



Federal Economic Development
Agency for Northern Ontario

Agence fédérale de développement
économique pour le Nord de l'Ontario

Federal Economic Development Agency for Northern Ontario: Quarterly Financial Report for the Quarter ended September 30, 2023

Canada

This publication is available online at
<https://fednor.canada.ca/en/transparency/quarterly-financial-report-quarter-ended-september-30-2023>

To obtain a copy of this publication, or to receive it in an alternate format (Braille, large print, etc.), please contact:

FedNor Communications
Federal Economic Development Agency for Northern Ontario
19 Lisgar Street
Suite 307
Sudbury, ON P3E 3L4
Canada

Telephone (toll-free in Canada): 1-877-333-6673
TTY (for hearing impaired): 1-866-694-8389
Business hours: 8:30 a.m. to 5:00 p.m. (Eastern Time)
Email: fednormediarelations-relationsaveclesmediasfednor@ised-isde.gc.ca

Permission to Reproduce

Except as otherwise specifically noted, the information in this publication may be reproduced, in part or in whole and by any means, without charge or further permission from Federal Economic Development Agency for Northern Ontario, provided that due diligence is exercised in ensuring the accuracy of the information reproduced; that Federal Economic Development Agency for Northern Ontario is identified as the source institution; and that the reproduction is not represented as an official version of the information reproduced or as having been made in affiliation with, or with the endorsement of, Federal Economic Development Agency for Northern Ontario.

For permission to reproduce the information in this publication for commercial purposes, please contact FedNor Communications mentioned above.

© His Majesty the King in Right of Canada, as represented by the Minister of Indigenous Services and Minister responsible for the Federal Economic Development Agency for Northern Ontario.

Cat. No. Iu91-2/2E-PDF
ISSN 2817-4372

Aussi offert en français sous le titre Agence fédérale de développement économique pour le Nord de l'Ontario : Rapport financier trimestriel pour le trimestre terminé le 30 septembre 2023.

**Federal Economic Development Agency for Northern Ontario (FedNor)
Quarterly Financial Report
Outlining Results, Risks and Significant Changes in
Operations, Personnel and Programs**

For the Quarter ended September 30, 2023

1. Introduction

This Quarterly Financial Report (QFR) has been prepared by management as required by the Federal Economic Development Agency for Northern Ontario (FedNor) under section 65.1 of the *Financial Administration Act*, in the form and manner prescribed by the Treasury Board.

This report must be read in conjunction with the Main Estimates and Supplementary Estimates (as applicable) for the fiscal year 2023-24. These documents provide a brief description of FedNor's mandate and programs.

This report has not been subject to an external audit or review.

1.1 Authority, mandate and programs

FedNor was first created as a federal initiative within the Department of Industry in 1987 with a mandate to assist in the expansion and diversification of the economy of Northern Ontario. In fiscal year 2021-22, via [Orders in Council](#) dated August 6, 2021, and coming into force on August 12, 2021, (1) transferring from the Department of Industry to the Federal Economic Development Agency for Northern Ontario the control and supervision of that portion of the federal public administration in the Department of Industry known as the Federal Economic Development Initiative for Northern Ontario.

FedNor works to create opportunities for economic growth by helping businesses become more competitive, innovative and productive, by working with diverse communities to develop and diversify local economies, and by championing the strengths of the region.

A summary description of FedNor's core responsibilities can be found on its external [website](#) as well as in future Departmental Plans.

1.2 Basis of presentation

This quarterly report was prepared by FedNor 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 and Supplementary Estimates (as applicable) for the 2023-24 fiscal year. This 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.

Prior authority from Parliament is required before funds can be spent by the Government. Authorities available for use are given through appropriation acts in the form of annually approved limits, or through legislation in the form of statutory spending authorities for specific purposes.

