

Quarterly Financial Report

For the Quarter Ended June 30, 2024 (unaudited)



Federal Economic Development
Agency for Northern Ontario

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

Canada

This publication is available online at <https://fednor.canada.ca/en/transparency/quarterly-financial-report-quarter-ended-june-30-2024>

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: media@fednor.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 juin 2024.



Contents

- 1. Introduction..... 4
 - 1.1 Authority, mandate and programs 4
 - 1.2 Basis of presentation 4
 - 1.3 Financial structure and definitions of the Federal Economic Development Agency for Northern Ontario (FedNor) 5
- 2. Highlights of fiscal quarter and fiscal year-to-date (YTD) results 5
- 3. Risks and uncertainties 7
- 4. Significant changes in relation to operations, personnel and programs 8
- 5. Approval of senior officials 8
- 6. Appendices 9



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 2024-25. 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, by way of [Order in Council P.C. 2021-0840](#) dated August 6, 2021, and effective as of August 12, 2021, the control and supervision of the Federal Economic Development Initiative for Northern Ontario, previously under the Department of Industry, was transferred to the Federal Economic Development Agency 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 2024-25 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 Grants 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 June 30, 2024. 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 June 30, 2024, total authorities available for fiscal year 2024-25 are \$15.17 million, compared with \$16.27 million as of June 30, 2023. This represents a decrease of \$1.1 million (6.8%) this year.

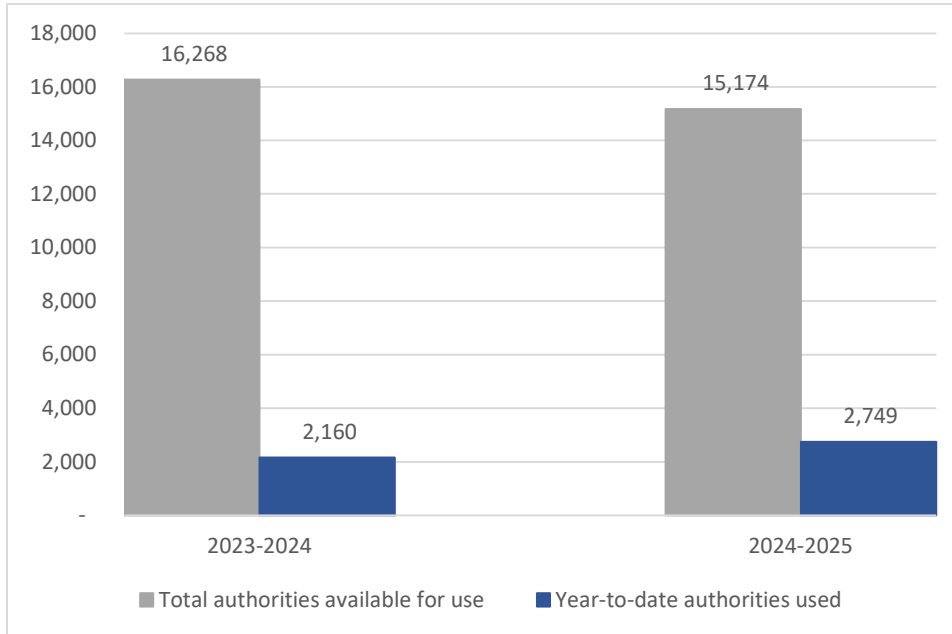
The decrease can be mainly attributed to the reduction of temporary program funding.

Vote 1 authorities used year-to-date are \$2.75 million at the end of the first quarter this fiscal year compared to \$2.16 million as of June 30, 2023. This represents an increase of \$0.59 million (27.3%) this year which can be mainly attributed to the ratification of collective agreements and an increase in the number of new employees.

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 June 30, 2023-2024 and 2024-2025

(in thousands of dollars)



Statement of Authorities: Vote 5 – Grants and Contributions

As of June 30, 2024, total authorities available for fiscal year 2024-25 are \$38.17 million, compared to \$52.73 million as of June 30, 2023. This represents a decrease of \$14.56 million (27.6%) this year.

This variance consists of a number of items, some of which varied upward, others downward, resulting in a net decrease of \$14.56 million. The most significant variances are:

- **Decrease in funding (-\$16.56M)**
 - Jobs and Growth: -\$7.06M
 - Aerospace Regional Recovery Initiative: -\$4.75M
 - Northern Ontario Development Program: -\$4.60M
 - Black Entrepreneurship Program: - \$0.15M

