



Canada Economic  
Development  
for Quebec Regions

Développement  
économique Canada  
pour les régions du Québec

Canada

# Canada Economic Development

for Quebec Regions

Standing by businesses,  
Standing by regions.

## FINANCIAL STATEMENTS AS OF MARCH 31, 2025

(UNAUDITED)

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# Canada Economic Development for Quebec Regions

## Statement of Management Responsibility Including Internal Control Over Financial Reporting

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2025, and all information contained in these statements rests with the management of Canada Economic Development for Quebec Regions (CED). These financial statements have been prepared by management using the Government of Canada's accounting policies, which are based on Canadian public sector accounting standards.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of CED's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in CED's Departmental Results Report, is consistent with these financial statements.

Management is also responsible for maintaining an effective system of internal control over financial reporting (ICFR) designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Financial Administration Act* and other applicable legislation, regulations, authorities, and policies.

Management seeks to ensure the objectivity and integrity of data in its financial statements through careful selection, training, and development of qualified staff; through organizational arrangements that provide appropriate divisions of responsibility; through communication programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout CED and through conducting an annual risk-based assessment of the effectiveness of the system of ICFR.

The system of ICFR is designed to mitigate risks to a reasonable level based on an on-going process to identify key risks, to assess effectiveness of associated key controls, and to make any necessary adjustments.

CED is subject to periodic Core Control Audits performed by the Office of the Comptroller General and uses the results of such audits to comply with the Treasury Board *Policy on Financial Management*.

The financial statements of Canada Economic Development for Quebec Regions have not been audited.

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Sony Perron, President  
Montréal, Canada

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Maxime Garon, Chief Financial Officer

# Canada Economic Development for Quebec Regions

## Statement of Financial Position (*Unaudited*)

**As at March 31**

(in thousands of dollars)

	<b>2025</b>	<b>2024</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 4)	23,952	82,814
Vacation pay and compensatory leave	2,869	3,427
Employee future benefits (note 5)	812	878
<b>Total gross liabilities</b>	<b>27,633</b>	<b>87,119</b>
<b>Liabilities held on behalf of Government</b>		
Accounts payable and accrued liabilities (note 4)	(8,468)	(20,700)
<b>Total liabilities held on behalf of Government</b>	<b>(8,468)</b>	<b>(20,700)</b>
<b>Total net liabilities</b>	<b>19,165</b>	<b>66,419</b>
<b>Financial assets</b>		
Due from Consolidated Revenue Fund	15,401	61,984
Accounts receivable and advances (note 6)	5,893	3,699
Loans receivable (note 7)	640,692	663,786
<b>Total gross financial assets</b>	<b>661,986</b>	<b>729,469</b>
<b>Financial assets held on behalf of Government</b>		
Accounts receivable and advances (note 6)	(5,780)	(3,568)
Loans receivable (note 7)	(640,692)	(663,786)
<b>Total financial assets held on behalf of Government</b>	<b>(646,472)</b>	<b>(667,354)</b>
<b>Total net financial assets</b>	<b>15,514</b>	<b>62,114</b>
<b>Departmental net debt</b>	<b>3,651</b>	<b>4,305</b>
<b>Non-financial assets</b>		
Prepaid expenses	155	358
Tangible capital assets (note 8)	1,094	1,646
<b>Total non-financial assets</b>	<b>1,249</b>	<b>2,004</b>
<b>Departmental net financial position</b>	<b>(2,402)</b>	<b>(2,301)</b>

Contractual obligations (note 9)

Contingent liabilities and contingent assets (note 10)

The accompanying notes form an integral part of these financial statements.

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Sony Perron, President  
Montréal, Canada

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Maxime Garon, Chief Financial Officer

# Canada Economic Development for Quebec Regions

## Statement of Operations and Departmental Net Financial Position (*Unaudited*) For the Year Ended March 31

(in thousands of dollars)

