statements.

#### (k) Measurement uncertainty

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported and disclosed amounts of assets, liabilities, revenues and expenses reported in the financial statements and accompanying notes at March 31. The estimates are based on facts and circumstances, historical experience, general economic conditions and reflect the Government's best estimate of the related amount at the end of the reporting period. The most significant items where estimates are used are allowance for doubtful accounts, the liability for employee future benefits, the useful life of tangible capital assets and unamortized discount related to unconditionally repayable contributions.

Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

#### (l) Related party transactions

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions, other than restructuring transactions, are recorded on a gross basis, and are measured at the carrying amount, except for the following:

- i. Services provided on a recovery basis are recognized as revenues and expenses on a gross basis and measured at the exchange amount.
- ii. Certain services received on a without charge basis are recorded for departmental financial statement purposes at the carrying amount.

Prairies Economic Development Canada  
**Notes to the Financial Statements (Unaudited)**  
For the Year Ended March 31

**3. Parliamentary authorities**

PrairiesCan receives most of its funding through annual parliamentary authorities. Items recognized in the Statement of Operations and Departmental Net Financial Position and the Statement of Financial Position in one year may be funded through parliamentary authorities in prior, current, or future years. Accordingly, PrairiesCan has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

**(a) Reconciliation of net cost of operations to current year authorities used**

	2025	2024
	(in dollars)	
Net cost of operations before government funding and transfers	\$ 326,523,052	\$ 304,488,388
Adjustments for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(280,825)	(280,825)
Services provided without charge by other government departments	(5,646,034)	(5,667,284)
Decrease (increase) in vacation pay and compensatory leave	(35,826)	249,840
Decrease (increase) in employee future benefits	(156,074)	31,335
Decrease (increase) in accrued liabilities not charged to authorities	1,783,167	5,917,875
Refund of prior years' expenditures	2,342,882	1,962,029
Services to other government departments	(2,326,504)	(4,083,683)
Other	522,177	601,134
Total items affecting net cost of operations but not affecting authorities	(3,797,037)	(1,269,579)
Adjustments for items not affecting net cost of operations but affecting authorities:		
Unconditionally repayable transfer payments	39,907,266	74,395,472
Increase in employee advances	31,551	10,472
Increase (decrease) in prepaid expenses	29,316	(17,219)
Total items not affecting net cost of operations but affecting authorities	39,968,133	74,388,725
<b>Current year authorities used</b>	<b>\$ 362,694,148</b>	<b>\$ 377,607,534</b>

Prairies Economic Development Canada  
**Notes to the Financial Statements (Unaudited)**  
For the Year Ended March 31

**(b) Authorities provided and used**

	2025	2024
	(in dollars)	
<b>Authorities provided:</b>		
Vote 1 - Operating expenditures	\$ 47,866,086	\$ 49,320,994
Vote 5 - Transfer payments	312,630,900	374,975,943
Statutory amounts	5,171,002	5,456,533
<b>Less:</b>		
Lapsed: Operating	(2,395,369)	(4,615,913)
Lapsed: Transfer payments	(578,471)	(47,530,023)
<b>Current year authorities used</b>	<b>\$ 362,694,148</b>	<b>\$ 377,607,534</b>

**4. Accounts payable and accrued liabilities**

The following table presents details of PrairiesCan's accounts payable and accrued liabilities:

	2025	2024
	(in dollars)	
Accounts payable - Other government departments and agencies	\$ 795,868	\$ 1,063,496
Accounts payable - External parties	101,412,330	135,608,551
Total accounts payable	102,208,198	136,672,047
Accrued liabilities	7,955,005	3,724,899
<b>Total accounts payable and accrued liabilities</b>	<b>\$110,163,203</b>	<b>\$ 140,396,946</b>

Prairies Economic Development Canada  
**Notes to the Financial Statements (Unaudited)**  
For the Year Ended March 31

**5. Employee future benefits**

**a) Pension benefits**

PrairiesCan's employees participate in the Public Service Pension Plan (the "Plan"), which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plan benefits and they are indexed to inflation.

