

Building Ontario Fund Annual Business Plan

2025-2030



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Message from the Chair

I am pleased to present the inaugural Business Plan for the Building Ontario Fund (BOF). Starting as a concept in late 2023 to becoming a fully operational agency today, BOF is making significant strides toward fulfilling its mandate to help address Ontario's infrastructure needs.

Over the last year, we assembled an expert, dynamic, and diverse Board of Directors, hired a CEO in Michael Fedchyshyn, and built a strong pipeline of potential projects. Together, we began to establish strong relationships with stakeholders and key partners in the public sector to support key government priorities.

These developments are encouraging, but we are just getting started. In the coming year, we will move thoughtfully yet quickly to create meaningful opportunities for institutional investors to increase their participation in financing large infrastructure projects in Ontario. We will continue our outreach to investors and collaborate with project owners to identify qualified projects.

In many cases, the Building Ontario Fund will be the difference between a project moving forward or not. We do not take our responsibility lightly. We understand that through our efforts to bring investors to the table here at home, we will support economic growth and prosperity today while laying a strong foundation for the next generation. Ultimately, our commitment to driving investment in Ontario's infrastructure is about building a sustainable future for all Ontarians.

Brian J. Porter

Chair of the Board

Message from the CEO

Ontario needs innovative solutions to address the challenges caused by its growing population, rapidly increasing demand for energy, and aging infrastructure. The Building Ontario Fund is a key part of that solution set with a clear mandate to attract and catalyze investment in large-scale infrastructure projects across priority sectors that benefit the citizens of Ontario. Through the use of creative and enabling financing structures, we will attract institutional capital participation to support a diverse range of large infrastructure projects and accelerate development across the province.

In the coming year, the Building Ontario Fund's focus will be threefold: (1) building organizational capability, capacity, and scalability to support our mandate; (2) working with investors, Indigenous communities, and project owners to expand our pipeline of qualified investments; and (3) getting to work quickly to deploy capital into priority projects that serve the people of Ontario, including into critical mineral projects recently identified as a new BOF priority. These actions will lay the foundation for the years to follow.

It is an honour to lead the Building Ontario Fund as we embark on an exciting period of development and growth. I want to thank the Board of Directors for their confidence in me, and staff for their collaboration and tireless support. Together, we recognize the significance of our mandate in shaping the future of Ontario's communities and will be vigorous in our commitment to deliver upon it.

Michael Fedchyshyn

Chief Executive Officer

Introduction

Background

The Building Ontario Fund (BOF) is supporting the financing and building of critical infrastructure projects across the province of Ontario.

BOF is a board-governed provincial agency that was created in November 2023 by a regulation under the Development Corporation Act. It was then continued in May 2024, under the *Building Ontario Fund Act, 2024*.

BOF is accountable to the Ontario Legislature through the Minister of Finance. A memorandum of understanding (MOU) with the Minister of Finance establishes the accountability relationship between BOF and the Minister. The Minister, in turn, is accountable to the Legislature for BOF's fulfilment of its mandate and its compliance with government directives and policies, and for reporting to the Legislature on the affairs of BOF.

BOF is subject to the Management Board of Cabinet's Agencies and Appointments Directive (AAD), a key government directive setting out agency governance and accountability, requiring BOF to provide an annual multi-year business plan to the Minister of Finance.

This Business Plan sets out BOF's strategy and planned activities for the next five years. The financial summary in this Business Plan outlines forecasted costs and revenues over a three-year period.

Mandate

BOF's mandate, as set out in the Building Ontario Fund Act, 2024, is to invest and seek to attract investment from qualified institutional investors, public sector entities, governments and Indigenous communities, with priority given to Canadian investors, in Ontario infrastructure projects in the priority areas identified by the government, and that will generate revenue and be in the public interest. BOF will carry out its mandate by,

- investing in infrastructure and appropriately allocating risks amongst the agency and other investors,
- structuring proposals and negotiating agreements with investors in infrastructure projects, and
- receiving and assessing unsolicited ideas and proposals for infrastructure projects that come from qualified institutional investors, public sector entities, governments and/or Indigenous communities.