FedNor uses the full accrual method of accounting to prepare and present its annual financial statements that make up part of the departmental results reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

1.3. Financial structure and definitions of the Federal Economic Development Agency for Northern Ontario (FedNor)

The following descriptions are referred to throughout the report:

- **Operating (Vote 1):** Amount approved for the fiscal year for the department to spend on salary and operating expenditures.
- **Grants and contributions (Vote 5):** Amount approved for the fiscal year for the department to provide grant and contribution (G&C) funding to prospective recipients.
- **Authority:** Approvals from Parliament to spend up to a specific amount.
- **Employee benefit plan (EBP):** The department's contribution to public service employee benefit plans.

2. Highlights of fiscal quarter and fiscal year-to-date (YTD) results

This section highlights significant changes to the fiscal quarter results as of September 30, 2023. For more details on FedNor's statement of authorities, see Appendix 6.1: Statement of authorities.

Statement of authorities: Vote 1 – Net operating expenditures

As of September 30, 2023, total authorities available for fiscal year 2023-24 are \$16.90 million, compared with \$12.91 million as of September 30, 2022. This represents an increase of \$3.9 million (30.2%) this year.

The variance consists of a number of items, some of which varied upward, others downward, resulting in a net increase of \$3.9 million. The most significant variances are:

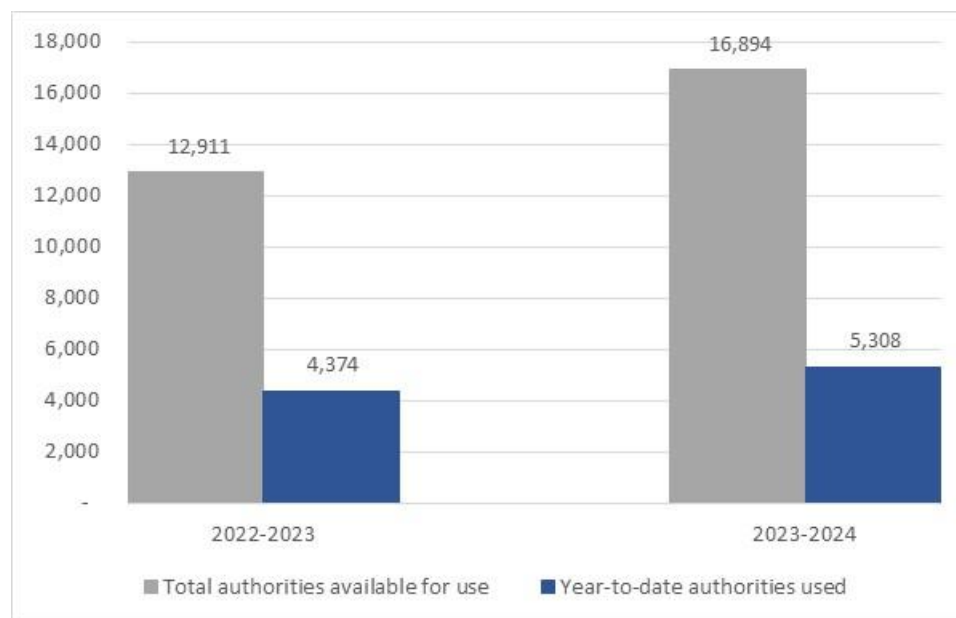
- **Increase in funding (+\$5.2M)**
 - Standalone agency: \$4.6M
 - Northern Ontario Development Program: \$282K
 - Previous fiscal year carry forward: \$299K
- **Decrease in funding (-\$1.2M)**
 - Tourism Relief Fund: -\$695K
 - Canada Community Revitalization Fund: -\$510K

Vote 1 authorities used year-to-date are \$5.31 million at the end of the second quarter this fiscal year, with no significant variance compared to \$4.37 million as of September 30, 2022.

Graph 1 illustrates the total authorities available for use for the year, as well as the amount used year-to-date at quarter end.

Graph 1: Comparison of Net Budgetary Authorities and Expenditures for Vote 1 as of September 30, 2022-2023 and 2023-2024.

