

Invest in Canada Quarterly Financial Report

For the quarter ended December 31, 2021

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 2021-22 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 available in 2021-22 is \$35.9 million. 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 December) represent 49 percent of total budgetary authorities available for use.

As shown in the below statements, liC third quarter and year-to-date expenditures are approximately \$3 million more than the year before. As per the previous year, liC expects a large portion of its expenditures to occur in Q4 of this fiscal year.

3. Risks and Uncertainties

Operational risks

Although Covid-19 continues to impact many aspects of the Government of Canada and the Canadian economy, liC has worked to minimize the impacts by actively engaging with investors to explore growth opportunities in Canada. liC continues to lead in marketing and promotion efforts through targeted digital media campaigns and participating in virtual events. liC has also strengthened its research and data activities to continue to provide partners and clients with accurate and timely information.

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

No significant changes to report.

Approved by:

| Original Signed by | Original Signed by |
|---------------------------------|-------------------------------------|
| Katie Curran | Assia Turenne |
| Interim Chief Executive Officer | Acting Chief Administrative Officer |

Ottawa, Ontario
January 29, 2022

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Statement of Authorities (unaudited)

| | Fiscal Year 2021-22 (in thousands of dollars) | | | Fiscal Year 2020-21 (in thousands of dollars) | | |
|---|---|---|----------------------------------|---|---|----------------------------------|
| | Total available for use for the year ending March 31, 2022* | Used during the quarter ended December 31, 2021 | Year to date used at quarter-end | Total available for use for the year ending March 31, 2021* | Used during the quarter ended December 31, 2020 | Year to date used at quarter-end |
| (in thousands of dollars) | | | | | | |
| Budgetary Authorities | | | | | | |
| Vote 1 - Program Expenditures | 35,987 | 7,923 | 17,474 | 34,292 | 4,551 | 14,384 |
| Less: Revenues netted against expenditures | | | | | | |
| Total Budgetary Authorities | 35,987 | 7,923 | 17,474 | 34,292 | 4,551 | 14,384 |

*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 2021-22 (in thousands of dollars) | | | Fiscal Year 2020-21 (in thousands of dollars) | | |
|--|---|---|----------------------------------|---|---|----------------------------------|
| | Planned expenditures for the year ending March 31, 2022 | Expended during the quarter ended December 31, 2021 | Year to date used at quarter-end | Planned expenditures for the year ending March 31, 2021 | Expended during the quarter ended December 31, 2020 | Year to date used at quarter-end |
| (in thousands of dollars) | | | | | | |
| Expenditures: | | | | | | |
| Personnel | 9,000 | 2,231 | 6,636 | 8,642 | 1,712 | 5,689 |
| Transportation and Communications | 500 | 106 | 143 | 1,768 | 12 | 38 |
| Information | 17,715 | 4,406 | 8,043 | 10,475 | 1,297 | 2,754 |
| Professional and Special Services | 8,052 | 1,000 | 2,262 | 12,532 | 1,631 | 5,578 |
| Rentals | 100 | 54 | 206 | 160 | 119 | 184 |
| Repair and Maintenance | 120 | 0 | 1 | 200 | 0 | 4 |
| Utilities, Material and Supplies | 200 | 29 | 37 | 50 | 9 | 15 |
| Acquisition of land, buildings and works | - | 33 | - | 85 | - | - |
| Acquisitions of Machinery and Equipment | 300 | 143 | 143 | 380 | 26 | 139 |
| Other Payments | - | 13 | 3 | - | (18) | 17 |
| Total Net Budgetary Expenditures | 35,987 | 7,923 | 17,474 | 34,292 | 4,551 | 14,384 |