



**Federal Economic
Development Agency for
Southern Ontario**

**Quarterly
Financial Report**

For the quarter ended June 30, 2024

Nancy Gardiner,
President

Carole Bourget, CFO

© His Majesty the King in Right in Canada

as represented by the Minister responsible for the Federal Economic
Development Agency for Southern Ontario, 2024

Catalogue No. Iu94 – IE – PDF

ISSN 2368-3481

Quarterly Financial Report — For the quarter ended June 30, 2024

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 2024–25 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 2024–25](#).

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 2024–25 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 personnel costs, operation and maintenance 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 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 June 30, 2024.

2.1 Authorities analysis (Vote 1 – Operating, Vote 5 – Grants and Contributions and Statutory Authorities)

Total authorities available for use and planned expenditures decreased to \$228.7 million for first quarter of fiscal 2024–25, compared to \$431.5 million for fiscal year 2023–24, as illustrated in the "Budgetary Authorities" table.

FedDev Ontario has received \$228.7 million in funding through the [2024–25 Main Estimates](#) and had no items in [Supplementary Estimates A](#).

The net decrease of \$202.8 million over last fiscal year relates to:

- \$1.5 million decrease in Vote 1 (Operating Authorities);
- \$200.9 million decrease in Vote 5 (Grants and Contributions Authorities); and
- \$0.4 million decrease in statutory authorities.

Vote 1 – Operating Authorities

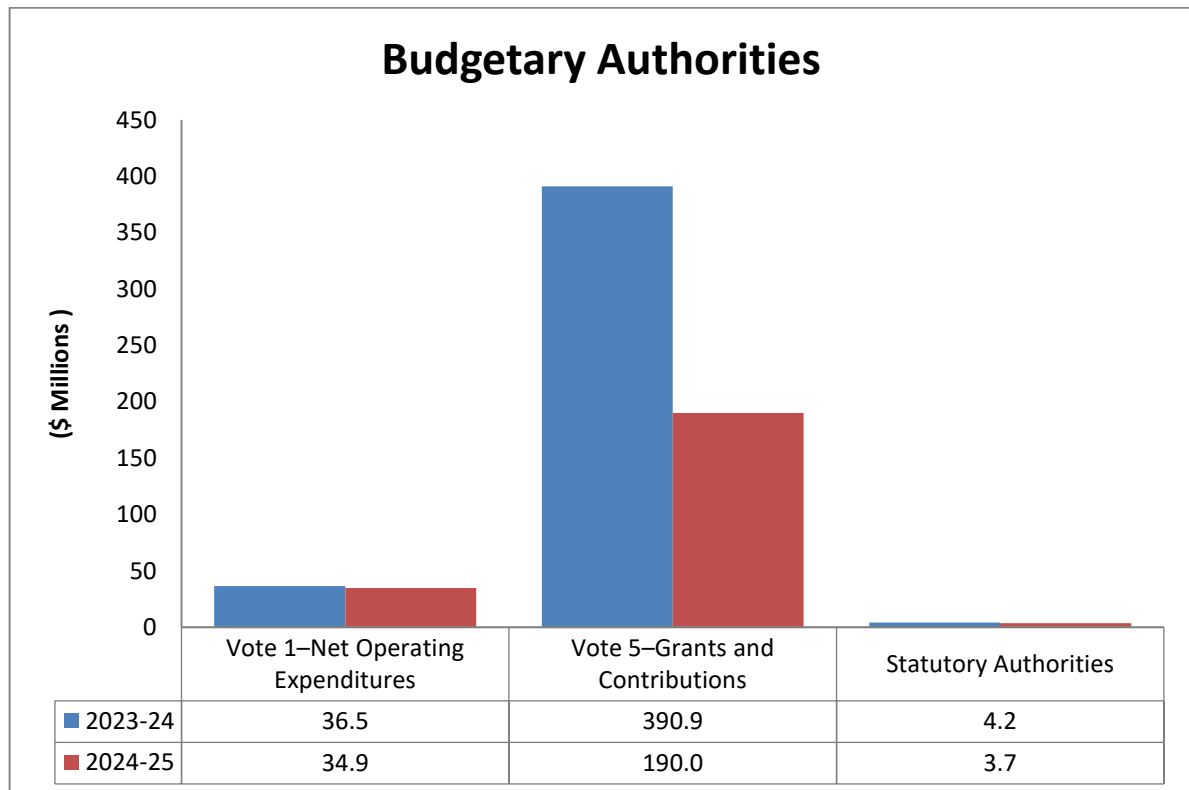
Total Vote 1 Operating Authorities available for use for the year ending March 31, 2025 amounts to \$34.9 million, compared to \$36.4 million for fiscal year 2023–24, which is a net decrease of \$1.5 million. The net decrease is attributed to the sunsetting of multi-year initiatives announced in Budget 2021 and a normalization of Agency authorities as the Agency returns to ongoing regional program authorities.

