

Quarterly Financial Report — For the quarter ended June 30, 2025

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 2025–26 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 2025–2026.

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 2025–26 fiscal year. This quarterly report has also 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.

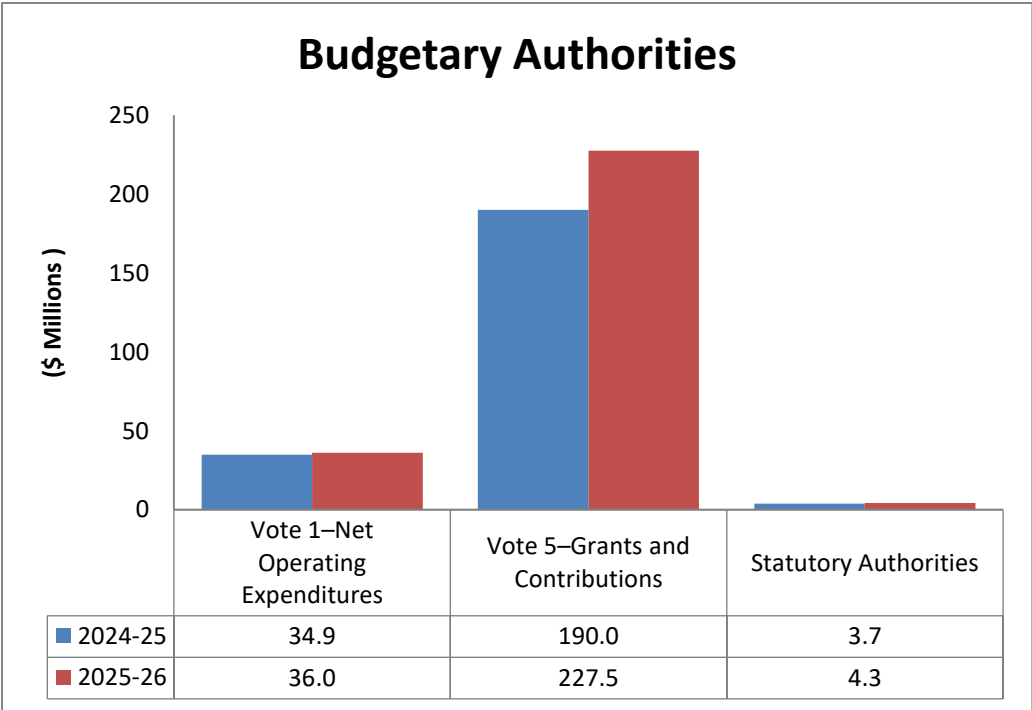
Expenses under budgetary statutory authorities, for which payments are made under a law previously approved by Parliament and which are not part of the annual appropriations bills, include items such as the Government of Canada’s portion of the employee benefit plan and Minister’s motor car allowance.

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, 2025.

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

Total authorities available for use and planned expenditures increased to \$267.8 million for first quarter of fiscal 2025–26, compared to \$228.7 million for fiscal year 2024–25, as illustrated in the "Budgetary Authorities" table below. FedDev Ontario received the \$267.8 million in funding through the 2025–26 Main Estimates and had no items in Supplementary Estimates A.



	Fiscal Year (in millions of dollars)	
	2025–26	2024–25
Vote 1 – Net Operating Expenditures	36.0	34.9
Vote 5 – Grants and Contributions	227.5	190.0
Statutory Authorities	4.3	3.7
Total*	267.8	228.7

* Totals presented may not add up due to rounding

The net increase of \$39.2 million over last fiscal year relates to:

- \$1.1 million increase in Vote 1 (Operating Authorities);
- \$37.5 million increase in Vote 5 (Grants and Contributions Authorities); and
- \$0.6 million increase in statutory authorities.

Vote 1 – Operating Authorities

Total Vote 1 Operating Authorities available for use for the year ending March 31, 2026 amounts to \$36.0 million, compared to \$34.9 million for fiscal year 2024–25, which is a net increase of \$1.1 million. The net increase is attributed to additional operating funds to support further programming including an increase in funding of Regional Economic Growth Through Innovation program and Black Entrepreneurship program and the addition of the Regional Housing Innovation Initiative and the Regional Artificial Intelligence Initiative.

