



2024 to 2025 Future-Oriented Statement of Operations for the Canadian Food Inspection Agency (unaudited)

Year ended March 31

Archived - 2024 to 2025 Future-Oriented Statement of Operations for the Canadian Food Inspection Agency (unaudited)

This page has been archived on the Web

Information identified as archived is provided for reference, research or recordkeeping purposes. It is not subject to the Government of Canada Web Standards and has not been altered or updated since it was archived. Please contact us to request a format other than those available.

ISSN: 2819-0211 Cat No.: A101-33E-PDF

for the year ending March 31 (in thousands of dollars)

Expenses	Forecast results 2023 to 2024	Planned results 2024 to 2025
Safe food and healthy plants and animals	944,849	809,149
Internal services	205,162	203,553

Expenses	Forecast results 2023 to 2024	Planned results 2024 to 2025
Total expenses	1,150,011	1,012,702
Revenues		
Inspection fees	37,250	37,170
Registrations, permits, certificates	8,901	8,836
Miscellaneous fees and services	5,020	5,018
Establishment license fees	1,332	1,369
Administrative monetary penalties	768	913
Grading	70	68
Interest	43	48
Revenues earned on behalf of government	(384)	(422)
Total revenues	53,000	53,000
Net cost of operations before government funding and transfers	1,097,011	959,702

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

Paul MacKinnon
President

Stanley Xu, CPA, CGA
Vice-President, Corporate Management
Branch and Chief Financial Officer

Ottawa, Canada

Date: February 11, 2024

Date: January 30, 2024

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 the government priorities and the Canadian Food Inspection Agency (the agency) plans as described in the Departmental Plan.

The information in the forecast results for fiscal year 2023 to 2024 is based on actual results as at December 31, 2023, and on forecasts for the remainder of the fiscal year. Forecasts have been made for the planned results for the fiscal year 2024 to 2025.

The main assumptions underlying the forecasts are as follows:

- the agency'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 past experience. The general historical pattern is expected to continue; and
- for fiscal year 2023 to 2024, total compensation payments are projected to be higher than Main Estimates due to the avian influenza outbreak

These assumptions are made as at December 31, 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 to 2024 and for 2024 to 2025, 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 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 past 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
- economic conditions, which may affect the amount of revenue earned
- other changes to the operating budget, such as new initiatives, increased emergency response activities, or technical adjustments later in the fiscal year; and
- variances associated with the agency's compensation payments for animal and plant diseases, which often significantly differ from planned amounts given the unforeseeable nature of these events

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.

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 to 2024, 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 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 inventory obsolescence, as well as utilization of inventories and prepaid expenses, and other are also included in other expenses.

b) Revenues

Revenues from regulatory fees, permits, and certificates 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-respendable are not available to discharge the agency'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 considered to be earned on behalf of the Government of Canada and are therefore presented as a reduction of the agency's gross revenues.

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 1 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
(in thousands of dollars)

	Forecast results 2023 to 2024	Planned results 2024 to 2025
Net cost of operations before government funding and transfers	1,097,011	959,702
Adjustment for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(25,559)	(25,619)
Accretion expense for asset retirement obligations	(209)	(208)
Gain (loss) on disposal of tangible capital assets	(292)	(264)
Services provided without charge by other government departments	(82,198)	(84,144)
Increase (decrease) in prepaid expenses	(1,068)	301
Increase (decrease) in inventory	(447)	10
Decrease (increase) in vacation pay and compensatory leave	3,924	(1,472)

	Forecast results 2023 to 2024	Planned results 2024 to 2025
Spending of revenues pursuant to Section 30 of the <i>Canadian Food Inspection Agency Act</i> ¹	53,000	53,000
Decrease (increase) in employee future benefits	(480)	(663)
Decrease (increase) in allowance for Expired Collective Agreements	(9,792)	(24,991)
Decrease (increase) in allowance for bad debt expense	425	(198)
Post-capitalization of tangible capital assets	0	0
Total items affecting net cost of operations but not affecting authorities	(62,696)	(84,248)
Adjustment for items not affecting net cost of operations but affecting authorities:		
Acquisition of tangible capital assets	54,662	47,475
Proceeds from disposal of tangible capital assets	(171)	(170)

	Forecast results 2023 to 2024	Planned results 2024 to 2025
Total items not affecting net cost of operations but affecting authorities	54,491	47,305
Requested authorities forecasted to be used	1,088,806	922,759

(b) Authorities requested (in thousands of dollars)

Authorities requested	Forecast results 2023 to 2024	Planned results 2024 to 2025
Vote 1: operating expenditures	755,465	705,381
Vote 5: capital expenditures	64,160	47,475
Statutory contributions to employee benefit plans	91,689	80,903
Statutory compensation payments	112,500	12,500
Statutory authority for spending of revenues pursuant to section 30 of the <i>Canadian Food Inspection Agency Act</i>¹	124,181	76,500
Total authorities requested	1,147,995	922,759
Less: estimated unused authorities		

Authorities requested	Forecast results 2023 to 2024	Planned results 2024 to 2025
Vote 1: operating expenditures	26,191	0
Vote 5: capital expenditures	9,498	0
Statutory authority for spending of revenues pursuant to section 30 of the <i>Canadian Food Inspection Agency Act</i>¹	23,500	0
Requested authorities forecasted to be used	1,088,806	922,759

¹ The statutory authority for spending of revenues includes the portion available from prior years (\$71,181,000 and \$23,500,000 for fiscal years 2023 to 2024 and 2024 to 2025, respectively). These amounts are in addition to the Main Estimates figure for this authority (\$53,000,000).

Date modified:

2025-06-17