

Financial Statements of

INVEST ONTARIO

For the year ended March 31, 2025



Invest Ontario
250 Yonge Street, 35th Floor
Toronto, Ontario, Canada
M5B 2L7

Invest Ontario
Year ended March 31, 2025

Management's Responsibility for Financial Information

The accompanying financial statements of Invest Ontario have been prepared in accordance with Canadian public sector accounting standards and are the responsibility of management. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods. Estimates and assumptions are based on historical experience, current conditions and various other assumptions believed to be reasonable in the circumstances.

Management is responsible for the integrity of the financial statements and maintains a system of internal controls designed to provide reasonable assurance that the assets are safeguarded, and that reliable financial information is available on a timely basis. The system includes formal policies and procedures and an organizational structure that provides for appropriate delegation of authority and segregation of responsibilities.

The Board of Directors oversees management's responsibilities for financial reporting through Finance, Audit and Risk Committee (the Committee), which is composed entirely of independent directors. The Committee reviews our financial statements and recommends them to the Board for approval. The Committee is also responsible for reviewing our internal controls and advising the directors on auditing matters and financial reporting issues.

The Office of the Auditor General of Ontario, appointed by our Board, has audited the financial statements in accordance with Canadian generally accepted auditing standards, as stated in their Independent Auditor's Report. The Office of the Auditor General of Ontario has full and unrestricted access to the Committee to discuss their audit and related findings.

A handwritten signature in blue ink, appearing to read "Khawar", written over a horizontal line.

Khawar Nasim
Chief Executive Officer
July 15, 2025

A handwritten signature in blue ink, appearing to read "Alicia", written over a horizontal line.

Alicia Yurichuk, CPA, CGA
Finance Director
July 15, 2025

INDEPENDENT AUDITOR'S REPORT

To Invest Ontario

Opinion

I have audited the financial statements of Invest Ontario, which comprise the statement of financial position as at March 31, 2025 and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Invest Ontario as at March 31, 2025, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of Invest Ontario in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Invest Ontario's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Invest Ontario either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Invest Ontario's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Invest Ontario's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Invest Ontario's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Invest Ontario to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Toronto, Ontario
July 15, 2025

Jeremy Blair, CPA, CA, LPA
Assistant Auditor General

Invest Ontario
Statement of Financial Position

	March 31, 2025	March 31, 2024
Financial assets		
Cash	\$ 3,962,911	\$ 537,643
Interest receivable	5,971	3,685
HST and other receivables (note 3)	620,815	-
Due from Province of Ontario (note 4)	-	3,576,006
Total financial assets	4,589,697	4,117,334
Liabilities		
Accounts payable and accrued liabilities (note 5)	1,563,844	1,567,248
Due to the Province of Ontario (note 6)	362,647	542,037
Total liabilities	1,926,491	2,109,285
Net financial assets	2,663,206	2,008,049
Non-financial assets		
Prepaid expenses (note 7)	361,924	416,369
Total non-financial assets	361,924	416,369
Accumulated surplus	\$3,025,130	\$ 2,424,418

The accompanying notes are an integral part of these statements.



Chair, Board of Directors



Chair, Finance, Audit and Risk Committee

Invest Ontario**Statement of Operations and Accumulated Surplus**

	Budget	For the year ended	
	2025	March 31, 2025	March 31, 2024
Revenues			
Government transfers (note 8)	\$ 13,910,000	\$ 12,501,176	\$ 10,814,876
Recovery of prior periods HST (note 3)	-	321,704	-
Interest and other income	-	109,945	104,634
Total revenues	13,910,000	12,932,825	10,919,510
Expenses			
Salaries, wages and benefits (note 9)	\$ 9,478,491	\$ 9,356,156	\$ 7,640,120
Services (note 10)	3,225,829	2,251,989	1,780,278
Transportation and communications	428,780	336,942	326,678
Marketing	744,500	367,160	287,776
Supplies and equipment	32,400	19,866	22,777
Total expenses	13,910,000	12,332,113	10,057,629
Operating surplus	-	\$ 600,712	\$ 861,881
Accumulated surplus, beginning of year	2,424,418	2,424,418	1,562,537
Accumulated surplus, end of year	\$ 2,424,418	\$ 3,025,130	\$ 2,424,418

The accompanying notes are an integral part of these statements.

