

# 2023-2024 Future-Oriented Statement of Operations

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March 31, 2024



Federal Economic Development  
Agency for Northern Ontario

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

Canada

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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](mailto:media@fednor.gc.ca)

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# Federal Economic Development Agency for Northern Ontario

## Future-Oriented Statement of Operations (Unaudited) For the year ended March 31 (in dollars)

	Forecast Results 2022-23	Planned Results 2023-24
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<b>Expenses</b>		
Economic Development in Northern Ontario	\$120,144,750	\$65,309,780
Internal Services	\$3,761,811	\$5,371,394
Expenses incurred on behalf of government	\$(4,682,872)	\$(972,889)
<b>Total expenses</b>	<b>\$119,223,689</b>	<b>\$69,708,285</b>
<b>Net cost of operations before government funding and transfers</b>	<b>\$119,223,689</b>	<b>\$69,708,285</b>
The accompanying notes form an integral part of the Future-Oriented Statement of Operations		

## Notes to the Future-Oriented Statement of Operations (unaudited)

### 1. Methodology and Significant Assumptions

The future-oriented statement of operations has been prepared on the basis of the government priorities and departmental plans as described in the Departmental Plan.



## 2023-2024 Future-Oriented Statement of Operations

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The information in the forecast results for fiscal year 2023–2024 is based on actual results as at November 30, 2023 and on forecasts for the remainder of the fiscal year. Forecasts have been made for the planned results for fiscal year 2024–25.

The main assumptions are as follows:

- Expenses, including the determination of amounts internal and external to the government, are based on historical experience. The general historical pattern is expected to continue.
- Estimated year-end information for 2023–24 is used as the opening position for 2024–25 planned results.

These assumptions are made as at November 30, 2023.

## 2. Variations and Changes to the Forecast Financial Information

Although every attempt has been made to forecast final results for the remainder of 2023–24 and for 2024–25, actual results achieved for both years are likely to differ from the forecast information presented, and this variation could be material.

In preparing the Future-Oriented Statements of Operations, the Federal Economic Development Agency for Northern Ontario has made estimates and assumptions about the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are based on past experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and are continually evaluated.

Factors that could lead to material differences between the Future-Oriented Statement of Operations and the historical statement of operations include:

- (a) the timing and the amount of acquisitions and disposals of property, plant and equipment, which may affect gains, losses and amortization expense;
- (b) the implementation of new collective agreements;
- (c) economic conditions, which may affect the collectability of loan receivables;
- (d) other changes to the operating budget, such as new initiatives or technical adjustments later in the year.

After the Departmental Plan is tabled in Parliament, FedNor will not be updating the forecasts for any changes in financial resources made in ensuing supplementary estimates. Variances will be explained in the Departmental Results Report.

## 3. Summary of Significant Accounting Policies



## 2023-2024 Future-Oriented Statement of Operations

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The Future-Oriented Statement of Operations has been prepared using the Government of Canada's accounting policies in effect for fiscal year 2023–24, and is based on Canadian public sector accounting standards. These accounting policies, stated below, are based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Significant accounting policies are as follows:

### a) Expenses

Transfer payments are recorded as an expense in the year the transfer is authorized, and all eligibility criteria have been met by the recipient.

Other expenses are generally recorded when goods are received or services are rendered and include expenses related to personnel, professional and special services, repair and maintenance, utilities, materials and supplies, as well as amortization of tangible capital assets. Provisions to reflect changes in the value of assets or liabilities, such as provisions for bad debts, loans and advances, and other are also included in the expenses.

### b) Revenues

Revenues are accounted for in the period in which the underlying transaction or event that gave rise to the revenue takes place, except for the item listed below. Loans are non-interest bearing and, due to the uncertainty as to final collection, interest income is only charged on overdue amounts when received. Other revenues consist of other fees and gains on the disposal of capital and non-capital assets.

Revenues that are non-responsible are not available to discharge the department's liabilities. Although the deputy head is expected to maintain accounting control, she has no authority over the disposition of non-responsible revenues. As a result, non-responsible revenues are considered to be earned on behalf of the Government of Canada and are therefore presented as a reduction of the department's gross revenues.

## 4. Parliamentary Authorities

FedNor is financed by the Government of Canada through parliamentary authorities. Financial reporting of authorities provided to FedNor differs from financial reporting according to generally accepted accounting principles because authorities are based mainly on cash flow requirements. Items recognized in the Future-Oriented Statement of Operations in one year may be funded through parliamentary authorities in prior, current or future years. Accordingly, FedNor has different net cost of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:



## 2023-2024 Future-Oriented Statement of Operations

### Reconciliation of net cost of operations to requested authorities (in dollars)

-	Forecast Results 2022-23	Planned Results 2023-24
Net cost of operations before government funding and transfers	\$119,223,689	\$69,708,285
<b>Adjustments for items affecting net cost of operations but not affecting authorities</b>		
Services provided without charge by other government departments	(1,860,340)	(1,914,288)
Amortization of tangible capital assets	(40,512)	(37,198)
Decrease (increase) in vacation pay	(67,523)	(84,599)
<b>Total items affecting net cost of operations but not affecting authorities</b>	<b>(1,968,375)</b>	<b>(2,036,085)</b>
<b>Adjustments for items not affecting net cost of operations but affecting authorities:</b>		
Loans issued on behalf of the government	16,176,435	3,360,733
<b>Total items not affecting net cost of operations but affecting authorities</b>	<b>16,176,435</b>	<b>3,360,733</b>
<b>Requested authorities forecasted to be used</b>	<b>\$133,431,749</b>	<b>\$71,032,933</b>

### Authorities requested (in dollars)

-	Forecast Results 2022-23	Planned Results 2023-24
<b>Authorities provided/requested</b>		
Vote 1 - Operating expenditures	\$14,558,725	\$16,267,547
Vote 5 - Grants and contributions	116,718,074	52,733,192
Statutory amounts	2,340,501	2,032,194
<b>Total authorities provided/requested</b>	<b>\$133,617,300</b>	<b>\$71,032,933</b>
<b>Lapse</b>	<b>(185,551)</b>	
<b>Total authorities forecasted to be used</b>	<b>\$133,431,749</b>	<b>\$71,032,933</b>

