

Invest in Canada Quarterly Financial Report

For the quarter ended September 30, 2020

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 2020-21 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 slightly decreased to \$34.2 million (5%) in 20-21, down from the previous year of \$36 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 29% percent of total budgetary authorities available for use. IiC expects a large portion of its expenditures to occur in Q3 and Q4 of 2020-21.

As shown in the below statements, IiC second quarter expenditures are \$1.7 million higher than the year before. Personnel costs had the largest increase (\$0.7 million) with IiC growing to a current staff of 60 individuals compared to 51 at the same time last year.

3. Risks and Uncertainties



Operational risks

There is a risk that Covid-19 will limit IiC's ability to achieve many aspects of its mandate. To minimize this risk, IiC has continued actively engaging with investors and partners to better understand the COVID-19 impact on expansion plans and their business more broadly. IiC has also strengthened its research activities to better understand the impact of the pandemic on investments and to provide information and data to partners and clients. In-person events and international conferences have been cancelled or postponed; however, where possible, IiC remains active and engaged through online event participation.

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	Katie Curran
Chief Executive Officer	Chief Administrative Officer

Ottawa, Ontario
November 30, 2020

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Statement of Authorities (unaudited)

	Fiscal Year 2020-21 (in thousands of dollars)			Fiscal Year 2019-20 (in thousands of dollars)		
	Total available for use for the year ending March 31, 2021*	Used during the quarter ended September 30, 2020	Year to date used at quarter-end	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
(in thousands of dollars)						
Budgetary Authorities						
Vote 1 - Program Expenditures	34,292	6,214	9,833	36,057	4,477	7,501
Less: Revenues netted against expenditures						
Total Budgetary Authorities	34,292	6,214	9,833	36,057	4,477	7,501

*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 2020-21 (in thousands of dollars)			Fiscal Year 2019-20 (in thousands of dollars)		
	Planned expenditures for the year ending March 31, 2021	Expended during the quarter ended September 30, 2020	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2020	Expended during the quarter ended September 30, 2019	Year to date used at quarter-end
(in thousands of dollars)						
Expenditures:						
Personnel	8,642	2,227	3,976	7,506	1,556	2,925
Transportation and Communications	1,768	15	26	1,905	214	497
Information	10,475	1,120	1,457	7,844	589	1,008
Professional and Special Services	12,532	2,563	3,947	16,324	1,348	1,960
Rentals	160	207	302	300	274	461
Repair and Maintenance	200	3	4	120	2	3
Utilities, Material and Supplies	50	4	6	1,025	9	84
Acquisition of land, buildings and works	85	-	-	-	375	375
Acquisitions of Machinery and Equipment	380	74	113	1,033	108	184
Other Payments	-	-	1	-	1	4
Total gross budgetary expenditures	34,292	6,214	9,833	36,057	4,477	7,501
Total Net Budgetary Expenditures	34,292	6,214	9,833	36,057	4,477	7,501