



Federal Economic Development  
Agency for Southern Ontario

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

## **Federal Economic Development Agency for Southern Ontario**

Future-Oriented Statement of Operations

For the year ending March 31, 2025

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as represented by the Minister responsible for the  
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**Federal Economic Development Agency for Southern Ontario  
Future-Oriented Statement of Operations (unaudited)  
for the year ending March 31, 2025  
(in thousands of dollars)**

	Forecast results 2023–24	Planned results 2024–25
<b>Expenses</b>		
Economic Development in Southern Ontario	305,507	130,810
Internal services	22,848	20,564
Expenses incurred on behalf of government	(19,414)	(11,168)
<b>Total expenses</b>	<b>308,941</b>	<b>140,205</b>
<b>Net cost of operations before government funding and transfers</b>	<b>308,941</b>	<b>140,205</b>

The accompanying notes form an integral part of the Future-Oriented Statement of Operations.

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

### **Methodology and significant assumptions**

The Future-Oriented Statement of Operations has been prepared based on government priorities and departmental plans as described in the Departmental Plan.

The information in the forecast results for fiscal year 2023–24 is based on actual results as at January 9, 2024 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 underlying the forecasts are as follows:

- The department's activities will remain substantially the same as in the previous year.
- Expenses and revenues, including the determination of amounts internal and external to the government, are based on experience. The general historical pattern is expected to continue.
- FedDev Ontario's ability to fully spend its authorities this year will be influenced by the capacity of recipients from across southern Ontario to deliver on projects and make investments, and the ongoing uncertainties of the pandemic recovery.
- Transfer payment spending is based on historical spending patterns and anticipated stakeholder requirements, and an assessment of new funding initiatives.
- Allowances for uncollectible accounts are based on experience, but with the current environment, uncollectible amounts in general may increase.

These assumptions are made as at January 9, 2024.

### **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 this Future-Oriented Statement of Operations, the FedDev 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 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:

- Implementation of new collective agreements;
- Economic conditions, which may affect the collectability of loan receivables;
- Other changes to the operating budget, such as new initiatives or technical adjustments later in the fiscal year.

- Investment priorities and the actual portfolio of repayable and non-repayable contributions.

After the Departmental Plan is tabled in Parliament, FedDev Ontario 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.

### **Summary of significant accounting policies**

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. 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:

#### **Expenses**

Non-repayable 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, investments and advances and inventory obsolescence, as well as utilization of inventories and prepaid expenses, and other are also included in other expenses.

#### **Parliamentary authorities**

FedDev Ontario is financed by the Government of Canada through parliamentary authorities. Financial reporting of authorities provided to the department 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, the department 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:

**a) Reconciliation of net cost of operations to requested authorities  
(in thousands of dollars)**

	Forecast results 2023–24	Planned results 2024–25
<b>Net cost of operations before government funding and transfers</b>	308,941	140,205
Adjustment for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capitals assets	(13)	(13)
Gain (loss) on disposal of tangible capital assets	0	0
Services provided without charge by other government departments	(4,834)	(4,433)
Increase in vacation pay and compensatory leave	(212)	(191)
Increase in employee future benefits	(28)	(63)
Refunds of previous years' expenditures	123	114
Total items affecting net cost of operations but not affecting authorities	(4,964)	(4,586)
Adjustment for items not affecting net cost of operations but affecting authorities:		
Acquisition of tangible capital assets	0	0
Proceeds from disposal of tangible capital assets	0	0
Loans issued on behalf of government	161,782	93,063
Total items not affecting net cost of operations but affecting authorities	161,782	93,063
<b>Requested authorities forecasted to be used</b>	<b>465,759</b>	<b>228,682</b>

**b) Authorities provided/requested (in thousands of dollars)**

	Forecast results for 2023–24	Planned results for 2024–25
<b>Authorities provided/requested</b>		
Vote 1: Operating expenditures	41,638	34,930
Vote 5: Grants and contributions	419,225	190,020
Statutory amounts	4,896	3,732
<b>Total authorities provided/requested</b>	<b>465,759</b>	<b>228,682</b>
Less: Estimated unused authorities and other adjustments	0	0
Requested authorities forecasted to be used	<b>465,759</b>	<b>228,682</b>