

Atlantic Canada Opportunities Agency

2025-2026

Quarterly Financial Report **For the quarter ended September 30, 2025**

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Atlantic Canada
Opportunities
Agency

Agence de
promotion économique
du Canada atlantique

Canada

Statement Outlining Results, Risks and Significant Changes in Operations, Personnel and Programs

INTRODUCTION

This quarterly financial report should be read in conjunction with the Main Estimates. It has been prepared by management as required by section 65.1 of the [Financial Administration Act](#) (FAA) and in the form and manner prescribed by the Treasury Board. This quarterly report has not been subjected to an external audit or review.

A summary description of the Atlantic Canada Opportunities Agency (ACOA) program activities can be found in Part II of the 2025-2026 [Main Estimates](#).

Basis of presentation

This quarterly financial report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities is consistent with the Main Estimates and Supplementary Estimates (A) for the 2025-2026 fiscal year and includes ACOA's total authorities available for use as granted by Parliament and those used by the Agency during this quarter. Authorities available for use are given in the form of annually approved limits through appropriation acts or through legislation in the form of statutory authorities for specific purposes.

The authority of Parliament is required before monies can be spent by the Government.

When Parliament is dissolved for the purposes of a general election, section 30 of the FAA authorizes, under certain conditions, the preparation of special warrants to be signed by the Governor General authorizing payments to be made from the Consolidated Revenue Fund. Special warrants are deemed to be an appropriation for the fiscal year in which they are issued.

As part of the departmental results reporting process, the Agency prepares its annual departmental financial statements on a full accrual basis in accordance with Treasury Board accounting policies. However, the spending authorities voted by Parliament remain on an expenditure basis of accounting.

ACOA financial structure

ACOA manages its expenditures under two votes:

- Vote 1 – Net operating expenditures includes the Agency's authorities related to personnel costs (e.g., salaries) and operation and maintenance expenditures (e.g., travel)
- Vote 5 – Grants and contributions includes authorities related to transfer payments

Costs under Statutory Authorities, which represent payments made under legislation approved previously by Parliament and which are not part of the annual appropriation bills, include such items as the employer's share of the employee benefits plan and other minor items.

HIGHLIGHTS OF FISCAL QUARTER AND FISCAL YEAR-TO-DATE RESULTS

This section highlights significant changes to the fiscal quarter results as of September 30, 2025.

Statement of authorities: Vote 1 – Net Operating Expenditures

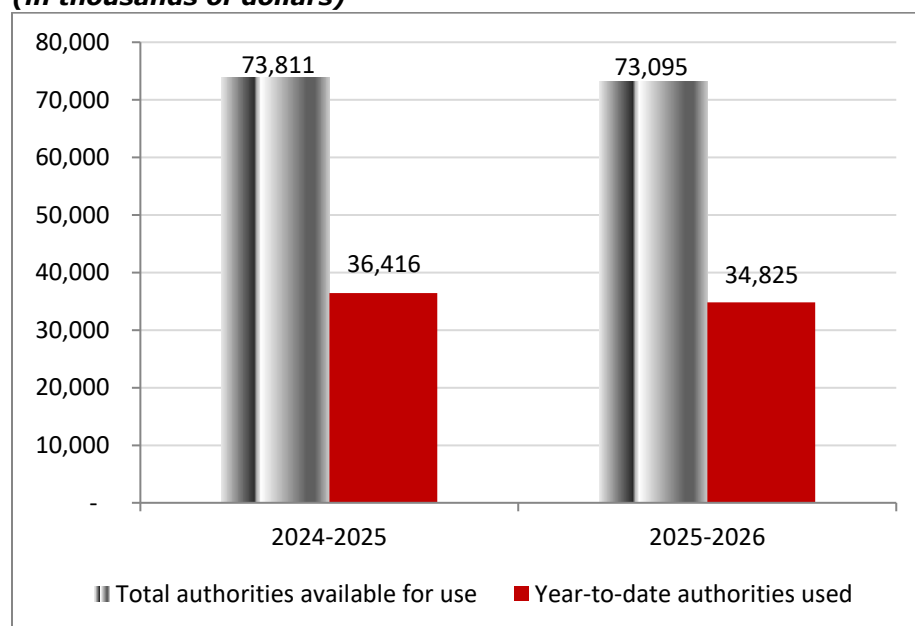
Total authorities available for fiscal year 2025-2026 are \$73.1 million, with no significant variance compared to \$73.8 million¹ as of September 30, 2024.

