

Pacific Economic Development Canada's Quarterly Financial Report for the quarter ended June 30, 2023

Statement Outlining Results, Risks and Significant Changes in Operations, Personnel and Programs

Introduction

This quarterly financial report should be read in conjunction with [Main Estimates](#). It has been prepared by management as required by section 65.1 of the [Financial Administration Act](#) (FAA) and in the form and manner prescribed by the Treasury Board. This quarterly report has not been subject to an external audit or review.

Authority, Mandate and Program Activities

PacifiCan is the regional development agency focused on British Columbia's evolving economy. PacifiCan leads in building a strong, competitive Canadian economy by supporting business, innovation and community economic development unique to British Columbia. PacifiCan operates under the provision of the *Western Economic Diversification Act*.

PacifiCan is mandated to "support the growth and diversification of British Columbia's economy and advance the interests of the region in national economic policy, programs and projects."

The [Departmental Plan](#) and Main Estimates provide further information on PacifiCan's authority, mandate and program activities.

Basis of Presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the department's spending authorities granted by Parliament and those used by the department, consistent with the Main Estimates for the 2023-2024 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.

The Agency uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the results reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

Financial Structure

PacifiCan manages its expenditures under two votes:

- Vote 1 – Net operating expenditures include salary, and other operating costs (e.g., transportation and communications; professional and special services).
- Vote 5 – Grants and contributions include all transfer payments.

Budgetary statutory authorities represent payments made under legislation approved by Parliament and include items such as the Government of Canada's share of employee benefit plans (EBP).

Highlights of Fiscal Quarter and Fiscal Year-to-Date (YTD) Results

The following section highlights significant changes to fiscal quarter results as of June 30, 2023.

Statement of Authorities: Vote 1 – Net Operating Expenditures

Total authorities available for use for fiscal year 2023-2024 are \$30.3 million, a net increase of \$4.1 million compared to the \$26.2 million for 2022-2023. The net increase is explained by:

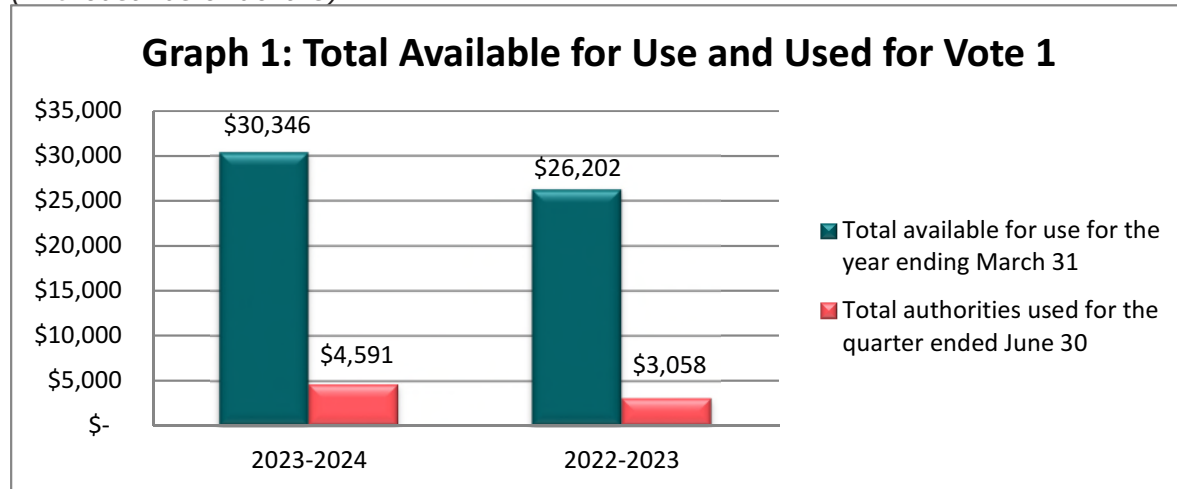
- \$4.7 million increase in operating funding from 2021-2022 core operating reprofile to support accommodations of the new agency;
- \$0.9 million increase in funding for the Lytton Home and Business Rebuild Programs;
- \$0.4 million increase in funding for the RRRF;
- \$0.2 million increase in funding for the Jobs and Growth Fund announced in Budget 2021
- \$0.1 million increase in funding for the Aerospace Regional Recovery Initiative announced in Budget 2021;
- \$1.2 million decrease in funding for the Tourism Relief Fund announced in Budget 2021; and
- \$1.0 million decrease in funding for the Canada Community Revitalization Fund announced in Budget 2021.