(in thousands of dollars)



Statement of authorities: Vote 5 – Grants and contributions

As of September 30, 2023, total authorities available for fiscal year 2023-24 are \$52.73 million, compared with \$109.62 million as of September 30, 2022. This represents a decrease of \$56.9 million (51.9%) this year.

This variance consists of a number of items, some of which varied upward, others downward, resulting in a net decrease of \$56.9 million. The most significant variances are:

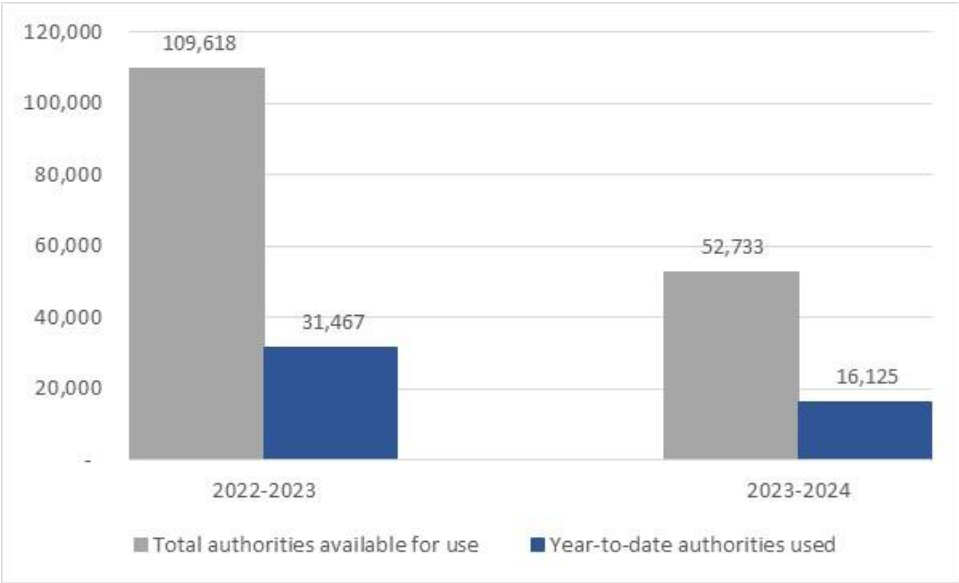
- **Decrease in funding (-\$61.5M)**
 - Tourism Relief Fund: - \$15.0M
 - Canada Community Revitalization Fund: - \$9.4M
 - REGI Top-Up: - \$4.1M
 - Previous year funding reprofiled into 2022-23: - \$18.7M
 - Job & Growth Fund: - \$3.6M
 - Refund of previous year advance: - \$9.5M
 - Women Entrepreneurship Strategy: - \$1.0M
 - Other: - \$0.2K
- **Increase in funding (+\$4.6M)**
 - Northern Ontario Development Program: \$4.6M

Total authorities used during the second quarter ended September 30, 2023 were \$5.33 million as compared to the \$11.52 million for the same period last year. The decrease of \$6.19 million can be mainly attributed to the timing of processing claims for payments and a decrease in funding.

Graph 2 illustrates the total authorities available for use for the year, as well as the amount used year-to-date at quarter end.

Graph 2: Comparison of Net Budgetary Authorities and Expenditures for Vote 5 as of September 30, 2022-2023 and 2023-2024.

(in thousands of dollars)



3. Risks and uncertainties

FedNor has a Memorandum of Understanding with Innovation, Science and Economic Development Canada (ISED) to continue providing internal services to FedNor, including systems support, information technology support, and security services.

In terms of transfer payment program and transfer payment recipient risk, FedNor transfers funds to recipients each year, while balancing program and recipient risks to deliver on its mandate. FedNor undertakes risk assessments on new, existing and reformed programs, as well as an annual general assessment of each recipient to identify areas of risk. As the majority of grant and contribution funding is being provided through existing programs with well-functioning internal controls, the department continues to seek improvements to enhance those controls as it transitions.

