



Housing, Infrastructure and Communities Canada

Future-Oriented Statement of Operations (Unaudited)
For the year ending March 31, 2027



**Housing, Infrastructure and Communities Canada
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for the year ending March 31, 2027
(in thousands of dollars)**

	Forecast results 2025-26	Planned results 2026-27
Expenses		
Housing and Homelessness	1,161,653	1,048,437
Public Transit, Sustainable Infrastructure and Community Building	7,477,182	9,254,301
Internal Services	100,149	91,084
Total expenses	8,738,984	10,393,822
Revenues		
Other Revenues	2,980	3,014
Revenues earned on behalf of government	(2,980)	(3,014)
Total revenues	-	-
Net cost of operations before government funding and transfers	8,738,984	10,393,822

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

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For the Year Ending March 31, 2027

1. Authority and Objectives

The Department of Housing, Infrastructure and Communities (commonly referred to as Housing, Infrastructure and Communities Canada (HICC)) was initially established in 2002 as Infrastructure Canada to ensure Canadians benefit from world-class public infrastructure from coast to coast to coast.

On June 20, 2024, with the passing of Bill C-59, Infrastructure Canada (INFC) became the Department of Housing, Infrastructure and Communities enacting its enabling legislation, the *Department of Housing, Infrastructure and Communities Act*. The Act establishes a Minister of Infrastructure and Communities and a Minister of Housing, both supported by the Department and a single deputy minister.

HICC reports on its mandate under 3 core responsibilities as described below:

Housing and Homelessness

Housing, Infrastructure and Communities Canada supports projects that advance national housing outcomes, reduce and prevent homelessness, and foster inclusive, prosperous and complete communities.

Public Transit, Sustainable Infrastructure and Community Building

Housing, Infrastructure and Communities Canada helps build resilient, sustainable and complete communities. The Department invests in safe, modern, and efficient public transit and active transportation, climate-resilient and net-zero infrastructure, and the construction and rehabilitation of other core public infrastructure.

Internal Services

Internal services are the services that are provided within a department so that it can meet its corporate obligations and deliver its programs. There are 10 categories of Internal services:

- management and oversight services
- communication services
- legal services
- human resources management services
- financial management services
- information management services
- information technology services
- real property management services
- materiel management services
- acquisition management services

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Future-Oriented Statement of Operations (unaudited)
For the Year Ending March 31, 2027

2. 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 Department Plan.

The information in the forecast results for fiscal year 2025-26 is based on actual results as at September 30, 2025 plus forecasts for the remainder of the fiscal year. Planned results for 2026-27 are based on historical trends and planned appropriations.

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 historical trends. The department assumes that the general historical patterns are expected to continue.
- Forecast results for the remainder of 2025-26 are based in part on anticipated cash flow requirements of HICC's contribution programs.

These assumptions are made as at January 23, 2026.

3. 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 the Future-Oriented Statement of Operations, HICC 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 amounts of acquisitions and disposals of capital assets which may affect gains, losses and amortization expense;
- the implementation of new collective agreements;
- the timing at which recipients submit claims for reimbursement under HICC's various transfer payment programs; and
- other changes to contributions (and operating budgets) through approval of additional new infrastructure initiatives or technical adjustments later in the year.

After the Departmental Plan is tabled in Parliament, HICC 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.

Housing, Infrastructure and Communities Canada
Future-Oriented Statement of Operations (unaudited)
For the Year Ending March 31, 2027

4. 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 the 2025-26 fiscal year, 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 including 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

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 prior to the provision of goods or 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 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.

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For the Year Ending March 31, 2027

5. Parliamentary Authorities

HICC 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	8,738,984	10,393,822
Adjustment for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(38,922)	(39,598)
Services provided without charge by other government departments	(21,589)	(19,493)
Increase in vacation pay and compensatory leave	(59)	899
Increase in employee future benefits	(92)	(85)
Refunds of previous years' expenditures	29,847	30,648
Total items affecting net cost of operations but not affecting authorities	(30,815)	(27,629)
Adjustment for items not affecting net cost of operations but affecting authorities:		
Acquisition of tangible capital assets	8,044	86,118
Change in salary overpayments	1,603	16,019
Total items not affecting net cost of operations but affecting authorities	8,204	86,278
Requested authorities forecasted to be used	8,716,373	10,452,471

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b) Authorities requested

(in thousands of dollars)

	Forecast results 2025-26	Planned results 2026-27
Authorities:		
Vote 1: Operating expenditures	327,486	322,921
Vote 5: Capital expenditures	16,497	95,056
Vote 10: Contributions	5,877,340	7,539,407
Statutory amounts:		
Employee Benefit Plan	28,117	28,151
Canada Community Building Fund	2,466,831	2,466,831
Minister's Salary and Motor Car Allowance	102	106
Total authorities	8,716,373	10,452,471