

Quarterly Financial Report — For the quarter ended December 31, 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.

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 2024–2025.

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 and actual expenditures for the quarter ended December 31, 2024.

2.1 Authorities analysis

Total authorities available for use and planned expenditures as at December 31, 2024 decreased to \$257.1 million, compared to \$465.0 million for the same period in 2023–24, as illustrated in the Statement of Authorities.

The net decrease of \$207.9 million over last fiscal year relates to:

- \$4.4 million decrease in Vote 1 (Operating Authorities);
- \$203.1 million decrease in Vote 5 (Grants and Contributions Authorities); and
- \$0.4 million decrease in statutory authorities.

Vote 1 – Operating Authorities

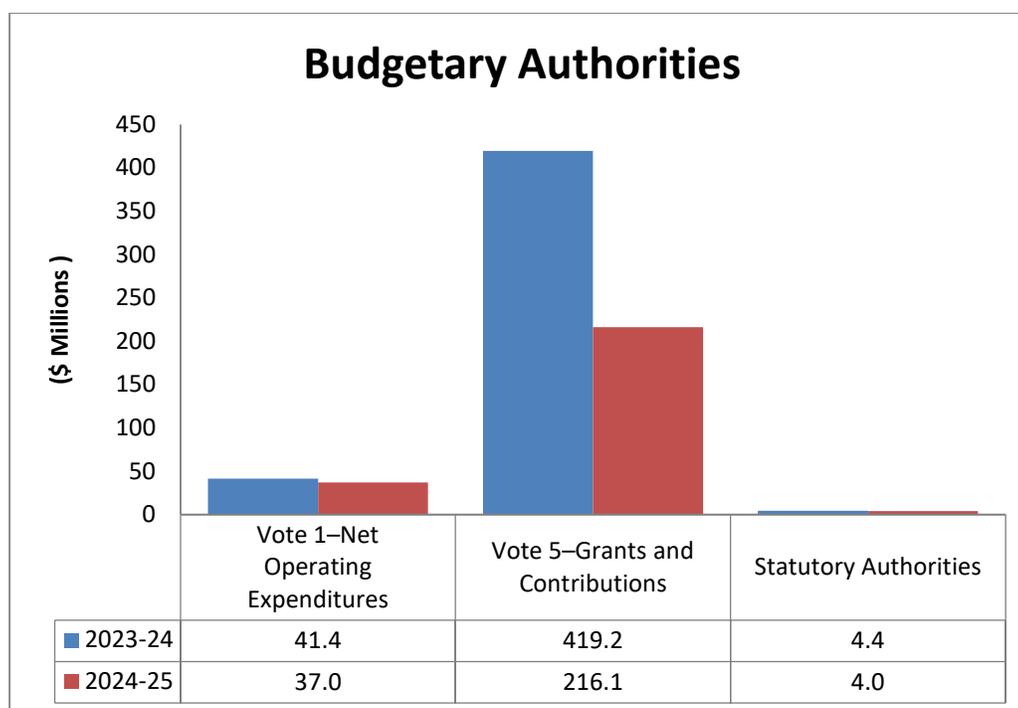
Total Vote 1 Operating Authorities available for use for the year ending March 31, 2025 amounts to \$37.0 million, compared to \$41.4 million for fiscal year 2023–24. The decrease is attributed to the sunsetting of multi-year initiatives announced in Budget 2021 and a normalization of agency authorities as the agency returns to ongoing regional program authorities.

Vote 5 – Grants and Contributions

Total Vote 5 Grants and Contributions Authorities available for use for the year ending March 31, 2025 is \$216.1 million, compared to \$419.2 million for fiscal year 2023–24. This decrease relates to the sunsetting of Budget 2021 initiatives that had been supporting economic recovery in southern Ontario.

Statutory Authorities

Total statutory authorities granted for use for the year ending March 31, 2025, amounts to \$4.0 million, compared to \$4.4 million in 2023–24. 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	37.0	41.4
Vote 5 – Grants and Contributions	216.1	419.2
Statutory Authorities	4.0	4.4
Total*	257.1	465.0

* Totals presented may not add up due to rounding

2.2 Expenditure analysis

Year-to-Date Expenditures

Total expenditures year-to-date as at December 31, 2024 decreased to \$143.0 million, compared to \$234.4 million at December 31, 2023. The decrease in year-to-date expenditures is primarily attributed to decreased transfer payments for sunsetting initiatives.

The year-to-date decrease of \$91.4 million from last fiscal year relates to:

- \$3.0 million decrease in Vote 1 (Operating);
- \$88.1 million decrease in Vote 5 (Grants and Contributions); and
- \$0.3 million decrease in statutory authorities.