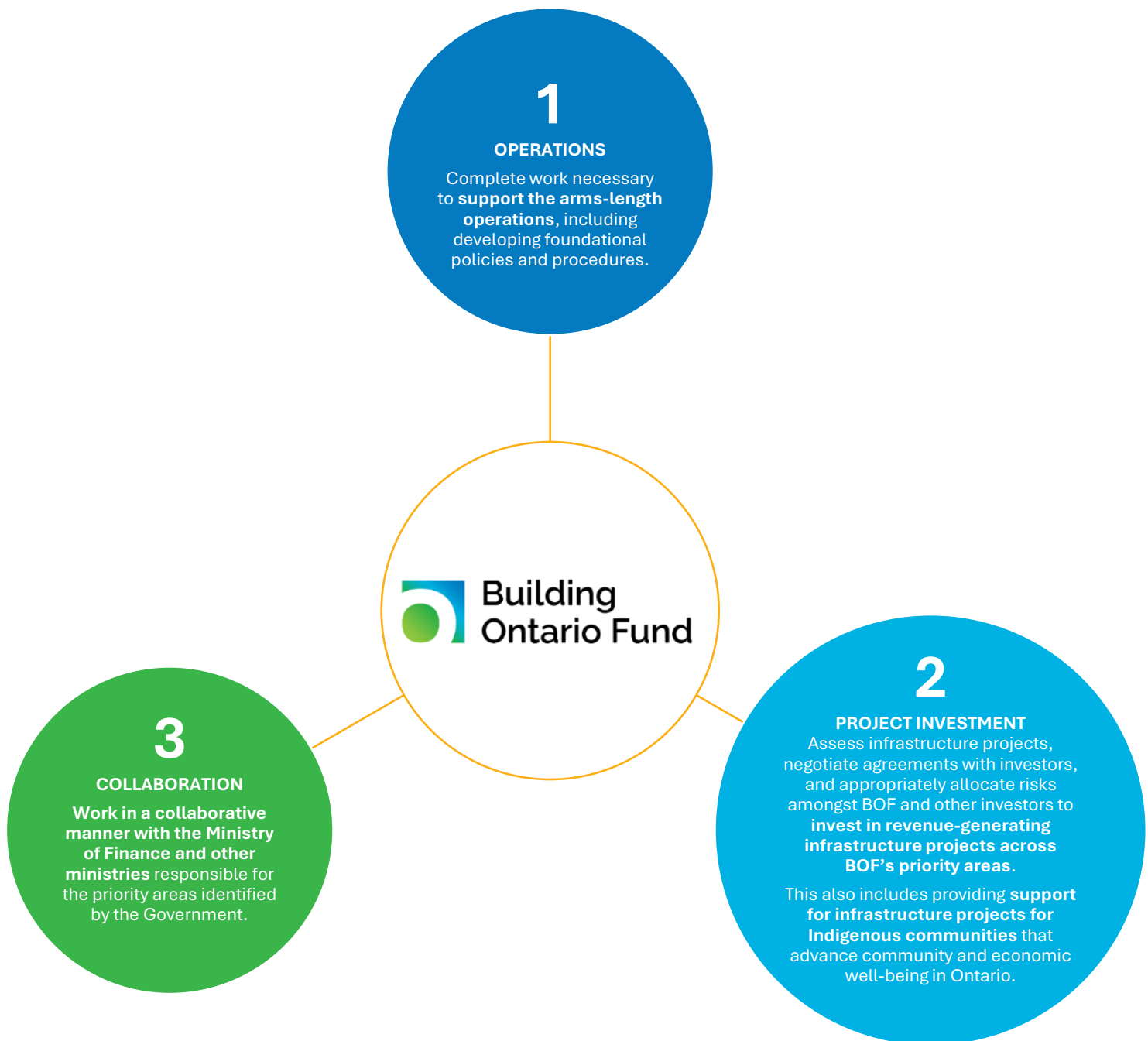
Project investments made by BOF will be initially focused on long-term care homes, energy infrastructure, affordable housing, municipal and community infrastructure, and transportation.

In the Minister of Finance's 2025-26 Letter of Direction for BOF, critical minerals has been added as a priority area.

Strategic Direction

On May 21, 2025, the Minister of Finance issued an annual letter of direction to the Chair of the BOF Board to outline the government's priorities for the agency in 2025-26.

In 2025-26, BOF will focus on the following key priorities, which will lay the foundation for continued progress through 2029-30:



Governance

BOF has made significant progress in constituting its governance since its establishment, notably through the appointment of seven members to its Board of Directors. A board skills matrix has been leveraged to support a skills gap analysis that informs the selection and appointment of Board members. This ensures that the Board is made up of members with diverse backgrounds, expertise, and experiences to support effective decision making and strong governance and oversight on agency operations.

With eight members appointed, including the Chair, the inaugural Board is empowered to make key decisions for the agency and approve key instruments such as the project selection framework and other governing documents.

Name of Appointee	Position	Appointed Since	Term Expiry
Brian J. Porter	Chair of the Board	November 23, 2023	November 22, 2027
Bryan Davies	Director	December 14, 2023	December 13, 2027
Jan De Silva	Director	December 14, 2023	December 13, 2027
James Cowan	Director	March 28, 2024	May 15, 2026
Arshil Jamal	Director	May 30, 2024	May 29, 2025
Constance L. Sugiyama	Director	May 30, 2024	May 30, 2028
Helen Bobiwash	Director	June 26, 2024	June 26, 2027
R. Michael Latimer	Director	January 28, 2025	January 27, 2026

Infrastructure Environment

Investment Conditions

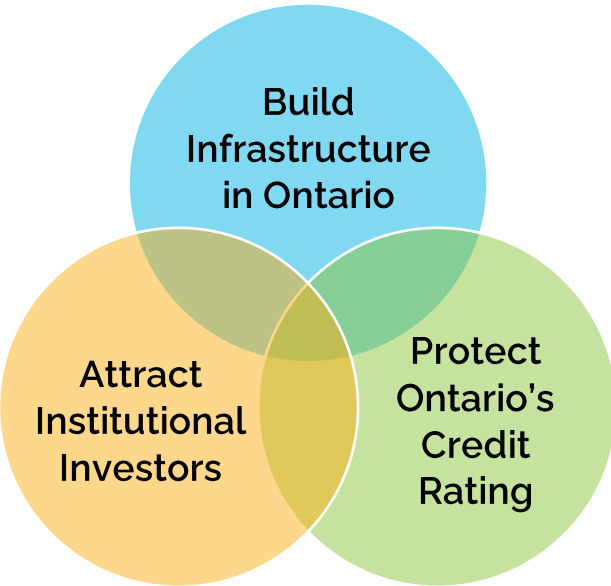
Infrastructure helps drive economic activity in all sectors of Ontario's economy and is critical to overall economic prosperity for future generations. Ontario currently requires significant infrastructure investment to meet the needs of a growing population and to support long-term economic growth.

