

Atlantic Canada Opportunities Agency

2023-2024

Quarterly Financial Report
For the quarter ended June 30, 2023



Canada^{🇨🇦}

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

INTRODUCTION

This quarterly financial report should be read in conjunction with the 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 subjected to an external audit or review.

A summary description of the Atlantic Canada Opportunities Agency (ACOA) program activities can be found in Part II of the 2023-2024 [Main Estimates](#).

Basis of presentation

This quarterly financial report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities is consistent with the Main Estimates and Supplementary Estimates (A) for the 2023-2024 fiscal year and includes ACOA's total authorities available for use as granted by Parliament and those used by the Agency during this quarter. Authorities available for use are given in the form of annually approved limits through appropriation acts or through legislation in the form of statutory authorities for specific purposes.

The authority of Parliament is required before monies can be spent by the Government.

When Parliament is dissolved for the purposes of a general election, section 30 of the FAA 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.

As part of the departmental results reporting process, the Agency prepares its annual departmental financial statements on a full accrual basis in accordance with Treasury Board accounting policies. However, the spending authorities voted by Parliament remain on an expenditure basis of accounting.

ACOA financial structure

ACOA manages its expenditures under two votes:

- Vote 1 – Net operating expenditures, includes the Agency's authorities related to personnel costs (e.g., salaries) and operation and maintenance expenditures (e.g., travel).
- Vote 5 – Grants and contributions, includes authorities related to transfer payments.

Costs under Statutory Authorities, which represent payments made under legislation approved previously by Parliament and which are not part of the annual appropriation bills, include such items as the employer's share of the employee benefits plan and other minor items.

HIGHLIGHTS OF FISCAL QUARTER AND FISCAL YEAR-TO-DATE RESULTS

This section highlights significant changes to the fiscal quarter results as of June 30, 2023.

Statement of authorities: Vote 1 – Net Operating Expenditures

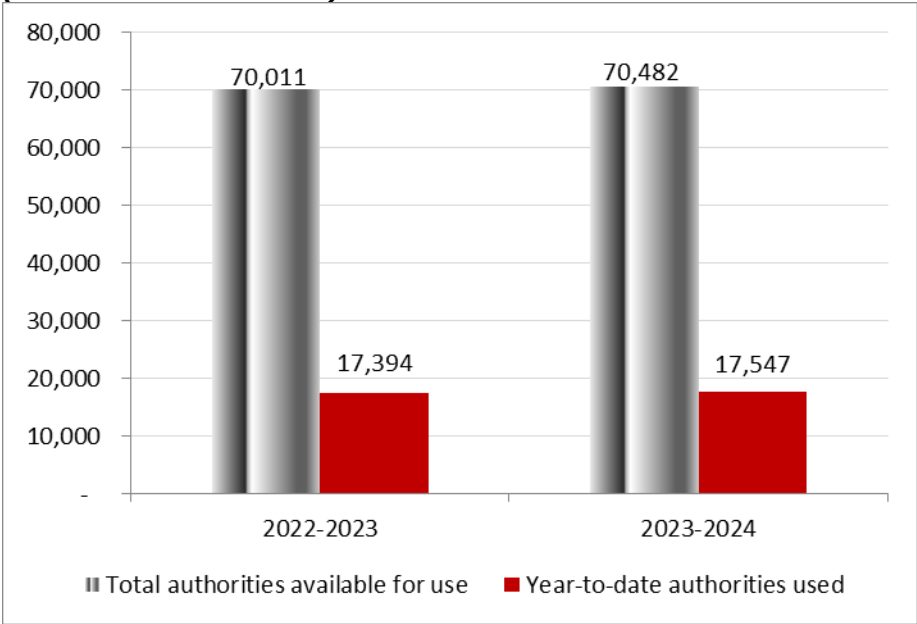
Total authorities available for fiscal year 2023-2024 are \$70.5 million, with no significant variance compared to \$70.0 million as of June 30, 2022.

Vote 1 authorities used year-to-date increased to \$17.5 million at the end of the first quarter this fiscal year, with no significant variance compared to \$17.4 million as of June 30, 2022.

Graph 1 illustrates the total authorities available for use for the year as well as the amount used year-to-date at quarter-end.

Graph 1: Comparison of Net Budgetary Authorities and Expenditures for Vote 1 as of June 30, 2022-2023 and 2023-2024.