Third Quarter Expenditures

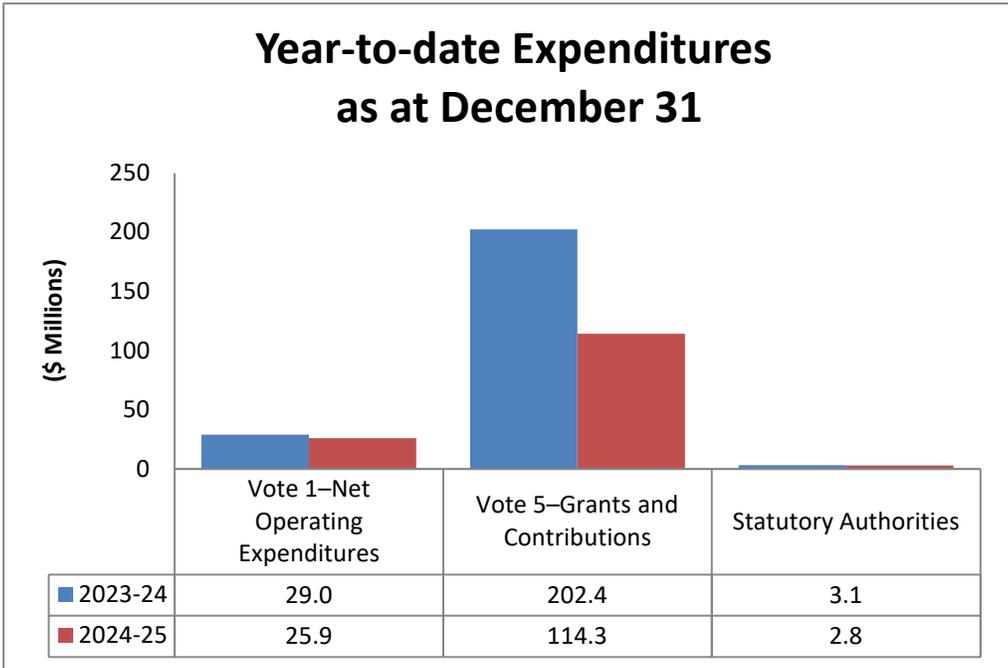
Vote 1 (Operating Expenditures)

Third quarter expenditures for personnel and other operating standard objects was \$9.0 million for 2024-25, compared to \$11 million in the same quarter of 2023-24. The difference of \$2 million is primarily reflecting a decrease in personnel spending (-\$2.2 million) related to one time / retroactive payments disbursed in the third quarter of prior year. Non-salary expenditures did not see material fluctuations from the previous fiscal year in the same quarter.

Vote 5 (Grants and Contributions)

Third quarter expenditures for transfer payments was \$38.8 million for 2024-25, compared to \$75.8 million in the same quarter of 2023-24. The difference of \$37.0 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.)



	Fiscal Year <i>(in millions of dollars)</i>	
	2024-25	2023-24
Vote 1 – Net Operating Expenditures	25.9	29.0
Vote 5 – Grants and Contributions	114.3	202.4
Statutory Authorities	2.8	3.1
Total*	143.0	234.5

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

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

2024–25 represents 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

Federal Economic Development Agency for Southern Ontario

Quarterly Financial Report

For the quarter ended December 31, 2024

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

	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 December 31, 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 December 31, 2023	Year-to-date used at quarter-end
Vote 1–Net Operating Expenditures	36,988	8,970	25,922	41,386	11,026	28,954
Vote 5–Grants and Contributions	216,068	38,760	114,302	419,225	75,793	202,405
Budgetary statutory authorities	3,998	933	2,799	4,368	1,037	3,113
Total Authorities	257,054	48,663	143,023	464,979	87,856	234,472

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) (in thousands of dollars)¹

	Fiscal year 2024–25			Fiscal year 2023–24		
	Adjusted planned expenditures for the year ending March 31, 2025	Used during the quarter ended December 31, 2024	Year-to-date used at quarter-end	Adjusted planned expenditures for the year ending March 31, 2024	Used during the quarter ended December 31, 2023	Year-to-date used at quarter-end
Expenditures:						
Personnel ²	32,100	8,555	26,185	35,193	10,772	29,035
Transportation and communications	609	106	272	740	175	416
Information	748	34	137	900	140	327
Professional and special services	6,385	1,094	1,737	7,500	808	2,052
Rentals	298	69	323	375	55	86
Repair and maintenance	46	0	0	59	0	1
Utilities, materials and supplies	133	4	14	162	112	126
Acquisition of land, buildings and works	0	0	0	0	0	0
Acquisition of machinery and equipment	652	41	49	806	3	28
Transfer payments	216,068	38,760	114,302	419,225	75,793	202,405
Other subsidies and payments	14	0	4	19	-2	-4
Total budgetary expenditures	257,054	48,663	143,023	464,979	87,856	234,472

1 Numbers have been rounded to reconcile tables.

2 Includes Employee Benefit Plan (EBP) expenses.