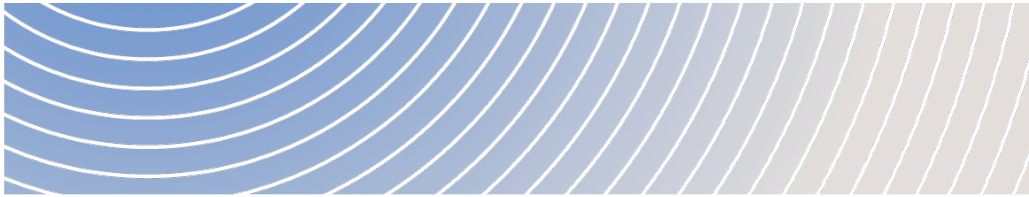




Impact Assessment  
Agency of Canada

Agence d'évaluation  
d'impact du Canada

# 2024-2025 Future Oriented Statement of Operations



February 2024

Canada<sup>ca</sup>



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# 2024-2025 Future Oriented Statement of Operations

## For the Year Ending March 31, 2025

### Impact Assessment Agency of Canada

### Future-Oriented Statement of Operations (unaudited) for the year ending March 31 (in dollars)

	Forecast Results 2023-24	Planned Results 2024-25
<b>Expenses</b>		
Internal services	21,206,692	23,581,029
Assessment administration, conduct and monitoring	65,850,959	73,690,716
Indigenous relations and engagement	17,716,690	20,633,400
<b>Total expenses</b>	<b>104,774,341</b>	<b>117,905,145</b>



	<b>Forecast Results 2023-24</b>	<b>Planned Results 2024-25</b>
<b>Revenues</b>		
Environmental assessment and training services	663,749	625,000
<b>Net cost of operations before government funding and transfers</b>	<b>104,110,592</b>	<b>117,280,145</b>

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

# Notes to the Consolidated Future-Oriented Statement of Operations (unaudited)

## 1. Methodology and significant assumptions

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

The information in the forecast results for fiscal year 2023-24 is based on actual results as at November 30, 2023 and on forecasts for the remainder of the fiscal year. Forecasts have been made for the planned results for fiscal year 2024-25.

The main assumptions underlying the forecasts are as follows:

- Unused funds in 2023-24 are being forecast as a result of the challenging labour market the Agency faced during its first year of growth following the 2022 Fall Economic Statement announcement and the need to amend the *Impact Assessment Act* to respect the October 13, 2023 Supreme Court of Canada's opinion on its constitutionality.
- Total expenses are anticipated to increase in 2024-25 by \$13,130,804, or 12.5%, over the current year's forecasted expenditures. This difference is primarily due to new funding for compensation adjustments from recently signed collective agreements combined with the steady expansion of the Agency following the funding announcement in the 2022 Fall Economic Statement. The planned revenues are forecasted cost recoveries from panel reviews.
- Expenses and revenues, including the determination of amounts internal and external to the government, as well as allowances are based on experience and the most up-to-date information.

These assumptions are valid as of January 3, 2024.



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## 2. Variations and changes to forecast financial information

Although every attempt has been made to forecast final results for the remainder of 2023-24 and for 2024-25, actual results achieved for both years are likely to differ from the forecast information presented, and this variance could be material.

In preparing this Future-Oriented Statement of Operations, the Agency 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:

- labour market for skilled and specialized personnel;
- the implementation of new collective agreements;
- economic conditions, which may affect both the amount of revenue earned and the collectability of receivables; 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 Agency 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.

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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 fiscal year 2023-24, 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

The Agency records expenses on an accrual basis.

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 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 others are also included in other expenses.



## b) Revenues

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

Funds received from external parties for specified purposes are recorded upon receipt as deferred revenue. These revenues are recognized in the period in which the related expenses are incurred.

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-responsible are not available to discharge the Agency's liabilities. Although the President 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 earned on behalf of the Government of Canada and are therefore presented as a reduction of the Agency's gross revenues.

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## 4. Parliamentary authorities

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

<b>a) Reconciliation of net cost of operations to requested authorities (in dollars)</b>		
	<b>Forecast Results 2023-24</b>	<b>Planned Results 2023-24</b>
<b>Net cost of operations before government funding and transfers</b>	104,110,592	117,280,145
Adjustments for items affecting net cost of operations but not affecting authorities:		
Services provided without charge by other government departments	(9,207,280)	(10,743,588)
Amortization of tangible capital assets	(322,381)	(88,260)
Decrease in vacation pay and compensatory leave	405,629	342,018
Decrease for employee future benefits	(239,537)	(136,938)



<b>a) Reconciliation of net cost of operations to requested authorities (in dollars)</b>		
	<b>Forecast Results 2023-24</b>	<b>Planned Results 2023-24</b>
Refund of prior years' expenditures	29,077	(9,003)
<b>Total items affecting net cost of operations but not affecting authorities</b>	(9,334,492)	(10,635,771)
<b>Requested authorities forecasted to be used</b>	<b>94,776,100</b>	<b>106,644,374</b>
<b>b) Authorities requested (in dollars)</b>		
	<b>Forecast Results 2023-24</b>	<b>Planned Results 2024-25</b>
Vote 1: operating expenditures	72,705,761	77,358,614
Vote 10: grants & contributions	21,453,903	21,253,903
Statutory amounts	7,572,008	8,031,857
<b>Total authorities provided/requested</b>	<b>101,731,672</b>	<b>106,644,374</b>
Less: Estimated unused authorities and other adjustments	6,955,572	0
<b>Requested authorities forecasted to be used</b>	<b>94,776,100</b>	<b>106,644,374</b>