

Administrative Tribunals Support Service of Canada

Future-Oriented Statement of Operations (Unaudited)

for the year ending March 31

	Forecast Results 2019–20	Planned Results 2020–21
in dollars		
Expenses (Note 6)		
Registry Services	17,238,726	18,200,506
Legal services	6,583,172	9,121,700
Mandate and Member Services	55,321,344	59,076,983
Internal Services	28,046,480	32,731,473
Total expenses	107,189,722	119,130,663
Revenues		
Revenues Netted Against Expenditures	29,665,631	38,839,791
Miscellaneous revenues	591	591
Revenues earned on behalf of Government	(3,304,536)	(3,985,373)
Total revenues	26,361,685	34,855,009
Net cost of operations before government funding and transfers	80,828,037	84,275,654

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 2019–20 is based on actual results as at November 30, 2019 and on forecasts for the remainder of the fiscal year. Forecasts have been made for the planned results for fiscal year 2020–21.

The main assumptions underlying the forecasts are as follows:

- (a) The ATSSC's activities will substantially remain 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 past experience. The general historical pattern is expected to continue.

These assumptions are made as at January 31, 2020.

2. Variations and changes to the forecast financial information

Although every attempt has been made to forecast final results for the remainder of 2019–20 and for 2020–21, 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, 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) Economic conditions, which may affect both the amount of revenue earned and the collectability of loan receivables;
- (d) Other changes to the operating budget, such as new initiatives or technical adjustments later in the fiscal year;
- (e) Changes in the 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 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 2019–20, 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 department records expenses on an accrual basis.

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, investments and advances and inventory obsolescence, as well as utilization of inventories and prepaid expenses, and other are also included in other expenses.

(b) Revenues

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

Revenues that are non-responsible are not available to discharge the department's liabilities. Although the deputy head 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 department'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 2019–20	Planned Results 2020–21
	in dollars	
Net cost of operations before government funding and transfers	80,828,037	84,275,654
Adjustment for items affecting net cost of operations but not affecting authorities:		
Services provided without charge by othe government departments	(10,964,660)	(11,074,306)
Amortization of tangible capital assets	(3,165,052)	(2,074,493)
Decrease in vacation pay and compensatory leave	(174,371)	(180,053)
Increase in employee future benefits	120,362	120,880
Amortization of prepaid expenses	(174,531)	(176,276)
Refunds of previous years' expenditures	123,106	123,224
	<u>(14,235,145)</u>	<u>(13,261,025)</u>
Adjustments for items not affecting net cost of operations but affecting appropriations:		
Acquisitions of tangible capital assets	1,372,049	1,385,769
Decrease in prepaid expenses	128,473	126,727
Forecasted current year lapse	772,434	2,526,690
Requested authorities	<u>68,865,847</u>	<u>75,053,815</u>

(b) Authorities requested:

	Forecast Results 2019–20	Planned Results 2020–21
	in dollars	
Authorities requested		
Vote 1 – Program expenditures	55,726,337	62,103,469
Vote 25 – Operating Budget Carry Forward	2,527,531	772,434
Vote 30 – Paylist Requirements	891,737	1,109,072
Statutory contributions to employee benefit plans	9,720,242	11,068,840
Authorities requested	<u>68,865,847</u>	<u>75,053,815</u>