Both the employees and PrairiesCan contribute to the cost of the Plan. Due to the amendment of the Public Service Superannuation Act following the implementation of provisions related to Economic Action Plan 2012, employee contributors have been divided into two groups – Group 1 related to existing plan members as of December 31, 2012 and Group 2 relates to members joining the Plan as of January 1, 2013. Each group has a distinct contribution rate.

The 2024-2025 expense amounts to \$3,312,273 (\$3,230,814 in 2023-2024). For Group 1 members, the expense represents approximately 1.02 times (1.02 times in 2023-2024) the employee contributions and, for Group 2 members, approximately 1.00 times (1.00 times in 2023-2024) the employee contributions.

PrairiesCan's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the Consolidated Financial Statements of the Government of Canada, as the Plan's sponsor.

**b) Severance benefits**

Severance benefits provided to PrairiesCan's employees were previously based on an employee's eligibility, years of service and salary at termination of employment. However, since 2011 the accumulation of severance benefits for voluntary departures progressively ceased for substantially all employees. Employees subject to these changes were given the option to be paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits upon departure from the public service. By March 31, 2018, substantially all settlements for immediate cash out were completed. Severance benefits are unfunded and, consequently, the outstanding obligation will be paid from future authorities.

The changes in the obligations during the year were as follows:

	2025	2024
	(in dollars)	
<b>Accrued benefit obligation - Beginning of year</b>	<b>\$ 591,891</b>	<b>\$ 623,226</b>
Expense for the year	274,835	4,159
Benefits paid during the year	(118,761)	(35,494)
<b>Accrued benefit obligation - End of year</b>	<b>\$ 747,965</b>	<b>\$ 591,891</b>

Prairies Economic Development Canada  
**Notes to the Financial Statements (Unaudited)**  
For the Year Ended March 31

**6. Accounts receivable and advances**

The following table presents details of PrairiesCan's accounts receivable and advances balances:

	2025	2024
	(in dollars)	
Receivables - Other government departments and agencies	\$ 30,996	\$ 44,146
Receivables - External parties	88,062	3,822,611
Employee advances	50,506	23,351
Subtotal	169,564	3,890,108
Allowance for doubtful accounts on receivables from external parties	(4,437)	0
<b>Gross accounts receivable</b>	<b>\$ 165,127</b>	<b>\$ 3,890,108</b>
Accounts receivable held on behalf of Government	(84,846)	(3,822,825)
<b>Net accounts receivable</b>	<b>\$ 80,281</b>	<b>\$ 67,283</b>

Employee advances totalling \$23,135 were transferred from other government departments to PrairiesCan during 2024-2025 (\$12,451 in 2023-2024). Refer to note 13 for further details.

The following table provides an aging analysis of accounts receivable from external parties and the associated valuation allowances used to reflect their net recoverable value.

	2025	2024
	(in dollars)	
Accounts receivable from external parties		
Not past due	\$ 2,028	\$ 3,688,491
Number of days past due		
1 to 30	85,866	133,952
Over 365	168	168
<b>Total</b>	<b>\$ 88,062</b>	<b>\$ 3,822,611</b>

Prairies Economic Development Canada  
**Notes to the Financial Statements (Unaudited)**  
For the Year Ended March 31

**7. Loans receivable**

The following table presents details of PrairiesCan's loans and unconditionally repayable contribution balances:

