

Invest in Canada Quarterly Financial Report

For the quarter ended December 31, 2019

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 GC 4400 Accounting Standard. It should be read in conjunction with the Main Estimates. This report has not been subject to an external audit or review.

1.1 Authority and Mandate

As outlined in the *Invest in Canada Act*, for the purpose of supporting economic prosperity and stimulating innovation in Canada, liC's mandate is to:

- a. promote foreign direct investment in Canada and attract and facilitate that investment; and
- b. coordinate the efforts of the government, the private sector and other stakeholders with respect to foreign direct investment in Canada.

1.2 Basis of Presentation

This quarterly report has been prepared using an expenditure basis of accounting. The accompanying Statement of Authorities includes liC's spending authorities granted by Parliament and those used by the liC, consistent with the Main Estimates, Supplementary Estimates and Treasury Board vote transfers for the 2019-20 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.

When Parliament is dissolved for the purposes of a general election, section 30 of the *Financial Administration Act* authorizes the Governor General, under certain conditions, to issue a special warrant authorizing the Government to withdraw funds from the Consolidated Revenue Fund. A special warrant is deemed to be an appropriation for the fiscal year in which it is issued.

liC uses the full accrual method of accounting to prepare and present its annual financial statements that are part of the departmental results reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

2. Highlights of the Fiscal Quarter and Fiscal Year-to-Date (YTD) Results

2.1 Statement of Authorities

As reflected in the attached Statement of Authorities, liC's total authorities has increased to \$36 million in 2019-20, up from the previous year of \$23.2 million.

2.2 Statement of Department Budgetary Expenditures by Standard Object

As per the attached Budgetary Expenditures by Standard Object, total year-to-date net budgetary expenditures (April to December) represent 44% percent of total budgetary authorities available for use. liC is continuing to build up internal capacity, allocating resources to marketing and outreach, investor services and partnerships and strategy development. liC anticipates its spending in the fourth quarter to be consistent with the third quarter.

As shown in the below statements, liC year-to-date expenditures is \$11.8 million higher than the year before. This sharp increase indicates the progress liC has made over the past year rapidly developing and enhancing its business operations to ensure achievement of its mandate. Personnel costs have increased with liC growing to a current staff complement of 58 full-time equivalents (FTEs) compared to 34 FTEs at the same time last year.

3. Risks and Uncertainties

Financial risks

There is a risk that cost estimates and the actual costs associated with establishing liC differ, resulting in funding shortfalls that impact the organization's ability to deliver on its goals. Various factors could influence this, including salaries to attract skills in certain key positions being higher than anticipated. There is also a risk that funds will lapse in the early years, as building capacity for the corporation could take more time than anticipated.

To reduce the impacts of these risks, liC monitors its financial situation closely and adjusts its expenditure plans as needed. Funding profiles have been established that include a gradual scaling up of operations to account for the time needed for set-up and recruitment.

4. Significant Changes in Relation to Operations, Personnel and Programs

No significant changes to report.

Approved by:

Original Signed by 	Original Signed by 
Ian McKay Chief Executive Officer	Katie Curran Chief Administrative Officer

Ottawa, Ontario
February 28, 2020

Invest in Canada Hub
 Quarterly Financial Report
 For the quarter ended December 31, 2019

Statement of Authorities (unaudited)

	Fiscal Year 2019-20 (In thousands of dollars)			Fiscal Year 2018-19 (In thousands of dollars)		
	Total available for use for the year ending March 31, 2020*	Used during the quarter ended December 31, 2019	Year to date used at quarter-end	Total available for use for the year ending March 31, 2019*	Used during the quarter ended December 31, 2018	Year to date used at quarter-end
(In thousands of dollars)						
Budgetary Authorities						
Vote 10 - Program Expenditures	36,057	7,708	15,209	22,203	3,182	5,059
Less: Revenues netted against expenditures						
Budgetary Statutory Authorities						
Employee Benefit Plans		-		981	245	736
Total Budgetary Authorities	36,057	7,708	15,209	23,185	3,427	5,795

*Includes only Authorities available for use and granted by Parliament at quarter-end

Invest in Canada is responsible for all employee benefit and pension contributions

Invest in Canada Hub
 Quarterly Financial Report
 For the quarter ended December 31, 2019

Budgetary expenditures by Standard Object (unaudited)

	Fiscal Year 2019-20 (In thousands of dollars)			Fiscal Year 2018-19 (In thousands of dollars)		
	Planned expenditures for the year ending March 31, 2020	Expended during the quarter ended December 31, 2019	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2019	Expended during the quarter ended December 31, 2018	Year to date used at quarter-end
(In thousands of dollars)						
Expenditures:						
Personnel	7,506	1,560	4,484	7,439	1,196	2,302
Transportation and Communications	1,905	481	978	3,750	357	519
Information	7,844	805	1,813	6,000	261	474
Professional and Special Services	16,324	4,429	6,389	5,024	1,341	2,091
Rentals	300	18	479	362	70	92
Repair and Maintenance	120	8	11	120	1	3
Utilities, Material and Supplies	1,025	25	109	490	45	79
Acquisition of land, buildings and works	-	256	631	-	-	-
Acquisitions of Machinery and Equipment	1,033	124	308	-	198	203
Other Payments	-	2	6	-	(41)	31
Total Gross Budgetary Expenditures	36,057	7,708	15,209	23,185	3,427	5,795
Total Net Budgetary Expenditures	36,057	7,708	15,209	23,185	3,427	5,795