As Ontario's population is projected to increase from 16.1 million in 2024 to 21.7 million by 2046, there is a need for greater infrastructure spending to maintain and expand essential services. Aging assets, particularly long-term care homes, transportation systems, and energy infrastructure require both renewal and expansion¹.

To address this, sustainable and innovative infrastructure financing solutions are needed, including bringing in private-sector investment from institutional investors (e.g. banks, public pension funds) to optimize the use of public funds. This will enable more critical infrastructure to be built, while reducing the pressure on the government's finances and protecting the Province's credit rating.

The government has allocated an initial \$3 billion to the Building Ontario Fund to support the financing and building of critical infrastructure projects. BOF focuses on financing revenue generating critical infrastructure projects and attracting institutional capital. This approach is intended to leverage both public and private sector institutional investment, creating a multiplier effect that amplifies the impact of each dollar invested and supports projects that may not otherwise get built.

¹ Source - Ministry of Finance: Ontario's Long-Term Report on the Economy (2024-46)



BOF offers a range of financial instruments to meet different project needs and financing gaps. Examples of some of these instruments include:

Financing Instruments		
Loans	Equity	Loan Guarantees
BOF can offer loans with below-market interest rates or other flexible / outcomes focused terms to provide significant cost savings for project proponents compared to commercial lenders. By making financing more affordable, organizations can allocate more funds toward projects that provide a public benefit.	BOF can invest directly in projects that face a capital shortfall through equity participation. This may include supporting high-risk or early-stage projects. By taking an ownership stake, BOF can provide essential support and share in the project's financial risks and returns.	BOF can provide loan guarantees for projects that require de-risking to attract capital from institutional investors.

BOF is also piloting innovative investment approaches, allowing a diverse range of proponents to qualify for investments. For example, we can provide financial assistance to both for-profit and non-profit long-term care homes, accommodating various organizational models and project types. This approach helps address diverse needs and priorities within the long-term care sector, ensuring comprehensive support for critical projects across Ontario.

Jurisdictional Scan

Other jurisdictions have taken a similar approach to support infrastructure investments through infrastructure banks. Jurisdictions with established infrastructure investment entities with similar structures or mandates include:

- **Federal Government of Canada:** Canada Infrastructure Bank (CIB)
Founded in 2017, the CIB focuses on investing in revenue-generating infrastructure projects that are in the public interest and aim to attract investment from private sector and institutional investors, with an allocated funding of CAD 35 billion across sectors including green infrastructure, clean power, public transit, trade and transportation and broadband infrastructure.
- **UK:** National Wealth Fund
Established in 2021 as the UK Infrastructure Bank, the National Wealth Fund aims to drive regional and local economic growth and support tackling climate change through infrastructure projects in clean energy, transport, digital, water and waste, backed by an initial capital investment of GBP 22 billion.
- **United States:** a number of national and sub-national (state level) IBs
The U.S. has various national and state-level infrastructure banks formed at different times, their focus typically includes funding transportation, water, and energy sector that contribute to economic growth and public interest.
- **Germany:** KfW Bank
Founded in 1948, KfW Bank was originally set up for post-war reconstruction but now promotes sustainable improvement to economic, social and environmental conditions.
- **Australia:** Clean Energy Finance Corporation
The CEFC was established in 2012 to facilitate increased financing in the clean energy sector and achieve Australia's greenhouse gas emission reduction targets, with an initial investment mandate of AUD 10 billion.

While each of these infrastructure investment entities have their own mandates, performance measures, and investment frameworks, some notable insights from other jurisdictions include:

- **Attract external capital:** Structuring investments that attract external capital and share risks and returns with partners can help minimize the entity's direct financial involvement and amplify the impact of public funds.
- **Flexibility with investment solutions:** Leveraging a number of different investment tools to support a variety of projects across priority sectors and provide diversification benefits to support sustainability.
- **Transparent Investment Frameworks:** Operating under clear, transparent guidelines that include thorough assessments of project feasibility, public benefit, and risk-return profiles.

Priority Areas for Investment

The Minister of Finance's annual letter of direction provides BOF guidance on the priority areas for infrastructure investment: long-term care homes, energy, affordable housing, municipal infrastructure, and transportation.

As part of BOF's mandate outlined in its constituting legislation, BOF is also seeking to partner with Indigenous communities and organizations to invest in priority infrastructure projects in Ontario, including receiving and assessing unsolicited proposals. BOF is committed to building strong relationships with Indigenous partners to support infrastructure projects that advance the economic and social well-being of Indigenous communities in Ontario, in line with Ontario's commitment to reconciliation with Indigenous peoples.