	2025	2024
	(in dollars)	
Loans receivable		
Unconditionally repayable contributions	\$637,536,599	\$673,875,531
Accrued interest - unconditionally repayable transfer payments	4,019,434	2,326,043
Less: Unamortized discount	<u>(34,306,078)</u>	<u>(53,710,489)</u>
Subtotal	607,249,955	622,491,085
Transfer payments recoverable	<u>5,303,955</u>	<u>3,156,913</u>
Subtotal	612,553,910	625,647,998
Less: Allowance for uncollectibility	<u>(302,541,309)</u>	<u>(264,438,876)</u>
<b>Gross loans receivable</b>	<b>310,012,601</b>	<b>361,209,122</b>
Loans receivable held on behalf of Government	<u>(310,012,601)</u>	<u>(361,209,122)</u>
<b>Net loans receivable</b>	<b>\$ 0</b>	<b>\$ 0</b>

**Unconditionally repayable contributions**

The unconditionally repayable contributions portfolio consists of 2,828 non-interest-bearing loans issued in the years from 2010 to 2025, with prescribed repayment terms. The loans are recorded at their discounted net present values using market interest rates at the time of the loans. An allowance of \$294,668,114 (\$260,205,491 in 2023-2024) has been recorded.

With respect to interest charged on unconditionally repayable transfer payments, an allowance of \$2,704,515 (\$1,350,437 in 2023-2024) has been recorded.

**Transfer payments recoverable**

Transfer payments recoverable relate to payments made to outside parties which are repayable based on conditions specified in the contribution agreement that have come into being. An allowance of \$5,168,680 (\$2,882,948 in 2023-2024) has been recorded.

**Prairies Economic Development Canada**  
**Notes to the Financial Statements (Unaudited)**  
**For the Year Ended March 31**  
*(in dollars)*

**8. Tangible capital assets**

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset Class	Amortization Period
Machinery and equipment	10 years
Computer software	7 years
Leasehold improvements	Lesser of the remaining term of lease or useful life of the improvement

Capital asset class	Cost				Closing balance
	Opening Balance	Acquisitions	Adjustments	Disposals and Write-Offs	
Machinery and equipment	\$ 141,580	\$ 0	\$ 0	\$ 0	\$ 141,580
Computer software	3,771,607	0	0	0	3,771,607
Leasehold improvements	29,720	0	0	0	29,720
<b>Total</b>	<b>\$3,942,907</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$3,942,907</b>

	Accumulated Amortization				Closing Balance
	Opening Balance	Amortization	Adjustments	Disposals and Write-Offs	
	\$ 78,002	\$ 9,732	\$ 0	\$ 0	\$ 87,734
	2,393,548	271,093	0	0	2,664,641
	29,720	0	0	0	29,720
<b>Total</b>	<b>\$2,501,270</b>	<b>\$ 280,825</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$2,782,095</b>

	Net Book Value	
	2025	2024
	\$ 53,846	\$ 63,578
	1,106,966	1,378,059
<b>Total</b>	<b>\$1,160,812</b>	<b>\$1,441,637</b>

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**9. Contractual obligations**

The nature of PrairiesCan's activities may result in some large multi-year contracts and obligations whereby PrairiesCan will be obligated to make future payments in order to carry out its transfer payment programs or when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

	2026	2027	2028	2029	2030 and thereafter	Total
	(in dollars)					
Transfer payments						
Western Diversification Program	\$ 56,394,849	\$ 21,534,791	\$ 9,515,340	\$ 4,817,540	\$ 13,105,010	\$ 105,367,530
Community Futures Program	17,667,868	0	0	0	0	17,667,868
Growth through Regional Innovation Program (known as Regional Economic Growth through Innovation)	116,591,648	40,063,408	3,311,325	7,540	0	159,973,921
Women's Enterprise Initiative	2,925,000	0	0	0	0	2,925,000
<b>Total</b>	<b>\$193,579,365</b>	<b>\$ 61,598,199</b>	<b>\$ 12,826,665</b>	<b>\$ 4,825,080</b>	<b>\$ 13,105,010</b>	<b>\$285,934,319</b>

Prairies Economic Development Canada  
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For the Year Ended March 31

**10. Revenues**

PrairiesCan has the following major types of revenues: Amortization of discount, services to other government departments, interest, other and revenues earned on behalf of the Government. Amortization of discount, interest, other fees and charges and miscellaneous revenues are recorded when they are earned. Services to other government departments and gain on disposal of non-capital assets are recorded when the performance obligations are satisfied.

