

PacifiCan

2021-2022

Financial Statements (unaudited)

For the Year Ended March 31, 2022



Pacific Economic
Development Canada

Développement économique
Canada pour le Pacifique

Canada



Pacific Economic Development Canada

Statement of Management Responsibility Including Internal Control Over Financial Reporting

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2022, and all information contained in these financial statements rests with the management of Pacific Economic Development Canada (PacifiCan). These financial statements have been prepared by management using the Government of Canada's accounting policies, which are based on Canadian public sector accounting standards.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment, and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of PacifiCan's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada is consistent with these financial statements.

Management is also responsible for maintaining an effective system of internal control over financial reporting (ICFR) designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Financial Administration Act* and other applicable legislation, regulations, authorities and policies.

Management seeks to ensure the objectivity and integrity of data in its financial statements through careful selection, training and development of qualified staff; through organizational arrangements that provide appropriate divisions of responsibility; through communication programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout PacifiCan and through conducting an annual risk-based assessment of the effectiveness of the system of ICFR.

PacifiCan will be subject to periodic Core Control Audits performed by the Office of the Comptroller General and will use the results of such audits to adhere to the Treasury Board Policy on Financial Management. As PacifiCan was launched on August 6th, 2021 as a federal regional development agency, the organization has not yet undertaken a risk-based assessment of the ICFR system. PacifiCan will begin the ICFR assessment, starting in fiscal year 2022-2023 in accordance with the Treasury Board Policy on Financial Management and as per the action plan summarized in the annex.

The financial statements of PacifiCan have not been audited.

Dylan Jones, President
Vancouver, Canada

September 9, 2022

Date

Luke, Mona

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Mona Luke, Chief Financial Officer

Date



Pacific Economic Development Canada
Statement of Financial Position (Unaudited)

As at March 31

(in dollars)

	<u>2022</u>	<u>2021</u>
Liabilities		
Accounts payable and accrued liabilities (note 4)	\$ 76,235,532	\$ 0
Vacation pay and compensatory leave	746,364	0
Employee future benefits (note 5)	180,757	0
Total gross liabilities	<u>77,162,653</u>	<u>0</u>
Total net liabilities	<u>77,162,653</u>	<u>0</u>
Financial assets		
Due from Consolidated Revenue Fund	76,113,713	0
Accounts receivable and advances (note 6)	121,819	0
Loans receivable (note 7)	32,665,794	0
Total gross financial assets	<u>108,901,326</u>	<u>0</u>
Financial assets held on behalf of Government		
Loans receivable (note 7)	(32,665,794)	0
Total financial assets held on behalf of Government	<u>(32,665,794)</u>	<u>0</u>
Total net financial assets	<u>76,235,532</u>	<u>0</u>
Departmental net debt	<u>927,121</u>	<u>0</u>
Non-financial assets		
Prepaid expenses	7,134	0
Total non-financial assets	<u>7,134</u>	<u>0</u>
Departmental net financial position	<u>\$ (919,987)</u>	<u>\$ 0</u>

Contractual obligations (note 8)

The accompanying notes form an integral part of these financial statements.

Dylan Jones, President
Vancouver, Canada

September 9, 2022

Date

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Luke, Mona
Mona Luke, Chief Financial Officer

Date



Pacific Economic Development Canada

Statement of Operations and Departmental Net Financial Position (Unaudited)

For the Year Ended March 31

(in dollars)

	2022 Planned Results	2022	2021
Expenses			
Community Initiatives	\$ 0	\$ 62,442,204	\$ 0
Innovation	0	29,379,833	0
Business Growth	0	23,006,712	0
Business Services	0	9,769,918	0
Internal Services	0	4,234,245	0
Expenses incurred on behalf of Government	0	(24,662,292)	0
Total expenses	0	104,170,620	0
Revenues			
Interest	0	1,480	0
Revenues earned on behalf of Government	0	(1,480)	0
Total revenues	0	0	0
Net cost of operations before government funding and transfers	0	104,170,620	0
Government funding and transfers			
Net cash provided by Government of Canada		26,010,705	0
Change in due from Consolidated Revenue Fund		76,113,713	0
Services provided without charge by other government departments (note 9)		1,125,279	0
Transfer of assets and liabilities from other government departments (note 10)		936	0
Net cost of operations after government funding and transfers		919,987	0
Departmental net financial position - Beginning of year		0	0
Departmental net financial position - End of year		\$ (919,987)	\$ 0

Segmented information (note 11)

The accompanying notes form an integral part of these financial statements.