	<b>2025</b>	<b>2025</b>	<b>2024</b>
	<b>Planned Results</b>	Actual	Actual
<b>Expenses</b>			
Economic Development in Quebec	198,647	173,959	372,372
Internal Services	26,215	57,429	30,413
Expenses incurred on behalf of Government	585	(17,865)	(27,362)
<b>Total expenses</b>	<b>225,447</b>	<b>213,523</b>	<b>375,423</b>
<b>Revenues</b>			
Interest revenues	1,733	1,273	216
Miscellaneous revenues	177	8	8
Revenues earned on behalf of Government	(1,910)	(1,281)	(224)
<b>Total revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net cost of operations before government funding and transfers</b>	<b>225,447</b>	<b>213,523</b>	<b>375,423</b>
<b>Government funding and transfers</b>			
Net cash provided by Government		252,885	338,485
Change due from Consolidated Revenue Fund		(46,583)	29,446
Services provided without charge by other government departments (note 11)		7,119	7,065
<b>Net cost of operations after government funding and transfers</b>		<b>101</b>	<b>427</b>
<b>Departmental net financial position- Beginning of year</b>		<b>(2,301)</b>	<b>(1,874)</b>
<b>Departmental net financial position – End of year</b>		<b>(2,402)</b>	<b>(2,301)</b>

Segmented information (note 12)

The accompanying notes form an integral part of these financial statements.

# Canada Economic Development for Quebec Regions

## Statement of Change in Departmental Net Debt (*Unaudited*) For the Year Ended March 31

(in thousands of dollars)

	<b>2025</b>	<b>2024</b>
	Actual	Actual
<b>Net cost of operations after government funding and transfers</b>	<b>101</b>	<b>427</b>
<b>Change due to tangible capital assets</b>		
Acquisition of tangible capital assets	61	92
Amortization of tangible capital assets	(602)	(623)
Proceeds from disposal of tangible capital assets	(10)	0
<b>Total change due to tangible capital assets</b>	<b>(551)</b>	<b>(531)</b>
<b>Change due to prepaid expenses</b>	<b>(204)</b>	<b>(22)</b>
<b>Increase (decrease) in departmental net debt</b>	<b>(654)</b>	<b>(126)</b>
<b>Departmental net debt – Beginning of year</b>	<b>4,305</b>	<b>4,431</b>
<b>Departmental net debt – End of year</b>	<b><u>3,651</u></b>	<b><u>4,305</u></b>

The accompanying notes form an integral part of these financial statements.

# Canada Economic Development for Quebec Regions

## Statement of Cash Flows (*Unaudited*) For the Year Ended March 31

(in thousands of dollars)

	<u>2025</u>	<u>2024</u>
<b>Operating activities</b>		
Net cost of operations before government funding and transfers	213,523	375,422
Non-cash items:		
Amortization of tangible capital assets	(602)	(623)
Services provided without charge by other government departments (note 11)	(7,119)	(7,065)
Variations in Statement of Financial Position:		
Increase (decrease) in accounts receivable and advances	(18)	(237)
Increase (decrease) in prepaid expenses	(204)	(22)
Decrease (increase) in accounts payable and accrued liabilities	46,630	(29,218)
Decrease (increase) in vacation pay and compensatory leave	558	(45)
Decrease (increase) in future employee benefits	66	180
<b>Cash used in operating activities</b>	<b>252,834</b>	<b>338,392</b>
<b>Capital investing activities</b>		
Acquisition of tangible capital assets	61	92
Proceeds from disposal of tangible capital assets	(10)	0
<b>Cash used in capital investing activities</b>	<b>51</b>	<b>92</b>
<b>Net cash provided by Government of Canada</b>	<b>252,885</b>	<b>338,484</b>

The accompanying notes form an integral part of these financial statements.

# Canada Economic Development for Quebec Regions

## Notes to the Financial Statements (*Unaudited*) For the Year Ended March 31

### 1. Authority and objectives

The mission of Canada Economic Development for Quebec Regions (CED) is to promote the long-term economic development of the regions of Quebec by giving special attention to those where slow economic growth is prevalent or opportunities for productive employment are inadequate. CED exercises its mandate under the provisions of the *Economic Development Agency of Canada for the Regions of Quebec Act*, which came into force on October 5, 2005. In addition, CED is committed to promoting co-operation and complementarity with Quebec and the communities in Quebec.

CED fosters business start-ups and growth. It helps them become more innovative, productive, and competitive. It supports efforts to engage the regions of Quebec and attract investments that will help boost the economic well-being of Quebec and Canada. CED contributes to the economic vitality of all of Quebec's regions by leveraging their competitive regional advantages, such as wind power and marine technologies.