**(a) Disaggregated revenues**

	2025	2024
	(in dollars)	
Revenues		
Amortization of discount (non-exchange)	\$19,404,411	\$ 6,207,750
Services to other government departments (exchange)	2,326,504	4,083,683
Interest (non-exchange)	2,024,928	783,001
Other		
Other fees and charges (exchange and non-exchange)	60,450	13,355
Miscellaneous (non-exchange)	15	0
Total other	60,465	13,355
Revenues earned on behalf of Government (exchange and non-exchange)	(23,816,308)	(11,087,789)
<b>Total revenues</b>	<b>\$ 0</b>	<b>\$ 0</b>

**11. Risk management**

PrairiesCan has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk.

**(a) Credit Risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss.

PrairiesCan's maximum exposure to credit risk at March 31, 2025 and March 31, 2024 is the carrying amount of its financial assets.

Prairies Economic Development Canada  
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For the Year Ended March 31

PrairiesCan has determined that there is no significant concentration of credit risk related to accounts receivable from external parties. An analysis of the age of these financial assets and the associated valuation allowances used to reflect these accounts at their net recoverable value is disclosed in Note 6.

PrairiesCan intentionally takes on counterparty risk related to certain loans receivable with concessionary terms in order to support various policy aims. Valuation allowances are applied accordingly to reflect these accounts at their net recoverable value, as explained in Note 7.

**(b) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

**i) Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates.

PrairiesCan has determined that there is no significant concentration of currency risk related to foreign denominated financial instruments.

**ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. PrairiesCan's unconditional repayable contributions and transfer payments recoverable are non-interest bearing instruments. Although the fair value of these financial instruments will be affected by changes in market interest rates, there is no impact on PrairiesCan's financial statements as these items are measured at cost or amortized cost.

**(c) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities.

As the funding for PrairiesCan's financial liabilities is drawn from the Consolidated Revenue Fund, its exposure to liquidity risk is fully mitigated.

Prairies Economic Development Canada  
**Notes to the Financial Statements (Unaudited)**  
For the Year Ended March 31

**12. Related party transactions**

PrairiesCan is related as a result of common ownership to all government departments, agencies and Crown corporations. Related parties also include individuals who are members of key management personnel or close family members of those individuals, and entities controlled by, or under shared control of, a member of key management personnel or a close family member of that individual.

PrairiesCan enters into transactions with these entities in the normal course of business and on normal trade terms.

**(a) Common services provided without charge by other government departments**

During the year, PrairiesCan received services without charge from certain common service organizations, related to accommodation and the employer's contribution to the health and dental insurance plans. These services provided without charge have been recorded at the carrying value in PrairiesCan's Statement of Operations and Departmental Net Financial Position as follows:

	2025	2024
	(in dollars)	
Employer's contribution to the health and dental insurance plans	\$ 3,498,282	\$ 3,524,694
Accommodation	2,147,752	2,142,590
<b>Total</b>	<b>\$ 5,646,034</b>	<b>\$ 5,667,284</b>

The Government has centralized some of its administrative activities for efficiency, cost-effectiveness purposes and economic delivery of programs to the public. As a result, the Government uses central agencies and common service organizations so that one department performs services for all other departments and agencies without charge. The costs of these services, such as the payroll and cheque issuance services provided by Public Services and Procurement Canada and audit services provided by the Office of the Auditor General are not included in PrairiesCan's Statement of Operations and Departmental Net Financial Position.

