



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 December 31, 2023**

Canada 

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**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 December 31, 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, 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 December 31, 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**

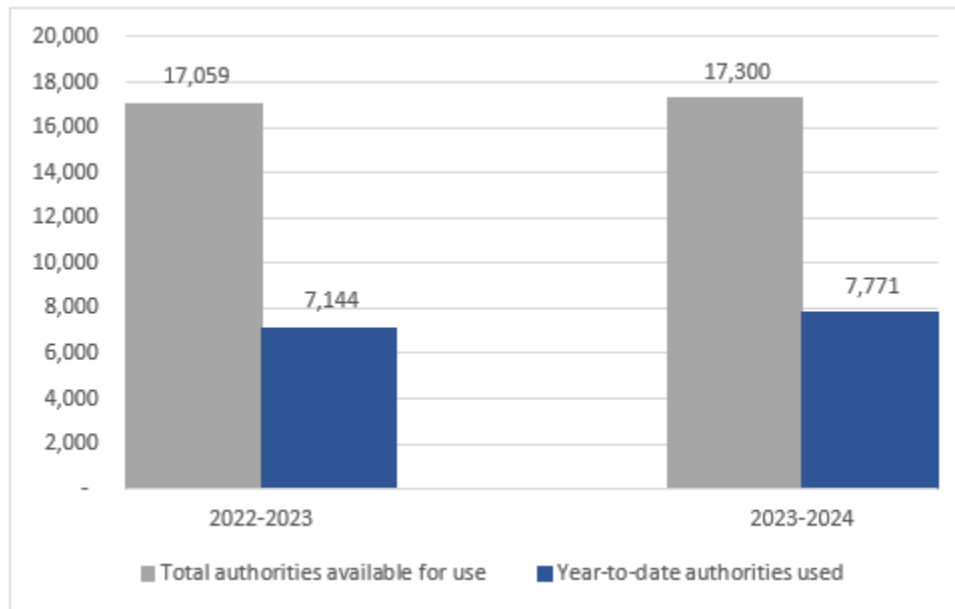
As of December 31, 2023, total authorities available for fiscal year 2023-24 are \$17.30 million, with no significant variance compared to \$17.06 million as of December 31, 2022.

Vote 1 authorities used during the third quarter ended December 31, 2023 were \$2.65 million with no significant variance compared to \$2.69 million as of December 31, 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 December 31, 2022-2023 and 2023-2024.**

*(in thousands of dollars)*



**Statement of authorities: Vote 5 – Grants and contributions**

As of December 31, 2023, total authorities available for fiscal year 2023-24 are \$57.87 million, compared with \$114.22 million as of December 31, 2022. This represents a decrease of \$56.35 million (49.3%) this year.

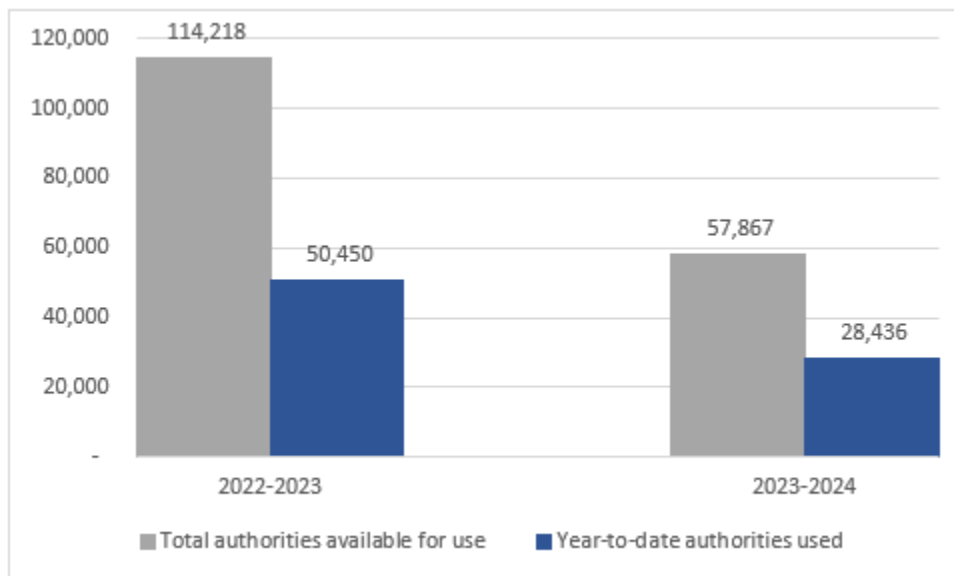
This variance consists of a number of items, some of which varied upward, others downward, resulting in a net decrease of \$56.35 million. The most significant variances are:

- **Decrease in funding (-\$57.4M)**
  - Tourism Relief Fund: - \$15.0M
  - Canada Community Revitalization Fund: - \$9.4M
  - 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: - \$0.2M
- **Increase in funding (+\$1.0M)**
  - Tourism Growth Program: \$1.0M

Total authorities used during the third quarter ended December 31, 2023 were \$12.31 million as compared to the \$18.98 million for the same period last year. The decrease of \$6.67 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 December 31, 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 will continue to seek improvements to enhance those controls.