Pacific Economic Development Canada

Statement of Change in Departmental Net Debt (*Unaudited*)

For the Year Ended March 31

(in dollars)

	2022	2021
Net cost of operations after government funding and transfers	\$ 919,987	\$ 0
Change due to prepaid expenses	7,134	0
Net increase (decrease) in departmental net debt	927,121	0
Departmental net debt - Beginning of year	0	0
Departmental net debt - End of year	\$ 927,121	\$ 0

The accompanying notes form an integral part of these financial statements.



Pacific Economic Development Canada

Statement of Cash Flows (Unaudited)

For the Year Ended March 31

(in dollars)

	<u>2022</u>	<u>2021</u>
Operating activities		
Net cost of operations before government funding and transfers	\$ 104,170,620	\$ 0
Non-cash items:		
Services provided without charge by other government departments (note 9)	(1,125,279)	0
Variations in Statement of Financial Position:		
Increase (decrease) in accounts receivable and advances	121,819	0
Increase (decrease) in prepaid expenses	7,134	0
Decrease (increase) in accounts payable and accrued liabilities	(76,235,532)	0
Decrease (increase) in vacation pay and compensatory leave	(746,364)	0
Decrease (increase) in employee future benefits	(180,757)	0
Transfer of assets from other government departments (note 10)	(936)	0
Cash used in operating activities	<u>26,010,705</u>	<u>0</u>
Net cash provided by Government of Canada	<u>\$ 26,010,705</u>	<u>\$ 0</u>

The accompanying notes form an integral part of these financial statements.



Pacific Economic Development Canada

Notes to the Financial Statements (*Unaudited*)

For the Year Ended March 31

1. Authority and Objectives

Western Economic Diversification Canada (WD) was established in 1987 to promote the development and diversification of the economy of western Canada and to advance the interests of the West in national economic policy, program and project development and implementation. On August 6, 2021, the Government of Canada launched Pacific Economic Development Canada (PacifiCan) as the new federal regional economic development agency for British Columbia, and Prairies Economic Development Canada (PrairiesCan) as the new regional economic development agency for businesses and communities in Alberta, Saskatchewan and Manitoba. The Minister responsible for the Pacific Economic Development Agency of Canada is also the Minister of International Development.

PacifiCan's mandate, derived from the *Western Economic Diversification Act*, is to grow and diversify the western Canadian economy. This broad mandate allows PacifiCan to deliver a wide range of initiatives in British Columbia, and make strategic investments to build on regional competitive advantages and help grow the economy in British Columbia. PacifiCan also contributes to the Government of Canada's Innovation and Skills Plan, other government-wide priorities, and ministerial mandate letter commitments.

PacifiCan currently has a liaison office in Vancouver, British Columbia, and will establish headquarters in Surrey with additional locations in Victoria, Kelowna, Prince George, Cranbrook, Fort St. John, Prince Rupert, Campbell River and Ottawa, Ontario. This enables the agency to foster strong partnerships with business and community organizations, research and academic institutions, Indigenous Peoples, and provincial and municipal governments. These connections help PacifiCan reflect British Columbia's perspectives in national decision-making.

PacifiCan promotes growth and diversification in British Columbia's economy by enhancing innovation, improving business competitiveness, promoting the adoption of clean technologies and inclusive growth.

PacifiCan's strategic outcome is advanced through the following programs:

- **Innovation:** British Columbia businesses are innovative;
- **Business Growth:** British Columbia businesses are competitive and export their products/services;
- **Business Services:** British Columbia businesses have access to advisory services and capital;
- **Community Initiatives:** British Columbia communities have necessary public infrastructure and adjustment support to promote economic growth; and
- **Internal Services:** Effective and efficient support for advancing the agency's strategic outcome.



Pacific Economic Development Canada

Notes to the Financial Statements (*Unaudited*)

For the Year Ended March 31

2. Summary of significant accounting policies

These financial statements are prepared using the department's accounting policies stated below, which are based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Significant accounting policies are as follows:

(a) Parliamentary authorities

PacifiCan is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to PacifiCan do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and Departmental Net Financial Position and in the Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a reconciliation between the bases of reporting. As PacifiCan was launched on August 6th, 2021 as a federal agency, the planned results amounts in the "Expenses" and "Revenues" sections of the Statement of Operations and Departmental Net Financial Position; and in the "Government funding and transfers" section of the Statement of Operations and Departmental Net Financial Position and in the Statement of Change in Departmental Net Debt were unavailable as an annual PacifiCan's departmental plan was not yet developed.