Invest Ontario

Statement of Change in Net Financial Assets

	Budget 2025	For the year ended	
		March 31, 2025	March 31, 2024
Operating surplus	\$ -	\$ 600,712	\$ 861,881
Decrease (increase) in prepaid expenses	-	54,445	(269,676)
Increase in net financial assets	-	655,157	592,205
Net financial assets, beginning of year	2,008,049	2,008,049	1,415,844
Net financial assets, end of year	\$ 2,008,049	\$ 2,663,206	\$ 2,008,049

The accompanying notes are an integral part of these statements.

Invest Ontario
Statement of Cash Flows

	For the year ended	
	March 31, 2025	March 31, 2024
Cash flows from operating activities		
Operating surplus	\$ 600,712	\$ 861,881
Changes in working capital items:		
(Increase) decrease in interest receivable	(\$2,286)	\$1,800
Decrease (increase) in due from Province of Ontario	3,576,006	(976,006)
(Increase) in HST and other receivables	(620,815)	-
(Decrease) increase in accounts payable and accrued liabilities	(3,404)	728,417
Decrease in due to Province of Ontario	(179,390)	(387,374)
Decrease (increase) in prepaid expenses	54,445	(269,676)
Net cash flows provided by (used in) operating activities	\$ 3,425,268	(\$ 40,958)
Net increase (decrease) in cash	\$ 3,425,268	(\$ 40,958)
Cash, beginning of year	537,643	578,601
Cash, end of year	\$ 3,962,911	\$ 537,643

The accompanying notes are an integral part of these statements.

Invest Ontario

Notes to Financial Statements

For the year ended March 31, 2025

1. Nature of operations

Invest Ontario (the “Corporation”) was created on July 8, 2020 by Ontario Regulation 357/20 under the *Development Corporations Act, R.S.O. 1990, c. D.10* (Ontario). The Corporation was then continued April 27, 2021 under the *Invest Ontario Act, 2021* (the “Act”).

Under the Act, the objects of the Corporation are to:

- secure private sector strategic business and capital investments that support economic development, resiliency and job creation in Ontario by, among other things, providing financial assistance and incentives to promote Ontario’s overall economic competitiveness and to promote growth in Ontario;
- conduct such further activities, consistent with its objects, as are described in any policies or directives issued by the Ministry of Economic Development, Job Creation and Trade (the “Ministry”) or as set out in any agreement with the Minister of Economic Development, Job Creation and Trade (the “Minister”); and
- receive, hold, sell, invest and otherwise deal with its assets in carrying out its objects.

The Corporation utilizes a proactive data-driven approach to secure high-value investments in technology, life sciences and advanced manufacturing sectors, and provides customizable services to support investment opportunities, including available financial assistance, talent support, advisory supports and concierge services. As the global economy shifts, the Corporation remains focused on our investment pipeline and is being measured by our capacity to convert from potential to job creation and protection. The Corporation's Board of Directors approves all recommendations to the Minister for investments of the Invest Ontario Fund which resides with the Ministry.

The Corporation is exempt from federal and provincial income taxes under the *Income Tax Act* (Canada).

2. Significant accounting policies

(a) Basis of accounting

These financial statements have been prepared by management in accordance with Canadian public sector accounting standards (PSAS) established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada).

Invest Ontario

Notes to Financial Statements

For the year ended March 31, 2025

A statement of remeasurement gains and losses has not been presented as there is nothing to report therein.

The significant accounting policies used to prepare these financial statements are summarized below.

(b) Measurement uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements as well as the reported amounts of revenue and expenses during the reporting period.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. By their nature, estimates are subject to measurement uncertainty. Therefore, actual results may differ materially from the estimates included in these financial statements.

(c) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues, as described below. All revenues are recorded on an accrual basis.

Government Transfers

The Corporation receives operating transfers from the Ministry pursuant to a Master Transfer Payment Agreement (Master Agreement) signed on December 1, 2021.

The Corporation has determined that this is a transfer without eligibility criteria, but with stipulations. Under the Master Agreement, the Corporation must use operating funding allocated to each fiscal year by its fiscal year-end (March 31). The agreement outlines that any surplus funding received from the Ministry may be repaid or future installments may be adjusted.

Transfer revenue is recognized when the Ministry has the authorization to proceed with the transfer, as evidenced by an executed transfer payment agreement and sufficient budgetary appropriations, except when and to the extent there is a liability to return unused operating funding to the Ministry.