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 third 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

\_\_\_\_\_  
February 13, 2024

Original signed by

\_\_\_\_\_  
**Lisa Furtado, CPA, CMA**  
Chief Financial Officer

\_\_\_\_\_  
February 8, 2024

## 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 <sup>(1)</sup>	Used during the quarter ended December 31, 2023	Year to date used at quarter end
<i>(in thousands of dollars)</i>			
Vote 1 - Operating expenditures	17,300	2,654	7,771
Vote 1 - Net Operating Expenditures	<b>17,300</b>	<b>2,654</b>	<b>7,771</b>
Vote 5 - Grants and contributions	57,867	12,311	28,436
<b>Total voted authorities</b>	<b>75,167</b>	<b>14,965</b>	<b>36,207</b>
Employee Benefit Plans	2,078	508	1,524
<b>Total budgetary statutory authorities</b>	<b>2,078</b>	<b>508</b>	<b>1,524</b>
<b>Total authorities</b>	<b>77,245</b>	<b>15,473</b>	<b>37,731</b>

<sup>(1)</sup>Includes only authorities available for use and granted by Parliament at quarter end.



Fiscal year 2022-23

	<b>Fiscal year 2022–23</b>		
<i>(in thousands of dollars)</i>	Total available for use for the year ending March 31, 2023 <sup>(1)</sup>	Used during the quarter ended December 31, 2022	Year to date used at quarter end
Vote 1 - Operating expenditures	17,059	2,694	7,144
Vote 1 - Net Operating Expenditures	<b>17,059</b>	<b>2,694</b>	<b>7,144</b>
Vote 5 - Grants and contributions	114,218	18,983	50,450
<b>Total voted authorities</b>	<b>131,277</b>	<b>21,677</b>	<b>57,594</b>
Employee Benefit Plans	2,341	271	1,218
<b>Total budgetary statutory authorities</b>	<b>2,341</b>	<b>271</b>	<b>1,218</b>
<b>Total authorities</b>	<b>133,618</b>	<b>21,948</b>	<b>58,812</b>

<sup>(1)</sup> 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)*

	<b>Fiscal year 2023–24</b>		
	Planned expenditures for the year ending March 31, 2024 <sup>(1)</sup>	Expended during the quarter ended December 31, 2023	Year to date used at quarter end
<b>Expenditures:</b>			
Personnel	16,080	2,792	8,438
Transportation and communications	303	103	182
Information	1,231	-	37
Professional and special services	1,588	253	584
Rentals	112	1	1
Repair and maintenance	15	5	20
Utilities, materials and supplies	6	4	11
Acquisition of machinery and equipment	43	4	22
Transfer payments	57,867	12,311	28,436
<b>Total gross budgetary expenditures</b>	<b>77,245</b>	<b>15,473</b>	<b>37,731</b>
<b>Total net budgetary expenditures</b>	<b>77,245</b>	<b>15,473</b>	<b>37,731</b>

<sup>(1)</sup> Includes only authorities available for use and granted by Parliament at quarter end.

Fiscal year 2022-23

*(in thousands of dollars)*

	<b>Fiscal year 2022-23</b>		
	Planned expenditures for the year ending March 31, 2023 <sup>(1)</sup>	Expended during the quarter ended December 31, 2022	Year to date used at quarter end
<b>Expenditures:</b>			
Personnel	16,150	2,638	7,701
Transportation and communications	228	62	124
Information	1,771	52	70
Professional and special services	520	165	319
Rentals	25	15	17
Repair and maintenance	606	5	92
Utilities, materials and supplies	15	5	11
Acquisition of machinery and equipment	85	23	28
Transfer payments	114,218	18,983	50,450
<b>Total gross budgetary expenditures</b>	<b>133,618</b>	<b>21,948</b>	<b>58,812</b>
<b>Total net budgetary expenditures</b>	<b>133,618</b>	<b>21,948</b>	<b>58,812</b>

<sup>(1)</sup> Includes only authorities available for use and granted by Parliament at quarter end.