Vote 5 – Grants and Contributions Authorities

Total Vote 5 Grants and Contributions Authorities available for use in 2024–25 is \$190.0 million, compared to \$390.9 million for fiscal year 2023–24, which is a net decrease of \$200.9 million. This decrease relates to the winding down of many Budget 2021 initiatives that have been supporting economic recovery in southern Ontario.

Statutory Authorities

Total statutory authorities granted for use for the year ending March 31, 2025, amounts to \$3.7 million, compared to \$4.2 million in 2023–24, which is a net decrease of \$0.5 million. This decrease in the authorities relates to the statutory employee benefits plan linked to operating (personnel) authorities provided to deliver on Budget 2021 programs.

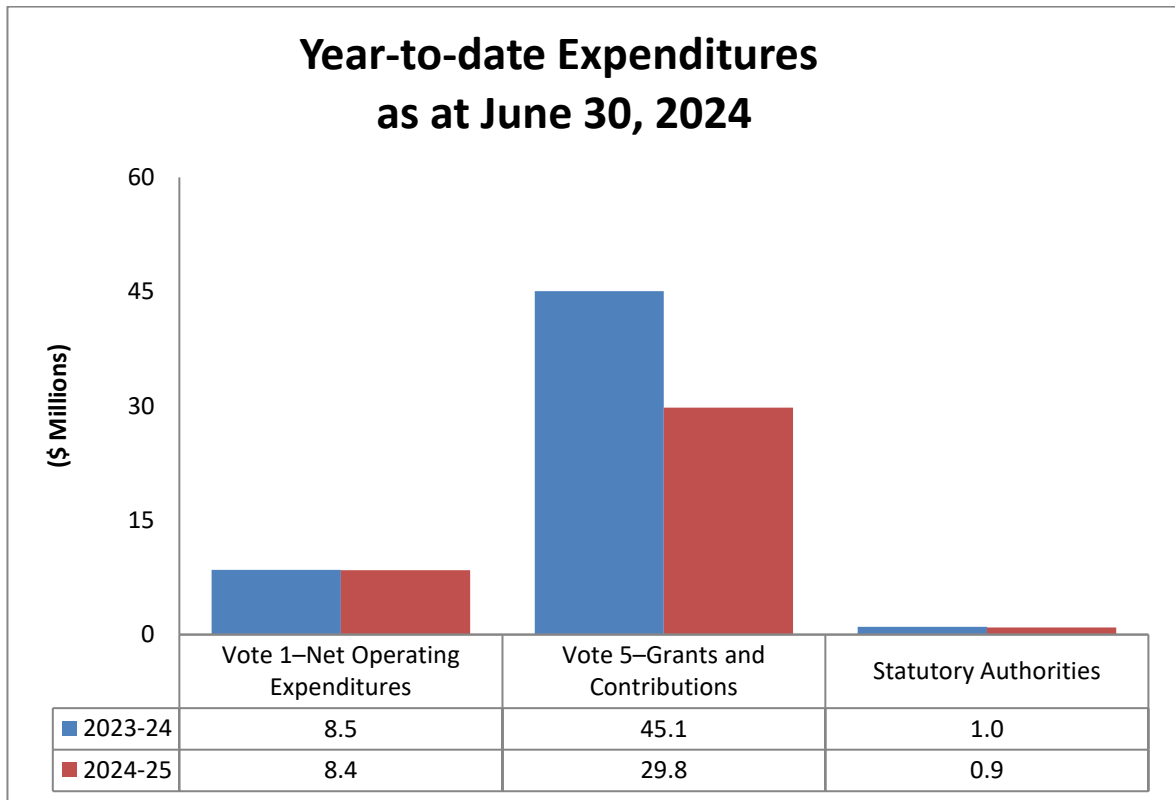


	Fiscal Year (in millions of dollars)	
	2024–25	2023–24
Vote 1 – Net Operating Expenditures	34.9	36.5
Vote 5 – Grants and Contributions	190.0	390.9
Statutory Authorities	<u>3.7</u>	<u>4.2</u>
Total*	228.6	431.6

* Totals presented may not add up due to rounding

2.2 Expenditure analysis

Year-to-date expenditures as at June 30, 2024, totaled \$39.2 million, a decrease of \$15.4 million, compared to \$54.6 million at June 30, 2023. This difference is primarily attributed to decreased transfer payments for initiatives that were active in 2023–24 and have sunset.



