



Future-Oriented Statement of Operations

For the year ending March 31, 2020



Aussi disponible en français sous le titre : *État des résultats prospectif pour l'exercice se terminant le 31 mars 2020*

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Future-Oriented Statement of Operations (unaudited)

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

| - | Forecast results 2018-19 | Planned results 2019-20 |
|---|-------------------------------------|------------------------------------|
| Expenses | | |
| Public Service Hiring and Non-partisanship | 78,424 | 83,574 |
| Internal services | 38,596 | 38,196 |
| Total expenses | 117,020 | 121,770 |
| Revenues | | |
| Assessment and counselling services revenues | 9,104 | 14,252 |
| Miscellaneous revenues | 1,274 | 1,253 |
| Revenues earned on behalf of Government | (1,260) | (1,241) |
| Total revenues | 9,118 | 14,264 |
| Net cost of operations before government funding and transfers | 107,902 | 107,506 |

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

Notes to 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 departmental plans as described in the Departmental Plan.

The information in the forecast results for fiscal year 2018-19 is based on actual results as at September 31, 2018, and on forecasts for the remainder of the fiscal year.

Forecasts have been made for the planned results for fiscal year 2019-20.

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.

These assumptions are made as at December 10, 2018.

2. Variations and changes to the forecast financial information

Although every attempt has been made to forecast final results for the remainder of 2018-19 and for 2019-20, 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 Public Service Commission 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 or technical adjustments later in the fiscal year

After the Departmental Plan is tabled in Parliament, the Public Service Commission 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 2018-19, 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

The agency records expenses on an accrual basis.

Expenses for the agency's operations are recorded when goods are received or services are rendered, including services provided without charge for accommodation, employer contributions to health and dental insurance plans, legal services, workers' compensation, and information technology which are recorded as expenses at their estimated cost. Vacation pay and compensatory leave, as well as severance benefits, are accrued, and expenses are recorded as the benefits are earned by employees under their terms of employment.

Expenses also include amortization of tangible capital assets, which are capitalized at their acquisition cost. Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset.

b) Revenues

Revenues are accounted for in the period in which the underlying transaction or event that gave rise to the revenue takes place.

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 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:

a) Reconciliation of net cost of operations to requested authorities (in thousands of dollars)

| | Forecast results 2018-19 | Planned results 2019-20 |
|--|---|--|
| - | | |
| Net cost of operations before government funding and transfers | 107,902 | 107,506 |
| Adjustments for items affecting net cost of operations but not affecting authorities: | | |
| Services provided without charge by other government departments | (20,800) | (22,020) |
| Decrease in employee severance benefits | 116 | 116 |
| Amortization of tangible capital assets | (599) | (810) |
| Increase in vacation pay and compensatory leave | (102) | (345) |
| Other | 14 | 12 |
| Total items affecting net cost of operations but not affecting authorities | (21,371) | (23,047) |
| Adjustments for items not affecting net cost of operations but affecting authorities | | |
| Acquisition of tangible capital assets | 1,297 | 1,000 |
| Requested authorities | 87,828 | 85,459 |

b) Authorities requested (in thousands of dollars)

| - | Forecast results 2018-19 | Planned results 2019-20 |
|---|-------------------------------------|------------------------------------|
| Authorities requested | | |
| Vote 1: program expenditures | 77,348 | 74,055 |
| Statutory contributions to employee benefit plans | 10,480 | 11,404 |
| Total authorities requested | 87,828 | 85,459 |