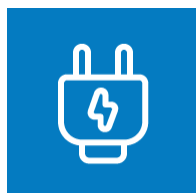
BOF is working to deliver on these priorities, which directly impact economic competitiveness, public health, and the quality of life of Ontarians. By prioritizing these areas, BOF can drive long-term growth, enhance community well-being, and build a more resilient Ontario.

The following highlights some of the key areas of priority:



Long-term care homes

Expanding long-term care homes is essential for supporting the aging population and alleviating pressure on healthcare systems. Ontario needs 58,000 new and upgraded long-term care beds by 2028 to accommodate the aging population. Despite new provincial investments, the existing backlog of more than 39,000 people on waitlists for LTC homes remains a critical gap.



Energy

Upgrading energy infrastructure is crucial for meeting the demands of a growing economy and population while promoting sustainability. Ontario's population is projected to increase to almost 21.7 million by July 1, 2046, leading to an increased demand for energy. The Independent Electricity System Operator forecasts that Ontario's annual energy demand will grow from 154 TWh in 2025 to 245 TWh by 2050, driven by population growth, urbanization, industrial needs, and electric vehicle adoption.



Affordable housing

The housing crisis must be tackled to ensure housing security for residents, as well as to foster economic stability. Ontario needs 1.5 million new homes by 2031, with affordable housing representing a critical portion of this. Currently, approximately 239,000 households are relying on affordable housing, and this number is growing as rental costs continue to outpace income growth.



Municipal and community infrastructure

Addressing the municipal infrastructure backlog is necessary for maintaining essential services for Ontarians. Ontario's municipalities face a significant infrastructure deficit, with an estimated municipal infrastructure backlog of about \$52 billion including water systems, municipal roads, building and facilities, and bridges and culverts.



Transportation

Improving transportation systems will alleviate congestion and boost productivity. Traffic congestion in urban centers like the Greater Toronto Area costs the Ontario economy an estimated \$11 billion annually in lost productivity. Without significant investment in transit infrastructure, this cost is expected to rise. To address both growing demand and sustainability concerns, Ontario must continue to invest in expanding public transit.



Critical Minerals

Critical minerals are at the core of Ontario's efforts to build an economy that is competitive, resilient and self-reliant. Critical and rare-earth metals are essential to the next generation of technology, including battery storage and EVs. Investments in related infrastructure will ensure that jobs related to extracting and processing minerals mined in Ontario will stay in Ontario.

Project Investment Framework

BOF has developed a comprehensive project selection framework to make impactful investments in its priority investment areas. The investments are assessed against BOF's principles:

- Achieving policy goals while generating positive financial outcomes.
- Partnership approach: attracting investment from institutional capital.
- Identifying projects that benefit Indigenous communities.
- Prioritize investments that are aligned with BOF objectives, where BOF can assist with addressing a financing gap.
- Priority given to Canadian investors.

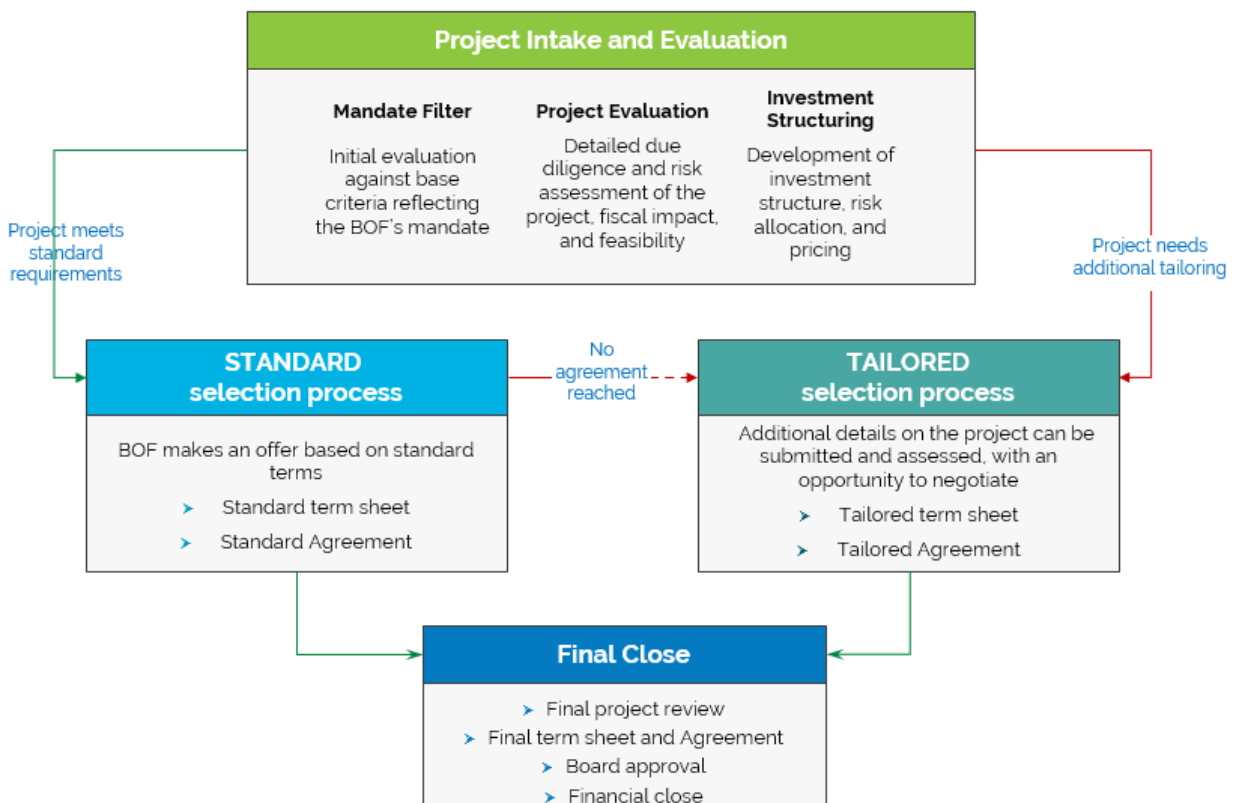
This framework ensures that investments are aligned with the agency's mandate, prioritize public benefits, and contribute to the development of infrastructure located within Ontario. It also ensures that investment decisions account for key financial considerations, risks, and sustainability.