(b) Net cash provided by Government

PacifiCan operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by PacifiCan is deposited to the CRF, and all cash disbursements made by PacifiCan are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements, including transactions between departments of the Government.

(c) Amounts due from or to the CRF

Amounts due from or to the CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that PacifiCan is entitled to draw from the CRF without further authorities to discharge its liabilities.



(d) Revenues

Revenues are recognized in the period the event giving rise to the revenues occurred.

Revenues that are non-respondable are not available to discharge PacifiCan's liabilities. While the Deputy Head is expected to maintain accounting control, he has no authority regarding the disposition of non-respondable revenues. As a result, non-respondable revenues are considered to be earned on behalf of the Government of Canada and are therefore presented as a reduction of the entity's gross revenues.

(e) Expenses

Transfer payments are recorded as an expense in the year the transfer is authorized and all eligibility criteria have been met by the recipient.

Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.

Services provided without charge by other government departments for accommodation, employer contributions to the health and dental insurance plans, and workers' compensation are recorded as operating expenses at their carrying value.

(f) Employee future benefits

- I. Pension benefits: Eligible employees participate in the Public Service Pension Plan (The *Public Service Superannuation Act*), a multiemployer pension plan administered by the Government. PacifiCan's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. PacifiCan's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.
- II. Severance benefits: The accumulation of severance benefits for voluntary departures ceased for applicable employee groups. The remaining obligation for employees who did not withdraw benefits is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(g) Accounts and loans receivable

Accounts and loans receivable are initially recorded at cost and where necessary, are discounted to reflect their concessionary terms. Concessionary terms of loans include cases where loans are made on a long-term, low interest or interest-free basis. Transfer payments that are unconditionally repayable are recognized as loans receivable. When necessary, an allowance for valuation is recorded to reduce the carrying value of accounts and loans receivable to amounts that approximate their net recoverable value.



(h) Contingent Liabilities

Contingent liabilities, including the allowance for guarantees, are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, a provision is accrued and an expense recorded to other expenses. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

For guarantees, an allowance is recorded when it is determined that a loss is likely and the amount of the allowance is estimated taking into consideration the nature of the guarantee, loss experience and current conditions. The allowance is reviewed on an ongoing basis and changes in the allowance are recorded as expenses in the year they become known.

(i) Contingent assets

Contingent assets are possible assets which may become actual assets when one or more future events occur or fail to occur. If the future event is likely to occur or fail to occur, the contingent asset is disclosed in the notes to the financial statements.

(j) Measurement uncertainty

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported and disclosed amounts of assets, liabilities, revenues and expenses reported in the financial statements and accompanying notes at March 31. The estimates are based on facts and circumstances, historical experience, general economic conditions and reflect the Government's best estimate of the related amount at the end of the reporting period. The most significant items where estimates are used are allowance for doubtful accounts, the liability for employee future benefits, the useful life of tangible capital assets and unamortized discount related to unconditionally repayable contributions. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

(k) Related party transactions

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions, other than restructuring transactions, are recorded on a gross basis and are measured at the carrying amount, except for the following:

- i. Services provided on a recovery basis are recognized as revenues and expenses on a gross basis and measured at the exchange amount.
- ii. Certain services received on a without charge basis are recorded for departmental financial statement purposes at the carrying amount.



Pacific Economic Development Canada

Notes to the Financial Statements (*Unaudited*)

For the Year Ended March 31

3. Parliamentary authorities

PacifiCan receives most of its funding through annual parliamentary authorities. Items recognized in the Statement of Operations and Departmental Net Financial Position and the Statement of Financial Position in one year may be funded through parliamentary authorities in prior, current or future years. Accordingly, PacifiCan has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to current year authorities used

