Future-Oriented Statement of Operations (Unaudited)

For the Year Ended March 31 (in thousands of dollars) 2016 2017 (in thousands of dollars) 2016 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	CANADIAN SPACE AGENCY		
Expenses \$ \$ Space Exploration 143,096 156, 5pace Data, Information and Services 97,935 95, Future Canadian Space Capacity 66,214 67, Internal Services 49,171 50, 50, 50, 50, 50, 50, 50, 50, 50, 50,		Estimated	Planned
Expenses Space Exploration 143,096 156, Space Data, Information and Services 97,935 95, Future Canadian Space Capacity 66,214 67, Internal Services 49,171 50, Total Expenses 356,416 370, Revenues 600 1, Sale of goods and services 600 1, Sale of rights and privileges 100 100 Location and use of public property 316 00 Other revenues 54 8 Revenues earned on behalf of Government (1,070) (2, Total Revenues - -	For the Year Ended March 31	2016	2017
Space Exploration 143,096 156, Space Data, Information and Services 97,935 95, Future Canadian Space Capacity 66,214 67, Internal Services 49,171 50, Total Expenses 356,416 370, Revenues Sale of goods and services 600 1, Sale of rights and privileges 100 1, Location and use of public property 316 0, Other revenues 54 1, Revenues earned on behalf of Government (1,070) (2, Total Revenues -	(in thousands of dollars)	\$	\$
Space Data, Information and Services Future Canadian Space Capacity Internal Services Total Expenses Sale of goods and services Sale of rights and privileges Location and use of public property Other revenues Revenues Revenues Total Revenues 100 1,070)	Expenses		
Future Canadian Space Capacity Internal Services 49,171 50, Total Expenses 356,416 370, Revenues Sale of goods and services Sale of rights and privileges Location and use of public property Other revenues Revenues earned on behalf of Government Total Revenues - Total Revenues - Future Canadian Space Capacity 66,214 67, 67, 67 69,214 69,171 50, 316 370, 11, 50, 11, 50, 11, 50, 12, 50, 11, 50,	Space Exploration	143,096	156,688
Internal Services 49,171 50, Total Expenses 356,416 370, Revenues Sale of goods and services 600 1, Sale of rights and privileges 100 Location and use of public property 316 Other revenues 54 Revenues earned on behalf of Government (1,070) (2, Total Revenues	Space Data, Information and Services	97,935	95,492
Total Expenses 356,416 370, Revenues Sale of goods and services 600 1, Sale of rights and privileges 100 Location and use of public property 316 Other revenues 54 Revenues earned on behalf of Government (1,070) (2, Total Revenues -	Future Canadian Space Capacity	66,214	67,612
Revenues Sale of goods and services Sale of rights and privileges Location and use of public property 316 Other revenues Revenues earned on behalf of Government (1,070) Total Revenues	Internal Services	49,171	50,759
Sale of goods and services 600 1, Sale of rights and privileges 100 Location and use of public property 316 Other revenues 54 Revenues earned on behalf of Government (1,070) (2, Total Revenues -	Total Expenses	356,416	370,551
Sale of rights and privileges Location and use of public property 316 Other revenues Revenues earned on behalf of Government (1,070) (2, Total Revenues	Revenues		
Location and use of public property Other revenues Revenues earned on behalf of Government (1,070) (2, Total Revenues	Sale of goods and services	600	1,600
Other revenues Revenues earned on behalf of Government (1,070) (2, Total Revenues -	Sale of rights and privileges	100	100
Revenues earned on behalf of Government (1,070) (2, Total Revenues -	Location and use of public property	316	325
Total Revenues -	Other revenues	54	40
	Revenues earned on behalf of Government	(1,070)	(2,065)
Net cost of operations before government funding and transfers 356,416 370,	Total Revenues	-	-
Net cost of operations before government funding and transfers 356,416 370,			
	Net cost of operations before government funding and transfers	356,416	370,551

The accompanying notes are an integral part of these future-oriented financial statements.

