Canadian Northern Economic Development Agency
Agence canadienne de développement économique du Nord

Canadian Northern Economic Development Agency

2026-2027

Future-Oriented Statement of Operations (Unaudited)

For the year ending March 31, 2027

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Canadian Northern Economic Development Agency
Future-Oriented Statement of Operations (unaudited)
for the year ending March 31
(in thousands of dollars)

	Forecast results 2025-26	Planned results 2026-27
Expenses		
Economic Development in the Territories	95,723	106,881
Internal services	9,729	7,985
Total expenses	105,452	114,839
Revenues		
Miscellaneous revenues	32	45
Revenues earned on behalf of government	(21)	(41)
Total revenues	11	4
Net cost of operations before government funding and transfers	**105,441**	**114,835**

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 2025-26 is based on actual results as at November 30, 2025 and on forecasts for the remainder of the fiscal year. Forecasts have been made for the planned results for fiscal year 2026-27.

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 November 30, 2025.

2. Variations and changes to the forecast financial information

Although every attempt has been made to forecast final results for the remainder of 2025-26 and for 2026-27, 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 Canadian Northern Economic Development 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:

- 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 both the amount of revenue earned and the collectability of loan receivables;
- interest rates in effect at the time of issue, which will affect the net present value of non-interest-bearing loans; 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 Canadian Northern Economic Development 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 2025-26 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, 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

Other 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 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 2025-26	Planned results 2026-27
Net cost of operations before government funding and transfers	99,031	112,674
Adjustment for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capitals assets	(48)	(42)
Gain (loss) on disposal of tangible capital assets	(3,649)	(3,856)
Services provided without charge by other government departments	5,204	2,559
Increase in vacation pay and compensatory leave	931	2,391
Increase in employee future benefits	16	19
Increase in accrued liabilities not charged to authorities	(3)	(35)
Bad debt expense	(88)	(63)
Refunds of previous years' expenditures	1,983	73
Total items affecting net cost of operations but not affecting authorities	4,345	1,046
Adjustment for items not affecting net cost of operations but affecting authorities:		
Increase in accounts receivable and advances	85	108
Authorities available for future years	11	4
Acquisition of tangible capital assets	47	100
Unconditionally repayable contributions	1,933	907
Total items not affecting net cost of operations but affecting authorities	2,076	1,119
Requested authorities forecasted to be used	**105,452**	**114,839**

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

	Forecast results for 2025-26	Planned results for 2026-27
Authorities provided/requested		
Vote 1: operating expenditures	26,882	19,830
Vote 5: grants and contributions	75,928	92,644
Statutory amounts	2,641	2,366
Total authorities provided/requested	**105,452**	**114,839**
Less: Estimated unused authorities and other adjustments	-	-
Requested authorities forecasted to be used	**105,452**	**114,839**