BOF is taking a phased approach to building its investment portfolio. In the first phase, BOF will invest in a number of targeted pilot projects, which are significantly more advanced in the investment process, as a proof of concept. Over the long-term, investments will be allocated based on established priorities, fund diversification guidelines, and specific sector needs.

The investment framework diagram below outlines a stage gate approach that determines at each step whether to proceed with a project. This includes a two-track process for evaluating and structuring investments at BOF.

1. **Project Intake and Evaluation** involves three key steps and applies to all projects:
 - **Mandate Filter:** This step assesses how well the project aligns with the principles stated above, as well as with BOF's mandate.
 - **Project Evaluation:** This includes a thorough review of financial metrics, fiscal impacts, and risk assessments to ensure that the project demonstrates sound financial and risk management.
 - **Investment Structuring:** The structuring process ensures that risks are appropriately allocated among stakeholders. Pricing mechanisms are designed to reflect the associated risks while remaining competitive compared to commercial lenders.
2. **Selection Process** occurs after the project intake and evaluation stage, and diverges based on whether the project meets BOF's standardized requirements.
 - **Standard Selection Process:** Utilized for projects that fit within predefined parameters for a priority area. These parameters may be based on predefined risk profiles, terms, or targeted return objectives, among other factors. The standard process streamlines decision-making and accelerates project approval for project proposals.

- Tailored Selection Process:** For projects that fall outside the scope of standard offerings, the project undergoes a more in-depth review, allowing for BOF and the project proponents to work together to create a customized solution that addresses the specific needs and risks of the project. This flexibility ensures that BOF can support innovative or unique projects that are still aligned with BOF's mandate.
3. **Final Close** occurs following a final project review and due diligence, as well as necessary approvals.



Implementation Roadmap

In its first year, BOF has focused on achieving operational independence in order to move quickly to advance its mandate and invest in critical infrastructure projects.

BOF will pursue opportunities to be an outcome-focused and impact-driven investor across its priority investment areas. Over the next year, BOF will focus on the following activities, each of which will help support or will continue over the next four years of this plan:

Operational Build-Out

- Complete operational build-out of the agency by establishing the organizational structure and recruiting qualified professionals to support BOF's mandate.
- Develop internal governance, finance and human resources policies and implement secure technology systems to facilitate project management and reporting processes.

Project Pipeline Development

- Establish relationships and advance discussions with institutional investors, project proponents and Indigenous communities to build a robust pipeline of projects in priority areas.
- Maintain a process for project and partner selection based on financial and public interest criteria. Ensure that all infrastructure investments appropriately distribute risks between BOF and investors.
- Define performance baselines and measurements to ensure continuous improvement.

Stakeholder Relations

- Work with the Ministry of Finance to align on priority sectors and policy objectives, secure funding support, provide regular updates, and ensure BOF's compliance with relevant government policies and directives.
- Partner with other provincial ministries and broader public sector agencies to align investments with existing government projects, policy objectives and sector-specific goals, while exploring opportunities for co-investment.
- Engage with institutional investors, project owners and other external stakeholders to understand specific requirements, uncover existing financing gaps and identify strategic opportunities for collaboration within BOF's priority areas.

Deploy Capital

- Deploy capital effectively through partnerships on revenue-generating infrastructure projects to maximize impact, optimize resource allocation and share project risks with partners.
- Implement monitoring processes to track project performance and overall impact to ensure responsible and effective capital deployment.

Human Resources

Human Resources and Staffing

BOF has established the foundations of its people strategy. The focus will be on creating HR policies and programs that support the organization's mandate.