	Fiscal Year (in millions of dollars)	
	2024–25	2023–24
Vote 1 – Net Operating Expenditures	8.4	8.5
Vote 5 – Grants and Contributions	29.8	45.1
Statutory Authorities	0.9	1.0
Total*	39.1	54.6

* Totals presented may not add up due to rounding.

Vote 1 (Operating Expenditures)

First quarter expenditures for personnel and other operating standard objects did not see material fluctuations from the previous fiscal year in the same quarter.

Vote 5 (Grants and Contributions)

Spending on transfer payments through voted authorities was \$29.8 million in the first quarter of 2024–25, compared to \$45.1 million in the same quarter of 2023–24. The difference of \$15.3 million is primarily due to decreased transfer payments for sunsetting Budget 2021 initiatives that were active in 2023–24.

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

3. Risks and uncertainties

FedDev Ontario outlines key risks to its mandate in the [2024–25 Departmental Plan](#). Notably, global economic pressures, political uncertainty, potential economic slowdowns and fluctuating interest rates could impact the capacity of recipients to deliver on funded projects.

4. Significant changes in relation to operations, personnel and programs

In 2024–25, FedDev Ontario will be responding to the Budget 2023 measure for Refocusing Government Spending and will contribute to the government-wide projected savings in expenditures of \$14.5 billion over five years. In addition, 2024–25 will be a transition year for the Agency as it returns to its core funding levels following four years of elevated spending for relief and recovery programs.

Approval by Senior Officials

Nancy Gardiner
President
Ottawa, Canada

Carole Bourget
Chief Financial Officer

STATEMENT OF AUTHORITIES - (unaudited)¹ (in thousands of dollars)

	Fiscal year 2024–25			Fiscal year 2023–24		
	Total available for use for the year ending March 31, 2025 ²	Used during the quarter ended June 30, 2024	Year-to-date used at quarter-end	Total available for use for the year ending March 31, 2024 ²	Used during the quarter ended June 30, 2023	Year-to-date used at quarter-end
Vote 1–Net Operating Expenditures	34,930	8,437	8,437	36,460	8,505	8,505
Vote 5–Grants and Contributions	190,020	29,801	29,801	390,892	45,074	45,074
Budgetary statutory authorities	3,732	933	933	4,151	1,037	1,037
Total Authorities	228,682	39,170	39,170	431,503	54,616	54,616

1 Numbers have been rounded to reconcile tables.

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

Departmental budgetary expenditures by Standard Object (unaudited)¹ (in thousands of dollars)

	Fiscal year 2024–25			Fiscal year 2023–24		
	Adjusted planned expenditures for the year ending March 31, 2025	Used during the quarter ended June 30, 2024	Year-to-date used at quarter-end	Adjusted planned expenditures for the year ending March 31, 2024	Used during the quarter ended June 30, 2023	Year-to-date used at quarter-end
Personnel²	30,759	8,870	8,870	31,451	8,780	8,780
Transportation and communications	547	83	83	635	91	91
Information	664	83	83	769	57	57
Professional and special services	5,672	240	240	6,574	574	574
Rentals	265	85	85	307	20	20
Repair and maintenance	41	0	0	48	1	1
Utilities, materials and supplies	119	4	4	137	4	4
Acquisition of land, buildings and works	0	0	0	0	0	0
Acquisition of machinery and equipment	582	4	4	674	15	15
Transfer payments	190,020	29,801	29,801	390,892	45,074	45,074
Other subsidies and payments	13	0	0	16	0	0
Total budgetary expenditures	228,682	39,170	39,170	431,503	54,616	54,616

¹ Numbers have been rounded to reconcile tables.

² Includes Employee Benefit Plan (EBP) expenses.