Total authorities used year-to-date has increased to \$4.6 million for the quarter ended June 30, 2023 compared to \$3.1 million at June 30, 2022. The increase of \$1.5 million is mainly caused by:

- \$1.2 million increase in salary expenditures incurred to build capacity of PacifiCan as a new agency; and
- \$0.3 million increase in the rental costs of the 7 new regional offices and the interim office space.

Graph 1 illustrates total authorities available for use for the fiscal year, and authorities used at quarter-end.

(in thousands of dollars)



Statement of Authorities: Vote 5 – Grants and Contributions

Total authorities available for use for fiscal year 2023-2024 are \$143.0 million, a net decrease of \$83.1 million compared to the \$226.1 million for 2022-23. The net decrease of \$83.1 million is mainly due to:

- \$5.4 million increase in funding to support the Lytton homeowner resilient rebuild and business restart programs;
- \$38.1 million decrease in funding to support tourism operators facing hardship due to COVID-19;
- \$23.2 million decrease in funding the Canada Community Revitalization Fund;
- \$15.0 million decrease in funding the building of Haisla Bridge supporting the Liquefied Natural Gas (LNG) project in Kitimat, BC;
- \$5.4 million decrease in funding to support jobs and growth;
- \$5.0 million decrease in funding to support major festivals and events;
- \$1.6 million decrease in funding to support women owned and lead businesses through the Women’s Entrepreneurship Strategy; and
- \$0.2 million decrease in funding to support black owned and lead businesses through the Black Entrepreneurship Fund.

Total authorities used year-to-date for the quarter ended June 30, 2023 decrease to \$5.6 million, compared to \$10.4 million at June 30, 2022. The \$4.8 million decrease is mainly explained by:

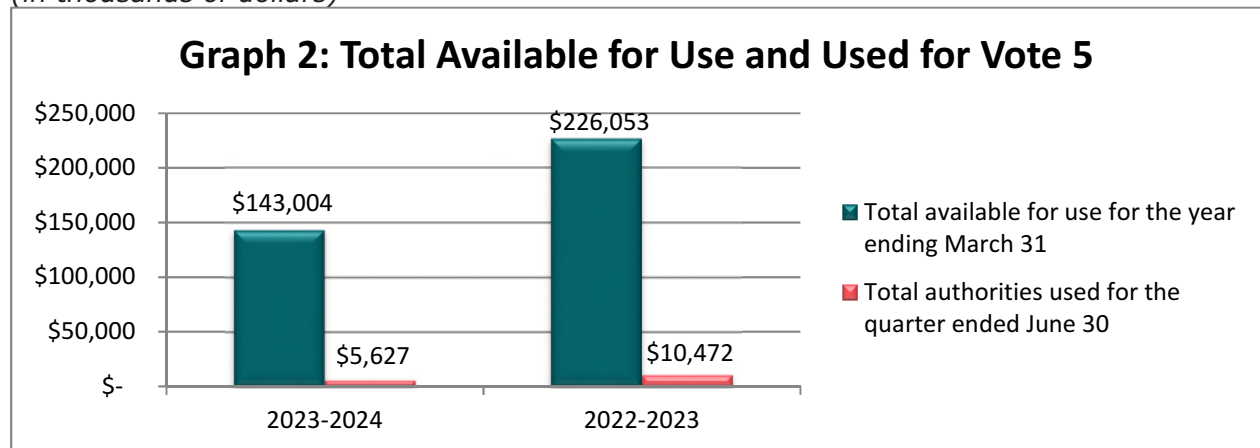
- \$1.6 million increase in payments made under the Western Diversification Program supporting investments in a diverse and growing British Columbia economy;
- \$0.7 million increase in payments made to support Canada’s Skills and Innovation

Plan including payments to black entrepreneurs and Aerospace Regional Recovery Initiative;

- \$7.0 million decrease in payment for building the Haisla Bridge supporting the Liquefied Natural Gas (LNG) project in Kitimat, BC; and
- \$0.1 million decrease in payments made supporting Canada’s air sector through the Regional Air Transportation Initiative.

Graph 2 illustrates total authorities available for use for the fiscal year, and authorities used at quarter-end.

(in thousands of dollars)



