

Quarterly Financial Report

For the Quarter Ended September 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-september-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. lu91-2/2E-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 2024.



Table of 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
 - 6.1 Statement of Authorities (unaudited)..... 9
 - 6.2 Departmental budgetary expenditures by standard object (unaudited) 10



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 the 2024-25 departmental plan.

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.



Quarterly Financial Report

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

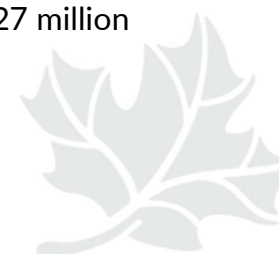
This section highlights significant changes to the fiscal quarter results as of September 30, 2024. For more details on FedNor's Statement of Authorities, see Appendix 6.1: Statement of Authorities.

Statement of Authorities: Vote 1 – Net Operating Expenditures

As of September 30, 2024, total authorities available for fiscal year 2024-25 are \$15.99 million, compared with \$16.89 million as of September 30, 2023. This represents a decrease of \$0.90 million (5.3%) this year.

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

Vote 1 authorities used year-to-date are \$5.39 million at the end of the second quarter this fiscal year compared to \$5.12 million⁽¹⁾ as of September 30, 2023. This represents an increase of \$0.27 million (5.3%) this year.

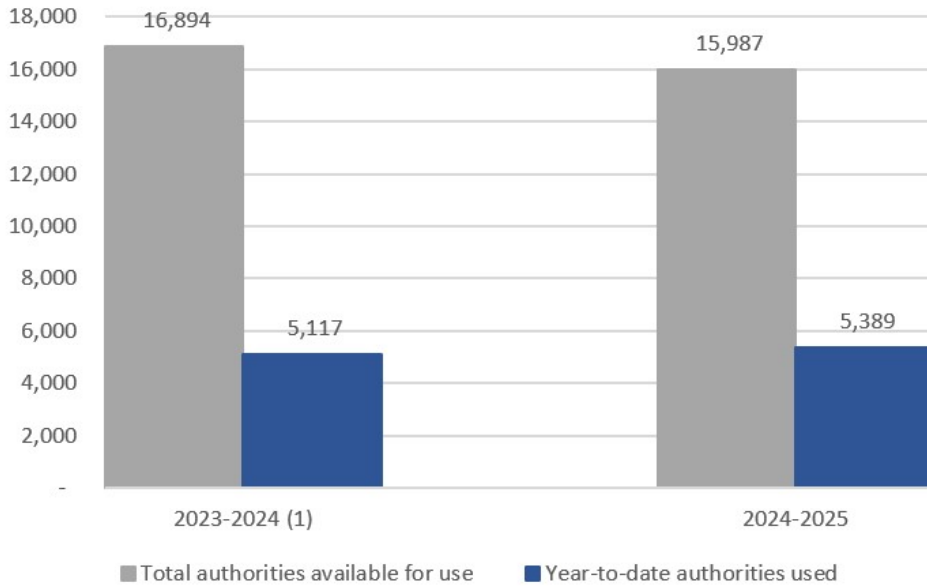


Quarterly Financial Report

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, 2023-2024⁽¹⁾ and 2024-2025

(in thousands of dollars)



⁽¹⁾ The comparative figures have been updated due to errors in the previous report. The errors are considered non-material, individually or in aggregate, therefore the previous report is not restated.

Statement of Authorities: Vote 5 – Grants and Contributions

As of September 30, 2024, total authorities available for fiscal year 2024-25 are \$38.17 million, compared to \$52.73 million as of September 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)