Note 3 Parliamentary Authorities

(a) Reconciliation of net cost of operations to current year authorities used

	2022	2021
	(in dollars)	
Net cost of operations before government funding and transfers	\$ 104,170,620	\$ 0
Adjustments for items affecting net cost of operations but not affecting authorities:		
Services provided without charge by other government departments	(1,125,279)	0
Decrease (increase) in vacation pay and compensatory leave	(746,364)	0
Decrease (increase) in employee future benefits	(180,757)	0
Refund of prior years' expenditures	44,534	0
Other	3	0
Total items affecting net cost of operations but not affecting authorities	(2,007,863)	0
Adjustments for items not affecting net cost of operations but affecting authorities:		
Unconditionally repayable transfer payments	66,541,585	0
Increase in employee advances	1,444	0
Total items not affecting net cost of operations but affecting authorities	66,543,029	0
Current year authorities used	\$ 168,705,786	\$ 0

Pacific Economic Development Canada
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

(b) Authorities provided and used

	2022	2021
	(in dollars)	
Authorities provided:		
Vote 1 - Operating expenditures	\$ 23,685,762	\$ 0
Vote 5 - Transfer payments	245,356,623	0
Statutory amounts	1,201,390	0
Less:		
Lapsed: Operating	(12,918,543)	0
Lapsed: Transfer payments	(88,619,446)	0
Current year authorities used	\$ 168,705,786	\$ 0

4. Accounts payable and accrued liabilities

The following table presents details of PacifiCan's accounts payable and accrued liabilities:

	2022	2021
	(in dollars)	
Accounts payable - Other government departments and agencies	\$ 727,072	\$ 0
Accounts payable - External parties	75,238,618	0
Total accounts payable	75,965,690	0
Accrued liabilities	269,842	0
Total accounts payable and accrued liabilities	\$ 76,235,532	\$ 0

Pacific Economic Development Canada

Notes to the Financial Statements (*Unaudited*)

For the Year Ended March 31

5. Employee future benefits

a) Pension benefits

PacifiCan's employees participate in the Public Service Pension Plan (the "Plan"), which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plan benefits and they are indexed to inflation.

Both the employees and Pacifican contribute to the cost of the Plan. Due to the amendment of the Public Service Superannuation Act following the implementation of provisions related to Economic Action Plan 2012, employee contributors have been divided into two groups – Group 1 related to existing plan members as of December 31, 2012 and Group 2 relates to members joining the Plan as of January 1, 2013. Each group has a distinct contribution rate.

The 2021-2022 expense amounts to \$811,659. For Group 1 members, the expense represents approximately 1.01 times the employee contributions and, for Group 2 members, approximately 1.00 times the employee contributions.

PacifiCan's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the Consolidated Financial Statements of the Government of Canada, as the Plan's sponsor.

b) Severance benefits

Severance benefits provided to PacifiCan's employees were previously based on an employee's eligibility, years of service and salary at termination of employment. However, since 2011 the accumulation of severance benefits for voluntary departures progressively ceased for substantially all employees. Employees subject to these changes were given the option to be paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits upon departure from the public service. By March 31, 2018, substantially all settlements for immediate cash out were completed. Severance benefits are unfunded and, consequently, the outstanding obligation will be paid from future authorities.

The changes in the obligations during the year were as follows:

	2022	2021
	(in dollars)	
Accrued benefit obligation - Beginning of year	\$ 0	\$ 0
Expense for the year	199,547	0
Benefits paid during the year	(18,790)	0
Accrued benefit obligation - End of year	\$ 180,757	\$ 0



Pacific Economic Development Canada
Notes to the Financial Statements (Unaudited)
 For the Year Ended March 31

6. Accounts receivable and advances

The following table presents details of PacifiCan's accounts receivable and advances balances:

	2022	2021
	(in dollars)	
Receivables - Other government departments and agencies	\$ 119,459	\$ 0
Receivables - External parties	0	0
Cash and cash equivalents	0	0
O&M Receivables	0	0
Employee advances	2,360	0
Subtotal	121,819	0
Gross accounts receivable	\$ 121,819	\$ 0
Accounts receivable held on behalf of Government	0	0
Net accounts receivable	\$ 121,819	\$ 0

Employee advances totalling \$936 were transferred from other government departments to Pacifican during 2021-2022. Refer to note 10 for further details.