Invest Ontario

Notes to Financial Statements

For the year ended March 31, 2025

Interest income

Interest income is recognized when earned.

Recovery of prior periods HST

The Corporation was added to the Reciprocal Tax Agreement (RTA) in December 2024 with an effective date retroactive to the Corporation's establishment on July 8, 2020. Inclusion under the RTA granted the Corporation eligibility status to claim and receive rebates from the Federal government for Goods and Services Tax (GST) and Harmonized Sales Tax (HST) incurred.

Recovery of prior periods HST is recognized when the Corporation became eligible to claim rebates under the RTA for GST and HST incurred between July 8, 2020 to March 31, 2024.

(d) Expenses

Expenses are reported on an accrual basis. Expenses are recognized in the fiscal year when the events give rise to the expenses occur and resources are consumed.

(e) Prepaid expenses

Prepaid expenses are cash disbursements paid in advance for goods or services that will be received or consumed in a future accounting period. Prepaid expenses are initially recorded as an asset and amortized to expense over the periods that the Corporation expects to benefit from them.

(f) Inter-entity transactions

Inter-entity transactions are transactions occurring between commonly controlled entities. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by related parties.

(g) Financial instruments

Financial assets and financial liabilities are recognized on the statement of financial position when the Corporation becomes a party to the contractual provisions of the instrument. The Corporation derecognizes a financial asset when the contractual rights to the cash flows from the asset are settled. The Corporation derecognizes a financial liability or part of a financial liability when the obligation specified in the contract is discharged or cancelled or expires.

Invest Ontario

Notes to Financial Statements

For the year ended March 31, 2025

All financial instruments are assigned to one of the two measurement categories at initial recognition: fair value, or cost/amortized cost.

The Corporation's financial assets and liabilities are accounted for as follows:

- Cash is recognized at cost, which approximates fair value since cash is subject to an insignificant risk of change in value; and
- Interest receivable, due from the Province of Ontario, accounts payable and accrued liabilities and due to the Province of Ontario, are recorded at amortized cost.

(h) Employee pension plans

The Corporation is a participating employer in the Public Service Pension Plan, which is a multi-employer defined benefit plan that is solely sponsored by the Province of Ontario. When benefits are provided to employees through a multi-employer defined benefit plan, each entity participating in the plan, other than the sponsoring entity, is required to follow the standards for defined contribution plans. As a result, the Corporation recognizes an expense equal to the amount of required contributions provided for employees' services rendered during the period. Any outstanding contributions are recognized as a liability in the Statement of Financial Position.

3. HST and other receivables

	2025	2024
HST receivable	\$ 616,763	\$ -
Other	4,052	-
Total HST and other receivables	\$ 620,815	\$ -

The Corporation paid HST on the purchases of goods and services since its inception on July 8, 2020. In December 2024, the Corporation was added to the RTA and received approval to claim HST rebates.

HST receivable includes \$295,059 HST rebates on purchases during the year, and \$321,704 relates to HST rebates for purchases in the prior periods, which is also recognized as Recovery of prior periods HST on the Statement of Operations and Accumulated Surplus.

Invest Ontario

Notes to Financial Statements

For the year ended March 31, 2025

4. Due from Province of Ontario

The Due from Province of Ontario represents the transfer payment amount owing to the Corporation by the Ministry and amounted to \$nil (2024 - \$3,576,006). Amounts due from Province of Ontario are settled separately from amounts due to Province of Ontario.

5. Accounts payable and accrued liabilities

Accounts payables relate to normal business transactions with third-party vendors. Accrued liabilities relate to salaries, wages, vacation and other employee benefits.

	2025	2024
Account payables and other accruals	\$ 212,397	\$ 500,584
Accrued liabilities	1,351,447	1,066,664
Total accounts payable and accrued liabilities	\$ 1,563,844	\$ 1,567,248

6. Due to the Province of Ontario

During the fiscal year, the Ministry invoiced the Corporation the cost of dedicated staff, goods and services noted (see note 11). In addition, the Ministry charged the Corporation its share of costs from external service providers.

Changes to the Due to Province of Ontario balances during the year are as follows.