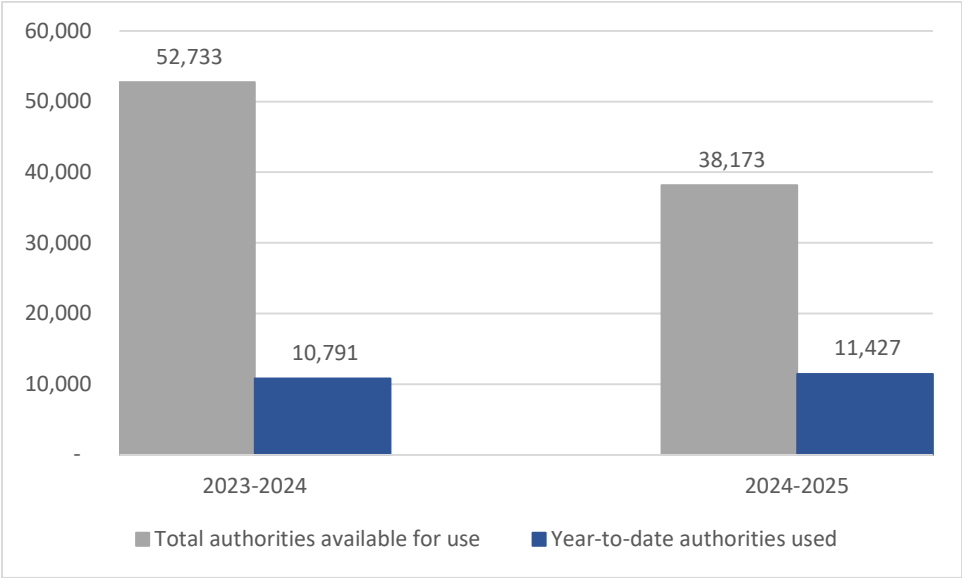
- **Increase in funding (\$2.00M)**
 - Tourism Growth Program: + \$2.00M

Total authorities used during the first quarter ended June 30, 2024 were \$11.43 million as compared to the \$10.79 million for the same period last year. The increase of \$0.64 million (5.9%) can be mainly attributed to timing of processing claims for payments.

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 June 30, 2023-2024 and 2024-2025

(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 first quarter of the fiscal year 2024-25.

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

Original signed by

Valerie Gideon

Serge LeBlanc

President

Acting Chief Financial Officer

July 24, 2024

July 23, 2024

For the quarter ended June 30, 2024 (*unaudited*)

6. Appendices

6.1 Statement of Authorities (unaudited)

	Fiscal Year 2024–25		
<i>(in thousands of dollars)</i>	Total available for use for the year ending March 31, 2025 ⁽¹⁾	Used during the quarter ended June 30, 2024	Year-to-date used at quarter end
Vote 1 - Operating expenditures	15,174	2,749	2,749
Vote 5 - Grants and contributions	38,173	11,427	11,427
Total voted authorities	53,347	14,176	14,176
Employee Benefit Plans	1,795	449	449
Total budgetary statutory authorities	1,795	449	449
Total authorities	55,142	14,625	14,625

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

	Fiscal Year 2023–24		
<i>(in thousands of dollars)</i>	Total available for use for the year ending March 31, 2024 [*]	Used during the quarter ended June 30, 2023	Year-to-date used at quarter end
Vote 1 - Operating expenditures	16,268	2,160	2,160
Vote 5 - Grants and contributions	52,733	10,791	10,791
Total voted authorities	69,001	12,951	12,951
Employee Benefit Plans	2,032	508	508
Total budgetary statutory authorities	2,032	508	508
Total authorities	71,033	13,459	13,459

^{*} Includes only authorities available for use and granted by Parliament at quarter end.

For the quarter ended June 30, 2024 (*unaudited*)

6.2 Departmental budgetary expenditures by standard object (unaudited)

(in thousands of dollars)

	Fiscal Year 2024–25		
	Planned expenditures for the year ending March 31, 2025*	Expended during the quarter ended June 30, 2024	Year-to-date used at quarter end
Expenditures:			
Personnel	14,805	2,919	2,919
Transportation and communications	252	58	58
Information	987	5	5
Professional and special services	655	214	214
Rentals	114	-	-
Repair and maintenance	33	1	1
Utilities, materials and supplies	12	1	1
Acquisition of machinery and equipment	111	-	-
Transfer payments	38,173	11,427	11,427
Total gross budgetary expenditures	55,142	14,625	14,625
Total net budgetary expenditures	55,142	14,625	14,625

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

(in thousands of dollars)

	Fiscal Year 2023–24		
	Planned expenditures for the year ending March 31, 2024*	Expended during the quarter ended June 30, 2023	Year-to-date used at quarter end
Expenditures:			
Personnel	15,402	2,477	2,477
Transportation and communications	322	47	47
Information	1,173	11	11
Professional and special services	1,194	124	124
Rentals	110	-	-
Repair and maintenance	24	3	3
Utilities, materials and supplies	5	2	2
Acquisition of machinery and equipment	70	4	4
Transfer payments	52,733	10,791	10,791
Total gross budgetary expenditures	71,033	13,459	13,459
Total net budgetary expenditures	71,033	13,459	13,459

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