Human Resources 2025-26 strategic priorities to support the next five years include:

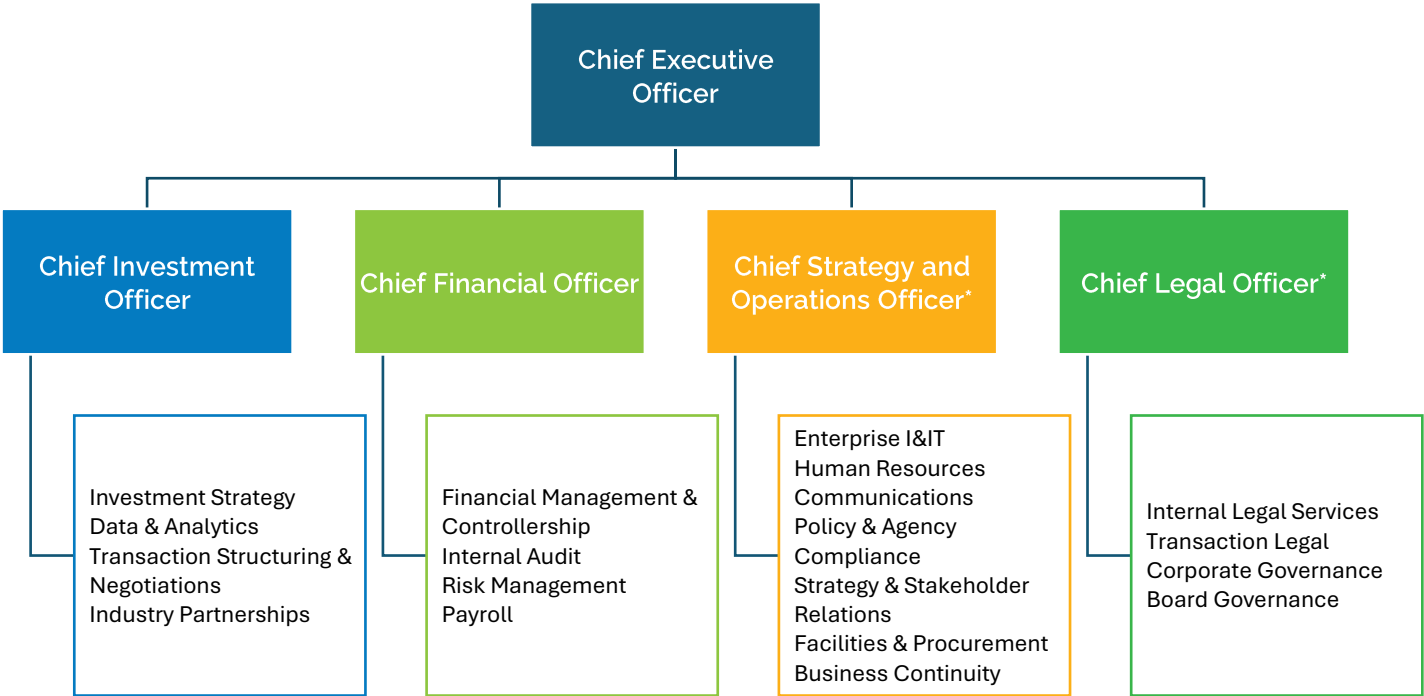
- Developing a people strategy for the organization that is aligned to the agency's business strategy. The focus will be on developing our corporate values, programs and education in diversity, inclusion and belonging strategy to support the culture of a new agency.
- Develop HR policies and practices that support a modern and flexible work environment, including attraction and retention of talent and promoting and rewarding performance excellence.
- Designing a HR strategy that is aligned with the broader public sector and related industries in areas of total rewards, talent management and organizational development and people engagement.

Organizational Design and Strategy

BOF will ensure its organizational structure will support its mandate and be agile to evolve with the agency's maturity.

The Chief Executive Officer (CEO) reports to BOF's Board of Directors, and the designated executives will report to the CEO. In the current proposed structure, the CEO will have up to six (6) reporting executives, with four (4) identified for the formative years of BOF: Chief Investment Officer, Chief Financial Officer, Chief Strategy and Operations Officer, and Chief Legal Officer.

Organizational Functional Structure



* Not yet deemed "designated executives" under the Broader Public Sector Executive Compensation Act (BPSECA)

The organizational design principles guided the development of BOF's structure, coupled with key HR foundational elements that will support organizational design as the agency grows and structures evolve.

Additional guidelines for span of control and organizational schema are being developed to support organizational design of BOF's future structure. The agency will be comprised of executive, management, and non-bargaining individual contributors. BOF will be a mid-size organization once fully established. In the first two years, BOF will grow to have a headcount of up to 52. We are growing our organizational capacity to take on functions previously under a service level agreement with the OFA, in order to execute on existing priority sectors and support the government's renewed mandate.

The addition of a new priority area in critical minerals, a new financing program with the Indigenous Opportunities Financing Program, and additional capitalization will require the acceleration of staffing capacity plans and may require additional operational functions and expertise. The organizational capacity planning and associated financial plan will continue to be fine-tuned through the 2025-26 Annual Report and 2026-2031 Business Plan.

Workforce planning activities have commenced to ensure BOF is hiring top talent and building organizational capacity. The chart below provides the approximate number of FTE's that will be in place by fiscal year.

Fiscal Year	Projected Headcount (~approx.)*
2024-25	22
2025-26	52
2026-27	72

**Staffing ramp-up and total capacity may change pending increased capitalization and scope*

Projected headcount from 2027-28 to 2029-30 will be assessed once the agency has built itself out through 2026-27.

