

Atlantic Canada Opportunities Agency

2024-2025

Quarterly Financial Report **For the quarter ended September 30, 2024**

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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 2024-2025 [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 2024-2025 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 the Governor General, under certain conditions, to issue a special warrant authorizing the Government to withdraw funds from the Consolidated Revenue Fund. A special warrant is deemed to be an appropriation for the fiscal year in which it is 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, 2024.

Statement of authorities: Vote 1 – Net operating expenditures

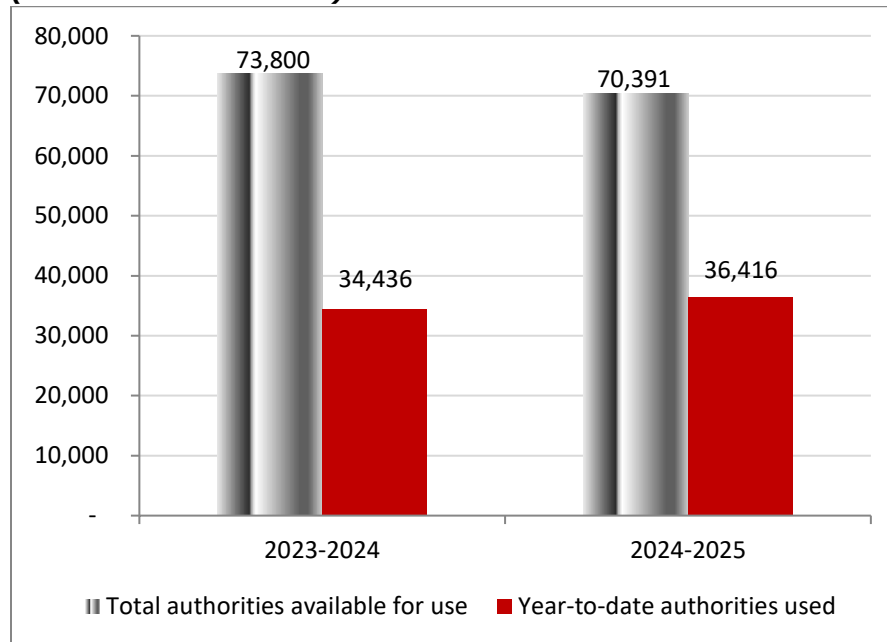
Total authorities available for fiscal year 2024-2025 are \$70.4 million, compared to \$73.8 million as of September 30, 2023.

Vote 1 authorities used year-to-date increased to \$36.4 million at the end of the second quarter this fiscal year, compared to \$34.4 million as of September 30, 2023.

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, 2023-2024 and 2024-2025.

(in thousands of dollars)



Statement of authorities: Vote 5 – Grants and contributions

Total authorities available for use for the year ending March 31, 2025, amount to \$306.7 million, a decrease of \$98.3 million compared to the \$405.0 million available for use as of September 30, 2023. The decrease of \$98.3 million, or 24.3%, is explained below.

A total decrease of \$116.3 million in Vote 5 authorities available for use related to:

- a \$92.2 million decrease in temporary funding for the Hurricane Fiona Recovery Fund;
- a \$10.2 million decrease in temporary funding for the Jobs and Growth Fund;

- a \$6.0 million decrease in temporary funding for the Prince Edward Island Potato Stabilization and Innovation Initiative;
- a \$4.8 million decrease in temporary funding for the Aerospace Regional Recovery Initiative;
- a \$2.5 million decrease in temporary funding (resulting in a transfer of funds from the Department of Agriculture and Agri-Food) to support the establishment of a Dairy Secondary Processing Project in Newfoundland and Labrador; and
- a \$0.6 million decrease in temporary funding for the Black Entrepreneurship Program.

This decrease is offset by a total increase of \$18.0 million in Vote 5 authorities available for use related to:

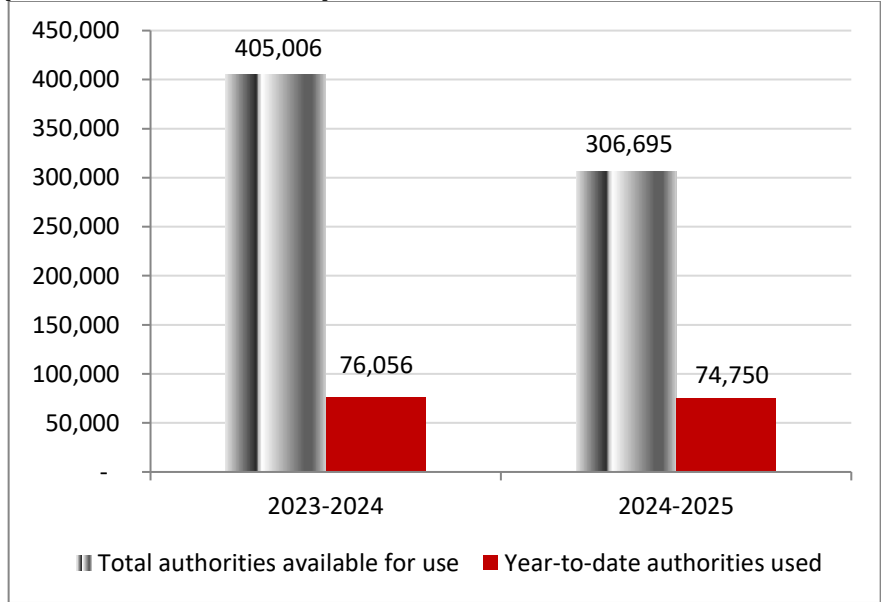
- an \$8.7 million increase in temporary funding for the BioAccelerator Project;
- a \$4.6 million increase in temporary funding in support of the Halifax International Security Forum. (ACOA continues its role as the delivering agency, with a transfer of funds from the Department of National Defence for the annual initiative);
- a \$4.3 million increase in temporary funding for the Tourism Growth Program; and
- a \$0.4 million increase related to a reprofile of funds as a result of project/contracting delays.

