



**Federal Economic Development Agency for  
Southern Ontario**

**Quarterly Financial Report**

For the Quarter ended December 31, 2022

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Nancy Gardiner, President

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Lisa St-Amour, MBA, CPA, CMA  
Chief Financial Officer

His Majesty the King in Right of Canada, as represented by the Minister responsible for  
the Federal Economic Development Agency for Southern Ontario, 2023

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## Quarterly Financial Report — For the Quarter ended December 31, 2022

### Statement outlining results, risks and significant changes in operations, personnel and programs

## 1. 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. This report should be read in conjunction with the [2022–23 Main Estimates](#) and [Supplementary Estimates](#). This quarterly report has not been subject to an external audit or review.

### 1.1 Authority, Mandate and Core Responsibility

The Federal Economic Development Agency for Southern Ontario's (FedDev Ontario) mandate is to “*strengthen southern Ontario's economic capacity for innovation, economic development and growth, and to promote a dynamic, inclusive and globally-competitive southern Ontario.*”

Details and additional information on FedDev Ontario's authorities, mandate and core responsibility can be found in [Part II of the Main Estimates](#) and FedDev Ontario's [Departmental Plan for 2022–23](#).

### 1.2 Basis of Presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes FedDev Ontario's spending authorities granted by Parliament and those used by FedDev Ontario, consistent with the Main and Supplementary Estimates for the 2022–23 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.

FedDev Ontario uses the full accrual method of accounting to prepare and present its annual financial statements that are part of its performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

### **1.3 FedDev Ontario's Financial Structure**

FedDev Ontario manages its expenditures under two votes:

- Vote 1 – Net operating expenditures include the Agency's authorities related to salary and operating expenditures; and
- Vote 5 – Grants and Contributions include all authorities related to transfer payments.

Expenses under budgetary statutory authorities, for which payments are made under a law previously approved by Parliament and which are not part of the annual appropriations bills, include items such as the Government of Canada's portion of the employee benefit plan and Minister's motor car allowance.

## **2. Highlights of fiscal quarter and fiscal year-to-date (YTD) results**

This section highlights the significant items that contributed to the net increase or decrease in authorities available for the year and actual expenditures for the quarter ended December 31, 2022.

### **2.1 Authorities Analysis (Vote 1 – Operating, Vote 5 – Grants and Contributions and Statutory Authorities)**

Total authorities (including \$1.5 million in Operation Budget Carry Forward) and planned expenditures increased to \$703.9 million for the third quarter of fiscal 2022–23 compared to \$427.7 million for fiscal year 2021–22, as illustrated in the "Statement of Authorities" table.

The net increase of \$276.2 million over last fiscal year relates to:

- \$3.4 million increase in Vote 1 (Operating Authorities);
- \$273.2 million increase in Vote 5 (Grants and Contributions Authorities); and
- \$0.4 million decrease in statutory authorities.

#### *Vote 1 – Operating Authorities*

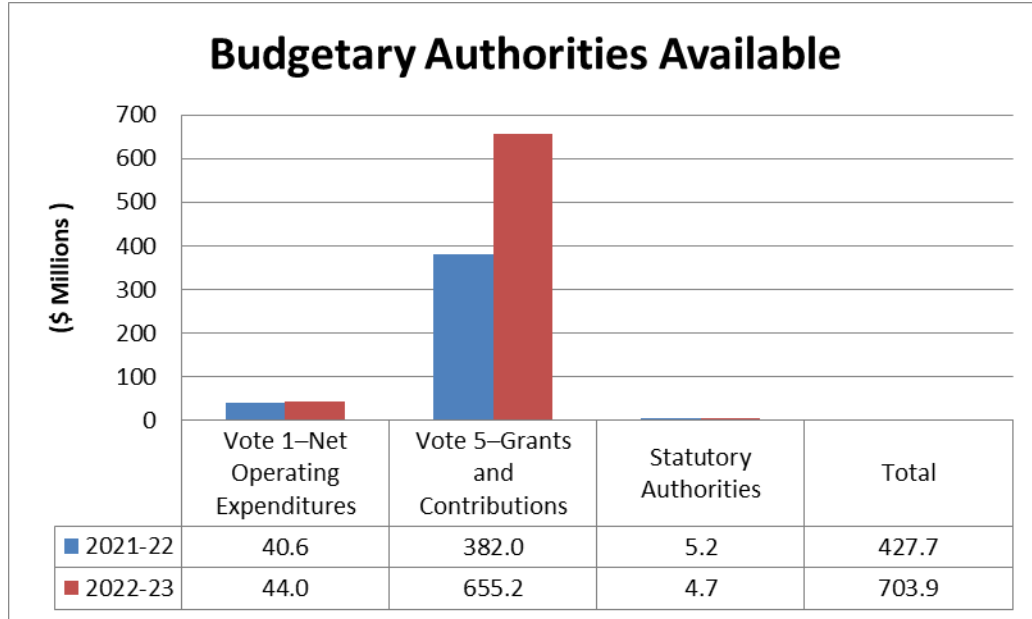
Total Vote 1 Operating Authorities available for use for the year ending March 31, 2023, amount to \$44 million, compared to \$40.5 million for fiscal year 2021–22, which is a net increase of \$3.5 million. The net increase is attributed to additional operating funding provided to support the delivery of a suite of multi-year initiatives announced in Budget 2021.