To achieve this strategic outcome, CED has a core responsibility and internal services:

- **Economic Development in Quebec:** This core responsibility is designed to support Quebec economic growth, job creation and economic prosperity through inclusive clean growth. CED also help Small and Medium-sized enterprises (SMEs) growth through trade and innovation. It also contributes to build on competitive regional strengths.
- **Internal Services:** Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. Internal Services include only those activities and resources that apply across an organization and not those provided specifically for a program.

# Canada Economic Development for Quebec Regions

## Notes to the Financial Statements (*Unaudited*) For the Year Ended March 31

### 2. Summary of significant accounting policies

These financial statements have been prepared using the Government's accounting policies stated below, which are 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:

- a) **Parliamentary authorities**  
CED is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to CED do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and Departmental Net Financial Position and in the Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a reconciliation between the bases of reporting. The planned results amount in the "Expenses" and "Revenues" sections of the Statement of Operations and Departmental Net Financial Position are the amounts reported in the Future-oriented Statement of Operations included in the 2024-2025 Departmental Plan. Planned results are not presented in the "Government funding and transfers" section of the Statement of Operations and Departmental Net Financial Position and in the Statement of Change in Departmental Net Debt because these amounts were not included in the 2024-2025 Departmental Plan.
- b) **Net Cash Provided by Government**  
CED operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by CED is deposited to the CRF, and all cash disbursements made by CED are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements, including transactions between departments of the Government.
- c) **Amounts due from the CRF**  
Amounts due from the CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that CED is entitled to draw from the CRF without further authorities to discharge its liabilities.
- d) **Revenues**  
Revenues are recognized in the period the event that giving rise to the revenue occurred, except for the item listed below. Loans are non-interest bearing and, due to the uncertainty as to ultimate collection, interest income is only charged on overdue amounts when received. Other revenues consist of other fees and gains on the disposal of capital and non-capital assets. Revenues that are non-responsible are not available to discharge CED's liabilities. While the President is expected to maintain accounting control, she has no authority regarding the disposition of non-responsible revenues. As a result, non-responsible revenues are considered to be earned on behalf of the Government of Canada and are therefore presented as a reduction of the entity's gross revenues.

# Canada Economic Development for Quebec Regions

## Notes to the Financial Statements (Unaudited) For the Year Ended March 31

- e) Expenses  
Transfer payments are recorded as an expense in the year the transfer is authorized, and all eligibility criteria have been met by the recipient. Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment. Services provided without charge by other government departments for accommodation, employer contributions to the health and dental insurance plans, and legal services are recorded as operating expenses at their carrying value.
- f) Employee future benefits
- i. Pension benefits - Eligible employees participate in the Public Service Pension Plan, a multiemployer pension plan administered by the Government. CED's contributions to the Plan are charged to expenses in the year incurred and represent CED's total obligation to the Plan. CED's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, the Plan's sponsor.
  - ii. Severance benefits - The accumulation of severance benefits for voluntary departures ceased for applicable employee groups. The remaining obligation for employees who did not withdraw benefits is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.
- g) Accounts and loans receivable  
Accounts and loans receivable are initially recorded at cost. The value is not discounted since insufficient conditions of a concessionary nature are attached to them. Transfer payments that are unconditionally repayable are recognized as loans receivable. When necessary, an allowance for valuation is recorded to reduce the carrying value of accounts and loans receivable to amounts that approximate their net recoverable value.
- h) Non-financial assets  
The costs of acquiring land, buildings, equipment, and other capital property are capitalized as tangible capital assets and, except for land, are amortized to expense over the estimated useful lives of the assets, as described in Note 8. All tangible capital assets and leasehold improvements having an initial cost of \$5,000 or more are recorded at their acquisition cost. Tangible capital assets do not include immovable assets located on reserves as defined in the *Indian Act*, works of art, museum collection and Crown land to which no acquisition cost is attributable, and intangible assets.
- i) Contingent Liabilities  
Contingent liabilities, including the allowance for guarantees, are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, a provision is accrued, and an expense recorded to other expenses. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.
- j) Contingent assets  
Contingent assets are possible assets which may become actual assets when one or more future events occur or fail to occur. If the future even is likely to occur or fail to occur, the contingent asset is disclosed in the notes to the financial statements.