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

CANADIAN SPACE AGENCY

1. Methodology and Significant Assumptions

The Future-oriented Statement of Operations has been prepared on the basis of government priorities and the plans of the Canadian Space Agency "Agency" as described in the *Report on Plans and Priorities*.

The information in the estimated results for fiscal year 2015-2016 is based on actual results as at October 31, 2015 and on forecasts for the remainder of the fiscal year. Forecasts have been made for the planned results for the 2016-2017 fiscal year.

The main assumptions underlying the forecasts are as follows:

- The Agency's activities will remain substantially the same as for the previous year but are adjusted to reflect the funding level.
- 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 adopted as at December 4, 2015.

2. Variations and Changes to Forecast Financial Information

While every attempt has been made to forecast final results for the remainder of 2015-2016 and for 2016-2017, 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 Canadian Space Agency 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 Statement of Operations and the historical statement of operations include the following:

- The timing and amount of acquisitions and disposals of capital assets may affect gains/losses on disposal of assets and amortization expense.
- Implementation of new collective agreements.
- Economic conditions may affect both the amount of revenue earned and the collectability of external accounts receivable as well as expenses
 due to variation in exchange rates.
- Further changes to the operating budget through additional new initiatives or technical adjustments in the year.

Once the *Report on Plans and Priorities* is presented, the Canadian Space Agency will not be updating the forecasts for any changes in financial resources made in ensuing supplementary estimates.

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

CANADIAN SPACE AGENCY

3. Summary of Significant Accounting Policies

The Future-oriented Statement of Operations has been prepared using the Government's accounting policies 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 Agency's 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 and legal services 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.

Transfer payments are recorded as expenses when the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement or, in the case of transactions which do not form part of an existing program, when the Government announces a decision to make a non-recurring transfer, provided the enabling legislation or authorization for payment receives parliamentary approval prior to the completion of the financial statement. Transfer payments that become repayable as a result of conditions specified in the contribution agreement that have come into being are recorded as a reduction to transfer payment expense and as a receivable.

Expenses also include provisions to reflect changes in the value of assets, including provisions for bad debt on accounts receivable.

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 based on the services provided in the year.

Revenues that are non-respendable are not available to discharge the Agency's liabilities. While the deputy head is expected to maintain accounting control, he 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.