Vote 5 authorities used decreased from \$76.1 million last fiscal year to \$74.8 million this fiscal year. This \$1.3 million decrease in authorities used, or 1.7%, 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, 2023-2024 and 2024-2025.

(in thousands of dollars)



Statement of authorities: budgetary statutory authorities

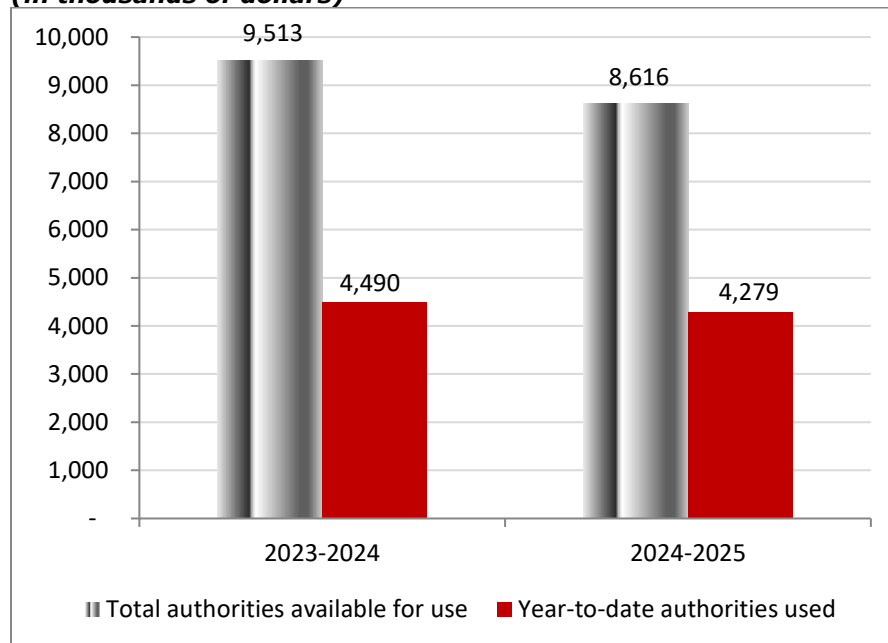
Budgetary statutory authorities available for use for the year ending March 31, 2025, have decreased by \$0.9 million, or 9.4%, to \$8.6 million compared to the previous fiscal year at the same time.

Budgetary statutory authorities used year-to-date decreased to \$4.3 million at the end of the second quarter this fiscal year, compared to \$4.5 million as of September 30, 2023.

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, 2023-2024 and 2024-2025.

(in thousands of dollars)



Statement of the Agency's budgetary expenditures by standard object

The Agency's budgetary expenditures by Standard Object for the quarter ended September 30, 2024, were \$115.4 million, which reflects an increase of \$0.4 million, or 0.4%, from the \$115.0 million in overall expenditures for the quarter ended September 30, 2023.

Risks and uncertainties

ACOA conducts a regular assessment of its overarching corporate risk profile and manages financial risks through a set of appropriate mitigation measures. The financial risks are mitigated in large part by the implementation of strong internal controls over financial reporting. These include the periodic assessment of entity-level controls, general computer controls, and controls in ACOA's key business processes such as payments on grants and contributions, regular operating expenses and accounts receivable.

Furthermore, ACOA manages its budgetary and allocation processes through a well-defined framework supported by a series of automated financial controls. Periodic forecasts are required, and analyses are done regularly to ensure that funds are properly managed.

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

Date

Date

Statement of Authorities (unaudited)

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	70,391	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	385,702	66,163	115,445

Fiscal year 2023-2024 (in thousands of dollars)

Authorities	Total available for use for the year ending March 31, 2024*	Used during the quarter ended September 30, 2023	Year-to-date used at quarter-end
Vote 1 - Net operating expenditures	73,800	16,889	34,436
Vote 5 - Grants and contributions	405,006	47,506	76,056
Budgetary statutory authorities	9,513	2,242	4,490
Total authorities	488,318	66,637	114,982

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

Agency's budgetary expenditures by Standard Object (unaudited)
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	1,399	381	798
Information	542	149	319
Professional and special services	2,688	532	867
Rentals	1,711	320	1,113
Repair and maintenance	96	12	23
Utilities, materials and supplies	219	46	57
Acquisition of machinery and equipment	692	176	404
Transfer payments	306,695	45,604	74,750
Other subsidies and payments	1,090	530	897
Total net budgetary expenditures	385,702	66,163	115,445

Fiscal year 2023-2024 (in thousands of dollars)

Expenditures	Planned expenditures for the year ending March 31, 2024*	Expended during the quarter ended September 30, 2023	Year-to-date expended at quarter-end
Personnel	70,194	17,375	34,780
Transportation and communications	2,467	270	694
Information	548	71	209
Professional and special services	4,126	555	948
Rentals	2,960	284	867
Repair and maintenance	155	17	27
Utilities, materials and supplies	164	39	53
Acquisition of machinery and equipment	911	155	366
Transfer payments	405,006	47,506	76,056
Other subsidies and payments	1,787	365	982
Total net budgetary expenditures	488,318	66,637	114,982

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