## Canada Economic Development for Quebec Regions

k) **Measurement uncertainty**  
The preparation of these financial statements requires management to make estimates and assumptions that affect the reported and disclosed amounts of assets, liabilities, revenues and expenses reported in the financial statements and accompanying notes at March 31. The estimates are based on facts and circumstances, historical experience, general economic conditions and reflect the Government's best estimate of the related amount at the end of the reporting period. The most significant items where estimates are used are allowances for doubtful accounts, the liability for employee future benefits, contingent liabilities, the useful life of tangible capital assets and the estimated recoveries for contingent assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

l) **Related party transactions**  
Related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions, other than restructuring transactions, are recorded on a gross basis, and are measured at the carrying amount, except for the following:

- i. Services provided on a recovery basis are recognized as revenues and expenses on a gross basis and measured at the exchange amount.
- ii. Certain services received on a without charge basis are recorded for departmental financial statement purposes at the carrying amount.

# Canada Economic Development for Quebec Regions

## Notes to the Financial Statements (*Unaudited*) For the Year Ended March 31

### 3. Parliamentary authorities

CED receives most of its funding through annual parliamentary authorities. Items recognized in the Statement of Operations and Departmental Net Financial Position and the Statement of Financial Position in one year may be funded through parliamentary authorities in prior, current, or future years. Accordingly, CED has different net results 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 current year authorities used

	<u>2025</u>	<u>2024</u>
	(in thousands of dollars)	
<b>Net cost of operations before government funding and transfers</b>	<b>213,523</b>	<b>375,422</b>
<b>Adjustments for items affecting net cost of operations but not affecting authorities:</b>		
Services provided without charge by other government departments	(7,119)	(7,065)
Amortization of tangible capital assets	(602)	(623)
Decrease (increase) in vacation pay and compensatory leave	558	(45)
Decrease (increase) in employee future benefits	66	180
Repayment of contributions and previous years' expenditures	204	4,813
Other	14,077	3,544
	<hr/>	<hr/>
Total items affecting net cost of operations but not affecting authorities	7,184	804

# Canada Economic Development for Quebec Regions

## Notes to the Financial Statements (*Unaudited*) For the Year Ended March 31

### Adjustments for items not affecting net cost of operations but affecting authorities:

Acquisition of tangible capital assets	61	92
Increase (decrease) in prepaid expenses	(203)	(22)
New loans (note 7)	117,080	187,816
Other	<u>(15)</u>	<u>(929)</u>
Total items not affecting net cost of operations but affecting authorities	<u>116,923</u>	<u>186,957</u>
<b>Current year authorities used</b>	<b><u>337,630</u></b>	<b><u>563,183</u></b>

### b) Authorities provided and used

	<u>2025</u>	<u>2024</u>
	<b>(in thousands of dollars)</b>	
<b>Authorities provided:</b>		
Vote 1 - Operating expenditures	50,334	51,126
Vote 5 - Grants and contributions	284,428	534,745
Statutory amounts	6,068	6,232
	<b><u>340,830</u></b>	<b><u>592,103</u></b>
<b>Less:</b>		
Authorities available for use in future years	0	0
Lapsed: Operating and Grants and contributions	(3,200)	(28,920)
<b>Current year authorities used</b>	<b><u>337,630</u></b>	<b><u>563,183</u></b>

# Canada Economic Development for Quebec Regions

## Notes to the Financial Statements (*Unaudited*) For the Year Ended March 31

### 4. Accounts payable and accrued liabilities

The following table presents details of CED's accounts payable and accrued liabilities:

	<u>2025</u>	<u>2024</u>
	(in thousands of dollars)	
Accounts payable – Other government departments and agencies	761	716
Accounts payable – External parties	6,130	4,496
Total accounts payable	<u>6,891</u>	<u>5,212</u>
Accrued liabilities	17,061	77,602
<b>Net accounts payable and accrued liabilities</b>	<b><u>23,952</u></b>	<b><u>82,814</u></b>
Accounts payable on behalf of Government	(8,468)	(20,700)
<b>Net accounts payable and accrued liabilities</b>	<b><u>15,484</u></b>	<b><u>62,114</u></b>

### 5. Employee future benefits

#### a) Pension benefits

CED's employees participate in the Public Service Pension Plan (the "Plan"), which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plan benefits and they are indexed to inflation.

