

PacifiCan

Quarterly Financial Report 2024-2025

For the quarter ended June 30, 2024



Pacific Economic
Development Canada

Développement économique
Canada pour le Pacifique

Canada



Cat. No.:lu97-2/1E-PDF

ISSN: 2818-0321

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PacifiCan

1300-300 West Georgia Street

Vancouver, British Columbia V6B 6B4

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Pacific Economic Development Canada's Quarterly Financial Report for the quarter ended June 30, 2024

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 2024-2025 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, 2024.

Statement of Authorities: Vote 1 – Net Operating Expenditures

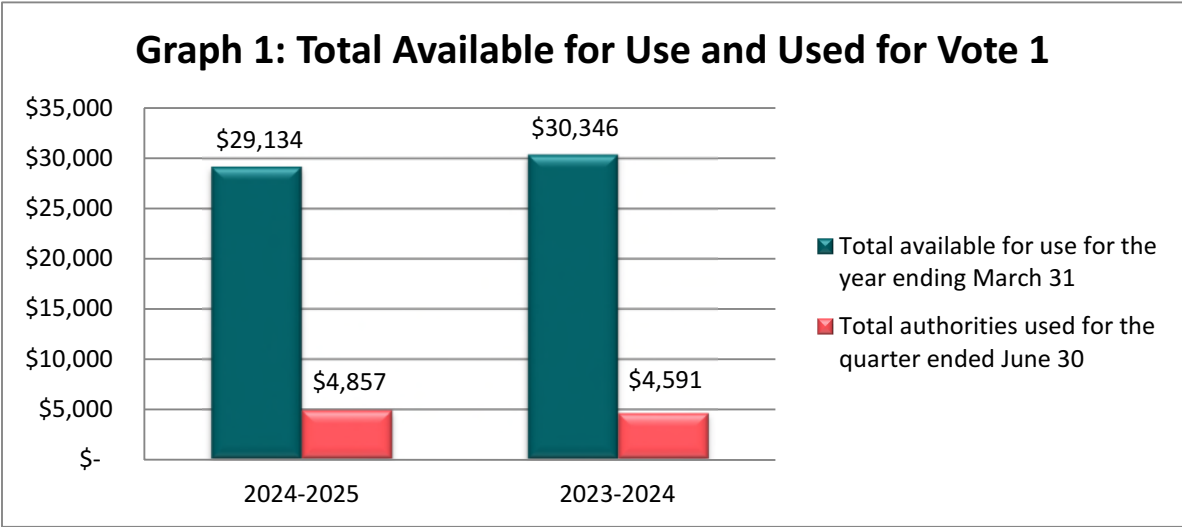
Total authorities available for use for fiscal year 2024-2025 are \$29.1 million, a net decrease of \$1.2 million compared to the \$30.3 million for 2023-2024. The net decrease is explained by:

- \$0.8 million increase in funding for Federal Tourism Growth Strategy; and
- \$2.0 million net decrease in funding for the sun-setting of the time-limited programs announced in Budget 2021.

Total authorities used year-to-date has increased to \$4.9 million for the quarter ended June 30, 2024 compared to \$4.6 million at June 30, 2023. The increase of \$0.3 million is mainly caused by increase in various operating and maintenance costs.

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 2024-2025 are \$89.3 million, a net decrease of \$53.7 million compared to the \$143.0 million for 2023-2024. The net decrease is mainly due to:

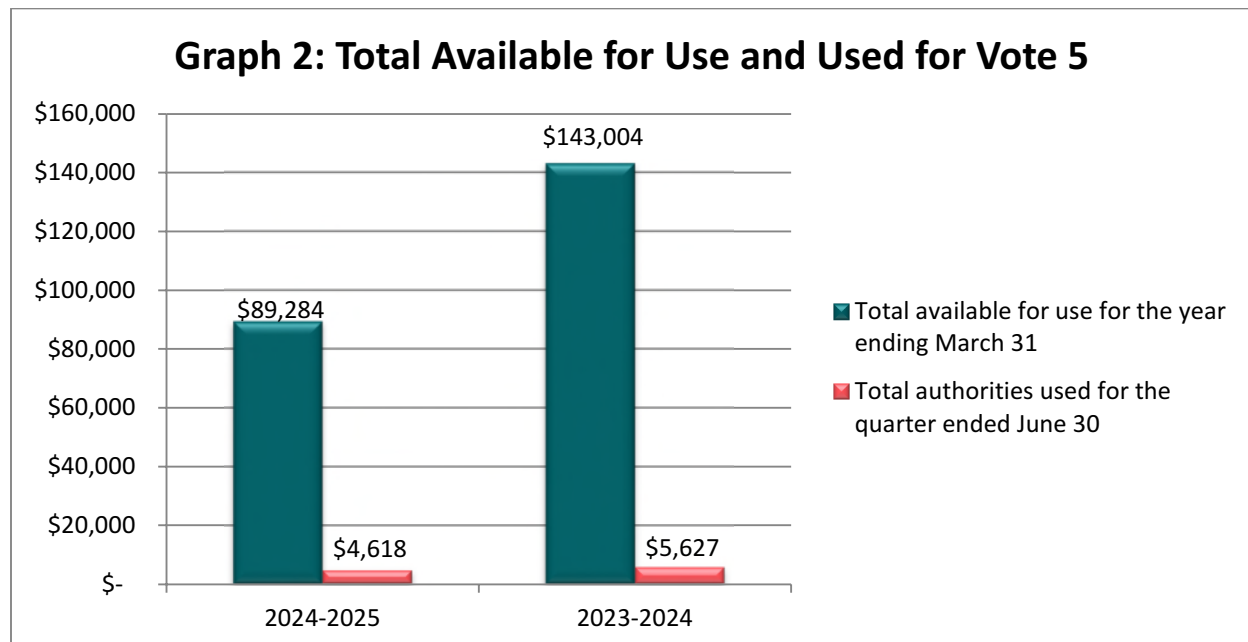
- \$4.7 million increase in funding for Federal Tourism Growth Strategy;
- \$0.1 million increase in reprofile funding for the Regional Quantum Initiative;
- \$53.1 million net decrease in funding for the sun-setting of the time-limited programs announced in Budget 2021; and
- \$5.4 million decrease in funding for the Lytton Home and Business Rebuild Programs.

