



Infrastructure Canada

Future-Oriented Statement of Operations
(Unaudited)

For the year ended March 31, 2024



**Infrastructure Canada
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		
Public Infrastructure, Communities, Affordable Housing and Homelessness Policy	62,988	63,713
Public Infrastructure, Communities, and Homelessness Investments	30,375	34,970
Public Infrastructure and Communities Investment Stewardship and Delivery	7,165,854	9,530,691
Internal Services	70,038	59,653
Total expenses	7,329,255	9,689,027
Revenues		
Other Revenues	2,376	2,555
Revenues earned on behalf of government	(2,376)	(2,555)
Total revenues	-	-
Net cost of operations before government funding and transfers	7,329,255	9,689,027

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

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1. Methodology and significant assumptions

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

The information in the forecast results for fiscal year 2022-23 is based on actual results as at November 30, 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.
- Forecast results for 2022-23 are based on anticipated cash flow requirements of INFC's contribution programs.

These assumptions are made as at January 16, 2023.

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, INFC had to make estimates and assumptions on future spending trends and as a result, figures in the FOSO may differ from the actual spending. 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 amounts of acquisitions and disposals of capital assets may affect gains/losses and amortization expense;
- the implementation of new collective agreements;
- the timing at which recipients submit claims for reimbursement under INFC's various transfer payment programs; and
- other changes to contributions (and operating budgets) through approval of additional new infrastructure initiatives or technical adjustments later in the year.

After the Departmental Plan is tabled in Parliament, INFC will not be updating the forecasts to reflect in-year changes in financial resources. Variances will be explained in the Departmental Results Report.

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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 the 2022-23 fiscal year, 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 including 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

Deferred revenue consists of amounts received in advance of the delivery of goods and rendering of services that will be recognized as revenue in a subsequent fiscal year as it is earned.

Other 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

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4. Parliamentary Authorities

INFC is financed by the Government of Canada through parliamentary authorities. Financial reporting of authorities provided to INFC differs from financial reporting according to generally accepted accounting principles given that 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, INFC 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	7,329,255	9,689,027
Adjustment for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(56,037)	(56,219)
Services provided without charge by other government departments	(13,796)	(14,099)
Increase in employee future benefits	(679)	(70)
Increase in vacation pay and compensatory leave	(1,216)	(1,555)
Refunds of previous years' expenditures	10,206	11,223
Total items affecting net cost of operations but not affecting authorities	(61,522)	(60,720)
Adjustment for items not affecting net cost of operations but affecting authorities:		
Acquisition of tangible capital assets	8,418	16,032
Change in salary overpayments	6,193	(19)
Total items not affecting net cost of operations but affecting authorities	9,032	16,032
Requested authorities forecasted to be used	7,276,765	9,644,338

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b) Authorities requested

(in thousands of dollars)

	Forecast Results 2022-23	Planned Results 2023-24
Authorities:		
Vote 1: Operating expenditures	254,412	247,557
Vote 5: Capital expenditures	15,569	93,867
Vote 10: Contributions	4,719,305	6,916,338
Statutory amounts:		
Employee Benefit Plan	18,327	18,770
Canada Community Building Fund	2,268,967	2,367,617
Minister's Salary and Motor Car Allowance	185	189
Total authorities	7,276,765	9,644,338