

Invest in Canada Quarterly Financial Report

For the quarter ended September 30, 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 19-20, 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 September) represent 21% 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 to increase each quarter as its operations continue to develop.

As shown in the below statements, liC first quarter expenditures is \$5.1 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 has the largest increase with liC growing to a current staff of 51 individuals compared to 21 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 private sector 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 adjust 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
November 29, 2019

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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 September 30, 2019	Year to date used at quarter-end	Total available for use for the year ending March 31, 2019*	Used during the quarter ended September 30, 2018	Year to date used at quarter-end
(in thousands of dollars)						
Budgetary Authorities						
Vote 10 - Program Expenditures	36,057	4,477	7,501	22,203	1,375	1,877
Less: Revenues netted against expenditures						
Budgetary Statutory Authorities						
Employee Benefit Plans		-		981	245	491
Total Budgetary Authorities	36,057	4,477	7,501	23,185	1,620	2,367

*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

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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 September 30, 2019	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2019	Expended during the quarter ended September 30, 2018	Year to date used at quarter-end
(in thousands of dollars)						
Expenditures:						
Personnel	7,506	1,556	2,925	7,439	706	1,106
Transportation and Communications	1,905	214	497	3,750	105	162
Information	7,844	589	1,008	6,000	198	213
Professional and Special Services	16,324	1,348	1,960	5,024	481	751
Rentals	300	274	461	362	22	22
Repair and Maintenance	120	2	3	120	2	2
Utilities, Material and Supplies	1,025	9	84	490	34	34
Acquisition of land, buildings and works	-	375	375	-	-	-
Acquisitions of Machinery and Equipment	1,033	108	184	-	4	5
Other Payments	-	1	4	-	68	72
Total Net Budgetary Expenditures	36,057	4,477	7,501	23,185	1,620	2,367