Total authorities used year-to-date for the quarter ended June 30, 2024 decrease to \$4.6 million, compared to \$5.6 million at June 30, 2023. The \$1.0 million decrease is mainly explained by:

- \$1.0 million increase in payments made under the Western Diversification Program (WDP);
- \$1.2 million decrease in payments made under the Regional Economic Growth through Innovation program; and
- \$0.8 million decrease for payment timing differences made to support network partners.

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

(in thousands of dollars)



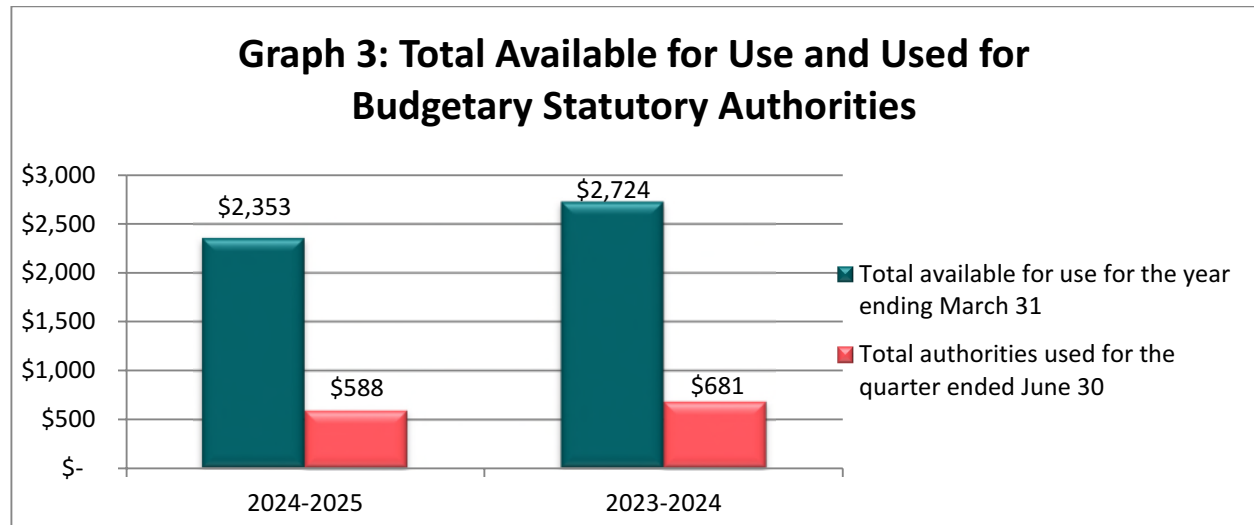
Statement of Authorities: Budgetary Statutory Authorities

Budgetary statutory authorities for use in fiscal year 2024-2025 are \$2.4 million, a decrease of \$0.3 million when compared to the \$2.7 million in 2023-2024. The variance is due to minor net adjustments in funding.

There are no significant variances in budgetary statutory authorities in this reporting period when compared to fiscal year 2023-2024.