#### *Vote 5 – Grants and Contributions*

Total Vote 5 Grants and Contributions Authorities in 2022–23 is \$655.2 million, compared to \$381.9 million for fiscal year 2021–22, which is a net increase of \$273.3 million. This increase relates to funding received from Budget 2021 to support economic recovery in southern Ontario.

### Statutory Authorities

Total statutory authorities granted for use for the year ending March 31, 2023, amount to \$4.7 million, compared to \$5.1 million in 2021–22, which represents a net decrease of \$0.4 million. This decrease in the authorities relates to annual adjustments made to authorities provided for employee benefits plan.

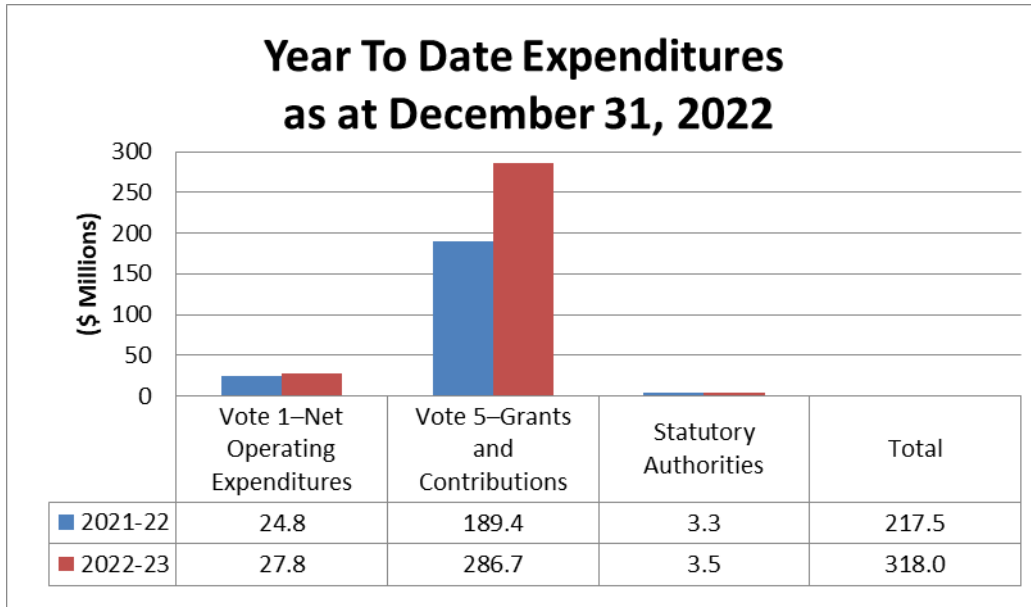


	Fiscal Year (in millions of dollars)	
	<b>2022–23</b>	<b>2021–22</b>
Vote 1 – Net Operating Expenditures	44.0	40.6
Vote 5 – Grants and Contributions Authorities	655.2	382.0
Statutory Authorities	<u>4.7</u>	<u>5.2</u>
<b>Total</b>	<b>703.9</b>	<b>427.7</b>

\* Totals presented may not add up due to rounding

### 2.2 Expenditure Analysis

Year-to-date expenditures as at December 31, 2022, totaled \$318 million, an increase of \$100.5 million, compared to \$217.5 million at December 31, 2021. The increase in spending is primarily attributed to grants and contributions made through the Budget 2021 initiatives.



