

**Patented Medicine Prices Review Board
Future-Oriented Statement of Operations (unaudited)
for the year ending March 31
(in dollars)**

	Forecast results 2023-24	Planned results 2024-25
Expenses		
Regulate Patented Medicine Prices	\$ 11,946,487	\$ 15,705,973
Internal Services	4,227,926	3,653,773
Total expenses	16,174,413	19,359,746
Revenues		
Voluntary compliance undertakings	663,693	-
Other	23	-
Revenues earned on behalf of Government	(663,693)	-
Total revenues	23	-
Net cost of operations before government funding and transfers	\$ 16,174,390	\$ 19,359,746

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 on the basis of government priorities and the Patented Medicine Prices Review Board's (PMPRB) 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:

- The PMPRB'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 November 30, 2023.

2. Variations and changes to the 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 variation could be material.

In preparing this Future-Oriented Statement of Operations, the PMPRB 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 capital assets which may affect gains, losses and amortization expense;
- the implementation of new collective agreements;
- economic conditions, which may affect the amount of revenue earned;
- other changes to the operating budget, such as new initiatives or technical adjustments later in the fiscal year; and,
- the frequency of hearings and variance in related costs.

After the Departmental Plan is tabled in Parliament, the PMPRB 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 2023-24, 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 and advances, as well as utilization of 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 and future economic benefits are expected to be received.

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

4. Parliamentary authorities

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

	Forecast results 2023-24	Planned results 2024-25
Net cost of operations before government funding and transfers	\$ 16,174,390	\$ 19,359,746
Adjustment for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(35,958)	(63,929)
Services provided without charge by other government departments	(1,817,143)	(1,759,696)
Decrease (increase) in vacation pay and compensatory leave	3,522	3,576
Decrease (increase) in employee future benefits	(4,443)	(4,532)
Refunds/adjustments of prior years' expenditures	42,362	48,688
Total items affecting net cost of operations but not affecting authorities	<u>(1,811,660)</u>	<u>(1,775,893)</u>
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisitions of tangible capital assets	135,715	300,000
Issuance of salary overpayment to be recovered	9,338	8,192
Issuance of advance to employees	904	442
Proceeds from disposal of Crown assets	23	-
Total items not affecting net cost of operations but affecting authorities	<u>145,980</u>	<u>308,634</u>
Requested authorities forecasted to be used	<u>\$ 14,508,710</u>	<u>\$ 17,892,487</u>

(b) Authorities provided/requested
(in dollars)

	Forecast results 2023-24	Planned results 2024-25
Authorities provided/requested		
Vote 1: operating expenditures	\$ 12,989,204	\$ 16,423,001
Statutory amounts	1,519,506	1,469,486
Total authorities provided/requested	<u>14,508,710</u>	<u>17,892,487</u>
Less: Estimated unused authorities	-	-
Requested authorities forecasted to be used	<u>\$ 14,508,710</u>	<u>\$ 17,892,487</u>