Quarterly Financial Report

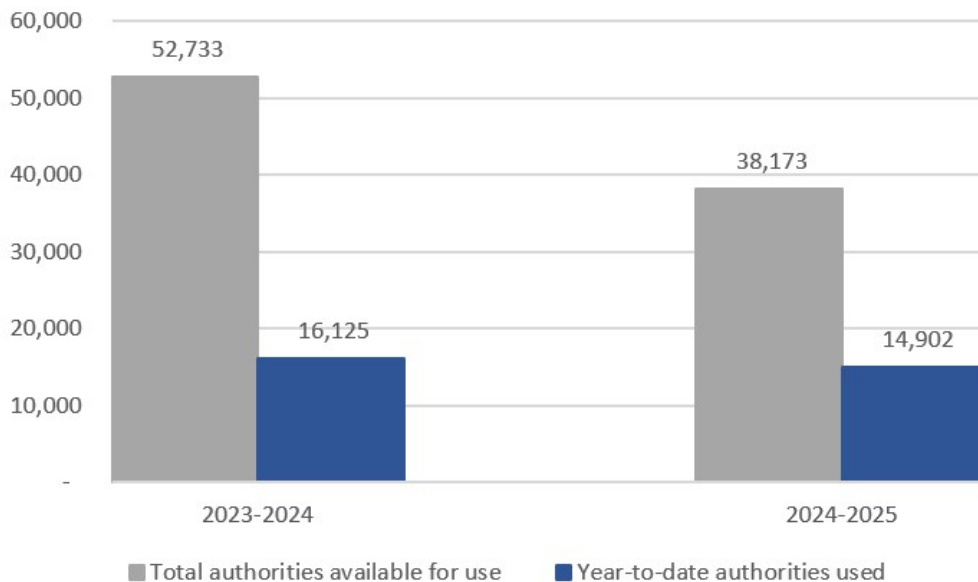
- Tourism Growth Program: + \$2.00M

Vote 5 authorities used year-to-date are \$14.90 million at the end of the second quarter this fiscal year compared to \$16.13 million as of September 30, 2023. The decrease of \$1.23 million (-7.6%) can be mainly attributed to the reduction of temporary economic recovery initiatives.

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, 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.

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

On August 26, 2024, FedNor implemented a new grant and contribution management system. The new system replaces the old grant and contribution operating system and documentation storage platform, and integrates and automates the entire processing into one single system. It streamlines the procedures from client application to project approval and to program delivery and repayment. The system also integrates with the department's financial system.

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 28, 2024

Original signed by

Lisa Furtado, CPA, CMA

Chief Financial Officer

November 14, 2024



6. Appendices

6.1 Statement of Authorities (unaudited)

<i>(in thousands of dollars)</i>	Fiscal Year 2024–25		
	Total available for use for the year ending March 31, 2025 ⁽¹⁾	Used during the quarter ended September 30, 2024	Year-to-date used at quarter end
Vote 1 - Operating expenditures	15,987	2,640	5,389
Vote 5 - Grants and contributions	38,173	3,475	14,902
Total voted authorities	54,160	6,115	20,291
Employee Benefit Plans	1,795	449	898
Total budgetary statutory authorities	1,795	449	898
Total authorities	55,955	6,564	21,189

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

<i>(in thousands of dollars)</i>	Fiscal Year 2023–24		
	Total available for use for the year ending March 31, 2024 ⁽¹⁾	Used during the quarter ended September 30, 2023 ⁽²⁾	Year-to-date used at quarter end ⁽²⁾
Vote 1 - Operating expenditures	16,894	2,957	5,117
Vote 5 - Grants and contributions	52,733	5,334	16,125
Total voted authorities	69,627	8,291	21,242
Employee Benefit Plans	2,032	508	1,016
Total budgetary statutory authorities	2,032	508	1,016
Total authorities	71,659	8,799	22,258

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

⁽²⁾ The comparative figures have been updated due to errors in the previous report. The errors are considered non-material, individually or in aggregate, therefore the previous report is not restated.



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 ⁽¹⁾	Expended during the quarter ended September 30, 2024	Year-to-date used at quarter end
Expenditures:			
Personnel	14,805	2,804	5,723
Transportation and communications	346	43	101
Information	1,358	80	85
Professional and special services	902	140	354
Rentals	156	-	-
Repair and maintenance	46	10	11
Utilities, materials and supplies	16	4	5
Acquisition of machinery and equipment	153	8	8
Transfer payments	38,173	3,475	14,902
Total gross budgetary expenditures	55,955	6,564	21,189
Total net budgetary expenditures	55,955	6,564	21,189

⁽¹⁾ 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 ⁽¹⁾	Expended during the quarter ended September 30, 2023 ⁽²⁾	Year-to-date used at quarter end ⁽²⁾
Expenditures:			
Personnel	15,402	3,169	5,646
Transportation and communications	351	32	79
Information	1,638	26	37
Professional and special services	1,307	207	331
Rentals	120	-	-
Repair and maintenance	26	12	15
Utilities, materials and supplies	5	5	7
Acquisition of machinery and equipment	77	14	18
Transfer payments	52,733	5,334	16,125
Total gross budgetary expenditures	71,659	8,799	22,258
Total net budgetary expenditures	71,659	8,799	22,258

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

⁽²⁾ The comparative figures have been updated due to errors in the previous report. The errors are considered non-material, individually or in aggregate, therefore the previous report is not restated.