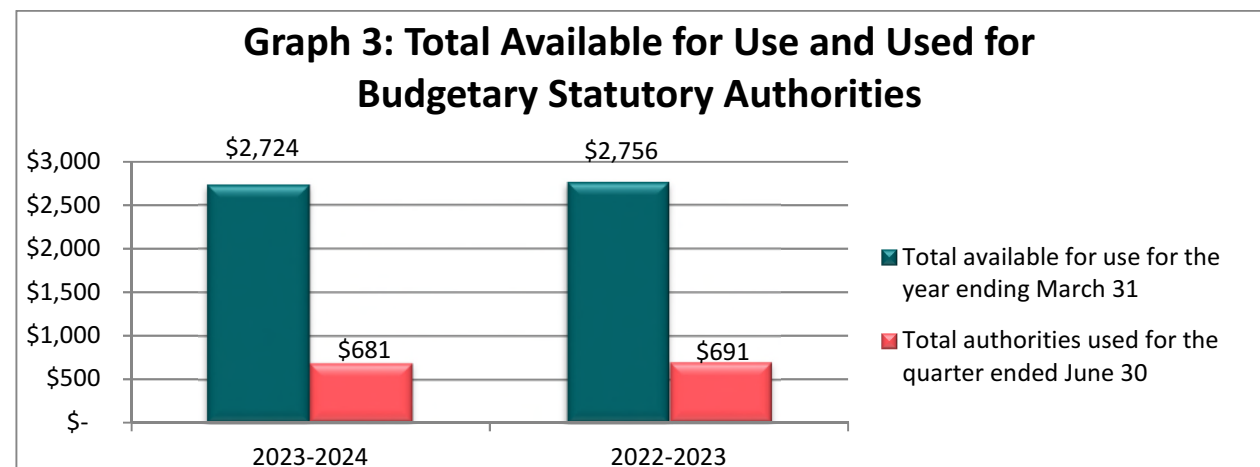
Statement of Authorities: Budgetary Statutory Authorities

Budgetary statutory authorities for use in fiscal year 2023-2024 is unchanged at \$2.7 million with no significant variances compared to fiscal year 2022-2023.

There are no significant variances in budgetary statutory authorities used for EBP in this reporting period when compared to fiscal year 2022-2023.

Graph 3 illustrates total authorities available for use for the fiscal year, and authorities used at quarter-end.

(in thousands of dollars)



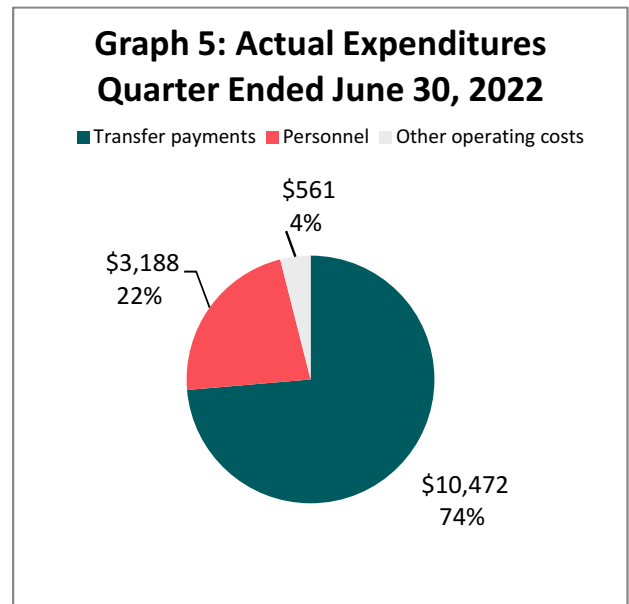
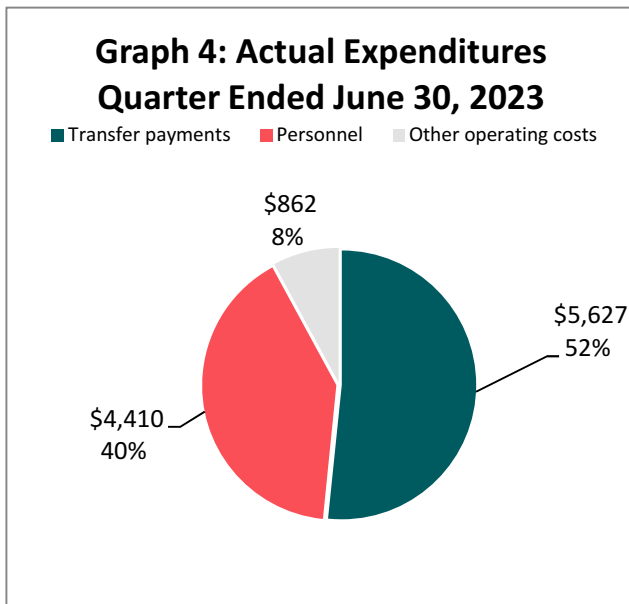
Statement of the Departmental Budgetary Expenditures by Standard Object

Expenditures by standard object for the quarter ended June 30, 2023 decreased to \$10.9 million, compared to \$14.2 million at June 30, 2022. The \$3.3 million decrease is mainly explained by:

- \$1.6 million increase in Western Diversification Program and other programming investing in communities and businesses to continue to diversify, develop and grow the British Columbia economy;
- \$1.2 million increase in salary and other personnel expenses to deliver transfer payment programming and to build agency capacity;
- \$0.7 million increase in payments made to REGI;
- \$0.3 million increase in operations and maintenance costs;
- \$7.0 million decrease in payments towards building the Haisla Bridge supporting the Liquefied Natural Gas (LNG) project in Kitimat, BC; and
- \$0.1 million decrease in Regional Air Transportation Initiative.