(in thousands of dollars)



Statement of authorities: Vote 5 – Grants and Contributions

Total authorities available for use for the year ending March 31, 2024, amount to \$405.0 million, an increase of \$47.5 million compared to the \$357.5 million available for use as of June 30, 2022. The increase of \$47.5 million, or 13.3%, is explained by the following:

A total increase of \$132.2 million in Vote 5 authorities available for use related to:

- a \$92.2 million increase in temporary funding for the Hurricane Fiona Recovery Fund;
- a \$31.5 million increase in excess amounts of collections related to the reinvestment of repayable contributions in prior years;
- a \$6.0 million increase in temporary funding for the Prince Edward Island Potato Stabilization and Innovation Initiative; and
- a \$2.5 million increase in temporary funding (resulting in a transfer of funds from the Department of Agriculture and Agri-Food) to support the establishment of a Dairy Secondary Processing Project in Newfoundland and Labrador.

This increase is offset by a total decrease of \$84.7 million in Vote 5 authorities available for use related to:

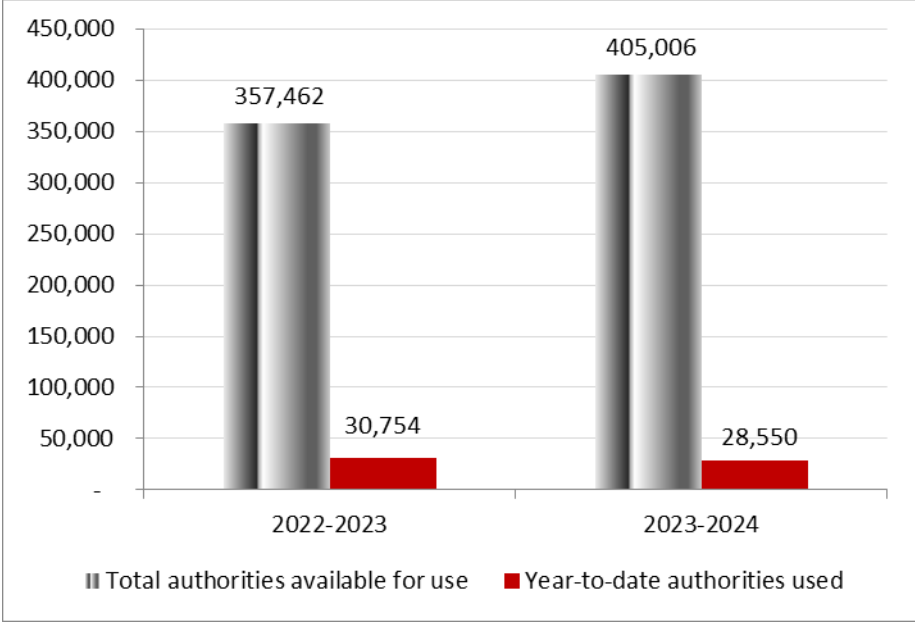
- a \$29.0 million decrease in temporary funding for the Canada Community Revitalization Fund;
- a \$28.2 million decrease in temporary funding for the Tourism Relief Fund;
- a \$17.0 million decrease in temporary funding for the Jobs and Growth Fund;
- an \$8.9 million decrease in temporary funding announced in Budget 2018 in support of Regional Economic Growth through Innovation measures;
- a \$1.3 million decrease related to a reprofile of funds as a result of project/contracting delays; and
- a \$0.3 million decrease in temporary funding for the Women Entrepreneurship Strategy – Ecosystem Fund.

Vote 5 authorities used decreased from \$30.8 million last fiscal year to \$28.6 million this fiscal year. This \$2.2 million decrease in authorities used, or 7.2%, is mainly due to the timing of contribution payments compared to the previous fiscal year.

Graph 2 illustrates the total authorities available for use for the year as well as the amount used year-to-date at quarter-end.

Graph 2: Comparison of Net Budgetary Authorities and Expenditures for Vote 5 as of June 30, 2022-2023 and 2023-2024.

(in thousands of dollars)