Actual Headcount

Resources	FY2024-25
Planned FTEs	20
Executives	2
Management	4
Staff	14

Total Rewards Strategy

BOF developed an Executive Compensation Program (ECP) for three (3) executive positions deemed to be “designated executives” under the Broader Public Sector Executive Compensation Act (BPSECA). The ECP for the Chief Executive Officer, Chief Investment Officer and Chief Financial Officer was approved on May 15, 2024 which outlines the minimum and maximum total cash compensation levels for executive positions.

- The ECP was developed using comparator organizations that aligned with one or more of the following criteria:
 - **Ownership** – the organization is also a public sector organization (in Canada).
 - **Geography** – the organization operates in a similar geographic location (in Canada).
 - **Industry for comparable talent** – the organization operates in an industry that would require executives with a similar talent profile.
 - **Size/scope of executive responsibilities** – the responsibilities of the executives at the comparable organization would be like that of the executives at BOF.

- BOF's compensation strategy will be based on the following principles:
 - Fiscal responsibility, governance and compliance with all applicable legislation and accountability.
 - Aligned to BOF's mandate, values, and strategic direction.
 - External competitiveness and internal equity with positions of equal value being compensated within the same salary bands.
 - Recognize and reward performance of employees through fair and equitable compensation program.
- BOF will provide group benefits to full time and fixed term employees in addition to optional benefits. Employees will also be offered short and long-term disability benefits.

Performance Measures

The overall performance of BOF will be evaluated based on the following objectives and measurements:

Objective	Key Parameters	How Objective is Measured
Public Interest Projects will be in the public interest.	User impacts: Improving affordability, financial and/or accessibility benefits to users. Economic impacts: improvements to regional infrastructure, economic impacts attributed to supply chain structure, job creation, productivity, innovation, and enablement of capacity-building for future economic impact. Meeting other government priority needs: e.g., improving social outcomes. Support for Indigenous communities: Indigenous involvement and/or financial benefits to Indigenous communities.	Every investment undergoes a public interest assessment which is quantified and factored into investment pricing.
Additionality Projects will attract investment from external capital.	Projects will attract additional capital to amplify public impact while limiting BOF investment.	External capital attracted by BOF-funded projects relative to BOF contributions maintains a ratio of no less than 1:1 (long term), unless a higher contribution from BOF is necessary to move a project forward.
Alignment with Government Priorities Projects will be aligned with broader government priorities from provincial ministries.	Evaluate how well BOF funded projects align with Ontario's infrastructure goals and advance outcomes in priority areas.	In the immediate term, ensure every investment is in a priority investment area. Over the longer-term, quantify how investments can further the government policy objectives and establish longer-term targets for the agency.

Objective	Key Parameters	How Objective is Measured
Sustainable Financial Model Project investments will support agency's long-term viability.	Evaluate the diversification of the investment portfolio, e.g., a balanced mix of loans, equity, and guarantees across priority sectors to enhance stability and resilience. Assess risk-sharing arrangements to ensure that risks are allocated among partners; conduct due diligence on project partners and establish risk-based pricing to align returns with risk levels. Monitor credit performance continuously and review changes in financial performance, industry trends, or macroeconomic conditions that may affect partners' credit quality.	Every investment undergoes a risk assessment which is quantified and factored into investment pricing. In the near-term, average investment returns will meet or exceed BOF cost of borrowing and transaction costs. In the medium-term, BOF portfolio returns will meet or exceed BOF cost of borrowing and full-loaded cost of agency operations.
Transparency, Accountability and Stakeholder Satisfaction BOF will be an accountable and transparent agency trusted by stakeholders.	Stakeholders are satisfied working with BOF. Surveys or interviews with stakeholders (e.g., government entities, project proponents, and communities) to gauge satisfaction with the BOF's services and processes. Assessments of the BOF's reporting practices, governance structure, and responsiveness to public inquiries.	Conduct surveys or interviews to measure stakeholder satisfaction, targeting over 70% satisfaction.

Risk Register

Risk	Mitigation Actions
Timely build of organizational capacity: Risk associated with defining and aligning organizational needs, designing functional structures and recruiting talent	Procurement of vendors for temporary HR support.
Capital Deployment Risk: Risk associated with ensuring that frameworks are established to identify, analyze and invest in projects across priority sectors.	Establish a comprehensive project selection framework that includes clear criteria for investment eligibility. Foster partnerships with stakeholders across priority sectors to enhance project identification and build pipeline.
Investment Risk (Individual Projects): Risk of encountering issues within a project or investment that negatively impacts repayment capabilities, leads to negative fiscal outcomes, or hinders the organization's sustainability.	Implement thorough due diligence processes for project evaluation, including risk assessments via BOF Investment Framework. Integrate specific contractual covenants into investment agreements to safeguard BOF's interests. Develop contingency plans for identified risks during the project lifecycle, including identifying exit strategies. Monitor project performance closely to address any emerging issues proactively.
Investment Risk (Portfolio of Projects): Risk of market downturns within priority sectors that may have sector-wide impacts on BOF investments.	Diversify the investment portfolio across priority sectors to spread risk. Conduct regular market analysis to identify early signs of downturn and adjust investment strategies accordingly.
Outcomes Risk: Risk that investments fail to deliver the public interest outcomes they are intended to achieve.	Evaluate public interest outcomes during project selection and engage stakeholders to ensure alignment with public interest. Conduct regular impact assessments to evaluate the effectiveness of investments in achieving desired public interest outcomes. Create mechanism for ongoing feedback from stakeholders to capture lessons learned and incorporate them into future projects.
Legal Risk: Risk concerning the organization's protection against legal issues arising from its investments.	Develop a legal framework and work closely with legal counsel to identify potential legal issues early and implement risk management protocols.
Environmental Shift Risk: Risk of significant changes in BOF's surrounding environment that may impact the agency.	Ensure investments are closely aligned with agency mandate to demonstrate significant public benefit outcomes. Diversify investments across priority areas, maturities, and investment tools to mitigate against significant market shifts.