Vote 1 authorities used year-to-date were \$34.8 million at the end of the second quarter this fiscal year, with no significant variance compared to \$36.4 million as of September 30, 2024.

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, 2024-2025 and 2025-2026.

(in thousands of dollars)



¹ The Operating Budget Carry Forward (OBCF) was unintentionally excluded from the 2024–2025 figures. The reported total authorities available for use have been adjusted in this report to accurately reflect this correction.

Statement of authorities: Vote 5 – Grants and Contributions

Total authorities available for use for the year ending March 31, 2026, amount to \$282.3 million, a decrease of \$24.4 million compared to the \$306.7 million available for use as of September 30, 2024. The decrease of \$24.4 million, or 8%, is explained below.

A total decrease of \$39.6 million in Vote 5 authorities available for use related to:

- a \$31.0 million decrease in temporary funding for the Hurricane Fiona Recovery Fund, reprofiled from fiscal year 2023-2024 to fiscal year 2024-2025
- an \$8.6 million decrease in temporary funding for the Canada Coal Transition Initiative – Infrastructure Fund

This decrease is offset by a total increase of \$15.2 million in Vote 5 authorities available for use related to:

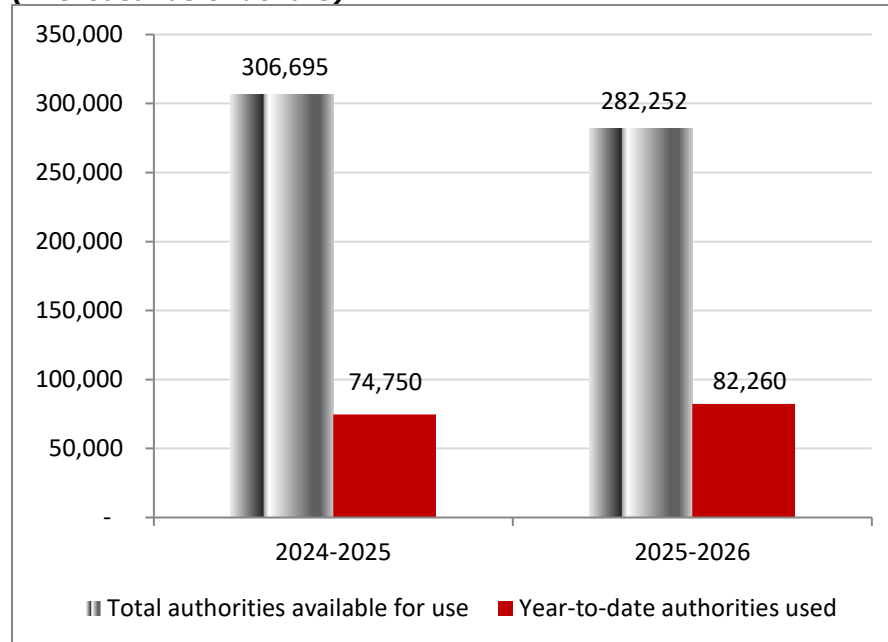
- a \$5.5 million increase in temporary funding for the renewal of top-up funding for the Regional Economic Growth through Innovation program
- a \$4.3 million increase related to a reprofile of funds as a result of project/contracting delays
- a \$2.8 million increase in temporary funding for the Regional Artificial Intelligence Initiative
- a \$1.6 million increase in temporary funding for the BioAccelerator Project
- a \$0.6 million increase in temporary funding in support of a renewed Food Policy for Canada
- \$0.4 million in other adjustments

Vote 5 authorities used increased from \$74.8 million last fiscal year to \$82.3 million this fiscal year. This \$7.5 million increase in authorities used, or 10%, is mainly due to the timing of contribution payments compared to the previous fiscal year.