Both the employees and CED contribute to the cost of the Plan. Due to the amendment of the Public Service Superannuation Act following the implementation of provisions related to Economic Action Plan 2012, employee contributors have been divided into two groups – Group 1 related to existing plan members as of December 31, 2012, and Group 2 relates to members joining the Plan as of January 1, 2013. Each group has a distinct contribution rate.

The 2024-2025 expense amounts to \$3,883 thousand (\$3,669 thousand in 2023-2024). For Group 1 members, the expense represents approximately 1.02 times (1.02 times in 2023-2024) the employee contributions and, for Group 2 members, approximately 1.00 times (1.00 times in 2023-2024) the employee contributions.

CED's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the Consolidated Financial Statements of the Government of Canada, as the Plan's sponsor.

# Canada Economic Development for Quebec Regions

## Notes to the Financial Statements (*Unaudited*) For the Year Ended March 31

### b) Severance benefits

Severance benefits provided to CED's employees were previously based on an employee's eligibility, years of service and salary at termination of employment. However, since 2011 the accumulation of severance benefits for voluntary departures progressively ceased for substantially all employees. Employees subject to these changes were given the option to be paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits upon departure from the public service. By March 31, 2025, substantially all settlements for immediate cash out were completed. Severance benefits are unfunded and, consequently, the outstanding obligation will be paid from future authorities.

The changes in the obligations during the year were as follows:

	<b>2025</b>	<b>2024</b>
	<b>(in thousands of dollars)</b>	
<b>Accrued benefit obligation - Beginning of year</b>	<b>878</b>	<b>1,058</b>
Expense for the year	3	(76)
Benefits paid during the year	(69)	(104)
<b>Accrued benefit obligation - End of year</b>	<b>812</b>	<b>878</b>

### 6. Accounts receivable and advances

The following table presents details of CED's accounts receivable and advances balances:

	<b>2025</b>	<b>2024</b>
	<b>(in thousands of dollars)</b>	
Receivables – Other government departments and agencies	83	130
Receivables – External parties	19,369	11,368
Employee advances	31	1
Subtotal	19,483	11,499
Allowance for doubtful accounts on receivables from external parties	(13,589)	(7,800)
<b>Gross accounts receivable</b>	<b>5,894</b>	<b>3,699</b>
<b>Accounts receivable held on behalf of Government</b>	<b>(5,780)</b>	<b>(3,568)</b>
<b>Net accounts receivable</b>	<b>114</b>	<b>131</b>

## Canada Economic Development for Quebec Regions

The following table provides an aging analysis of accounts receivable from external parties and the associated valuation allowances used to reflect their net recoverable value.

	<u>2025</u>	<u>2024</u>
	(in thousands of dollars)	
Accounts receivable from external parties		
Not past due	438	364
Number of days pas due		
1 to 30	232	102
31 to 60	405	140
61 to 60	295	89
91 to 365	6,912	1,618
Over 365	11,087	9,055
Sub-total	<u>19,369</u>	<u>11,368</u>
Less: Valuation allowance		
	<u>(13,589)</u>	<u>(7,800)</u>
<b>Total</b>	<u><b>5,780</b></u>	<u><b>3,568</b></u>

# Canada Economic Development for Quebec Regions

## Notes to the Financial Statements (*Unaudited*) For the Year Ended March 31

Amounts collected in respect to conditionally repayable contributions totalled \$5,417 thousand for the 2024-2025 fiscal year (\$5,417 thousand in 2023-2024). No write-off in 2024-2025 for accounts deemed uncollectible. CED wrote off a total of \$9,409 thousand in the 2023-2024 fiscal year.

### 7. Loans receivable

Loans (unconditionally repayable contributions) are transfer payments made to eligible recipients to carry out a project. The contribution agreement sets out strict conditions for repayment which determine the dates and amounts of payments. In general, the repayment schedule does not exceed five years, beginning no later than 24 to 48 months after the project completion date. All loans are held on behalf of Government since the President has no authority with regard to their disposal.

