

PRIVY COUNCIL OFFICE

FUTURE-ORIENTED STATEMENT OF OPERATIONS

FOR THE YEARS ENDING MARCH 31, 2023 AND MARCH 31, 2024

**Privy Council Office
Future-Oriented Statement of Operations (unaudited)
For the year ending March 31
(in thousands of dollars)**

	Forecast results 2022-23	Planned results 2023-24
Expenses		
Serve the Prime Minister and Cabinet	134,978	121,912
Internal services	144,553	124,240
Total expenses	279,531	246,152
Revenues		
Internal support services	6,900	8,502
Miscellaneous revenues	24	24
Total revenues	6,924	8,526
Net cost of operations before government funding and transfers	272,607	237,626

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 2022-23 is based on actual results as at December 14, 2022 and on forecasts for the remainder of the fiscal year. Forecasts have been made for the planned results for fiscal year 2023-24.

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 December 14, 2022.

2. Variations and changes to the forecast financial information

Although every attempt has been made to forecast final results for the remainder of 2022-23 and for 2023-24, actual results achieved for both years are likely to differ from the forecast information presented, and this variation could be material.

In preparing the Future-Oriented Statement of Operations, the Privy Council Office 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, plant and equipment, which may affect gains, losses and amortization expense;
- The implementation of new collective agreements; and
- Other changes to the operating budget, such as new initiatives or technical adjustments later in the fiscal year.

After the Departmental Plan is tabled in Parliament, the Privy Council Office will not be updating 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 2022-23 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

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

b) Revenues

Revenues are recognized in the period the event giving rise to the revenues occurred.

Revenues that are non-respendable 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-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 2022-23	Planned results 2023-24
Net cost of operations before government funding and transfers	272,607	237,626
Adjustment for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(5,501)	(6,532)
Gain on disposal of tangible capital assets	15	5
Services provided without charge by other government departments	(29,756)	(30,274)
Decrease in vacation pay and compensatory leave	24	108
(Increase) in employee future benefits	(350)	(64)
Bad debt expense	23	-
Refunds and adjustments of prior year's expenditures	443	1,324
Total items affecting net cost of operations but not affecting authorities	(35,102)	(35,433)
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisition of tangible capital assets	8,293	8,506
Proceeds from disposal of tangible capital assets	10	12
Increase in inventory	25	34
Increase / (decrease) in prepaid expense	(44)	192
Total items not affecting net cost of operations but affecting authorities	8,284	8,744
Requested authorities forecasted to be used	245,789	210,937

**b) Authorities provided/requested
(in thousands of dollars)**

	Forecast results for 2022-23	Planned results for 2023-24
Authorities provided/requested		
Vote 1: operating expenditures	225,686	188,647
Statutory amounts	22,930	22,290
Total authorities provided/requested	248,616	210,937
Less: Estimated unused authorities and other adjustments	2,827	-
Requested authorities forecasted to be used	245,789	210,937

The authorities presented reflect current forecasts of statutory items; approved initiatives included in Estimates documents; and estimates of amounts to be allocated from Treasury Board Central Votes.