Pacific Economic Development Canada
Notes to the Financial Statements (Unaudited)
 For the Year Ended March 31

7. Loans receivable

The following table presents details of PacifiCan's loans and unconditionally repayable contribution balances:

	2022		2021
	(in dollars)		
Loans receivable			
Unconditionally repayable contributions	\$57,329,441	\$	0
Unconditionally repayable contributions	57,329,441		0
Loss support contributions	0		0
Accrued interest - unconditionally repayable transfer payments	93		0
Less: Unamortized discount	(2,238,912)		0
Subtotal	55,090,622		0
Less: Allowance for uncollectibility	(22,424,828)		0
Gross loans receivable	32,665,794		0
Loans receivable held on behalf of Government	(32,665,794)		0
Net loans receivable	\$ 0	\$	0

Unconditionally repayable contributions

The unconditionally repayable contributions portfolio consists of 133 non-interest bearing loans that were issued in 2022, with prescribed repayment terms. The loans are recorded at their discounted net present values using market interest rates at the time of the loans. An allowance of \$22,424,828 has been recorded.

With respect to interest charged on unconditionally repayable transfer payments, an allowance of \$0 has been recorded.

Pacific Economic Development Canada
Notes to the Financial Statements (Unaudited)

For the Year Ended March 31

8. Contractual obligations

The nature of PacifiCan's activities may result in some large multi-year contracts and obligations whereby PacifiCan will be obligated to make future payments in order to carry out its transfer payment programs or when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

	2023	2024	2025	2026	2027 and thereafter	Total
	(in dollars)					
Transfer payments						
Western Diversification Program	\$ 54,324,551	\$ 2,185,500	\$ 995,000	\$ 995,000	\$ 545,000	\$ 59,045,051
Community Futures Program	9,465,556	10,193,280	10,193,280	10,193,280	0	40,045,396
Growth through Regional Innovation Program (known as Regional Economic Growth through Innovation)	44,485,719	20,765,577	6,286,939	1,750,000	1,000,000	74,288,235
Total	\$108,275,826	\$ 33,144,357	\$ 17,475,219	\$ 12,938,280	\$ 1,545,000	\$173,378,682



Pacific Economic Development Canada
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

9. Related party transactions

PacifiCan is related as a result of common ownership to all government departments, agencies and Crown corporations. Related parties also include individuals who are members of key management personnel or close family members of those individuals, and entities controlled by, or under shared control of, a member of key management personnel or a close family member of that individual.

PacifiCan enters into transactions with these entities in the normal course of business and on normal trade terms.

(a) Common services provided without charge by other government departments

During the year, PacifiCan received services without charge from certain common service organizations, related to accommodation and the employer's contribution to the health and dental insurance plans. These services provided without charge have been recorded at the carrying value in PacifiCan's Statement of Operations and Departmental Net Financial Position as follows:

	2022	2021
	(in dollars)	
Employer's contribution to the health and dental insurance plans	\$ 694,923	\$ 0
Accommodation	430,356	0
Total	\$ 1,125,279	\$ 0

The Government has centralized some of its administrative activities for efficiency, cost-effectiveness purposes and economic delivery of programs to the public. As a result, the Government uses central agencies and common service organizations so that one department performs services for all other departments and agencies without charge. The costs of these services, such as the payroll and cheque issuance services provided by Public Services and Procurement Canada and audit services provided by the Office of the Auditor General are not included in PacifiCan's Statement of Operations and Departmental Net Financial Position.



Pacific Economic Development Canada
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

(b) Administration of programs on behalf of other government departments

Under separate interdepartmental letters of agreement signed with the Department of Indian Affairs and Northern Development (DIAND) on April 16, 2019 and with the Department of Indigenous Services Canada (ISC) on October 22, 2019, PacifiCan administers the Strategic Partnerships Initiative for Indigenous communities to participate in developing clean energy. During the year, PacifiCan incurred expenses of \$7,152,006 for the clean energy initiative. These expenses are reflected in the financial statements of ISC, formerly known as DIAND, and are not recorded in these financial statements.

	2022	2021
	(in dollars)	
Strategic Partnerships Initiative	\$ 7,152,006	\$ 0
Total	\$ 7,152,006	\$ 0

(c) Other transactions with other government departments and agencies

	2022	2021
	(in dollars)	
Accounts receivable	\$ 119,459	\$ 0
Accounts payable	727,072	0
Expenses	2,159,541	0

Expenses disclosed in (c) exclude common services provided without charge, which are already disclosed in (a).