From an internal management perspective, FedNor will continue to monitor, and when required, develop clear mitigation actions towards its financial risks.

4. Significant changes in relation to operations, personnel and programs

There have been no significant changes during the second quarter of the fiscal year 2023-24.

5. Approval of senior officials

The purpose of this section is to provide the approval of senior officials, as required by the Policy on Financial Management, as follows:

Approved by:

Original signed by

Valerie Gideon
President

November X, 2023

Original signed by

Lisa Furtado, CPA, CMA
Chief Financial Officer

November X, 2023

6. Appendices

6.1 Statement of authorities (unaudited)

Fiscal Year 2023-24

	Fiscal Year 2023–24		
	Total available for use for the year ending March 31, 2024 ⁽¹⁾	Used during the quarter ended September 30, 2023	Year to date used at quarter end
<i>(in thousands of dollars)</i>			
Vote 1 - Operating expenditures	16,894	3,148	5,308
Vote 1 - Net Operating Expenditures	16,894	3,148	5,308
Vote 5 - Grants and contributions	52,733	5,334	16,125
Total voted authorities	69,627	8,482	21,433
Employee Benefit Plans	2,032	508	1,016
Total budgetary statutory authorities	2,032	508	1,016
Total authorities	71,659	8,990	22,449

⁽¹⁾ Includes only authorities available for use and granted by Parliament at quarter-end.

Fiscal year 2022-23

	Fiscal Year 2022–23		
<i>(in thousands of dollars)</i>	Total available for use for the year ending March 31, 2023 ⁽¹⁾	Used during the quarter ended September 30, 2022	Year to date used at quarter end
Vote 1 - Operating expenditures	12,911	2,456	4,374
Vote 1 - Net Operating Expenditures	12,911	2,456	4,374
Vote 5 - Grants and contributions	109,618	11,526	31,467
Total voted authorities	122,529	13,982	35,841
Employee Benefit Plans	1,624	541	946
Total budgetary statutory authorities	1,624	541	946
Total authorities	124,153	14,523	36,787

⁽¹⁾ Includes only authorities available for use and granted by Parliament at quarter-end.

6.2 Departmental budgetary expenditures by standard object (unaudited)

Fiscal Year 2023-24

(in thousands of dollars)

	Fiscal Year 2023–24		
	Planned expenditures for the year ending March 31, 2024 ⁽¹⁾	Expended during the quarter ended September 30, 2023	Year to date used at quarter end
Expenditures:			
Personnel	15,402	2,793	5,270
Transportation and communications	351	155	202
Information	1,638	62	73
Professional and special services	1,307	571	695
Rentals	120	2	2
Repair and maintenance	26	27	30
Utilities, materials and supplies	5	12	14
Acquisition of machinery and equipment	77	34	38
Transfer payments	52,733	5,334	16,125
Total gross budgetary expenditures	71,659	8,990	22,449
Total net budgetary expenditures	71,659	8,990	22,449

⁽¹⁾ Includes only authorities available for use and granted by Parliament at quarter-end.

Fiscal year 2022-23

(in thousands of dollars)

	Fiscal Year 2022–23		
	Planned expenditures for the year ending March 31, 2023 ⁽¹⁾	Expended during the quarter ended September 30, 2022	Year to date used at quarter end
Expenditures:			
Personnel	12,779	2,807	5,062
Transportation and communications Information	119	27	62
Professional and special services	1,052	12	17
Rentals	332	133	154
Repair and maintenance	5	2	2
Utilities, materials and supplies	165	8	13
Acquisition of machinery and equipment	3	4	6
Transfer payments	80	4	4
	109,618	11,526	31,467
Total gross budgetary expenditures	124,153	14,523	36,787
Total net budgetary expenditures	124,153	14,523	36,787

⁽¹⁾ Includes only authorities available for use and granted by Parliament at quarter-end.