Financial Budget

BOF tentatively projects investing in the form of loans and equity at a ratio of approximately 175:25 for the next three years. Operating grant revenue will be received along with some interest revenue derived from loans to support operations and investments. Note that in these formative years of BOF, and until the first loans issued by BOF begin to mature, interest revenues are expected to be low/non-existent. No income from equity disposition (e.g. capital gains) is anticipated within the forecast period.

The largest expense for BOF will be salaries as it ramps up from approximately 22 FTEs in 2024-25 to more than 70 FTEs in 2026-27. All expenses for 2027-28 and onward will be reevaluated in future years and have been flatlined from 2026-27 for the purposes of this financial forecast. Changes to scope, priorities or overall capitalization may require that staff expenses change.

Professional fees represent the second highest expense for BOF within the forecast period and are associated with start-up support and supplementary assistance for investment advisory, legal, HR, translation, media related services, and systems/ERP implementation. Professional services costs are forecast to decline as internal BOF capacity is added through onboarding of qualified staff and start-up activities complete.

\$ (Thousands)	Budget Estimate 2024-25	Budget Estimate 2025-26	Budget Estimate 2026-27	Budget Estimate 2027-28
Revenues				
Government Appropriations - Investments	-	215,000	200,000	200,000
Government Appropriations - Operations	6,156	15,000	7,463	2,611
Other Income	-	5,825	10,671	15,752
Total Revenue	6,156	\$ 220,825	\$ 218,134	\$ 218,363
Expenses				
Salaries & Wages	3,240	10,553	13,720	13,720
Professional Services	2,073	3,659	3,387	3,387
Realty Expenses	220	445	445	445
Miscellaneous Expenses	623	228	582	811
Total Expenses	6,156	\$ 14,885	\$ 18,134	\$ 18,363
Annual Surplus	NIL	\$ 205,940	\$ 200,000	\$ 200,000

Communications Plan

BOF has the potential to transform communities throughout the province by financing pivotal infrastructure in key sectors. These projects could, for example, boost energy supply, expand affordable housing, increase long-term care options, and improve transit systems. A robust communications strategy will effectively share these stories and help the agency fulfil its mandate.

Emphasizing transparency and stakeholder engagement, BOF's external communications will educate stakeholders on the agency's value proposition, foster strategic partnerships and highlight early achievements. Thought leadership opportunities will enhance the visibility of top executives and showcase the agency's expertise. To achieve external communications objectives, BOF will leverage cost-effective external channels including the website, social media, and direct outreach such as email updates to registered subscribers.

Recognizing that BOF's people are its greatest asset, internal communications will play a vital role in creating an inclusive culture, engaging colleagues, and retaining top talent. The strategy will include a mix of intranet updates, executive messages, and town halls.

Together, these external and internal communications efforts will support BOF's mandate to invest in priority infrastructure to help drive economic growth and create thriving communities.

Information and Information Technology Plan

The following priority areas outline our commitment to leveraging technology, enhancing processes, and ensuring robust data management while fostering a proactive approach to risk management and compliance. These focus areas are essential for establishing a solid foundation that will enable BOF to deliver high-quality services.

- Partner with BOF business groups, understanding the agency's business drivers and plans; providing solutions to automate and enhance processes and operations.
- Develop and maintain BOF Technology Roadmap structured to be scalable, and flexible to change.
- Cyber Security (Collaborating with OPS Cyber Security Division)
- Data, Analytics, and Reporting Ecosystem
- Project prioritization, management, and oversight
- Day-to-day operations, enhance productivity, and improve customer satisfaction.
- IT budgeting
- Vendor contract oversight and management.

As a new and evolving organization, the current IT environment within BOF will require significant investments in technologies and business processes. Allowing BOF to become agile, flexible, and proactive to deliver on its mandate using evidence-based and risk-based approaches. BOF will, over time, implement new systems, tools, and processes for data gathering and analytics, compliance monitoring, and risk management.

Microsoft Copilot Chat is currently the only enterprise approved generative AI chat tool. If BOF considers using any other AI tools, it will ensure reference and adherence to Artificial Intelligence (AI) Policy: The Trustworthy Artificial Intelligence Framework lastly the Guidance and Best Practices for Using Generative AI.

BOF will focus on building and integrating new technologies, processes, and capabilities to establish a solid foundation.

The implementation of a robust digital strategy will be a multi-year process. Ensuring time to thoughtfully design and implement processes and systems to allow BOF to deliver on its mandate.