

Invest in Canada Quarterly Financial Report

For the quarter ended September 30, 2022

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, Invest in Canada'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 Invest in Canada's spending authorities granted by Parliament and those used by Invest in Canada, consistent with the Main Estimates, Supplementary Estimates and Treasury Board vote transfers for the 2022-2023 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.

Invest in Canada 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

Invest in Canada received \$33,611,551 in funding through the Main Estimates. During the second quarter, Invest in Canada received its operating budget carry forward (OBCF) from 2021-22 which represents an increase in authorities of \$1,713,578 bringing the total authorities available in 2022-2023 to \$35,325,134. This funding profile is consistent with previous years.

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 32% of total authorities available for use.

As shown in the below statements, Invest in Canada's year-to-date spending is \$1,777,562 more than the year before. The increase is due to expanded activities in relation to events, marketing campaigns and investor service business meetings in the first two quarters. As per the previous year, Invest in Canada expects a large portion of its expenditures to occur in Q3 and Q4 of this fiscal year.

3. Risks and Uncertainties

Invest in Canada conducts an annual risk assessment exercise as part of its overall risk management approach. In response to the COVID-19 pandemic, Invest in Canada identified increased enterprise-wide risks including risks to employee physical and mental health. Invest in Canada employs risk-based mitigation such as business continuity planning, occupational health and safety planning and people management strategies such as employee engagement surveys and regular employee communication to mitigate these risks.

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

On September 23, 2022, the Minister of International trade, Export Promotion, Small Business and Economic Development announced the appointment of Laurel Broten as Chief Executive Officer (CEO) of Invest in Canada and Karl Tabbakh as Chair of the board of directors.

Mr. Tabbakh's appointment took effect the week of September 23, 2022 while Ms. Broten assumed her role on October 3, 2022.

Approved by:

Original Signed by	Original Signed by
Laurel Broten Chief Executive Officer	Katie Curran Chief Administrative Officer

Ottawa, Ontario
October 31, 2022

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Statement of Authorities (unaudited)

	Fiscal Year 2022-23 (in thousands of dollars)			Fiscal Year 2021-22 (in thousands of dollars)		
	Total available for use for the year ending March 31, 2023*	Used during the quarter ended September 30, 2022	Year to date used at quarter-end	Total available for use for the year ending March 31, 2022	Used during the quarter ended September 30, 2021	Year to date used at quarter-end
(in thousands of dollars)						
Budgetary Authorities						
Vote 1 - Program Expenditures	35,325	6,059	11,383	35,987	5,293	9,551
Less: Revenues netted against expenditures						
Total Budgetary Authorities	35,325	6,059	11,383	35,987	5,293	9,551

*Increase of \$1.7 million related to receiving the 2021-22 OBCF.

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

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Budgetary expenditures by Standard Object (unaudited)

	Fiscal Year 2022-23 (in thousands of dollars)			Fiscal Year 2021-22 (in thousands of dollars)		
	Planned expenditures for the year ending March 31, 2023	Expended during the quarter ended September 30, 2022	Year to date used at quarter-end	Planned expenditures for the year ending March 31, 2022	Expended during the quarter ended September 30, 2021	Year to date used at quarter-end
(in thousands of dollars)						
Expenditures:						
Personnel	9,500	2,444	4,494	9,000	2,178	4,405
Transportation and Communications	250	253	497	500	32	38
Information	19,713	2,521	4,646	17,715	2,178	3,637
Professional and Special Services	5,000	586	1,218	8,052	802	1,262
Rentals	437	208	391	100	66	152
Repair and Maintenance	25	-	-	120	-	1
Utilities, Material and Supplies	100	12	14	200	7	9
Acquisition of land, buildings and works	-	-	-	-	32	32
Acquisitions of Machinery and Equipment	300	53	126	300	3	-
Other Payments	-	18	5	-	-	16
Total Net Budgetary Expenditures	35,325	6,059	11,383	35,987	5,293	9,551