Prairies Economic Development Canada  
**Notes to the Financial Statements (Unaudited)**  
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**(b) Administration of programs on behalf of other government departments**

Under separate interdepartmental letters of agreement signed with the Department of Indigenous Services Canada (ISC) on September 22, 2022 and October 8, 2024, PrairiesCan administers the Strategic Partnerships Initiative for Indigenous communities to participate in developing clean energy. During the year, PrairiesCan incurred expenses of \$977,917 (\$752,450 in 2023-2024) for the clean energy initiative. These expenses are reflected in the financial statements of ISC and are not recorded in these financial statements.

Under separate interdepartmental letters of agreement signed with ISC on April 28, 2023 and the Department of Natural Resources Canada (NRCAN) on June 28 2024, PrairiesCan administers the Strategic Partnerships Initiative for Indigenous communities to participate in developing critical minerals. During the year, PrairiesCan incurred expenses of \$1,633,833 (\$1,693,383 in 2023-2024) for the critical minerals partnership initiative. These expenses are reflected in the financial statements of ISC and NRCAN and are not recorded in these financial statements.

	2025	2024
	(in dollars)	
Strategic Partnerships Initiative	\$ 2,611,750	\$ 2,445,833
Total	<b>\$ 2,611,750</b>	<b>\$ 2,445,833</b>

**(c) Other transactions with other government departments and agencies**

	2025	2024
	(in dollars)	
Accounts receivable	\$ 30,996	\$ 44,146
Accounts payable	795,868	1,063,496
Expenses	401,568	1,384,685
Revenues	2,326,504	4,083,683

Expenses and revenue disclosed in (c) exclude common services provided without charge, which are already disclosed in (a).

Prairies Economic Development Canada  
**Notes to the Financial Statements (Unaudited)**  
For the Year Ended March 31

**13. Transfers from/to other government departments**

	2025	2024
	(in dollars)	
<b>Assets:</b>		
Accounts receivable and advances (note 6)		
Transferred from Natural Resources Canada	\$ (13,383)	\$ 0
Transferred from Canada Border Services Agency	(11,133)	(462)
Transferred from Justice Canada	(1,255)	0
Transferred from Innovation, Science and Economic Development Canada	(716)	140
Transferred to Environment and Climate Change Canada	4	(3,262)
Transferred to Federal Economic Development Agency for Southern Ontario	82	0
Transferred to Public Services and Procurement Canada	3,266	0
Transferred from Indigenous Services Canada	0	(6,258)
Transferred from Canada Energy Regulator	0	(700)
Transferred from House of Commons Canada	0	(690)
Transferred from Employment and Social Development Canada	0	(524)
Transferred from Public Safety Canada	0	(503)
Transferred from Correctional Service Canada	0	(210)
Transferred to Agriculture and Agri-Food Canada	0	18
<b>Adjustment to the departmental net financial position</b>	<b>\$ (23,135)</b>	<b>\$ (12,451)</b>

## Prairies Economic Development Canada Notes to the Financial Statements (Unaudited)

For the Year Ended March 31

(in dollars)

### 14. Segmented information

Presentation by segment is based on PrairiesCan's core responsibility. The presentation by segment is based on the same accounting policies as described in the Summary of significant accounting policies in note 2. The following table presents the expenses incurred and revenues generated for the main core responsibilities, by major object of expense and by major type of revenue. The segment results for the period are as follows:

