



Canadian Northern Economic
Development Agency

Agence canadienne de développement
économique du Nord

Canadian Northern Economic Development Agency

2024-2025

Quarterly Financial Report For the quarter ended June 30, 2024

© His Majesty the King in Right of Canada, as represented by the Minister of Northern Affairs,
Minister responsible for Prairies Economic Development Canada and Minister responsible for the
Canadian Northern Economic Development Agency, 2024

Cat. No. R106-1E-PDF
ISSN 2816-5861

Canadian Northern Economic Development Agency

Quarterly Financial Report

For the quarter ended June 30, 2024

Introduction

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

The Canadian Northern Economic Development Agency (CanNor) works with partners to advance economic development in Canada's territories. The Agency supports, invests in and advocates for national, territorial and community level economic development; fosters growth and innovation; contributes to building capacity; and invests in foundational economic development projects in the territories. In addition, through the Northern Projects Management Office the Agency coordinates federal participation in the territorial environmental review processes and maintains the Crown consultation record for major projects.

Further details on CanNor's authorities, mandate and program activities may be found in the [Departmental Plan](#) and the Main Estimates.

Basis of Presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the Agency's spending authorities granted by Parliament, and those used by the Agency consistent with the Main Estimates and Supplementary Estimates (A) for the 2024-2025 fiscal year. This quarterly 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.

The authority of Parliament is required before money can be spent by the Government. Approvals are given in the form of annually approved limits through appropriation acts or through legislation in the form of statutory spending authority for specific purposes.

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

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

Statement of Authorities

Total authorities available for use in the first quarter of the fiscal year 2024-2025 amounted to \$71.4 million, a \$10.0 million net decrease compared to the first quarter of 2023-2024. This variance, mostly in Vote 5 – Grants and Contributions, is primarily attributable to net decreases in funding measures announced in Budget 2021 such as the Jobs and Growth Fund and the Canada Community Revitalization Fund.

Statement of Budgetary Expenditures by Standard Object

Total expenditures by standard object for the quarter ended June 30, 2024, amounted to \$10.9 million, a \$908 thousand net increase compared to the quarter ended June 30, 2023. This variance, mostly in salary costs, is primarily attributable to a timing issue.

Risks and Uncertainties

While the North presents opportunities for economic development, growth and innovation, factors including its vast and remote geography, lack of infrastructure, connectivity challenges, the cost and access to energy, and shortage of skilled labour all contribute to a challenging operating environment. These factors create additional challenges for businesses and can also prevent Northerners from fully benefiting from economic development opportunities.

CanNor's key risks (and response strategies) are published in the Departmental Plan:

- Economic Uncertainty:** With the looming threat of a global recession, economies may be forced to pivot in order to weather ongoing financial downturns. This may result in an adverse impact to Northern businesses and economic development, especially as high inflation places additional strains on an already high-cost environment.
- Labour Shortages:** Ongoing labour shortages, coupled with an aging population, may continue to strain the Northern labour pool, resulting in delays to projects and increased competition for skilled labour.
- Climate Change:** Severe weather events and other impacts of climate change continue to disrupt travel, construction, and other activities related to economic development. The territories may be uniquely impacted by this, with narrow construction seasons, fragile supply chains, and disproportionate climate disruptions potentially impacting the viability of projects and other economic development activity.
- Limited Economic Diversification:** An overdependence on the public service and the resource development sectors has resulted in limited economic diversification in the territories.
- Infrastructure development:** The infrastructure deficit in the North is a foundational barrier to economic growth, impacting the North's overall competitiveness and increasing the cost of doing business. Across the territories, major infrastructure is inadequate or missing altogether along with a severe shortage of housing and a deficit in community-level infrastructure.

Significant Changes in Relation to Operations, Personnel and Programs

There have been no significant changes in relation to operations, personnel and programs during this quarter.

Approved by:

**Onalik,
Jimi**

Digitally signed by
Onalik, Jimi
Date: 2024.10.02
11:37:06 -04'00'

Jimi Onalik
President

O'Donnell, Sean

Digitally signed by O'Donnell,
Sean
Date: 2024.10.01 16:06:19 -04'00'

Sean O'Donnell
Chief Financial Officer

Ottawa, Canada
October 4, 2024

Statement of Authorities *(unaudited)*

<i>(in thousands of dollars)</i>	Fiscal year 2024-2025			Fiscal year 2023-2024		
	Total available for use for the year ending March 31, 2025*	Used during the quarter ended June 30, 2024	Year-to-date used at quarter-end	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
Authorities						
Vote 1 - Operating expenditures	21,699	5,737	5,737	21,197	4,266	4,266
Vote 5 - Transfer payments	47,558	4,820	4,820	58,061	5,195	5,195
Budgetary statutory authorities	2,132	355	355	2,175	544	544
Total authorities	71,388	10,913	10,913	81,433	10,005	10,005

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

Departmental Budgetary Expenditures by Standard Object (*unaudited*)

(in thousands of dollars)

	Fiscal year 2024-2025			Fiscal year 2023-2024		
	Planned expenditures for the year ending March 31, 2025	Used during the quarter ended June 30, 2024	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2024	Used during the quarter ended June 30, 2023	Year-to-date used at quarter-end
Expenditures:						
Personnel	17,577	5,294	5,294	16,487	3,967	3,967
Transportation and communications	944	148	148	977	145	145
Information	185	2	2	95	0	0
Professional and special services	2,726	239	239	2,991	91	91
Rentals	1,948	381	381	2,203	583	583
Repair and maintenance	118	9	9	206	0	0
Utilities, materials and supplies	99	5	5	138	6	6
Acquisition of machinery and equipment	165	17	17	275	18	18
Transfer payments	47,558	4,820	4,820	58,061	5,195	5,195
Other subsidies and payments	67	-1	-1	0	0	0
Total budgetary expenditures	71,388	10,913	10,913	81,433	10,005	10,005