

# Quarterly Financial Report

For the Quarter ended June 30, 2025 (unaudited)



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# 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 2025–2026. 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 2021-2022, 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 [2025-2026 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 2025–2026 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.



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 results

This section highlights significant changes to the fiscal quarter results as of June 30, 2025. 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 June 30, 2025, total authorities available for fiscal year 2025–2026 are \$15.57 million, compared with \$15.17 million as of June 30, 2024. This represents an increase of \$0.4 million (2.6%) this year.

Vote 1 authorities used year-to-date are \$3.25 million at the end of the first quarter this fiscal year compared to \$2.75 million as of June 30, 2024. This represents an increase of \$0.5 million (18.2%) this year, and the increase is attributable to FedNor's effort to attain its operational human resources complement since becoming a standalone agency.



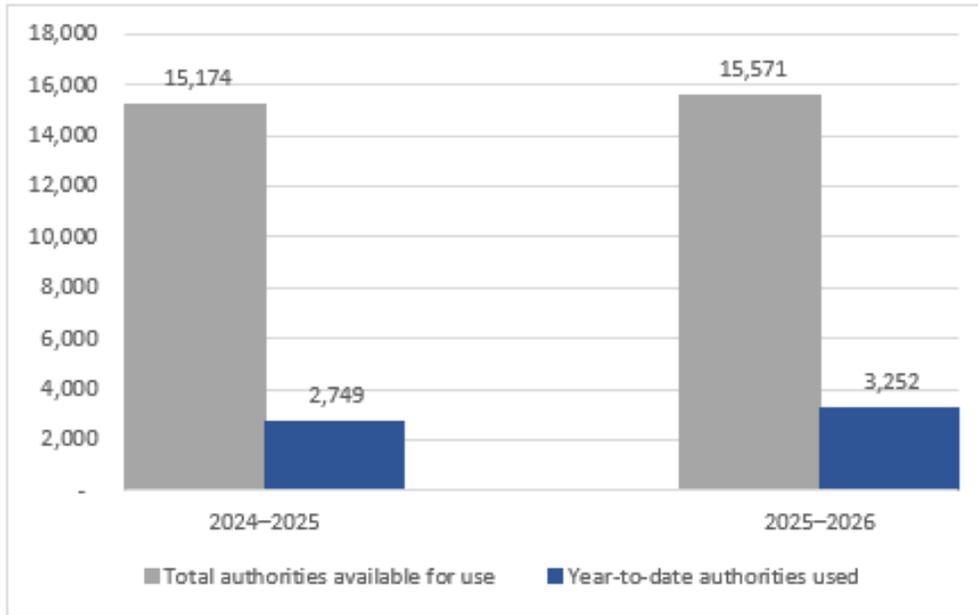
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Graph 1 illustrates the total authorities available for use for the year, as well as the amount used year-to-date at quarter end.

**Graph 1: Comparison of Net Budgetary Authorities and Expenditures for Vote 1 as of June 30, 2024–2025 and 2025–2026**

*(in thousands of dollars)*



## Statement of Authorities: Vote 5 – Grants and Contributions

As of June 30, 2025, total authorities available for fiscal year 2025–2026 are \$54.18 million, compared to \$38.17 million as of June 30, 2024. This represents an increase of \$16.01 million (41.9%) this year.

This variance consists of a number of items resulting in the net increase of \$16.01 million. The variance is made up of the following increases:

- **Increase in funding (\$16.01 million)**
  - Regional Growth Through Innovation Top-up: + \$4.14 million
  - Northern Ontario Development Program Top-up: + \$4.60 million
  - Black Entrepreneurship Program: + \$0.06 million
  - Artificial Intelligence: + \$2.21 million
  - Strategic Innovation Fund loan repayment to Innovation, Science and Economic Development Canada completed: + \$5.00 million



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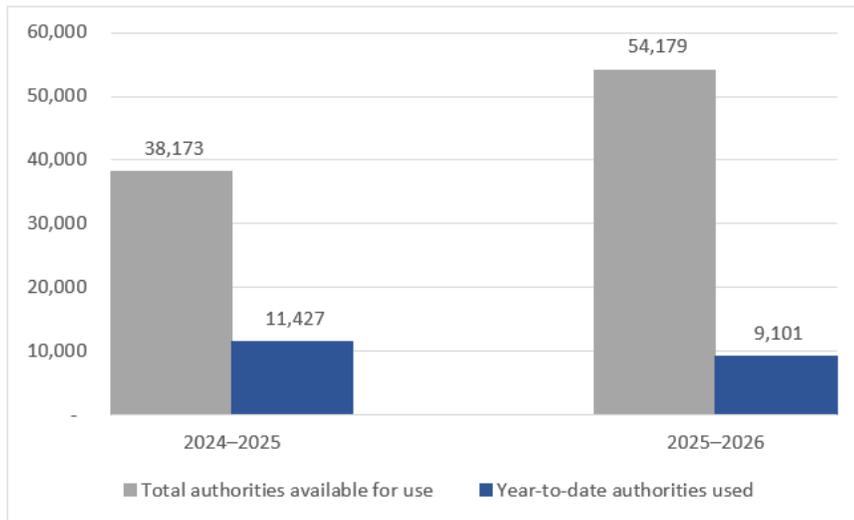
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Vote 5 authorities used year-to-date are \$9.10 million at the end of the first quarter this fiscal year compared to \$11.43 million as of June 30, 2024. The decrease of \$2.33 million (-20.4%) can be mainly attributed to the spending limitation for Governor General special warrants for the first three months of the fiscal year due to the Parliament dissolution triggered by the election.