Pacific Economic Development Canada
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

10. Transfers from/to other government departments

	<u>2022</u>	<u>2021</u>
	(in dollars)	
Assets:		
Accounts receivable and advances (note 6)		
Transferred from Global Affairs Canada	\$ (936)	\$ 0
Adjustment to the departmental net financial position	<u>\$ (936)</u>	<u>\$ 0</u>



Pacific Economic Development Canada

Notes to the Financial Statements (*Unaudited*)

For the Year Ended March 31

(*in dollars*)

11. Segmented information

Presentation by segment is based on PacifiCan's core responsibility. The presentation by segment is based on the same accounting policies as described in the Summary of significant accounting policies in note 2. The following table presents the expenses incurred and revenues generated for the main core responsibilities, by major object of expense and by major type of revenue. The segment results for the period are as follows:



	Community Initiatives	Innovation	Business Growth	Business Services	Internal Services	2022 Total	2021 Total
Transfer payments							
Non-profit organizations	\$ 25,263,542	\$ 25,440,477	\$ 10,468,903	\$ 7,446,933	\$ 0	\$ 68,619,855	\$ 0
Other levels of governments within Canada	18,972,239	0	0	0	0	18,972,239	0
Industry	3,767,548	434,039	640,823	0	0	4,842,410	0
Transfer payment conditions met	(44,534)	0	0	0	0	(44,534)	0
Total transfer payments	47,958,795	25,874,516	11,109,726	7,446,933	0	92,389,970	0
Operating expenses							
Bad debt expense	13,145,768	(157,157)	9,434,769	0	0	22,423,380	0
Salaries and employee benefits	1,236,471	3,372,575	2,355,443	1,722,745	1,688,266	10,375,500	0
Salaries and employee benefits	1,146,409	3,153,535	2,231,261	1,635,115	1,514,257	9,680,577	0
Health and Dental	90,062	219,040	124,182	87,630	174,009	694,923	0
Professional and special services	39,158	111,734	19,196	538,483	1,628,133	2,336,704	0
Acquisition of machinery and equipment	1,426	5,191	3,129	2,121	623,734	635,601	0
Accommodation	55,774	135,648	76,905	54,268	107,761	430,356	0
Transportation and communication	2,961	13,624	3,479	2,638	85,971	108,673	0
Rentals	390	1,411	858	578	95,340	98,577	0
Utilities, materials and supplies	1,384	6,621	3,029	2,032	3,955	17,021	0
Information	77	15,670	178	120	383	16,428	0
Other	0	0	0	0	702	702	0
Legal	0	0	0	0	0	-	0
WCB	0	0	0	0	0	-	0
Other	0	0	0	0	702	702	0
Expenses incurred on behalf of Government	(14,309,818)	(276,882)	(10,075,592)	0	0	(24,662,292)	0
Total operating expenses	173,591	3,228,435	1,821,394	2,322,985	4,234,245	11,780,650	0
Total expenses	48,132,386	29,102,951	12,931,120	9,769,918	4,234,245	104,170,620	0
Revenues							
Interest	780	700	0	0	0	1,480	0
Revenues earned on behalf of Government	-780	(700)	0	0	0	(1,480)	0
Total revenues	0	0	0	0	0	0	0
Net cost from continuing operations	\$ 48,132,386	\$ 29,102,951	\$ 12,931,120	\$ 9,769,918	\$ 4,234,245	\$ 104,170,620	\$ 0



Summary of the assessment of effectiveness of the systems of internal control over financial reporting and the action plan of Pacific Economic Development Canada for fiscal year 2021-2022 (unaudited)

Annex to the Statement of Management Responsibility Including Internal Control Over Financial Reporting (unaudited)

1. Introduction

In support of an effective system of internal control, Pacific Economic Development Canada (PacifiCan) will assess the performance of its financial controls to ensure that:

- Financial arrangements or contracts are entered into only when sufficient funding is available
- Payments for goods and services are made only when the goods or services have been received or the conditions of contracts or other arrangements have been satisfied
- Payments will be properly authorized.

PacifiCan will leverage the results of planned self-assessment exercises in addition to any of the periodic core control audits performed by the Office of the Comptroller General.

2. Assessment results for the 2021 to 2022 fiscal year

For the most part, existing controls related to payment for goods and services and payment authority have continued to function well, and will form an adequate basis for the department's planned system of internal controls in future years.

3. Assessment plan

PacifiCan plans to monitor the performance of its system of internal control, with a focus on the core controls related to financial transactions.