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

CANADIAN SPACE AGENCY

4. Parliamentary Authorities

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

Inclusion of dollars 2016 2017 Net cost of operations 356,416 370,551 Adjustments for items affecting net cost of operations but not affecting authorities 65,944 (71,912) Amortization of tangible capital assets (65,944) (71,912) Services provided without charge by other government departments (5,447) (5,322) Refund of previous years' expenditures 688 Decrease (increase) in accrued liabilities not charged to authorities 2 (9) Decrease (increase) in severance benefits (5) 90 Decrease (increase) in vacation pay and compensatory leave (31) 93 Change in non-monetary exchange CSA/NASA (708) (708) Other (6) 22,287 Adjustments for items not affecting net cost of operations but affecting authorities 169,785 20,297 Requested authorities 169,785 20,297 Requested authorities 45,000 46,000 (b) Requested authorities 5 5 Requested Authorities 8 5 Requested Authorities 184,506	(,		Planned 2017
Kin thousands of dollars) \$ \$ Net cost of operations 356,416 370,551 Adjustments for items affecting net cost of operations but not affecting authorities 65,944 (71,912) Amortization of tangible capital assets (65,944) (71,912) Services provided without charge by other government departments (5,447) (5,322) Refund of previous years' expenditures 688 - Decrease (increase) in accrued liabilities not charged to authorities 2 (9) Decrease (increase) in severance benefits (5) 90 Decrease (increase) in vacation pay and compensatory leave (331) 93 Change in non-monetary exchange CSA/NASA (708) (708) Other (6) 2 Acquisition of tangible capital assets 169,785 220,297 Decrease in prepaid expenses (45,000) (45,000) Cb) Requested authorities Estimated Planned (b) Requested authorities 2 2 Cb) Requested Authorities 184,506 191,998 Vote 1- Operating expenditures 184,536			
Net cost of operations 356,416 370,551 Adjustments for items affecting net cost of operations but not affecting authorities Amortization of tangible capital assets (65,944) (71,912) Services provided without charge by other government departments (5,447) (5,322) Refund of previous years' expenditures 688 - Decrease (increase) in accrued liabilities not charged to authorities 2 (9) Decrease (increase) in severance benefits (5) 90 Decrease (increase) in vacation pay and compensatory leave (331) 93 Change in non-monetary exchange CSA/NASA (708) (708) Other 284,665 292,783 Adjustments for items not affecting net cost of operations but affecting authorities 169,785 202,297 Decrease in prepaid expenses (45,000) (45,000) Decrease in prepaid expenses (45,000) 468,000 (b) Requested authorities 201 201 (b) Requested authorities 201 201 (c) Extraction of tangible capital assets 201 201 (d) Extraction of tangible capital as			
Adjustments for items affecting net cost of operations but not affecting authorities (65,944) (71,912) Services provided without charge by other government departments (65,944) (71,912) Services provided without charge by other government departments (5,447) (5,322) Refund of previous years' expenditures 688 - Decrease (increase) in accrued liabilities not charged to authorities 2 (9) Decrease (increase) in severance benefits (5) 90 Decrease (increase) in vacation pay and compensatory leave (331) 93 Change in non-monetary exchange CSA/NASA (708) (708) Other (6) - Adjustments for items not affecting net cost of operations but affecting authorities 465 292,783 Adjustments for items not affecting net cost of operations but affecting authorities 45,000 (45,000) 45,000 Decrease in prepaid expenses 409,450 468,080 468,080 (b) Requested authorities Estimated Planned (b) Requested Authorities \$ \$ Vote 1 - Operating expenditures 184,506 191,998	(in thousands of dollars)	\$	\$
Amortization of tangible capital assets (65,944) (71,912) Services provided without charge by other government departments (5,447) (5,322) Refund of previous years' expenditures 688 - Decrease (increase) in accrued liabilities not charged to authorities 2 (99) Decrease (increase) in severance benefits (5,99) Decrease (increase) in vacation pay and compensatory leave (331) 93 Change in non-monetary exchange CSA/NASA (708) (708) Other (6) - Adjustments for items not affecting net cost of operations but affecting authorities Acquisition of tangible capital assets 169,785 220,297 Decrease in prepaid expenses (45,000) (45,000) Requested authorities (b) Requested authorities Requested Authorities Vote 1 - Operating expenditures 184,506 191,998 Vote 5 - Capital expenditures 169,785 220,297 Vote 10 - Grants and contributions 45,356 45,488 Statutory amounts 9,9803 10,037	Net cost of operations	356,416	370,551