	Fiscal Year (in millions of dollars)	
	<b>2022-23</b>	<b>2021-22</b>
Vote 1 – Net Operating Expenditures	27.8	24.8
Vote 5 – Grants and Contributions	286.7	189.4
Statutory Authorities	<u>3.5</u>	<u>3.3</u>
<b>Total</b>	<b>318.0</b>	<b>217.5</b>

\* Totals presented may not add up due to rounding.

Budgetary expenditures in the third quarter of 2022–23 totaled \$127.4 million, compared to \$61.1 million in the same period of 2021–22, as illustrated in the “Third Quarter Budgetary Expenditures” chart. The net increase of \$66.3 million is attributed primarily to grants and contributions made through the Budget 2021 initiatives.

#### *Vote 1 (Operating Expenditures)*

Operating expenditures in the third quarter of 2022–23 were \$9.7 million compared to \$8.6 million in the same period of 2021–22. The change in operating expenditures is primarily driven by an increase of \$0.5 million in acquisition of machines and equipment, transportation and communications, and decrease of \$0.2 million in professional and special services. Year-to-date personnel expenses increased by \$2.7 million over fiscal 2021–22, which aligns with the increased operating authorities provided to support Budget 2021 multi-year recovery programming. Expenditures in other operating standard objects did not see material fluctuations.

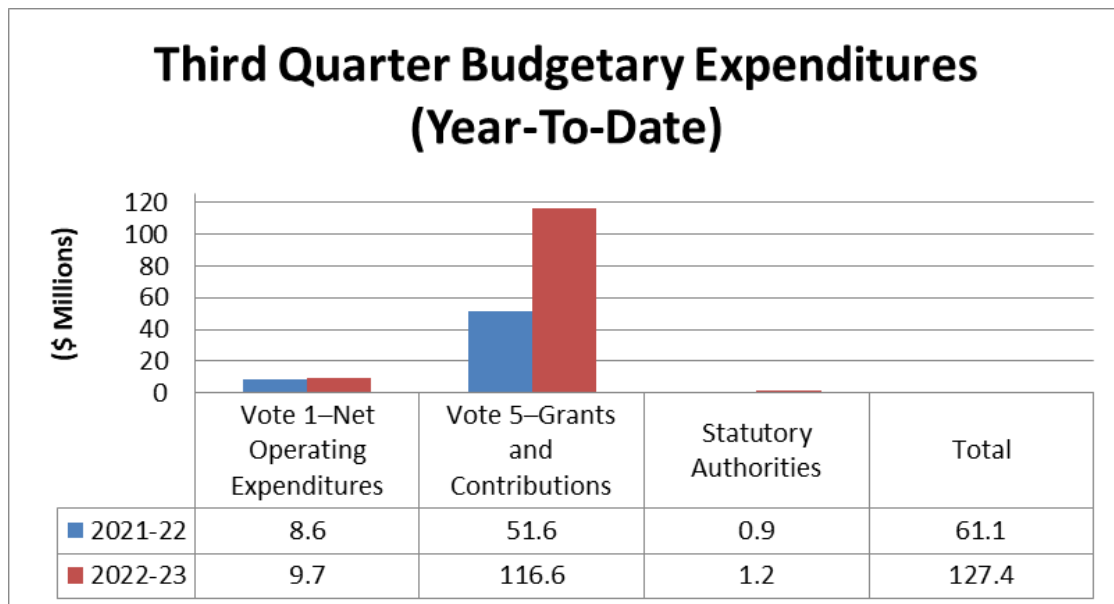
#### *Vote 5 (Grants and Contributions)*

Spending on transfer payments was \$116.6 million in the third quarter of 2022–23, compared to \$51.6 million in the same quarter of 2021–22. The increase in quarterly spending is primarily attributed to the Budget 2021 initiatives, offset against high 2021–22 expenditures for the Regional Relief and Recovery Fund. Year-to-date grants and contributions expenditures total \$286.7 million, an increase of \$97.2 million from 2021–22. This aligns with increased spending related to Budget 2021 initiatives. Further, an amount of \$91.5 million in transfer payment authorities has been requested to be reprofiled to future years to meet the demands of the economy.

### Statutory Authorities

Spending through statutory authorities was \$1.1 million in the third quarter of 2022–23, compared to \$0.9 million in the same quarter of 2021–22. This increase in expenditures is attributed to higher costs for employee benefit plan contributions related to increased salary authorities.

(For additional information on expenditures, see the Departmental Budgetary Expenditures by Standard Object table in the Appendix.)



