



Canada Economic
Development
for Quebec Regions

Développement
économique Canada
pour les régions du Québec

Canada

**Canada Economic
Development**
for Quebec Regions

Standing by businesses,
Standing by regions.

**FUTURE-ORIENTED
STATEMENT OF
OPERATIONS**

FOR THE YEAR ENDED
MARCH 31, 2023

Published by

Economic Development Agency of Canada for the
Regions of Quebec

Montréal, Québec H3B 2T9

www.ced.canada.ca

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represented by the Minister of Sport and Minister
responsible for the Economic Development Agency of
Canada for the Regions of Quebec, 2022

Catalogue: lu90-1/21E-PDF

ISSN : 2816-3850

Canada Economic Development for Quebec Regions
Future-Oriented Statement of Operations (unaudited)
for the year ending March 31
(in thousands of dollars)

	Forecast results 2021-22	Planned results 2022-23
Expenses		
Economic Development in Quebec	362,694	376,357
Internal Services	27,617	26,759
Expenses incurred on behalf of government	(19,639)	(28,832)
Total expenses	370,672	374,284
Revenues		
Interest income	280	487
Miscellaneous revenues	13	102
Revenues earned on behalf of government	(293)	(589)
Total revenues	0	0
Net cost of operations before government funding and transfers	370,672	374,284

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 based on government priorities and departmental plans as described in the Departmental Plan.

The information in the forecast results for fiscal year 2021-22 is based on actual results as at November 30, 2021 and on forecasts for the remainder of the fiscal year. Forecasts have been made for the planned results for fiscal year 2022-23.

The main assumptions underlying the forecasts are as follows:

- The department's activities will remain substantially the same as in the previous year.
- Expenses and revenues, including the determination of amounts internal and external to the government, are based on experience. The general historical pattern is expected to continue.

These assumptions are made as at November 30, 2021.

2. Variations and changes to the forecast financial information

Although every attempt has been made to forecast final results for the remainder of 2021-22 and for 2022-23, actual results achieved for both years are likely to differ from the forecast information presented, and this variation could be material.

In preparing this Future-Oriented Statement of Operations, Canada Economic Development for Quebec Regions (CED) has made estimates and assumptions about the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and are continually evaluated.

Factors that could lead to material differences between the Future-Oriented Statement of Operations and the historical statement of operations include:

- the timing and the amount of acquisitions and disposals of property and equipment, which may affect gains, losses and amortization expense;
- the implementation of new collective agreements;
- economic conditions, which may affect both the amount of revenue earned and the collectability of loan receivables;
- other changes to the budget, such as new initiatives or technical adjustments later in the fiscal year.

After the Departmental Plan is tabled in Parliament, CED 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 of Canada's accounting policies in effect for fiscal year 2021-22 and is 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

Transfer payments are recorded as an expense in the year the transfer is authorized and all eligibility criteria have been met by the recipient.

Other expenses are generally recorded when goods are received or services are rendered and include expenses related to personnel, professional and special services, repair and maintenance, utilities, materials and supplies, as well as amortization of tangible capital assets. Provisions to reflect changes in the value of assets or liabilities, such as provisions for bad debts, loans and advances, as well as prepaid expenses, and other are also included in other expenses.

b) Revenues

Revenues are accounted for in the period in which the underlying transaction or event that gave rise to the revenue takes place, except for the item listed below. Loans are non-interest bearing and, due to the uncertainty as to final collection, interest income is only charged on overdue amounts when received. Other revenues consist of other fees and gains on the disposal of capital and non-capital assets.

Revenues that are non-respendable are not available to discharge the department's liabilities. Although the deputy head is expected to maintain accounting control, she has no authority over the disposition of non-respendable revenues. As a result, non-respendable revenues are earned on behalf of the Government of Canada and are therefore presented as a reduction of the department's gross revenues.

4. Parliamentary authorities

The department is financed by the Government of Canada through parliamentary authorities. Financial reporting of authorities provided to the department differs from financial reporting according to generally accepted accounting principles because authorities are based mainly 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 department 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)

	Forecast results 2021-22	Planned results 2022-23
Net cost of operations before government funding and transfers	370,672	374,284
Adjustments for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(621)	(999)
Services provided without charge by other government departments	(6,734)	(6,624)
Increase in vacation pay and compensatory leave	(322)	161
Refunds of previous years' contributions and expenses	2,363	4,306
Other	545	236
Total items affecting net cost of operations but not affecting authorities	365,903	371,364
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisition of tangible capital assets	1,280	480
Loans issued on behalf of government	182,437	214,328
Total items not affecting net cost of operations but affecting authorities	183,717	214,808
Requested authorities forecasted to be used	549,620	586,172

b) Authorities requested (in thousands of dollars)

	Forecast results for 2021-22	Planned results for 2022-23
Authorities requested		
Vote 1 - operating expenditures	48,593	45,632
Vote 5 - grants and contributions	495,479	534,878
Statutory amounts	6,346	5,662
Total authorities requested	550,418	586,172
Less:		
Estimated unused authorities and other adjustments	(798)	
Requested authorities forecasted to be used	549,620	586,172