Services provided without charge by other government departments (5,447) (5,322) Refund of previous years' expenditures 688 - Decrease (increase) in accrued liabilities not charged to authorities 2 (9) Decrease (increase) in severance benefits (5) 90 Decrease (increase) in vacation pay and compensatory leave (331) 93 Change in non-monetary exchange CSA/NASA (708) (708) Other (6) - Adjustments for items not affecting net cost of operations but affecting authorities 45,000 (45,000) Acquisition of tangible capital assets 169,785 220,297 Decrease in prepaid expenses (45,000) (45,000) Requested authorities 409,450 468,000 (b) Requested authorities 8 5 (b) Requested Authorities 8 7 Requested Authorities 184,506 191,998 Vote 1 - Operating expenditures 184,506 191,998 Vote 2 - Capital expenditures 169,785 220,297 Vote 10 - Grants and contributions 45,356 45,488 <td>Adjustments for items affecting net cost of operations but not affecting authorities</td> <td></td> <td></td>	Adjustments for items affecting net cost of operations but not affecting authorities		
Refund of previous years' expenditures 688 - Decrease (increase) in accrued liabilities not charged to authorities 2 (9) Decrease (increase) in severance benefits (5) 90 Decrease (increase) in vacation pay and compensatory leave (331) 93 Change in non-monetary exchange CSA/NASA (708) (708) (708) Other (6) - - Acquisition of tangible capital assets 169,785 220,297 Acquisition of tangible capital assets 169,785 220,297 Decrease in prepaid expenses (45,000) (45,000) Requested authorities 409,450 468,080 (b) Requested authorities Estimated Planned (b) Requested Authorities \$ \$ (c) Requested Authorities \$ \$ Vote 1 - Operating expenditures 184,506 191,998 Vote 2 - Capital expenditures 169,785 220,297 Vote 10 - Grants and contributions 45,356 45,748 Statutory amounts 9,803 10,037	Amortization of tangible capital assets	(65,944)	(71,912)
Decrease (increase) in accrued liabilities not charged to authorities 2 69 Decrease (increase) in severance benefits 5 90 Decrease (increase) in vacation pay and compensatory leave 331 93 Change in non-monetary exchange CSA/NASA 708 708 Other 284,665 292,783 Adjustments for items not affecting net cost of operations but affecting authorities 465,000 465,000 Acquisition of tangible capital assets 169,785 220,297 Decrease in prepaid expenses 45,000 465,000 Peccease in prepaid expenses 45,000 465,000 Decrease in prepaid expenses 409,450 468,080 Decrease in prepaid expenses 409,450	Services provided without charge by other government departments	(5,447)	(5,322)
Decrease (increase) in severance benefits	Refund of previous years' expenditures	688	-
Decrease (increase) in vacation pay and compensatory leave	Decrease (increase) in accrued liabilities not charged to authorities	2	(9)
Change in non-monetary exchange CSA/NASA (708) (708) Other (6) - 284,665 292,783 Adjustments for items not affecting net cost of operations but affecting authorities 169,785 220,297 Acquisition of tangible capital assets 169,785 220,297 Decrease in prepaid expenses 45,000 45,000 Requested authorities Estimated Planned 2016 2017 2016 2017 in thousands of dollars) \$ \$ Requested Authorities 184,506 191,998 Vote 1 - Operating expenditures 169,785 220,297 Vote 5 - Capital expenditures 169,785 220,297 Vote 10 - Grants and contributions 45,356 45,748 Statutory amounts 9,803 10,037	Decrease (increase) in severance benefits	(5)	90
Other (6) - Adjustments for items not affecting net cost of operations but affecting authorities 284,665 292,783 Acquisition of tangible capital assets 169,785 220,297 Decrease in prepaid expenses (45,000) (45,000) Requested authorities 409,450 468,080 (b) Requested authorities Estimated Planned (b) Requested Authorities 2016 2017 (in thousands of dollars) \$ \$ Requested Authorities 184,506 191,998 Vote 1 - Operating expenditures 169,785 220,297 Vote 5 - Capital expenditures 169,785 220,297 Vote 10 - Grants and contributions 45,356 45,748 Statutory amounts 9,803 10,037	Decrease (increase) in vacation pay and compensatory leave	(331)	93
