



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 December 31, 2024

Canada 

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Minister responsible for Prairies Economic Development Canada and Minister responsible for the
Canadian Northern Economic Development Agency, 2024

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Canadian Northern Economic Development Agency

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For the quarter ended December 31, 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 \(B\)](#). 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 (B) 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 third quarter of the fiscal year 2024-2025 amounted to \$81.0 million, a \$7.5 million net decrease compared to the third quarter of 2023-2024. This variance, mostly in Vote 5 – Grants and Contributions, is primarily attributable to the sunseting of 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 December 31, 2024, amounted to \$17.6 million, a \$4.8 million net increase compared to the quarter ended December 31, 2023. This variance, comprised primarily of an increase in transfer payments, is mainly due to the timing of payments compared to the previous fiscal year. Overall, total transfer payment spending is reduced due to the sunset of funding measures announced in Budget 2021.

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

On December 20, 2024, the Honourable Gary Anandasangaree was appointed as the Minister of the Canadian Northern Economic Development Agency.

Approved by:

Onalik, Jimi

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Date: 2025.02.19 12:02:25
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Jimi Onalik
President

O'Donnell, Sean

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Sean
Date: 2025.02.18 16:31:30 -05'00'

Sean O'Donnell
Chief Financial Officer

Ottawa, Canada
February xx, 2024

Statement of Authorities *(unaudited)*

	Fiscal year 2024-2025			Fiscal year 2023-2024		
<i>(in thousands of dollars)</i>	Total available for use for the year ending March 31, 2025*	Used during the quarter ended December 31, 2024	Year-to-date used at quarter-end	Total available for use for the year ending March 31, 2024*	Used during the quarter ended December 31, 2023	Year-to-date used at quarter-end
Vote 1 - Operating expenditures	23,363	5,937	15,799	23,828	6,298	15,700
Vote 5 - Transfer payments	55,422	11,028	21,065	62,390	6,267	20,677
Budgetary statutory authorities	2,223	533	1,599	2,290	377	1,465
Total authorities	81,008	17,498	38,463	88,508	12,942	37,842

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

Departmental Budgetary Expenditures by Standard Object (*unaudited*)

	Fiscal year 2024-2025			Fiscal year 2023-2024		
	Planned expenditures for the year ending March 31, 2025	Expended during the quarter ended December 31, 2024	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2024	Expended during the quarter ended December 31, 2023	Year-to-date used at quarter-end
<i>(in thousands of dollars)</i>						
Expenditures:						
Personnel	18,479	4,592	13,411	18,150	4,840	13,309
Transportation and communications	1,073	432	858	1,130	330	670
Information	210	0	14	110	6	13
Professional and special services	3,099	809	1,423	3,461	985	1,587
Rentals	2,213	549	1,491	2,550	539	1,585
Repair and maintenance	104	22	85	238	10	10
Utilities, materials and supplies	113	19	48	159	116	129
Acquisition of land, buildings and works	29	15	15	0	0	0
Acquisition of machinery and equipment	188	43	65	319	20	39
Transfer payments	55,422	11,028	21,065	62,390	6,267	20,677
Other subsidies and payments	77	-11	-13	0	-171	-177
Total budgetary expenditures	81,008	17,498	38,463	88,508	12,942	37,842