

# Pacific Economic Development Canada's Quarterly Financial Report for the quarter ended September 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](#) and [Supplementary Estimates \(A\)](#). 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 and Supplementary Estimates (A) 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 September 30, 2023.

### Statement of Authorities: Vote 1 – Net Operating Expenditures

Total authorities available for use for fiscal year 2023-2024 are \$31.1 million, a net increase of \$4.9 million compared to the \$26.2 million for 2022-2023. The net increase is explained by:

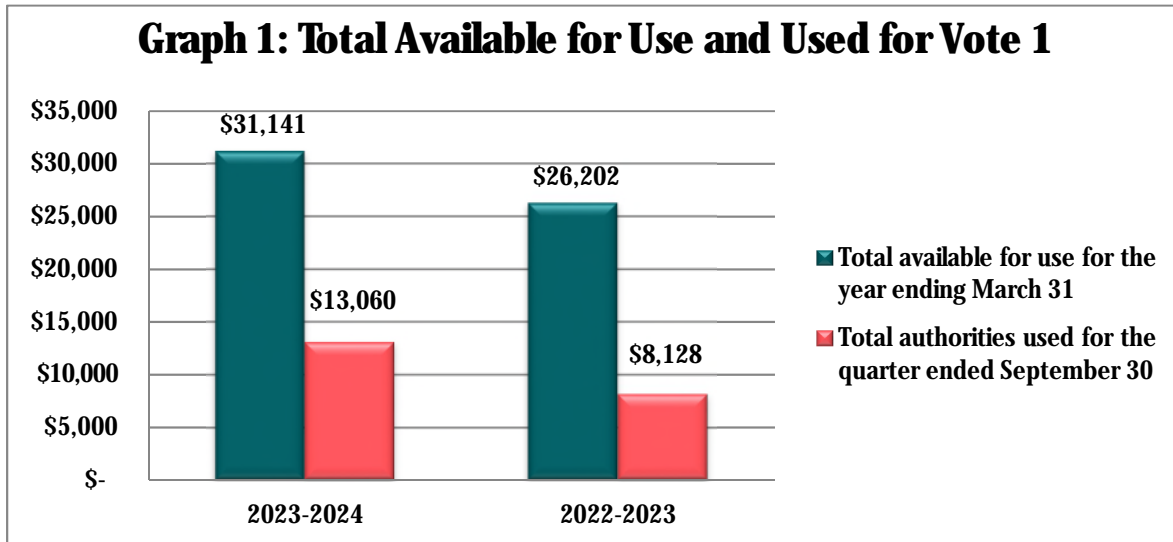
- \$4.7 million increase in operating funding from 2021-2022 core operating reprofile to support accommodation of the new agency;
- \$1.7 million increase in funding for the Lytton Home and Business Rebuild Programs;
- \$0.4 million increase in funding for the Regional Relief and Recovery Fund (RRRF);
- \$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 \$13.1 million for the quarter ended September 30, 2023 compared to \$8.1 million at September 30, 2022. The increase of \$5.0 million is mainly caused by:

- \$2.2 million increase in salary expenditures to build capacity of PacifiCan as a new agency;
- \$1.5 million increase in professional services received from other government departments;
- \$0.8 million increase in regional offices refit and fit-ups costs; and
- \$0.5 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 \$161.8 million, a net decrease of \$64.3 million compared to the \$226.1 million for 2022-23. The net decrease of \$64.3 million is mainly due to:

- \$11.0 million increase in funding to support the Lytton homeowner resilient rebuild and business restart programs;
- \$38.1 million decrease in funding for the completion of the Tourism Relief Fund announced in Budget 2021;
- \$15.0 million decrease in funding for the completion of Haisla Bridge supporting the Liquefied Natural Gas (LNG) project in Kitimat, BC;
- \$10.0 million decrease in funding the Canada Community Revitalization Fund;
- \$5.4 million decrease in funding to support jobs and growth;
- \$5.0 million decrease in funding for the completion of major festivals and events initiatives;
- \$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 September 30, 2023 decrease to \$16.5 million, compared to \$19.7 million at September 30, 2022. The \$3.2 million decrease is mainly explained by:

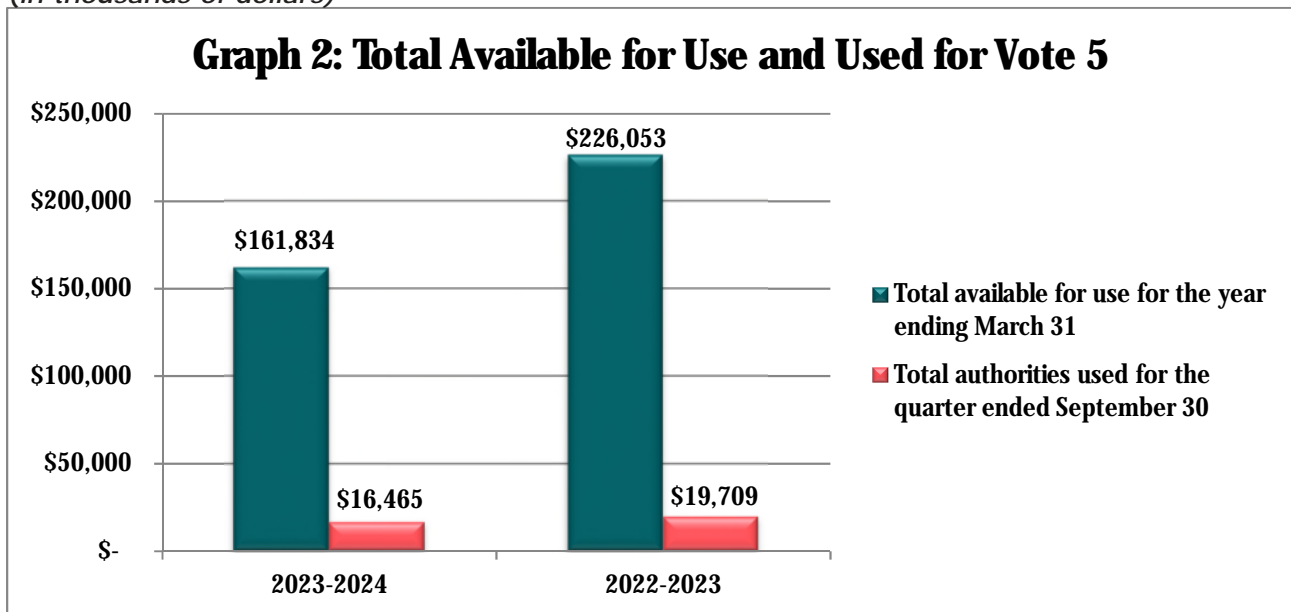
- \$2.5 million increase in payments made to support Job and Growth in the

development and adoption of clean technology;

- \$1.0 million increase in payments made under the Western Diversification Program (WDP) supporting investments in a diverse and growing British Columbia economy;
- \$0.8 million increase in payments made to support Community Futures on creating jobs outside major urban centres;
- \$7.0 million decrease in payments for building the Haisla Bridge supporting the Liquefied Natural Gas (LNG) project in Kitimat, BC;
- \$0.3 million decrease in payments made to Regional Economic Growth through Innovation; and
- \$0.2 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)*