The following table presents the details of CED's loans (unconditionally repayable contributions) balances:

	<b>2025</b>	<b>2024</b>
	<b>(in thousands of dollars)</b>	
Repayable contributions at the beginning of the year	859,531	804,743
New contributions paid	117,080	187,816
Repayments received and other credits	(128,099)	(133,028)
Subtotal: Repayable contributions at year end	848,512	859,531
Less: Allowance for uncollectibility	(207,820)	(195,745)
<b>Total loans receivable</b>	<b>640,692</b>	<b>663,786</b>

The amounts collected in respect to unconditionally repayable contributions totalled \$128,099 thousand for the 2024-2025 fiscal year (\$133,028 thousand in 2023-2024). No write-off in 2024-2025 for accounts deemed uncollectible. CED wrote off a total of \$9,409 thousand in the 2023-2024 fiscal year.

## Canada Economic Development for Quebec Regions

The following table provides an aging analysis of loans receivable that are either past due or impaired and the associated valuation allowances used to reflect their net recoverable value:

	<u>2025</u>	<u>2024</u>
	<b>( in thousands of dollars)</b>	
Loans receivable		
Not past due	757,565	793,617
Number of days past due		
1 to 90	2,395	3,560
91 to 365	24,204	13,672
Over 365	64,347	48,682
Sub-total	<u>848,512</u>	<u>859,531</u>
Less : Valuation allowance	<u>(207,820)</u>	<u>(195,745)</u>
<b>Total</b>	<b><u>640,692</u></b>	<b><u>663,786</u></b>

# Canada Economic Development for Quebec Regions

## Notes to the Financial Statements (*Unaudited*) For the Year Ended March 31

### 8. Tangible capital assets

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

<b>Asset class</b>	<b>Amortization period</b>
Computer hardware	3 to 5 years
Computer software	3 years
Other equipment	5 years
Motor vehicles	6 years
Leasehold improvements	Over the useful life of the improvement or the lease term, whichever is shorter
Assets under construction	Once in service, in accordance with asset type

Assets under construction are recorded in the applicable capital asset class in the year they are put into service and are not amortized until they are put into service.

## Canada Economic Development for Quebec Regions

### Notes to the Financial Statements (*Unaudited*)

For the Year Ended March 31

(in thousands of dollars)

Capital Asset Class	Cost					Accumulated Amortization					Net Book Value	
	Opening Balance	Acquisitions	Adjustments	Disposals and Write-Offs	Closing Balance	Opening Balance	Amortization	Adjustments (1)	Disposals and Write-Offs	Closing Balance	2025	2024
Computer hardware	1,038	0	0	0	1,038	1,038	0	0	0	1,038	0	0
Computer software	4,341	0	0	0	4,341	2,869	570	0	0	3,439	902	1,472
Other equipment	45	0	0	0	45	41	1	0	0	42	3	4
Motor vehicles	454	61	0	(68)	447	296	27	0	(57)	266	181	158
Leasehold improvements	204	0	0	0	204	192	4	0	0	196	8	12
Assets under construction	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>6,082</b>	<b>61</b>	<b>0</b>	<b>(68)</b>	<b>6,075</b>	<b>4,436</b>	<b>602</b>	<b>0</b>	<b>(57)</b>	<b>4,981</b>	<b>1,094</b>	<b>1,646</b>

# Canada Economic Development for Quebec Regions

## Notes to the Financial Statements (*Unaudited*) For the Year Ended March 31

### 9. Contractual obligations

The nature of CED's activities result in some large multi-year contracts and obligations whereby CED will be obligated to make future payments in order to carry out its transfer payment programs or when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

	2026	2027	2028	2029	2030 and thereafter	Total
	(in thousands of dollars)					
Transfer payments	246,874	112,614	56,062	46,964	36,646	499,160
Operations and maintenance	3,228	306	259	96	96	3,985
<b>Total</b>	<b>250,102</b>	<b>112,920</b>	<b>56,521</b>	<b>47,060</b>	<b>36,742</b>	<b>503,145</b>

### 10. Contingent assets

Under the Quebec Economic Development Program (QEDP), conditionally repayable contributions which are outstanding in 2025 total \$12,009 thousand (\$13,207 thousand in 2024). Repayments are determined by a project's profitability and have a maximum repayment period of 20 years. The final payment is due no later than 2042.