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

(in thousands of dollars)



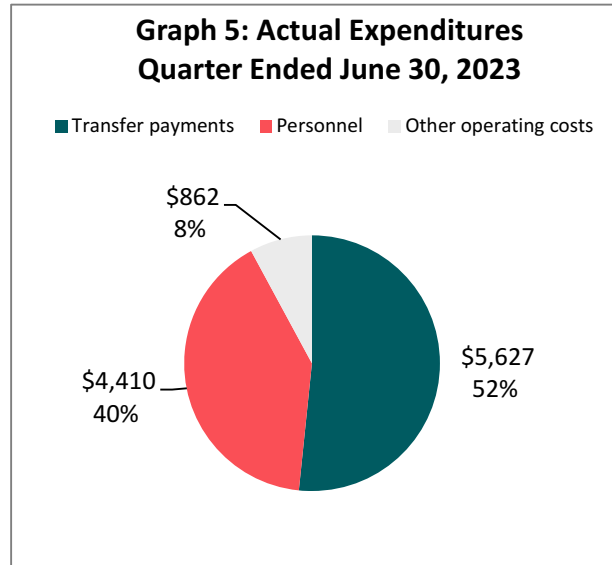
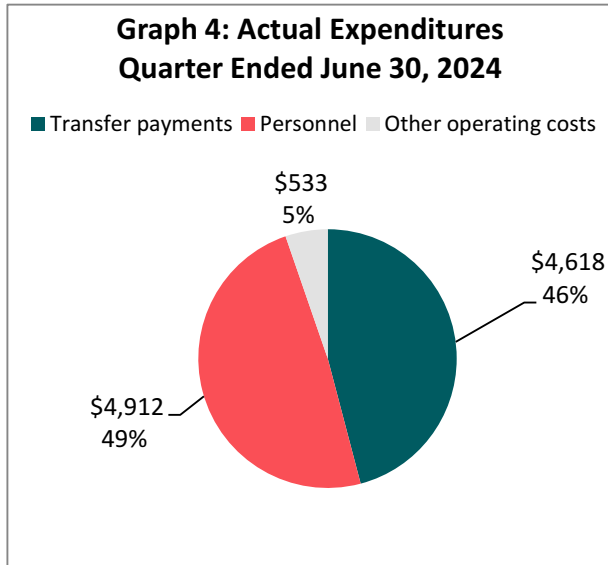
Statement of the Departmental Budgetary Expenditures by Standard Object

Expenditures by standard object for the quarter ended June 30, 2024 decreased to \$10.1 million, compared to \$10.9 million at June 30, 2023. The \$0.8 million decrease is mainly explained by:

- \$1.0 million increase in payments made under the Western Diversification Program (WDP) to invest in a diverse and growing economy;
- \$0.5 million increase in salary and other personal expenses to deliver transfer payment programming and to build agency capacity;
- \$1.2 million decrease in Regional Economic Growth through Innovation program;
- \$0.8 million decrease in payment made to support the network partners; and
- \$0.3 million decrease in operations and maintenance cost.

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 authorities from Treasury Board.

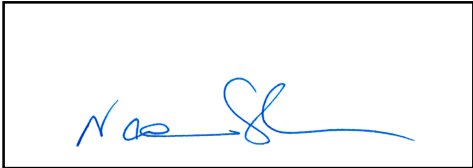
British Columbians continue to face economic challenges such as rising costs of living and doing business, higher interest rates, and supply chain disruptions. These and other such risks continue to pose difficulties for businesses, innovators, and communities in British Columbia. We are also winding down our temporary economic relief and recovery programs while simultaneously reducing our workforce. To mitigate risks, PacifiCan remains agile and responsive to its clients' needs by effectively delivering on its mandates, pivoting available resources, and ensuring timely implementation of budget initiatives.

Significant Changes in Relation to Operations, Personnel and Programs

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

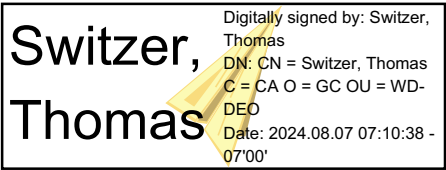
Approval by Senior Officials

Approved by:



Naina Sloan
Acting President

Vancouver, Canada
Date: August 12, 2024



Tom Switzer
Acting Chief Financial Officer

Statement of Authorities (unaudited)

Fiscal year 2024-2025 (in thousands of dollars)

Authorities	Total available for use for the year ending March 31, 2025*	Used during the quarter ended June 30, 2024	Year-to-date used at quarter-end
Vote 1 - Net operating expenditures	\$29,134	\$4,857	\$4,857
Vote 5 - Grants and contributions	89,284	4,618	4,618
Budgetary statutory authorities			
Employee Benefit Plans	2,353	588	588
Total authorities	\$120,771	\$10,063	\$10,063

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

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
Total authorities	\$176,074	\$10,899	\$10,899

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

Departmental budgetary expenditures by Standard Object (unaudited)

Fiscal Year 2024-2025 (in thousands of dollars)

Expenditures	Total available for use for the year ending March 31, 2025*	Expended during the quarter ended June 30, 2024	Year-to-date used at quarter-end
Personnel	\$19,402	\$4,912	\$4,912
Transportation and communications	1,208	219	219
Information	1,088	2	2
Professional and special services	8,339	267	267
Rentals	725	24	24
Repair and maintenance		0	0
Utilities, materials and supplies	121	1	1
Acquisition of machinery and equipment	604	18	18
Transfer payments	89,284	4,618	4,618
Other subsidies and payments		2	2
Total net budgetary expenditures	\$120,771	\$10,063	\$10,063

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

Pacific Economic Development Canada
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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.