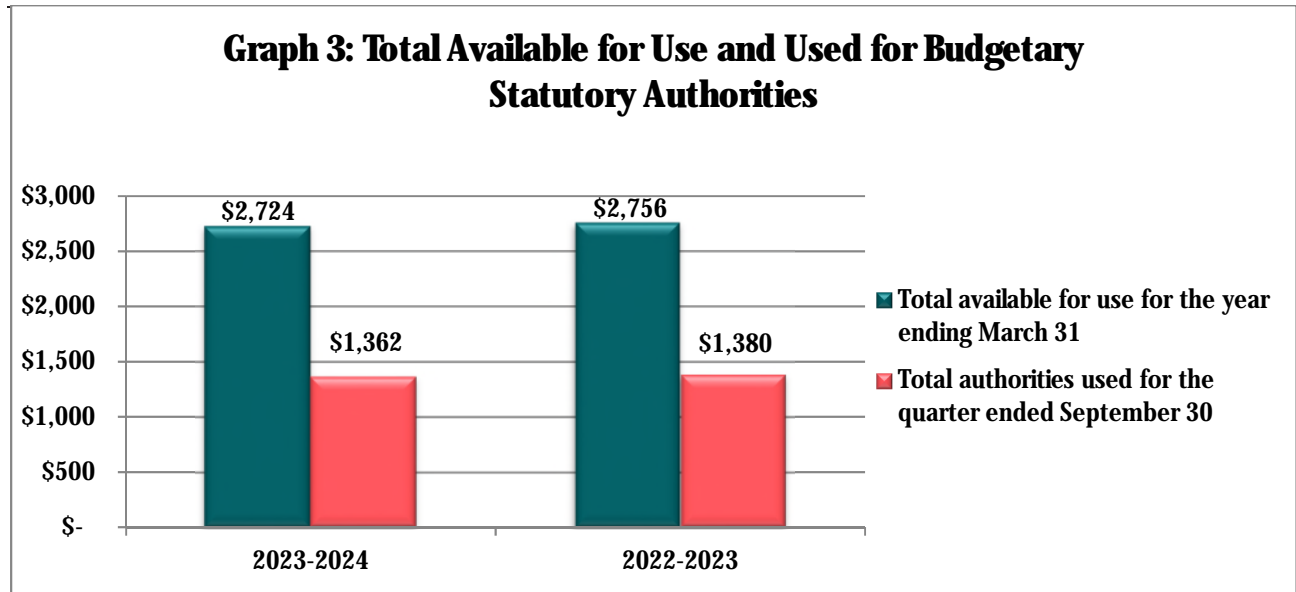
**Statement of Authorities: Budgetary Statutory Authorities**

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 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**

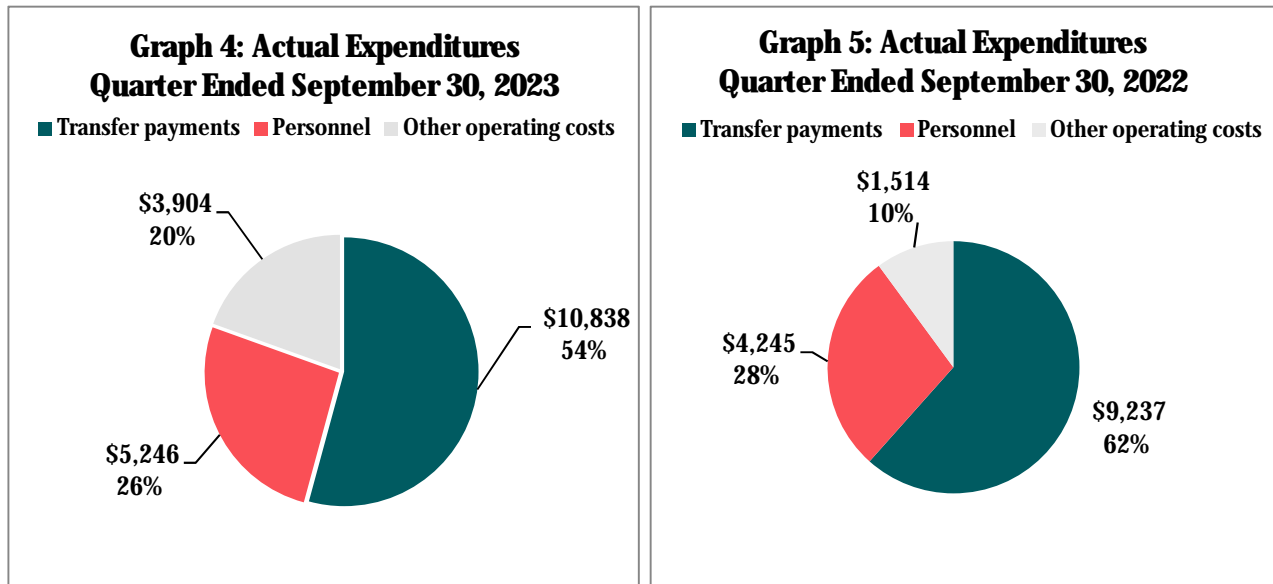
Expenditures by standard object for the quarter ended September 30, 2023 increased to \$20.0 million, compared to \$15.0 million at September 30, 2022. The \$5.0 million increase is mainly explained by:

- \$1.6 million increase in payments made to Canada's Skills and Innovation Plan, WDP and other programming investing in communities and businesses to continue to diversify, develop and grow the British Columbia economy;
- \$1.4 million increase in payments made to other government departments for professional services received by PacifiCan;
- \$1.0 million increase in salary and other personnel expenses to deliver transfer payment programming and to build agency capacity; and
- \$1.0 million increase in operations and maintenance costs, which include new regional office rentals, refit and fit-ups.

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 risks, PacifiCan remains agile and responsive to its clients' needs by effectively delivering on its mandates and ensuring timely implementation of budget initiatives.

## Significant Changes in Relation to Operations, Personnel and Programs

On July 26, 2023, the Prime Minister announced changes to the Ministry. Minister Harjit S. Sajjan becomes President of the King's Privy Council for Canada and Minister of Emergency Preparedness, and continues to serve as Minister responsible for PacifiCan.

**Approval by Senior Officials**

**Approved by:**

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**Naina Sloan**  
**Acting President**

*Vancouver, Canada*  
*Date:*

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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 September 30, 2023	Year-to-date used at quarter-end
Vote 1 - Net operating expenditures	\$31,141	\$8,469	\$13,060
Vote 5 - Grants and contributions	161,834	10,838	16,465
Budgetary statutory authorities			
Employee Benefit Plans	2,724	681	1,362
Collection agency fees			
<b>Total authorities</b>	<b>\$195,699</b>	<b>\$19,988</b>	<b>\$30,887</b>

\* 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 September 30, 2022	Year-to-date used at quarter-end
Vote 1 - Net operating expenditures	\$26,202	\$5,070	\$8,128
Vote 5 - Grants and contributions	226,053	9,237	19,709
Budgetary statutory authorities			
Employee Benefit Plans	2,756	689	1,378
Collection agency fees			2
<b>Total authorities</b>	<b>\$255,011</b>	<b>\$14,996</b>	<b>\$29,217</b>

\* 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)

<b>Expenditures</b>	<b>Total available for use for the year ending March 31, 2024*</b>	<b>Expended during the quarter ended September 30, 2023</b>	<b>Year-to-date used at quarter-end</b>
Personnel	\$21,291	\$5,246	\$9,656
Transportation and communications	895	118	327
Information	780	77	81
Professional and special services	9,279	3,267	3,628
Rentals	1,118	250	531
Repair and maintenance	124	0	0
Utilities, materials and supplies	124	10	13
Acquisition of machinery and equipment	254	182	183
Transfer payments	161,834	10,838	16,465
Other subsidies and payments	0	0	3
<b>Total net budgetary expenditures</b>	<b>\$195,699</b>	<b>\$19,988</b>	<b>\$30,887</b>

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

**Fiscal Year 2022-2023 (in thousands of dollars)**

<b>Expenditures</b>	<b>Total available for use for the year ending March 31, 2023*</b>	<b>Expended during the quarter ended September 30, 2022</b>	<b>Year-to-date used at quarter-end</b>
Personnel	\$21,130	\$4,245	\$7,433
Transportation and communications	532	109	322
Information	504	78	94
Professional and special services	4,440	1,108	1,426
Rentals	686	76	86
Repair and maintenance	492	0	0
Utilities, materials and supplies	272	7	9
Acquisition of machinery and equipment	902	136	137
Transfer payments	226,053	9,237	19,709
Other subsidies and payments	0	0	1
<b>Total net budgetary expenditures</b>	<b>\$255,011</b>	<b>\$14,996</b>	<b>\$29,217</b>

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