Statement of authorities: budgetary statutory authorities

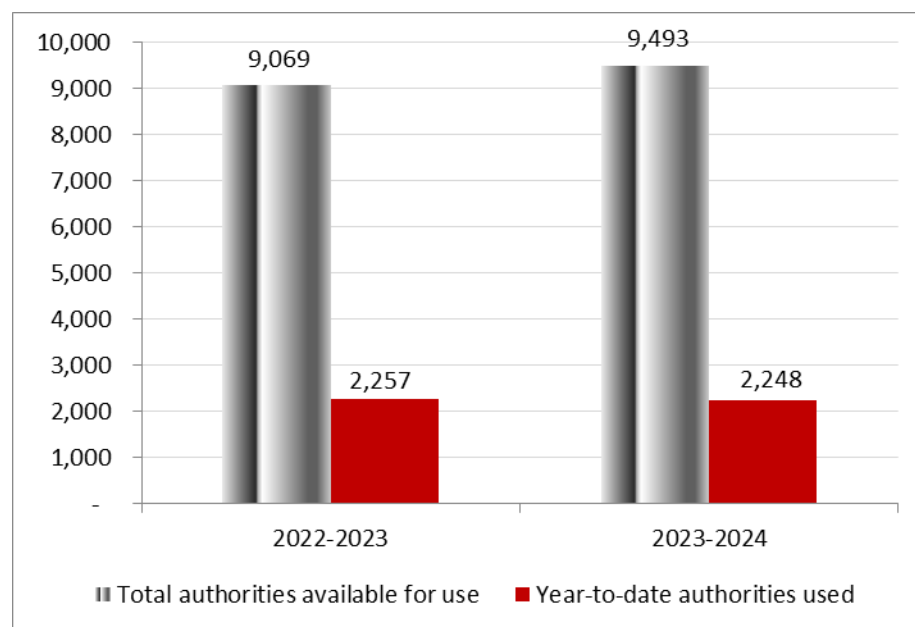
Budgetary statutory authorities available for use for the year ending March 31, 2024, have increased by \$0.4 million, or 4.7%, to \$9.5 million compared to the previous fiscal year at the same time.

Budgetary statutory authorities used year-to-date decreased to \$2.2 million at the end of the first quarter this fiscal year, with no significant variance compared to \$2.3 million as of June 30, 2022.

Graph 3 illustrates the total authorities available for use for the year as well as the amount used year-to-date at quarter-end.

Graph 3: Comparison of Net Budgetary Authorities and Expenditures for Statutory Authorities as of June 30, 2022-2023 and 2023-2024.

(in thousands of dollars)



Statement of the Agency's budgetary expenditures by standard object

The Agency's budgetary expenditures by Standard Object for the quarter ended June 30, 2023, were \$48.3 million, which reflects a decrease of \$2.1 million, or 4.1%, from the \$50.4 million in overall expenditures for the quarter ended June 30, 2022. The variance by Standard Object relates mainly to transfer payments. The variance is explained in the Statement of Authorities: Vote 5 – Grants and Contributions.

Risks and uncertainties

ACOA conducts a regular assessment of its overarching corporate risk profile. ACOA manages financial risks through a set of appropriate mitigation measures. The financial risks are mitigated in large part by the implementation of strong internal controls over financial reporting. These include the periodic assessment of entity-level controls, general computer controls, and controls in ACOA's key business processes such as payments on grants and contributions, regular operating expenses and accounts receivable.

Furthermore, ACOA manages its budgetary and allocation processes through a well-defined framework supported by a series of automated financial controls. Periodic forecasts are required and analyses are done regularly to ensure that funds are properly managed.

Significant changes in relation to operations, personnel and programs

There have been no significant changes in relation to operations, personnel or programs impacting the results of this quarter.

Approval by senior officials

Approved by:

Catherine Blewett
Deputy Head
Moncton, Canada

Paul-Émile David, CPA-CMA
Acting Chief Financial Officer
Moncton, Canada

Date

Date

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	70,482	17,547	17,547
Vote 5 - Grants and contributions	405,006	28,550	28,550
Budgetary statutory authorities	9,493	2,248	2,248
Total authorities	484,981	48,345	48,345

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	70,011	17,394	17,394
Vote 5 - Grants and contributions	357,462	30,754	30,754
Budgetary statutory authorities	9,069	2,257	2,257
Total authorities	436,542	50,405	50,405

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

**Agency's budgetary expenditures by Standard Object (*unaudited*)
Fiscal year 2023-2024 (in thousands of dollars)**

Expenditures	Planned expenditures for the year ending March 31, 2024*	Expended during the quarter ended June 30, 2023	Year-to-date expended at quarter-end
Personnel	70,194	17,405	17,405
Transportation and communications	1,843	424	424
Information	410	138	138
Professional and special services	3,083	393	393
Rentals	2,211	583	583
Repair and maintenance	115	10	10
Utilities, materials and supplies	123	14	14
Acquisition of machinery and equipment	681	211	211
Transfer payments	405,006	28,550	28,550
Other subsidies and payments	1,315	617	617
Total net budgetary expenditures	484,981	48,345	48,345

Fiscal year 2022-2023 (in thousands of dollars)

Expenditures	Planned expenditures for the year ending March 31, 2023*	Expended during the quarter ended June 30, 2022	Year-to-date expended at quarter-end
Personnel	69,225	17,607	17,607
Transportation and communications	1,205	271	271
Information	499	128	128
Professional and special services	3,354	482	482
Rentals	1,915	635	635
Repair and maintenance	154	16	16
Utilities, materials and supplies	237	16	16
Acquisition of machinery and equipment	1,015	134	134
Transfer payments	357,461	30,754	30,754
Other subsidies and payments	1,477	362	362
Total net budgetary expenditures	436,542	50,405	50,405

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