Additional information can be found in the Statement of Authorities, Vote 1 and Vote 5 sections above.

Graph 4 and 5 illustrate the actual baseline expenditures for the quarter-end.
(in thousands of dollars)



Risks and Uncertainties

The agency is managing the allocation of resources within a well-defined framework of accountabilities, policies and procedures including a system of budgets, reporting and other internal controls to manage within available resources and deemed authorities from Treasury Board.

British Columbians continue to face economic challenges during the COVID-19 post-pandemic recovery. Rising costs of living and doing business, higher interest rates, and supply chain disruptions continue to pose difficulties for businesses, innovators and communities in British Columbia. To mitigate the risks, PacifiCan remains agile and responsive to its clients' needs to effectively deliver on the mandates and to ensure timely implementation of budget initiatives.

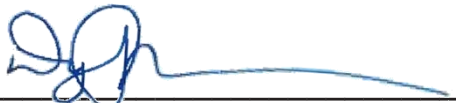
Significant Changes in Relation to Operations, Personnel and Programs

There are no significant changes in relation to operations, personnel and programs for this reporting period.

Approval by Senior Officials

Approved by:

Original signed by:



Dylan Jones
President

Vancouver, Canada
Date: August 29, 2023

Original signed by:

Luke, Mona	Digitally signed by: Luke, Mona DN: CN = Luke, Mona C = CA O = GC OU = WD-DEO Date: 2023.08.15 17:57:58 -07'00'
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Mona Luke
Chief Financial Officer

Statement of Authorities (unaudited)

Fiscal year 2023-2024 (in thousands of dollars)

Authorities	Total available for use for the year ending March 31, 2024*	Used during the quarter ended June 30, 2023	Year-to-date used at quarter-end
Vote 1 - Net operating expenditures	\$30,346	\$4,591	\$4,591
Vote 5 - Grants and contributions	143,004	5,627	5,627
Budgetary statutory authorities			
Employee Benefit Plans	2,724	681	681
Collection agency fees			
Total authorities	\$176,074	\$10,899	\$10,899

* Includes only Authorities available for use and granted by Parliament at quarter-end.

Fiscal year 2022-2023 (in thousands of dollars)

Authorities	Total available for use for the year ending March 31, 2023*	Used during the quarter ended June 30, 2022	Year-to-date used at quarter-end
Vote 1 - Net operating expenditures	\$26,202	\$3,058	\$3,058
Vote 5 - Grants and contributions	226,053	10,472	10,472
Budgetary statutory authorities			
Employee Benefit Plans	2,756	689	689
Collection agency fees		2	2
Total authorities	\$255,011	\$14,221	\$14,221

* Includes only Authorities available for use and granted by Parliament at quarter-end.

Departmental budgetary expenditures by Standard Object (unaudited)

Fiscal Year 2023-2024 (in thousands of dollars)

Expenditures	Total available for use for the year ending March 31, 2024*	Expended during the quarter ended June 30, 2023	Year-to-date used at quarter-end
Personnel	\$20,646	\$4,410	\$4,410
Transportation and communications	870	209	209
Information	745	4	4
Professional and special services	9,194	361	361
Rentals	1,118	281	281
Repair and maintenance	124	0	0
Utilities, materials and supplies	124	3	3
Acquisition of machinery and equipment	249	1	1
Transfer payments	143,004	5,627	5,627
Other subsidies and payments	0	3	3
Total net budgetary expenditures	\$176,074	\$10,899	\$10,899

* Includes only Authorities available for use and granted by Parliament at quarter-end.

Pacific Economic Development Canada
 Quarterly Financial Report
 For the quarter ended June 30, 2023

Fiscal Year 2022-2023 (in thousands of dollars)

Expenditures	Total available for use for the year ending March 31, 2023*	Expended during the quarter ended June 30, 2022	Year-to-date used at quarter-end
Personnel	\$21,130	\$3,188	\$3,188
Transportation and communications	532	213	213
Information	504	16	16
Professional and special services	4,440	318	318
Rentals	686	10	10
Repair and maintenance	492	0	0
Utilities, materials and supplies	272	2	2
Acquisition of machinery and equipment	902	1	1
Transfer payments	226,053	10,472	10,472
Other subsidies and payments	0	1	1
Total net budgetary expenditures	\$255,011	\$14,221	\$14,221

* Includes only Authorities available for use and granted by Parliament at quarter-end.