



Federal Economic  
Development Agency for  
Southern Ontario

# Quarterly Financial Report

For the quarter ended September 30, 2025

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Nancy Gardiner,  
President

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Chief Financial Officer

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# Quarterly Financial Report — For the quarter ended September 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 2025–26.

#### 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 the Minister’s motor car allowance.

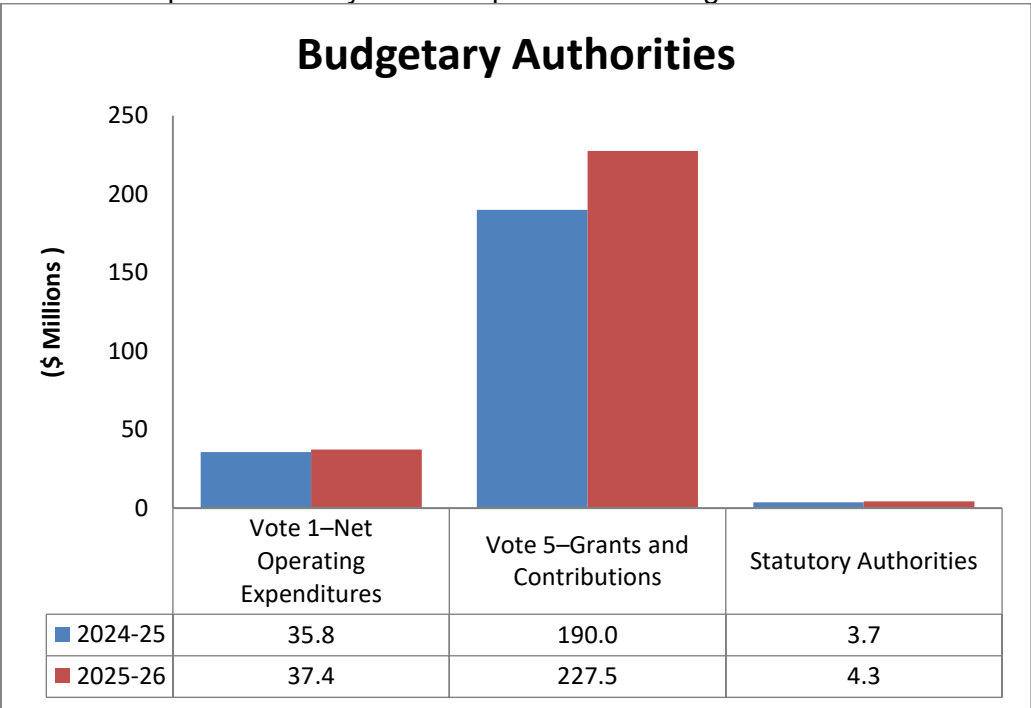
**2. Highlights of fiscal quarter and fiscal year-to-date results**

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 September 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 \$269.2 million for the second quarter of fiscal 2025–26, compared to \$229.5 million for fiscal year 2024–25, as illustrated in the "Budgetary Authorities" table below. FedDev Ontario received the \$269.2 million in funding through the 2025–26 Main Estimates and had no items in Supplementary Estimates A.

Note: Totals presented may not add up due to rounding.



Text version: Budgetary Authorities table

A bar graph and table outlining the total authorities available for use and planned expenditures in the second quarter of fiscal 2025–26 compared to fiscal year 2024–25.

	Fiscal Year (in millions of dollars)	
	2025–26	2024–25
Vote 1 – Net Operating Expenditures	37.4	35.8
Vote 5 – Grants and Contributions	227.5	190.0
Statutory Authorities	4.3	3.7
<b>Total</b>	<b>269.2</b>	<b>229.5</b>

The net increase of \$39.7 million over last fiscal year relates to:

- \$1.6 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 \$37.4 million, compared to \$35.8 million for fiscal year 2024–25, which is a net increase of \$1.6 million. The net increase is attributed to additional operating funds to support further programming, including an increase in funding of the Regional Economic Growth through Innovation program and the Black Entrepreneurship Program, as well as 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 the Black Entrepreneurship Program, as well as the addition of the Regional Housing Innovation Initiative and the Regional Artificial Intelligence Initiative.

#### *Statutory Authorities*

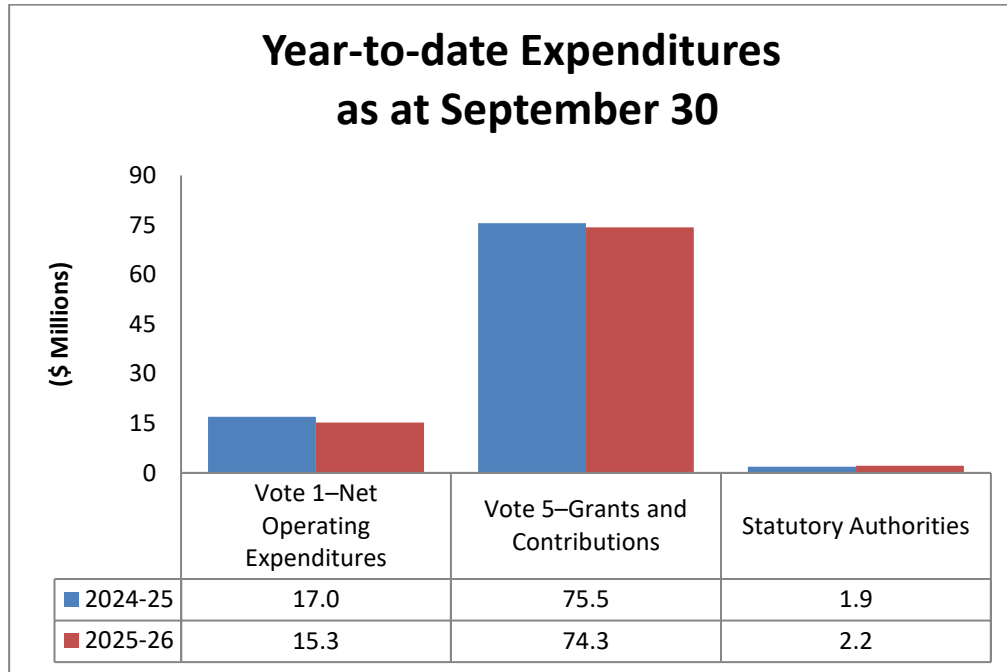
Total statutory authorities granted for use for the year ending March 31, 2026, amounts to \$4.3 million, compared to \$3.7 million in 2024–25, which is a net increase of \$0.6 million. This increase in the authorities relates to the statutory employee benefits plan linked to operating (personnel) authorities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