Vote 5 – Grants and Contributions

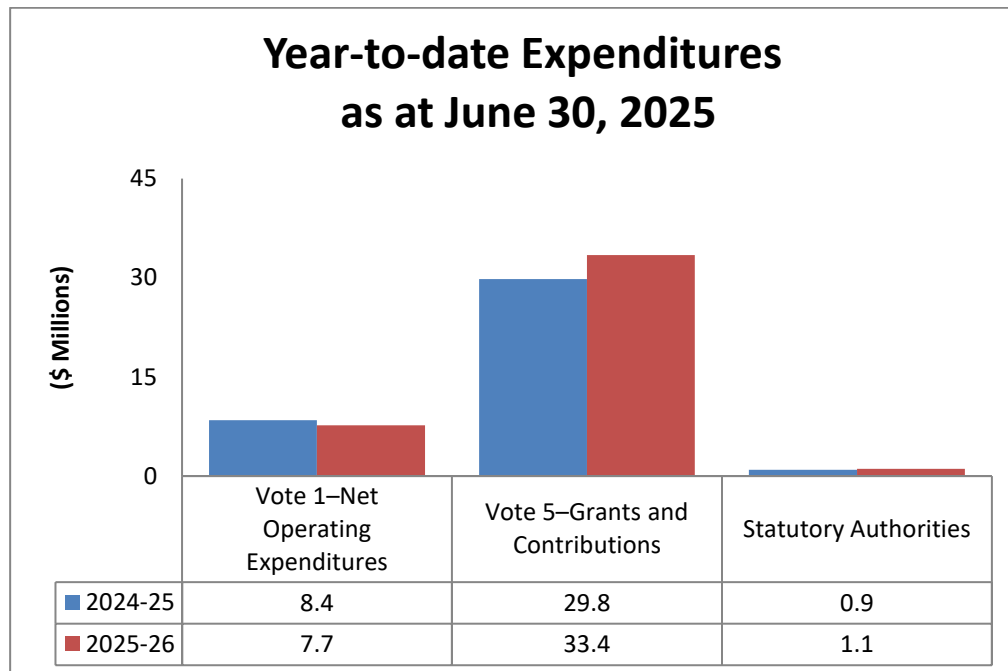
Total Vote 5 Grants and Contributions Authorities available for use in 2025–26 is \$227.5 million, compared to \$190.0 million for fiscal year 2024–25, which is a net increase of \$37.5 million. The net increase is attributed to additional funding for the Regional Economic Growth Through Innovation program and Black Entrepreneurship program and addition of the Regional Housing Innovation Initiative and the Regional Artificial Intelligence Initiative.

Statutory Authorities

Total statutory authorities granted for use for the year ending March 31, 2026, amounts to \$4.3 million, compared to \$3.7 million in 2024–25, which is a net increase of \$0.6 million. This increase in the authorities relates to the statutory employee benefits plan linked to operating (personnel) authorities provided to deliver on programs.

2.2 Expenditure analysis

Year-to-date expenditures as at June 30, 2025 totaled \$42.2 million, an increase of \$3.1 million, compared to \$39.1 million at June 30, 2024. This difference is primarily attributed to increased transfer payments within the Agency’s core portfolio as outlined in the table and graph below.



	Fiscal Year (in millions of dollars)	
	2025-26	2024-25
Vote 1 – Net Operating Expenditures	7.7	8.4
Vote 5 – Grants and Contributions	33.4	29.8
Statutory Authorities	1.1	0.9
Total*	42.2	39.1

* Totals presented may not add up due to rounding.

Vote 1 - Operating Expenditures

First quarter expenditures for personnel and other operating standard objects showed a decrease of \$0.7 million depicted by a fluctuation from \$8.4 million in the first quarter of 2024/25 to \$7.7 million in the same quarter 2025-26. This is attributed to operations focused on core activities while under Governor General warrants.

Vote 5 - Grants and Contributions

Spending on transfer payments through voted authorities was \$33.4 million in the first quarter of 2025-26, compared to \$29.8 million in the same quarter of 2024-25. The difference of \$3.6 million is primarily due to increase in cash flow requirements from recipients under the Agency's core programming.

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

3. Risks and uncertainties

FedDev Ontario outlines key risks to its mandate in the 2025-26 Departmental Plan, notably Economic Disruptions from Trade Barriers, Regional Economic Disparities, Innovation and Technological Disruption, and Capacity to Deliver During Crisis which could impact the capacity of recipients to deliver on funded projects.

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

In 2025–26, FedDev Ontario has not experienced any significant changes to operations, personnel or programs within the first quarter.

Approval by Senior Officials

Nancy Gardiner
President
Ottawa, Canada

Carole Bourget
Chief Financial Officer

APPENDIX

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

	Fiscal year 2025–26			Fiscal year 2024–25		
	Adjusted planned expenditures for the year ending March 31, 2026	Used during the quarter ended June 30, 2025	Year-to-date used at quarter-end	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
Expenditures:						
Personnel²	32,582	8,157	8,157	30,759	8,870	8,870
Transportation and communications	440	74	74	547	83	83
Information	587	14	14	664	83	83
Professional and special services	5,656	481	481	5,672	240	240
Rentals	530	35	35	265	85	85
Repair and maintenance	11	1	1	41	0	0
Utilities, materials and supplies	55	4	4	119	4	4
Acquisition of land, buildings and works	0	0	0	0	0	0
Acquisition of machinery and equipment	433	1	1	582	4	4
Transfer payments	227,536	33,437	33,437	190,020	29,801	29,801
Other subsidies and payments	0	0	0	13	0	0
Total budgetary expenditures	267,832	42,203	42,203	228,682	39,170	39,170

¹ Numbers have been rounded to reconcile tables.

² Includes Employee Benefit Plan (EBP) expenses.

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

	Fiscal year 2025-26			Fiscal year 2024-25		
	Total available for use for the year ending March 31, 2026 ²	Used during the quarter ended June 30, 2025	Year-to-date used at quarter-end	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
Vote 1-Net Operating Expenditures	35,970	7,689	7,689	34,930	8,437	8,437
Vote 5-Grants and Contributions	227,536	33,437	33,437	190,020	29,801	29,801
Budgetary statutory authorities	4,325	1,081	1,081	3,732	933	933
Total Authorities	267,832	42,206	42,206	228,682	39,170	39,170

¹ Numbers have been rounded to reconcile tables

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