Adjustments for items not affecting net cost of operations but affecting authorities Acquisition of tangible capital assets 169,785 220,297 Decrease in prepaid expenses (45,000) (45,000) Decrease in prepaid expenses 124,785 175,297 Requested authorities 2016 2017 In thousands of dollars 184,506 191,998 Vote 1 - Operating expenditures 184,506 191,998 Vote 5 - Capital expenditures 169,785 220,297 Vote 10 - Grants and contributions 45,356 45,748 Statutory amounts 9,803 10,037 Statutory amounts 184,506 193,748 Statutory amounts 184,306 193,748 Statutory amounts 184,506 193,748 Statutory amounts 18	Change in non-monetary exchange CSA/NASA	(708)	(708)
Adjustments for items not affecting net cost of operations but affecting authorities Acquisition of tangible capital assets 220,297 Decrease in prepaid expenses (45,000) (45,000) Requested authorities 124,785 175,297 Requested authorities Estimated Planned (b) Requested authorities 2016 2017 in thousands of dollars) \$ \$ Requested Authorities 184,506 191,998 Vote 1 - Operating expenditures 169,785 220,297 Vote 5 - Capital expenditures 169,785 220,297 Vote 10 - Grants and contributions 45,356 45,748 Statutory amounts 9,803 10,037	Other	(6)	-
Acquisition of tangible capital assets 169,785 220,297 Decrease in prepaid expenses (45,000) (45,000) Requested authorities 124,785 175,297 Requested authorities Estimated Planned 2016 2017 2016 2017 in thousands of dollars) \$ \$ Requested Authorities 184,506 191,998 Vote 1 - Operating expenditures 169,785 220,297 Vote 5 - Capital expenditures 169,785 220,297 Vote 10 - Grants and contributions 45,356 45,748 Statutory amounts 9,803 10,037		284,665	292,783
Decrease in prepaid expenses (45,000) (45,000) (124,785 175,297 (124,785 175,297 124,785 175,297 124,785 175,297 124,785 175,297 124,785 175,297 124,785 175,297 124,785	Adjustments for items not affecting net cost of operations but affecting authorities		
124,785 175,297 175,	Acquisition of tangible capital assets	169,785	220,297
Requested authorities 409,450 468,080 (b) Requested authorities Estimated Planned 2016 2017 2016 2017 (in thousands of dollars) \$ \$ Requested Authorities Vote 1 - Operating expenditures 184,506 191,998 Vote 5 - Capital expenditures 169,785 220,297 Vote 10 - Grants and contributions 45,356 45,748 Statutory amounts 9,803 10,037	Decrease in prepaid expenses	(45,000)	(45,000)
(b) Requested authorities Estimated Planned 2016 2017 (in thousands of dollars) \$ \$ Requested Authorities Vote 1 - Operating expenditures 184,506 191,998 Vote 5 - Capital expenditures 169,785 220,297 Vote 10 - Grants and contributions 45,356 45,748 Statutory amounts 9,803 10,037		124,785	175,297
Estimated Planned 2016 2017 2016 2017 2016 2017 2016 2017 2018	Requested authorities	409,450	468,080
Estimated Planned 2016 2017 2016 2017 2016 2017 2016 2017 2016 2017 2016 2017 2016 2017			
Vote 1 - Operating expenditures 184,506 191,998 Vote 5 - Capital expenditures 169,785 220,297 Vote 10 - Grants and contributions 45,356 45,748 Statutory amounts 9,803 10,037	(b) Requested authorities		
Vote 1 - Operating expenditures 184,506 191,998 Vote 5 - Capital expenditures 169,785 220,297 Vote 10 - Grants and contributions 45,356 45,748 Statutory amounts 9,803 10,037		Estimated	Planned
Requested Authorities Vote 1 - Operating expenditures 184,506 191,998 Vote 5 - Capital expenditures 169,785 220,297 Vote 10 - Grants and contributions 45,356 45,748 Statutory amounts 9,803 10,037		2016	2017
Vote 1 - Operating expenditures 184,506 191,998 Vote 5 - Capital expenditures 169,785 220,297 Vote 10 - Grants and contributions 45,356 45,748 Statutory amounts 9,803 10,037	(in thousands of dollars)	\$	\$
Vote 5 - Capital expenditures 169,785 220,297 Vote 10 - Grants and contributions 45,356 45,748 Statutory amounts 9,803 10,037	Requested Authorities		
Vote 10 - Grants and contributions 45,356 45,748 Statutory amounts 9,803 10,037	Vote 1 - Operating expenditures	184,506	191,998
Statutory amounts 9,803 10,037	Vote 5 - Capital expenditures	169,785	220,297
	Vote 10 - Grants and contributions	45,356	45,748
	Statutory amounts	9,803	10,037
Requested Authorities 409,450 468,080	Requested Authorities	409,450	468,080

The requested authorities planned for 2017 reflect main estimates as shown in the Report on Plans and Priorities (\$432.4 million) combined with expected estimates to be allocated from Treasury Board central votes.