Atlantic Canada Opportunities Agency

2026-2027

Quarterly Financial Report
For the quarter ended June 30, 2026

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Atlantic Canada Opportunities Agency | Agence de promotion économique du Canada atlantique

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 2026-2027 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 2026-2027 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, under certain conditions, the preparation of special warrants to be signed by the Governor General authorizing payments to be made from the Consolidated Revenue Fund. Special warrants are deemed to be an appropriation for the fiscal year in which they are 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, 2026.

Statement of authorities: Vote 1 – Net Operating Expenditures

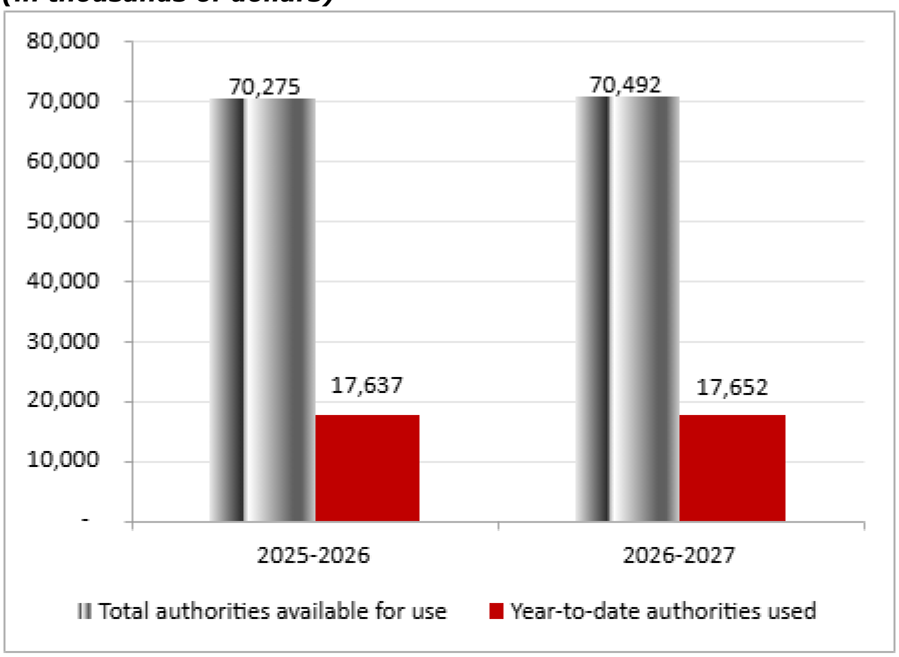
Total authorities available for fiscal year 2026-2027 are $70.5 million, with no significant variance compared to $70.3 million as of June 30, 2025.

Vote 1 authorities used year-to-date were $17.7 million at the end of the first quarter this fiscal year, with no significant variance compared to $17.6 million as of June 30, 2025.

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, 2025-2026 and 2026-2027.

(in thousands of dollars)



Statement of authorities: Vote 5 – Grants and Contributions

Total authorities available for use for the year ending March 31, 2027, amount to $316.9 million, an increase of $34.6 million compared to the $282.3 million available for use as of June 30, 2025. The increase of $34.6 million, or 12.3%, is explained below.

A total increase of $137.4 million in Vote 5 authorities available for use related to:

- an $82.2 million increase related to funding for program contributions to continue supporting ongoing regional economic development, replacing the Regional Development Agency Repayment Recycling Mechanism

- a $28.0 million increase in temporary funding for the Regional Economic Growth through Innovation – Regional Tariff Response Initiative
- an $11.3 million increase in temporary funding for the implementation of the Defence Industrial Strategy Early Moves – Regional Defence Investment Initiative
- a $7.6 million increase in temporary funding for the Build Communities Strong Fund
- a $6.5 million increase in temporary funding for the Centre for Ocean Ventures and Entrepreneurship
- a $1.2 million increase in temporary funding for the Regional Artificial Intelligence Initiative
- a $0.6 million increase in temporary funding in support of a renewed Food Policy for Canada

This increase is offset by a total decrease of $102.8 million in Vote 5 authorities available for use related to:

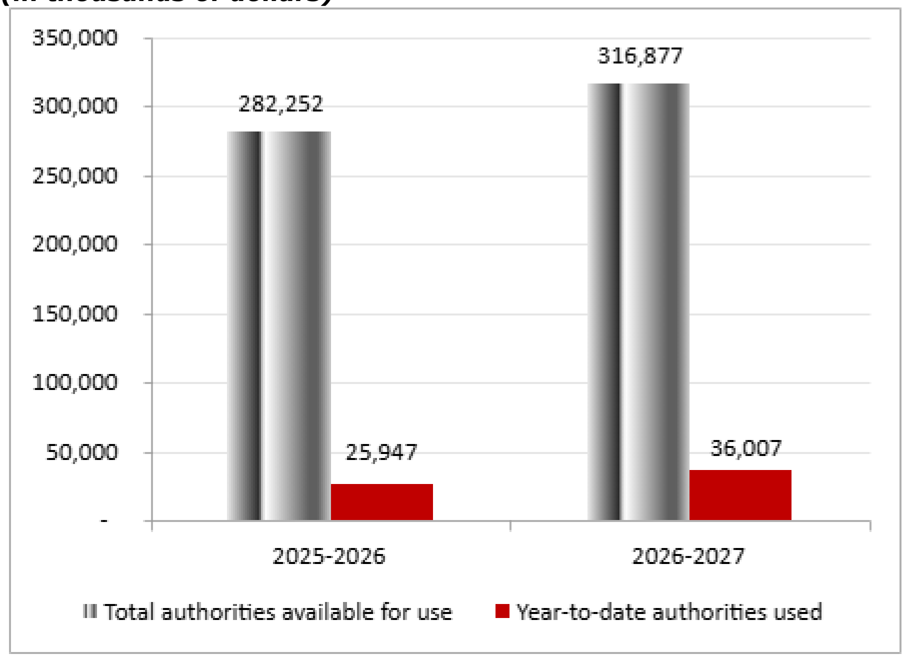
- a $76.5 million decrease related to interim funding in replacement of the Regional Development Agency Repayment Recycling Mechanism
- a $10.9 million decrease related to the Comprehensive Expenditure Review
- a $5.6 million decrease in temporary funding for the BioAccelerator Project
- a $5.5 million decrease in temporary funding for the renewal of top-up funding for the Regional Economic Growth through Innovation program
- a $4.3 million decrease in temporary funding for the Tourism Growth Program

Vote 5 authorities used increased from $25.9 million last fiscal year to $36.0 million this fiscal year. This $10.1 million increase in authorities used, or 38.8%, is mainly due to the timing of contribution payments compared to the previous fiscal year and the introduction of new temporary initiatives such as the Regional Tariff Response Initiative and the Regional Defence Investment Initiative.

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, 2025-2026 and 2026-2027.

(in thousands of dollars)



Statement of authorities: budgetary statutory authorities

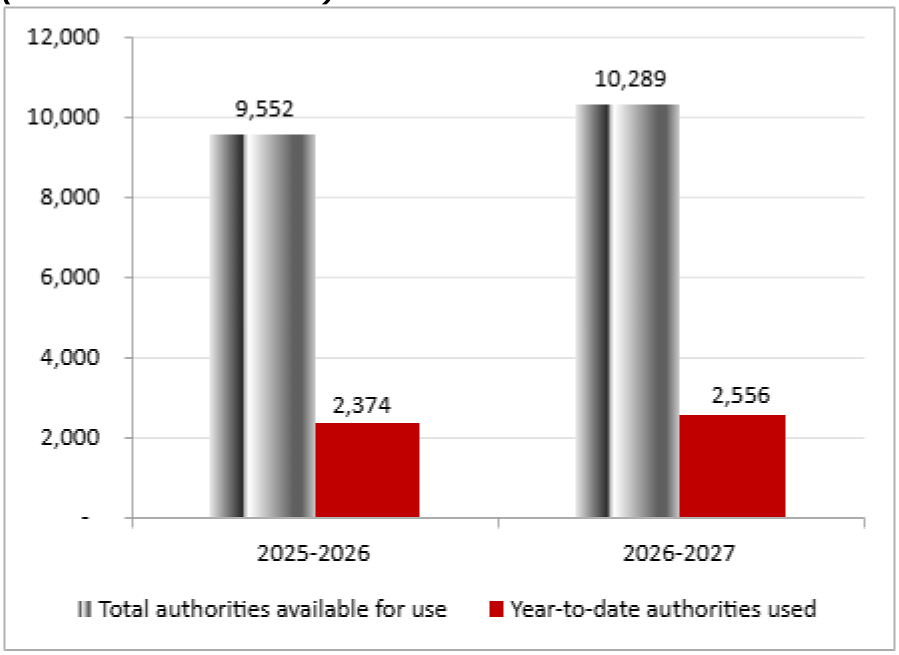
Budgetary statutory authorities available for use for the year ending March 31, 2027, have increased by $0.7 million, or 7.7%, to $10.3 million compared to the previous fiscal year at the same time.

Budgetary statutory authorities used year-to-date were $2.6 million at the end of the first quarter this fiscal year, with no significant variance compared to $2.4 million as of June 30, 2025.

