



Public Prosecution  
Service of Canada

Service des poursuites  
pénales du Canada

# PPSC Future-Oriented Financial Statements 2018-2019

Office of the Director of Public Prosecutions



This publication presents the Public Prosecution Service of Canada Future-Oriented Financial Statements for the fiscal year 2018-2019.

Aussi disponible en français sous le titre : États financiers prospectifs du SPPC 2018-2019

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For more information, contact:

Public Prosecution Service of Canada  
160 Elgin Street, 12th Floor  
Ottawa ON Canada K2P 2C4  
[info@ppsc.gc.ca](mailto:info@ppsc.gc.ca)

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# PPSC Future-Oriented Financial Statements 2018-2019

Office of the Director of Public Prosecutions

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**Future-Oriented Statement of Operations (Unaudited)**  
**For the Year Ending March 31**  
*(in thousands of dollars)*

	Estimated Results 2017-18	Planned Results 2018-19
<b>Expenses</b>		
Prosecution services <div><div>*</div><div>-</div></div>	201,289	205,495
Internal services	23,449	23,597
Electoral Compliance and Enforcement	6,486	3,558
<b>Total expenses</b>	231,224	232,650
<b>Revenues</b>		
Prosecution services	19,533	22,742
Fines, forfeitures and court cost	800	1,000
Rent from residential housing provided to employees	591	500
Other	45	45
Revenues earned on behalf of government	(1,436)	(1,545)
<b>Total revenues</b>	19,533	22,742
<b>Net cost of operations</b>	211,691	209,908



Presentation by Core Responsibility combining the Drug, National Security and Northern Prosecutions Program and the Regulatory Offences and Economic Crime Prosecution Program.

The accompanying notes form an integral part of the future-oriented statement of operations.

# Notes to the Future-Oriented Statement of Operations (Unaudited)

## 1. Methodology and significant assumptions

The future-oriented statement of operations has been prepared on the basis of the government priorities and the plans of the Office of the Director of Public Prosecutions (ODPP) as described in the Departmental Plan.

The information in the estimated results for fiscal year 2017-18 is based on actual results as at December 31, 2017 and on forecasts for the remainder of the fiscal year. Forecasts have been made for the planned results for the 2018-19 fiscal year.

The main assumptions underlying the forecasts are as follows:

- The ODPP's activities will remain substantially the same as in the previous year.
- The general historical pattern is expected to continue.
- The requirements of Treasury Board Accounting Policies which are based on Canadian generally accepted accounting principles for the public sector were followed.
- The resources provided will enable the ODPP to deliver the expected results specified in the Departmental Plan.

These assumptions are adopted as at December 31, 2017.

## 2. Variations and Changes to the Forecast Financial Information

While every attempt has been made to forecast final results for the remainder of 2017-18 and for 2018-19, actual results achieved for both years are likely to vary from the forecast information presented, and this variation could be material.

In preparing this future-oriented statement of operations, the ODPP has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Factors that could lead to material differences between the future-oriented financial statement and the historical financial statement of operations include:

- a. The timing and amounts of acquisitions and disposals of equipment may affect gains/losses and amortization expense.
- b. Implementation of new collective agreements.
- c. Further changes to the operating budget through additional new initiatives or technical adjustments later in the year.

Once the Departmental Plan is presented, the ODPP will not be updating the forecasts for any changes in financial resources made in ensuing supplementary estimates. Variances will be explained in the Departmental Results Report.

### 3. Summary of significant accounting policies

The future-oriented statement of operations has been prepared using the Government's accounting policies that came into effect for the 2014-15 fiscal year which are based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Significant accounting policies are as follows:

#### (a) Expenses

Expenses are recorded on an accrual basis. Expenses for the ODPP operations are recorded when goods are received or services are rendered including services provided without charges for accommodation, employee contributions to health and dental insurance plans, legal services and worker's compensation which are recorded as expenses at their estimated cost. Vacation pay and compensatory leave as well as severance benefits are accrued and expenses are recorded as the benefits are earned by employees under their respective terms of employment.

Expenses also include provisions to reflect changes in the value of assets, including provisions for bad debt on accounts receivable, advances and liabilities, including contingent liabilities to the extent the future event is likely to occur and a reasonable estimate can be made.

Expenses also include amortization of tangible capital assets which are capitalized at their acquisition cost. Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset.

#### b) Revenues

Revenues from regulatory fees are recognized in the accounts based on the services provided in the year.

Other revenues are accounted for in the period in which the underlying transaction or event that gave rise to the revenue takes place.

Revenues that are non-respendable are not available to discharge the ODPP's liabilities. While the Deputy Head is expected to maintain accounting control, he or she has no authority regarding the

disposition of non-respendable revenues. As a result, non-respendable revenues are considered to be earned on behalf of the Government of Canada and are therefore presented in reduction of the entity's gross revenues.

## 4. Parliamentary Authorities

The ODPP is financed by the Government of Canada through parliamentary authorities. Financial reporting of authorities provided to the ODPP do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based on cash flow requirements. Items recognized in the future-oriented statement of operations in one year may be funded through parliamentary authorities in prior, current, or future years. Accordingly, the ODPP has different net cost of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

### (a) Reconciliation of net cost of operations to requested authorities (in thousands of dollars)

	Estimated 2017-18	Planned 2018-19
<b>Net cost of operations</b>	211,691	209,908
<b>Adjustment for items affecting net cost of operations but not affecting authorities:</b>		
Services provided without charge by other government departments	(21,975)	(22,600)
Amortization of tangible capital assets	(4,662)	(1,592)
Increase in employee future benefits	(160)	(200)
Increase in vacation pay and compensatory leave	(160)	(200)
Employee benefits recovered	1,831	2,175
Refunds of previous year expenditures	352	100
Total items affecting net cost of operations but not affecting authorities	(24,774)	(22,317)
<b>Adjustment for items not affecting net cost of operations but affecting appropriations:</b>		
Acquisitions of tangible capital assets	770	1,000

Total items not affecting net cost of operations but affecting authorities	770	1,000
<b>Requested authorities</b>	187,687	188,591

**(b) Authorities requested**  
**(In thousands of dollars)**

	<b>Estimated 2017-18</b>	<b>Planned 2018-19</b>
<b>Authorities requested:</b>		
<b>Vote 1 - Program expenditures</b>	164,982	169,300
<b>Statutory amounts</b>	22,705	19,291
<b>Total authorities requested</b>	187,687	188,591

Date modified: 2018-04-16