	Innovation	Community Initiatives	Business Growth	Business Services	Internal Services	2025 Total	2024 Total
Transfer payments							
Non-profit organizations	\$ 108,796,573	\$ 41,743,799	\$ 17,283,983	\$ 23,815,770	\$ 0	\$ 191,640,125	\$ 179,579,729
Other levels of governments within Canada	0	43,041,160	322,278	0	0	43,363,438	28,669,596
Industry	0	34,738,469	532,582	0	0	35,271,051	48,848,093
Transfer payment conditions met	0	(2,099,265)	0	0	0	(2,099,265)	(1,938,198)
Total transfer payments	108,796,573	117,424,163	18,138,843	23,815,770	0	268,175,349	255,159,220
Operating expenses							
Salaries and employee benefits	13,821,381	7,438,460	8,323,432	6,561,642	12,719,127	48,864,042	47,380,576
Bad debt expense	6,390,782	3,179,718	32,490,745	7,012	0	42,068,257	2,727,184
Professional and special services	131,631	14,271	57,623	2,302,815	1,687,419	4,193,759	5,459,360
Accommodation	596,216	345,573	345,574	292,953	567,436	2,147,752	2,142,590
Information	21,090	3,971	1,341	15,659	806,291	848,352	906,156
Rentals	13,788	8,796	29,932	8,075	770,181	830,772	845,584
Transportation and communication	317,686	48,802	73,374	55,380	299,854	795,096	908,966
Acquisition of machinery and equipment	2,521	737	1,655	3,384	313,037	321,334	998,485
Amortization of tangible capital assets	0	0	0	0	280,825	280,825	280,825
Utilities, materials and supplies	7,142	997	1,181	1,382	58,449	69,151	95,395
Other	900	3	0	0	2,048	2,951	2,677
Repairs and maintenance	0	0	0	0	(6,331)	(6,331)	114,327
Expenses incurred on behalf of Government	(6,390,782)	(3,179,718)	(32,490,745)	(7,012)	0	(42,068,257)	(12,532,957)
Total operating expenses	14,912,355	7,861,610	8,834,112	9,241,290	17,498,336	58,347,703	49,329,168
Total expenses	123,708,928	125,285,773	26,972,955	33,057,060	17,498,336	326,523,052	304,488,388
Revenues							
Amortization of discount	7,482,363	4,967,919	6,954,129	0	0	19,404,411	6,207,750
Services to other government departments	0	0	0	0	2,326,504	2,326,504	4,083,683
Interest	654,122	1,248,124	122,682	0	0	2,024,928	783,001
Other	420	59,790	255	0	0	60,465	13,355
Revenues earned on behalf of Government	(8,136,905)	(6,275,833)	(7,077,066)	0	(2,326,504)	(23,816,308)	(11,087,789)
Total revenues	0	0	0	0	0	0	0
<b>Net cost from continuing operations</b>	<b>\$ 123,708,928</b>	<b>\$ 125,285,773</b>	<b>\$ 26,972,955</b>	<b>\$ 33,057,060</b>	<b>\$ 17,498,336</b>	<b>\$ 326,523,052</b>	<b>\$ 304,488,388</b>

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## **Summary of the assessment of effectiveness of the systems of internal control over financial reporting and the action plan of Prairies Economic Development Canada for fiscal year 2024-2025 (unaudited)**

Annex to the Statement of Management Responsibility Including Internal Control Over Financial Reporting (unaudited)

## 1. Introduction

In support of an effective system of internal control, Prairies Economic Development Canada (PrairiesCan) annually assesses the performance of its financial controls to ensure that:

- financial arrangements or contracts are entered into only when sufficient funding is available
- payments for goods and services are made only when the goods or services have been received or the conditions of contracts or other arrangements have been satisfied
- payments have been properly authorized

PrairiesCan will leverage the results of planned self-assessment exercises in addition to any of the periodic core control audits performed by the Office of the Comptroller General. Below is a summary of the results of the self-assessment conducted during the 2024 to 2025 fiscal year.

## 2. Assessment results for the 2024 to 2025 fiscal year

For the most part, controls related to payment for goods and services and payment authority were functioning well and form an adequate basis for the department's system of internal control.

In the current year there were no significantly amended key controls which required a reassessment.

The department conducted on-going monitoring as follows:

- Completed as planned and remedial actions partially commenced – Pay Administration, Financial Management Governance, and Travel.
- Action plans will be completed by December 31, 2025.

## 3. Assessment plan

PrairiesCan will continue to monitor the performance of its system of internal control, with a focus on the core controls related to financial transactions. The department will address items identified for remedial action.