## **2.2 Expenditure analysis**

Year-to-date expenditures as at September 30, 2025, totaled \$91.7 million, a decrease of \$2.7 million, compared to \$94.4 million at September 30, 2024. This is on par with prior year spending, but the minor difference is attributed primarily to decreased operating expenditures

and a minor reduction in the usage of transfer payments within the Agency’s core portfolio, as outlined in the table and graph below.

Note: Totals presented may not add up due to rounding.



Text version: Year-to-date Expenditures as at September 30, 2025

A bar graph and table showing year-to-date expenditures at September 30, 2025, compared to September 30, 2024.

	Fiscal Year (in millions of dollars)	
	2025–26	2024–25
Vote 1 – Net Operating Expenditures	15.3	17.0
Vote 5 – Grants and Contributions	74.3	75.5
Statutory Authorities	2.2	1.9
<b>Total</b>	<b>91.7</b>	<b>94.4</b>

*Vote 1 - Operating Expenditures*

Second quarter expenditures for personnel and other operating standard objects showed a decrease of \$0.9 million, depicted by a fluctuation from \$8.5 million in the second quarter of 2024–25 to \$7.6 million in the same quarter of 2025–26, as outlined in the Statement of Authorities table in the Appendix below. This is attributed to operations being more focused on core activities and operational efficiencies, resulting in a reduction in personnel expenditures. There was also a decrease in travel and rental expenditures, which were offset by an increase in spending within the quarter in professional services.

### *Vote 5 - Grants and Contributions*

Spending on transfer payments through voted authorities was \$40.8 million in the second quarter of 2025–26, compared to \$45.7 million in the same quarter of 2024–25 as outlined in the Statement of Authorities table in the Appendix. The difference of \$4.9 million is due primarily to an 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 many significant changes to operations, personnel or programs, aside from the launch of the Regional Tariff Response Initiative in southern Ontario on August 26, 2025.

#### **Approval by:**

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Nancy Gardiner  
President  
Ottawa, Canada

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Carole Bourget  
Chief Financial Officer

**APPENDIX**

**Departmental budgetary expenditures by Standard Object (unaudited) (in thousands of dollars)<sup>1</sup>**

	Fiscal year 2025–26			Fiscal year 2024–25		
	Adjusted planned expenditures for the year ending March 31, 2026	Used during the quarter ended September 30, 2025	Year-to-date used at quarter-end	Adjusted planned expenditures for the year ending March 31, 2025	Used during the quarter ended September 30, 2024	Year-to-date used at quarter-end
<b>Expenditures:</b>						
<b>Personnel<sup>2</sup></b>	33,570	7,874	16,030	30,759	8,760	17,630
<b>Transportation and communications</b>	484	62	136	547	83	166
<b>Information</b>	611	59	73	664	20	103
<b>Professional and special services</b>	5,999	580	1,061	5,672	403	643
<b>Rentals</b>	568	82	117	265	169	254
<b>Repair and maintenance</b>	11	0	1	41	0	0
<b>Utilities, materials and supplies</b>	57	3	7	119	7	10
<b>Acquisition of land, buildings and works</b>	0	0	0	0	0	0
<b>Acquisition of machinery and equipment</b>	434	3	4	582	5	8
<b>Transfer payments</b>	227,536	40,831	74,267	190,020	45,741	75,542
<b>Other subsidies and payments</b>	3	7	10	13	4	4
<b>Total budgetary expenditures</b>	<b>269,274</b>	<b>49,501</b>	<b>91,707</b>	<b>228,682</b>	<b>55,190</b>	<b>94,360</b>

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

<sup>2</sup> Includes Employee Benefit Plan (EBP) expenses.

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

	Fiscal year 2025-26			Fiscal year 2024-25		
	Total available for use for the year ending March 31, 2026 <sup>2</sup>	Used during the quarter ended September 30, 2025	Year-to-date used at quarter-end	Total available for use for the year ending March 31, 2025 <sup>2</sup>	Used during the quarter ended September 30, 2024	Year-to-date used at quarter-end
<b>Vote 1-Net Operating Expenditures</b>	37,413	7,589	15,278	35,752	8,516	16,952
<b>Vote 5-Grants and Contributions</b>	227,536	40,831	74,267	190,020	45,741	75,542
<b>Budgetary statutory authorities</b>	4,325	1,081	2,162	3,732	933	1,866
<b>Total Authorities</b>	<b>269,274</b>	<b>49,501</b>	<b>91,707</b>	<b>229,504</b>	<b>55,190</b>	<b>94,360</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.