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, 2024-2025 and 2025-2026.

(in thousands of dollars)



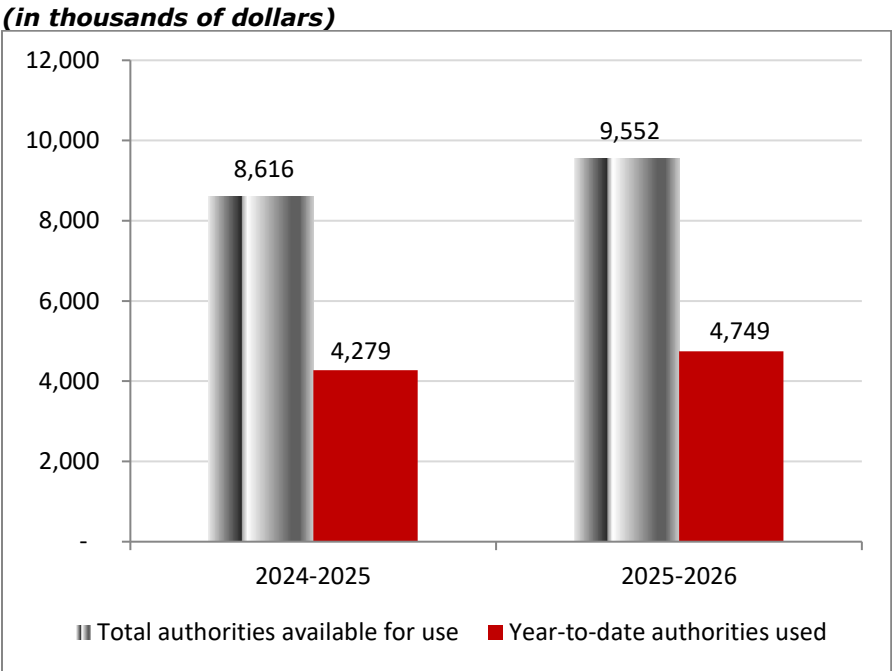
Statement of authorities: budgetary statutory authorities

Budgetary statutory authorities available for use for the year ending March 31, 2026, have increased by \$0.9 million, or 10.9%, to \$9.5 million compared to the previous fiscal year at the same time.

Budgetary statutory authorities used year-to-date were \$4.7 million at the end of the second quarter this fiscal year, with no significant variance compared to \$4.3 million as of September 30, 2024.

Graph 3 illustrates the total authorities available for use for the year as well as the amount used year-to-date at quarter-end.

Graph 3: Comparison of Net Budgetary Authorities and Expenditures for Statutory Authorities as of September 30, 2024-2025 and 2025-2026



Statement of the Agency’s budgetary expenditures by standard object

The Agency’s budgetary expenditures by standard object for the quarter ended September 30, 2025, were \$121.8 million, which reflects an increase of \$6.4 million, or 5.5%, from the \$115.4 million in overall expenditures for the quarter ended September 30, 2024.

Risks and uncertainties

ACOA’s integrated risk profile identifies key factors that could affect the Agency’s ability to fulfill its mandate. These risks reflect both external pressures and internal challenges within ACOA’s complex operating landscape.

Externally, ACOA faces two primary risks:

- The first is that the Agency’s economic development programming could potentially be affected by external factors impacting economic growth, such as the implications of the United States’ tariffs and climate-related events.
- The second is related to the capacity of ACOA’s stakeholders – other governments, partners, communities and clients – to identify, develop and successfully implement strategic projects.