	Fiscal Year (in millions of dollars)	
	2022–23	2021–22
Vote 1 – Net Operating Expenditures	9.7	8.6
Vote 5 – Grants and Contributions	116.6	51.6
Statutory Authorities	<u>1.2</u>	<u>0.9</u>
<b>Total</b>	<b>127.4</b>	<b>61.1</b>

\* Totals presented may not add up due to rounding.

### 3. Risks and Uncertainties

In 2022–23 FedDev Ontario has the highest authorities level in its history, with new programming and authorities to support government priorities to rebuild regional economies during the recovery from the pandemic. The ability to spend these authorities during this fiscal year will be influenced by the capacity of recipients to launch projects and make investments. There also continues to be some uncertainty around the path of the pandemic, which could have an influence on projects moving forward.

#### **4. Significant Changes in Relation to Operations, Personnel and Programs**

Launched in the summer of 2021, the Budget 2021 suite of multi-year programs are being delivered by regional development agencies across Canada to support economic recovery from the pandemic. These programs have significant financial authorities for grants and contributions investments across southern Ontario through the Jobs and Growth Fund, Tourism Relief Fund, Canada Community Revitalization Fund, Aerospace Regional Recovery Initiative and targeted support for Major Festivals and Events.

#### **Approval by Senior Officials**

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Nancy Gardiner,  
President  
Ottawa, Canada

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Lisa St-Amour, MBA, CPA, CMA  
Chief Financial Officer



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**Statement of Authorities (unaudited) <sup>1</sup>**

	<b>Fiscal Year 2022–23</b>			<b>Fiscal Year 2021–22</b>		
	Total available for use for the year ending March 31, 2023 <sup>2</sup>	Used during the quarter ended December 31, 2022	Year to date used at quarter-end	Total available for use for the year ending March 31, 2022 <sup>2</sup>	Used during the quarter ended December 31, 2021	Year to date used at quarter-end
(in thousands of dollars)						
Vote 1–Net Operating Expenditures	44,023	9,699	27,817	40,572	8,607	24,805
Vote 5–Grants and Contributions <sup>3</sup>	655,183	116,557	286,658	381,962	51,585	189,421
Budgetary statutory authorities:	4,722	1,180	3,541	5,192	928	3,302
<b>Total authorities</b>	<b>703,928</b>	<b>127,436</b>	<b>318,016</b>	<b>427,726</b>	<b>61,120</b>	<b>217,528</b>

<sup>1</sup> Numbers have been rounded to reconcile tables.

<sup>2</sup> Includes authorities available for use and granted by Parliament at quarter-end.

<sup>3</sup> \$91.75M of Grants and Contributions authorities have been requested for reprofile into 2023-24 to support Budget 2021 programs.

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**Departmental budgetary expenditures by Standard Object (unaudited) <sup>1</sup>**

(in thousands of dollars)	<b>Fiscal Year 2022–23</b>			<b>Fiscal Year 2021–22</b>		
	Total available for use for the year ending March 31, 2023 <sup>2</sup>	Used during the quarter ended December 31, 2022	Year to date used at quarter-end	Total available for use for the year ending March 31, 2022 <sup>2</sup>	Used during the quarter ended December 31, 2021	Year to date used at quarter-end
<b>Expenditures:</b>						
Personnel <sup>2</sup>	37,227	9,726	28,700	36,511	8,777	25,984
Transportation and communications	715	127	210	599	2	12
Information	866	195	263	777	114	201
Professional and special services	7,405	422	1,569	6,739	581	1,784
Rentals	346	81	128	243	6	31
Repair and maintenance	54	1	7	48	1	3
Utilities, materials and supplies	155	9	32	139	7	20
Acquisition of land, buildings and works	-	-	-	0	-	-
Acquisition of machinery and equipment	759	318	397	695	46	71
Transfer payments <sup>3</sup>	655,183	116,557	286,658	381,962	51,585	189,421
Other subsidies and payments	1,218		52	13	1	1
<b>Total budgetary expenditures</b>	<b>703,928</b>	<b>127,436</b>	<b>318,016</b>	<b>427,726</b>	<b>61,120</b>	<b>217,528</b>

<sup>1</sup> Numbers have been rounded to reconcile tables.

<sup>2</sup> Includes employee benefit plan (EBP) expenses.

<sup>3</sup> \$91.75M of Grants and Contributions authorities have been requested for reprofile into 2023-24 to support Budget 2021 programs.