The estimated recoveries for contingent assets are evaluated at \$9,607 thousand (\$10,566 thousand in 2024).

### 11. Related party transactions

CED is related as a result of common ownership to all government departments, agencies and Crown corporations. Related parties also include individuals who are members of key management personnel or close family members of those individuals, and entities controlled by, or under shared control of, a member of key management personnel or a close family member of that individual.

CED enters into transactions with these entities in the normal course of business and on normal trade terms.

# Canada Economic Development for Quebec Regions

## Notes to the Financial Statements (*Unaudited*) For the Year Ended March 31

### a) Common services provided without charge by other government departments

During the year, CED received services without charge from certain common service organizations, related to accommodation, legal services and the employer's contribution to the health and dental insurance plans. These services, provided without charge, have been recorded at the carrying value in CED's Statement of Operations and Departmental Net Financial Position as follows:

	<u>2025</u>	<u>2024</u>
	<u>(in thousands of dollars)</u>	
Employer's contribution to the health and dental insurance plans	3,766	3,791
Accommodation	3,055	2,949
Legal services	<u>298</u>	<u>325</u>
<b>Total</b>	<b><u>7,119</u></b>	<b><u>7,065</u></b>

The Government has centralized some of its administrative activities for efficiency, cost-effectiveness purposes and economic delivery of programs to the public. As a result, the Government uses central agencies and common service organizations so that one department performs services for all other departments and agencies without charge. The costs of these services, such as the payroll and cheque issuance services provided by Public Services and Procurement Canada and audit services provided by the Office of the Auditor General are not included in the CED's Statement of Operations and Departmental Net Financial Position.

### b) Other transactions with other government departments and agencies

	<u>2025</u>	<u>2024</u>
	<u>(in thousands of dollars)</u>	
Expenses	1,842	2,298

The expenses disclosed in section (b) exclude common services provided without charge, which are already disclosed in section (a).

# Canada Economic Development for Quebec Regions

## Notes to the Financial Statements (*Unaudited*) For the Year Ended March 31

### 12. Segmented information

Presentation by segment is based on CED's core responsibility. The presentation by segment is based on the same accounting policies as described in the Summary of significant accounting policies in note 2. The following table presents the expenses incurred and revenues generated for the main core responsibilities, by major object of expense and by major type of revenue. The segment results for the period are as follows:

	Economic Development in Quebec	Internal services	2025 Total	2024 Total
(in thousands of dollars)				
<b>Transfer payments</b>				
Non-repayable payments				
Non-profit organizations	133,573	0	133,573	256,125
Other levels of government	5,171	0	5,171	37,469
Industry	16,379	0	16,379	23,663
Conditional repayments				
Industry	1,952	0	1,952	(4,234)
Others	12,076	0	12,076	25,627
Expenses incurred on behalf of Government	(17,865)	0	(17,865)	(27,362)
<b>Total – Transfer payments</b>	<b>151,286</b>	<b>0</b>	<b>151,286</b>	<b>311,288</b>
<b>Operating expenses</b>				
Salaries and employee benefits	4,354	48,682	53,036	51,470
Professional and special services	230	2,120	2,350	5,144
Accommodation	224	3,426	3,650	3,538
Travel and communications	0	689	689	872
Purchases of equipment and furniture	0	374	374	717
Amortization of tangible capital assets	0	602	602	623
Information	0	372	372	398
Supplies and procurement	0	90	90	95
Repairs and maintenance	0	159	159	216
Other	0	915	915	1,061
<b>Total – Operating expenses</b>	<b>4,808</b>	<b>57,429</b>	<b>62,237</b>	<b>64,134</b>
<b>Total - Expenses</b>	<b>156,094</b>	<b>57,429</b>	<b>213,523</b>	<b>375,422</b>
<b>Revenues</b>				
Interest revenues	1,273	0	1,273	216
Miscellaneous revenues	8	4	8	8
Revenues earned on behalf of Government	(1,281)	(4)	(1,281)	(224)
<b>Total – Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net cost from continuing operations</b>	<b>156,094</b>	<b>57,429</b>	<b>213,523</b>	<b>375,422</b>