	2025	2024
Balance, beginning of year	\$ 542,037	\$ 929,411
Invoices received	469,863	442,037
Amounts paid and credits received	(649,253)	(829,411)
Balance, end of year	\$ 362,647	\$ 542,037

Invest Ontario

Notes to Financial Statements

For the year ended March 31, 2025

7. Prepaid expenses

	2025	2024
Analytical subscriptions and licenses	\$ 331,027	\$ 359,135
Other	30,897	57,234
Total	\$ 361,924	\$ 416,369

8. Ministry funding arrangement

A base funding project agreement pursuant to the Master Agreement was signed on December 1, 2021 and amended on January 1, 2024 to increase operating funding. The agreement outlines that any surplus funding received from the Ministry may be refunded or allocated to a subsequent period. During the fiscal year, the Corporation recognized transfer revenue of \$12,501,176 (2024 - \$10,814,876) on the Statement of Operations and Accumulated Surplus. As at March 31, 2025, the Corporation has not been informed of any potential repayment requirement.

On November 1, 2024, the Ministry and the Corporation entered into an additional transfer payment project agreement pursuant to the Master Agreement to provide \$2,950,000 for Life Sciences Marketing activities over three years. The Corporation has not recognized transfer revenue during the year under this agreement as activities for this project began in fiscal 2025-26.

9. Employee future benefits

The Corporation provides pension benefits for all of its employees through its participation in the Public Service Pension Plan, which is a multi-employer defined benefit pension plan that is solely sponsored by the Province of Ontario. The pension benefit formula is based on a member's best five-year average salary and length of service. Pension benefits are indexed to changes in the Consumer Price Index to provide protection against inflation. Plan benefits are funded by contributions from participating employers, employees, the Province of Ontario, as well as investment earnings. Plan members normally contribute 7.4 to 10.5 per cent of their salaries to the plan and participating employers match these contributions. There were no significant changes to the plan during the period.

The Corporation's contributions to the PSPP amounted to \$538,709 (2024 - \$458,539) during the period, which are recorded in salaries, wages and benefits in the statements of operations and accumulated surplus.

Invest Ontario

Notes to Financial Statements

For the year ended March 31, 2025

10. Services expense

Services consists of the following:

	2025	2024
Data, client management and due diligence services	\$ 1,357,641	\$ 1,068,919
Professional and administrative services	894,348	711,359
Total	\$ 2,251,989	\$ 1,780,278

11. Related party transactions

Related parties of the Corporation include the Government of Ontario ministries, agencies, and all other entities subject to common control of the Province of Ontario. During the fiscal year, in support of the Corporation's operations, the Ministry provided dedicated staff, goods and services to the Corporation on a cost basis, as follows:

- The Corporation was charged by the Ministry for the salaries and benefits (excluding pension costs) of Ministry dedicated staff working at the Corporation totaling \$298,097 (2024 – \$231,553) and recorded these costs in salaries, wages and benefits expense on the Statement of Operations and Accumulated Surplus.
- The Corporation received invoices from the Ministry for goods and services on a cost recovery basis totaling \$ 176,738 (2024 – \$167,271) and recorded these costs in transportation, communications and services expense on the Statement of Operations and Accumulated Surplus.

In addition, the following goods and services were provided at no cost to the Corporation and were not included in the Statement of Operations and Accumulated Surplus:

- Office accommodation costs incurred by the Corporation were absorbed by Ministry of Infrastructure. The costs for these services amounted to \$332,094 (2024 – \$317,736).
- Certain legal expenses incurred by the Corporation were absorbed by the Ministry. The costs for these services amounted to \$5,398 (2024 - \$23,174).
- The Ministry provided payment and administration support and website and social media administration services.

Invest Ontario

Notes to Financial Statements

For the year ended March 31, 2025

12. Ontario Centre of Innovation

The Corporation entered into an agreement with the Ontario Centre of Innovation to provide financial accounting systems, payroll and expense reporting services. The term of the original contract commenced on March 18, 2022 has been extended to August 29, 2025. The total contract has a value of up to \$631,000, exclusive of HST.

13. Financial instrument risks**a) Liquidity risk**

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation's exposure to liquidity risk is minimal as all operations funding is provided by the Ministry. The Corporation mitigates its liquidity risk by preparing cash forecasts and regular reports to the Ministry. Accounts payable balances at period end are due within the first quarter of the following fiscal period. There have been no significant changes from the previous year in the exposure to liquidity risk or to the policies, procedures and methods used to measure the risk.

b) Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The Corporation is exposed to minimal risk through its interest-bearing bank account.