

Administrative Tribunals Support Service of Canada

Future-Oriented Statement of Operations (Unaudited)

	Forecast Results 2016–17	Planned Results 2017–18
<i>in dollars</i>		
Expenses		
Tribunal specialized and expert support services	31,363,187	32,615,442
Registry services	15,598,658	19,460,662
Payments to tribunal chairs and members	24,018,139	21,344,272
Internal services	21,958,230	21,114,555
Total expenses	92,938,214	94,534,930
Revenues		
Revenues Netted Against Expenditures	17,690,600	17,690,600
Miscellaneous revenues	944	944
Revenues earned on behalf of Government	(944)	(944)
Total revenues	17,690,600	17,690,600
Net cost of operations before government funding and transfers	75,247,614	76,844,330

The accompanying notes form an integral part of this Future-Oriented Statement of Operations.

Administrative Tribunals Support Service of Canada

Notes to Future-Oriented Financial Statements (Unaudited)

1. Methodology and significant assumptions

The Future-Oriented Statement of Operations has been prepared on the basis of government priorities and ATSSC plans as described in the Departmental Plan.

The information in the forecast results for fiscal year 2016–17 is based on actual results as at November 30, 2016 and on forecasts for the remainder of the fiscal year. Forecasts have been made for the planned results for fiscal year 2017–18.

The main assumptions underlying the forecasts are as follows:

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

These assumptions are made as at January 13, 2017.

2. Variations and changes to the forecast financial information

While every attempt has been made to accurately forecast final results for the remainder of 2016–17 and for 2017–18, 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 ATSSC 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 past 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:

- (a) The timing and the amount of acquisitions and disposals of property, plant and equipment, which 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.
- (d) Changes in standard rate used by Treasury Board to calculate employee benefits.

After the Departmental Plan is tabled in Parliament, the ATSSC will not be updating the forecasts for any changes in financial resources made in ensuing supplementary estimates. Variances will be explained in the Departmental Performance 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 2016–17, 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

The ATSSC records expenses on an accrual basis.

Expenses for the ATSSC's operations are recorded when goods are received or services are rendered, including services provided without charge for accommodation, employer contributions to health and dental insurance plans, legal services and workers' 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 terms of employment.

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 are accounted for in the period in which the related transactions or the event that gives rise to the revenues occurred.

Revenues that are non-responsible are not available to discharge the ATSSC's liabilities. Although the Chief Administrator is expected to maintain accounting control, he or she has no authority over the disposition of non-responsible revenues. As a result, non-responsible revenues are considered to be earned on behalf of the Government of Canada and are therefore presented as a reduction of the entity's gross revenues.

4. Parliamentary Authorities

The ATSSC is financed by the Government of Canada through parliamentary authorities. Financial reporting of authorities provided to the ATSSC 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 ATSSC 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

	Forecast Results 2016-17	Planned Results 2017-18
	in dollars	
Net cost of operations before government funding and transfers	75,247,614	76,844,330
Adjustment for items affecting net cost of operations but not affecting authorities:		
Services provided without charge by other government departments	(15,128,603)	(15,128,603)
Amortization of tangible capital assets	(1,186,600)	(1,369,150)
Decrease in vacation pay and compensatory leave	(392,151)	(392,151)
Increase in employee future benefits	(126,362)	166,913
Amortization of prepaid expenses	(77,080)	(77,080)
Refunds of previous years' expenditures	62,377	62,377
	<u>(16,848,420)</u>	<u>(16,737,694)</u>
Adjustments for items not affecting net cost of operations but affecting appropriations:		
Acquisitions of tangible capital assets	768,356	776,039
Increase in prepaid expenses	137,474	137,474
Forecasted current year lapse	5,282,468	3,465,972
Requested authorities	<u>64,450,018</u>	<u>64,348,647</u>

(b) Authorities requested:

	Forecast Results 2016-17	Planned Results 2017-18
	in dollars	
Authorities requested		
Vote 1 – Program expenditures	51,751,830	52,628,925
Vote 25 – Operating Budget Carry Forward	3,493,382	3,328,498
Vote 30 – Paylist Requirements	59,633	-
Statutory contributions to employee benefit plans	9,145,173	8,391,224
Authorities requested	<u>64,450,018</u>	<u>64,348,647</u>