ACOA capitalized on the flexibility of its programs, advocated on behalf of Atlantic Canada in various spheres, including federal and regional tables, and collaborated with partners to exchange valuable information and best practices. It supported analysis on regional

economic issues and collaborated with stakeholders to foster client and community capacity to target key federal priorities.

Complementing its external risk mitigation efforts, ACOA maintains strong internal controls to safeguard its operations and financial integrity. These include:

- regular assessments of entity-level controls, general computer controls, and key business processes such as payments on grants and contributions, operating expenses, and accounts receivable
- a structured budgetary and allocation framework supported by automated financial controls
- periodic forecasting and financial analysis to ensure effective resource management

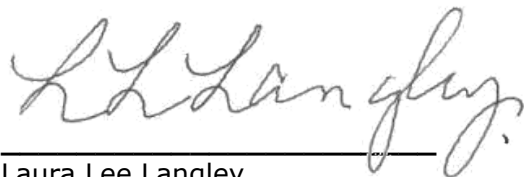
To further strengthen its risk management practices, the Agency will continue annual processes such as the Compliance Risk Process; collaborate with other regional development agencies to monitor and respond to emerging risks; and enhance risk identification and assessment across all levels of operations.

Significant changes in relation to operations, personnel and programs

There have been no significant changes in relation to operations, personnel and programs impacting the results of this quarter.

Approval by senior officials

Approved by:



Laura Lee Langley
Deputy Head
Moncton, Canada

Kurt Chin Quee, CPA
Chief Financial Officer
Moncton, Canada

November 19, 2025

Date

Date

Statement of Authorities (unaudited)

Fiscal year 2025-2026 (in thousands of dollars)

Authorities	Total available for use for the year ending March 31, 2026*	Used during the quarter ended September 30, 2025	Year-to-date used at quarter-end
Vote 1 – Net operating expenditures	73,095	17,188	34,825
Vote 5 – Grants and contributions	282,252	56,313	82,260
Budgetary statutory authorities	9,552	2,375	4,749
Total authorities	364,899	75,876	121,834

Fiscal year 2024-2025 (in thousands of dollars)

Authorities	Total available for use for the year ending March 31, 2025*	Used during the quarter ended September 30, 2024	Year-to-date used at quarter-end
Vote 1 – Net operating expenditures	73,811	18,419	36,416
Vote 5 – Grants and contributions	306,695	45,604	74,750
Budgetary statutory authorities	8,616	2,140	4,279
Total authorities	389,122	66,163	115,445

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

Agency's budgetary expenditures by Standard Object (unaudited)

Fiscal year 2025-2026 (in thousands of dollars)

Expenditures	Planned expenditures for the year ending March 31, 2026*	Expended during the quarter ended September 30, 2025	Year-to-date expended at quarter-end
Personnel	74,161	18,304	36,630
Transportation and communications	1,418	198	448
Information	921	75	215
Professional and special services	2,175	508	765
Rentals	1,780	282	1,037
Repair and maintenance	89	16	23
Utilities, materials and supplies	130	14	22
Acquisition of machinery and equipment	943	9	13
Transfer payments	282,252	56,313	82,260
Other subsidies and payments	1,030	157	421
Total net budgetary expenditures	364,899	75,876	121,834

Fiscal year 2024-2025 (in thousands of dollars)

Expenditures	Planned expenditures for the year ending March 31, 2025*	Expended during the quarter ended September 30, 2024	Year-to-date expended at quarter-end
Personnel	70,570	18,413	36,217
Transportation and communications	1,967	381	798
Information	761	149	319
Professional and special services	3,778	532	867
Rentals	2,405	320	1,113
Repair and maintenance	135	12	23
Utilities, materials and supplies	308	46	57
Acquisition of machinery and equipment	972	176	404
Transfer payments	306,695	45,604	74,750
Other subsidies and payments	1,531	530	897
Total net budgetary expenditures	389,122	66,163	115,445

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