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 June 30, 2024–2025 and 2025–2026**

*(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 information technology infrastructure and 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

The following changes in senior personnel occurred since the last quarterly financial report:

- On June 27, 2025, the President announced the appointment of Lucie Perreault as Vice President of FedNor, effective July 3, 2025.
- On June 27, 2025, the President announced the appointment of Daniel Audet as Chief Financial Officer of FedNor, effective July 31, 2025.
- Effective February 13, 2025, Tiffanie Huard was appointed as Deputy Chief Financial Officer of FedNor.

### 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

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**Lucie Perreault**

Acting President

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August 21, 2025

Original signed by

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**Daniel Audet**

Chief Financial Officer

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August 19, 2025



## 6. Appendices

### 6.1 Statement of Authorities (unaudited)

<i>(in thousands of dollars)</i>	Fiscal year 2025–26		
	Total available for use for the year ending March 31, 2026 <sup>(1)</sup>	Used during the quarter ended June 30, 2025	Year to date used at quarter end
Vote 1 — Operating expenditures	15,571	3,252	3,252
Vote 5 - Grants and contributions	54,179	9,101	9,101
<b>Total voted authorities</b>	<b>69,750</b>	<b>12,353</b>	<b>12,353</b>
Employee benefit plans	2,054	514	514
<b>Total budgetary statutory authorities</b>	<b>2,054</b>	<b>514</b>	<b>514</b>
<b>Total authorities</b>	<b>71,804</b>	<b>12,867</b>	<b>12,867</b>

<sup>(1)</sup>Includes only authorities available for use and granted by Parliament at quarter end.

<i>(in thousands of dollars)</i>	Fiscal year 2024–25		
	Total available for use for the year ending March 31, 2025 <sup>(1)</sup>	Used during the quarter ended June 30, 2024	Year to date used at quarter end
Vote 1 - Operating expenditures	15,174	2,749	2,749
Vote 5 - Grants and contributions	38,173	11,427	11,427
<b>Total voted authorities</b>	<b>53,347</b>	<b>14,176</b>	<b>14,176</b>
Employee benefit plans	1,795	449	449
<b>Total budgetary statutory authorities</b>	<b>1,795</b>	<b>449</b>	<b>449</b>
<b>Total authorities</b>	<b>55,142</b>	<b>14,625</b>	<b>14,625</b>

<sup>(1)</sup>Includes only authorities available for use and granted by Parliament at quarter end.



## 6.2 Departmental budgetary expenditures by standard object (unaudited)

(in thousands of dollars)

	Fiscal year 2025–26		
	Planned expenditures for the year ending March 31, 2026 <sup>(1)</sup>	Expended during the quarter ended June 30, 2025	Year to date used at quarter end
<b>Expenditures:</b>			
Personnel	15,480	3,536	3,536
Transportation and communications	327	74	74
Information	1,078	1	1
Professional and special services	592	87	87
Rentals	54	7	7
Repair and maintenance	14	5	5
Utilities, materials and supplies	62	2	2
Acquisition of machinery and equipment	18	54	54
Transfer payments	54,179	9,101	9,101
<b>Total gross budgetary expenditures</b>	<b>71,804</b>	<b>12,867</b>	<b>12,867</b>
<b>Total net budgetary expenditures</b>	<b>71,804</b>	<b>12,867</b>	<b>12,867</b>

<sup>(1)</sup> Includes only authorities available for use and granted by Parliament at quarter end.

(in thousands of dollars)

	Fiscal year 2024–25		
	Planned expenditures for the year ending March 31, 2025 <sup>(1)</sup>	Expended during the quarter ended June 30, 2024	Year to date used at quarter end
<b>Expenditures:</b>			
Personnel	14,805	2,919	2,919
Transportation and communications	252	58	58
Information	987	5	5
Professional and special services	655	214	214
Rentals	114	-	-
Repair and maintenance	33	1	1
Utilities, materials and supplies	12	1	1
Acquisition of machinery and equipment	111	-	-
Transfer payments	38,173	11,427	11,427
<b>Total gross budgetary expenditures</b>	<b>55,142</b>	<b>14,625</b>	<b>14,625</b>
<b>Total net budgetary expenditures</b>	<b>55,142</b>	<b>14,625</b>	<b>14,625</b>

<sup>(1)</sup> Includes only authorities available for use and granted by Parliament at quarter end.