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, 2025-2026 and 2026-2027

(in thousands of dollars)



<u>Statement of the Agency's budgetary expenditures by standard object</u>

The Agency's budgetary expenditures by Standard Object for the quarter ended June 30, 2026, were $56.2 million, which reflects an increase of $10.2 million, or 22.3%, from the $46.0 million in overall expenditures for the quarter ended June 30, 2025.

Risks and uncertainties

ACOA's integrated risk profile identifies key factors that could affect the Agency's ability to fulfill its mandate. These risks reflect both external pressures and internal challenges within ACOA's complex operating landscape.

Externally, ACOA faces two primary risks:

- The first is that the Agency's economic development programming could potentially be affected by external factors impacting economic growth, such as the implications of the United States' tariffs and climate-related events.
- The second is related to the capacity of ACOA's stakeholders – other governments, partners, communities and clients – to identify, develop and successfully implement strategic projects.

ACOA capitalized on the flexibility of its programs, advocated on behalf of Atlantic Canada in various spheres, including federal and regional tables, and collaborated with partners to exchange valuable information and best practices. It supported analysis on regional economic issues and collaborated with stakeholders to foster client and community capacity to target key federal priorities.

Complementing its external risk mitigation efforts, ACOA maintains strong internal controls to safeguard its operations and financial integrity. These include:

- regular assessments of entity-level controls, general computer controls, and key business processes such as payments on grants and contributions, operating expenses, and accounts receivable.
- a structured budgetary and allocation framework supported by automated financial controls.
- periodic forecasting and financial analysis to ensure effective resource management.

To further strengthen its risk management practices, the Agency will continue annual processes such as the Risk and Compliance Process; collaborate with other regional development agencies to monitor and respond to emerging risks; and enhance risk identification and assessment across all levels of operations.

Significant changes in relation to operations, personnel and programs

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

Approval by senior officials

Approved by:

R L Langley

Laura Lee Langley
Deputy Head
Moncton, Canada

Date: AUG 18 2026

Wojcicki, Andrew Digitally signed by Wojcicki, Andrew Date: 2026.08.14 10:55:42 -03'00'

Andrew Wojcicki
Acting Chief Financial Officer
Moncton, Canada

Date:

Statement of Authorities (unaudited)

Fiscal year 2026-2027 (in thousands of dollars)

Authorities	Total available for use for the year ending March 31, 2027*	Used during the quarter ended June 30, 2026	Year-to-date used at quarter-end
Vote 1 – Net operating expenditures	70,492	17,652	17,652
Vote 5 – Grants and contributions	316,877	36,007	36,007
Budgetary statutory authorities	10,289	2,556	2,556
Total authorities	**397,658**	**56,215**	**56,215**

Fiscal year 2025-2026 (in thousands of dollars)

Authorities	Total available for use for the year ending March 31, 2026*	Used during the quarter ended June 30, 2025	Year-to-date used at quarter-end
Vote 1 – Net operating expenditures	70,275	17,637	17,637
Vote 5 – Grants and contributions	282,252	25,947	25,947
Budgetary statutory authorities	9,552	2,374	2,374
Total authorities	**362,079**	**45,958**	**45,958**

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

Agency's budgetary expenditures by Standard Object (unaudited)

Fiscal year 2026-2027 (in thousands of dollars)

Expenditures	Planned expenditures for the year ending March 31, 2027*	Expended during the quarter ended June 30, 2026	Year-to-date expended at quarter-end
Personnel	72,585	18,529	18,529
Transportation and communications	1,330	260	260
Information	734	226	226
Professional and special services	2,158	253	253
Rentals	1,931	614	614
Repair and maintenance	75	11	11
Utilities, materials and supplies	130	6	6
Acquisition of machinery and equipment	722	1	1
Transfer payments	316,877	36,007	36,007
Other subsidies and payments	1,116	308	308
Total net budgetary expenditures	**397,658**	**56,215**	**56,215**

Fiscal year 2025-2026 (in thousands of dollars)

Expenditures	Planned expenditures for the year ending March 31, 2026*	Expended during the quarter ended June 30, 2025	Year-to-date expended at quarter-end
Personnel	71,572	18,326	18,326
Transportation and communications	1,379	250	250
Information	896	140	140
Professional and special services	2,116	257	257
Rentals	1,731	755	755
Repair and maintenance	87	7	7
Utilities, materials and supplies	126	8	8
Acquisition of machinery and equipment	918	4	4
Transfer payments	282,252	25,947	25,947
Other subsidies and payments	1,002	264	264
Total net budgetary expenditures	**362,079**	**45,958**	**45,958**

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