



Northern Pipeline
Agency

Administration du pipe-line
du Nord

Northern Pipeline Agency

Future-oriented Statement of Operations

2025-26

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Northern Pipeline Agency
Future-Oriented Statement of Operations (Unaudited)
For the year ending March 31
(in dollars)

	Forecast Results 2025	Planned Results 2026
Expenses		
Professional and special services	394,855	335,000
Salaries and employee benefits	34,769	207,540
Transportation and communications	105	15,000
Rentals	-	6,000
Amortization	-	-
Information	-	1,000
Utilities, materials, and supplies	-	1,000
Small equipment	-	1,000
Repair and maintenance	-	1,000
Total Recoverable Expenses	429,729	567,540
Services provided without charge by other government departments	2,467	2,467
Revenues		
Regulatory Revenue	429,729	567,540
Revenue earned on behalf of government	(429,729)	(567,540)
Total Net Revenues	-	-
Net cost of operations before government funding and transfers	432,196	570,007

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

Northern Pipeline Agency
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 departmental plans as described in the Northern Pipeline Agency (the Agency) Departmental Plan.

The information in the forecast results for fiscal year 2024-25 is based on actual results as at November 30, 2024 and on forecasts for the remainder of the fiscal year. Forecasts have been made for the planned results for the 2025-26 fiscal year.

The main assumptions underlying the forecasts are as follows:

- The Agency's activities will remain substantially the same as in the previous year and are reflected in the 2024-25 authorities and the 2025-26 Main Estimates; and
- 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 were made as at November 30, 2024.

2. Variations and changes to the forecast financial information

Although every attempt has been made to forecast final results for the remainder of 2024-25 and for 2025-26, 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 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 amount of acquisitions and disposals of tangible capital assets may affect gains, losses and amortization expense;
- The implementation of new collective agreements; 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 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 2024-25, 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, transportation and communications, rental, repair and maintenance, utilities, materials and supplies, amortization of tangible capital assets, as well as management services provided without charge by Natural Resources Canada.

b) Revenues

Revenues from regulatory fees recovered from Foothills Pipe Lines Ltd. are recorded as performance obligations are satisfied.

Revenues that are non-respendable are not available to discharge the Agency's liabilities. While the Commissioner 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 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 mainly based 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 dollars)

	Forecast Results 2025	Planned Results 2026
Net cost of operations before government funding and transfers	432,196	570,007
Adjustments for items affecting net cost of operation but not affecting authorities:		
Services received without charge by other government departments	(2,467)	(2,467)
Requested authorities forecasted to be used	<u>429,729</u>	<u>567,540</u>

(b) Requested authorities forecasted to be used (in dollars)

	Forecast Results 2025	Planned Results 2026
Authorities provided/requested		
Vote 1 – Program expenditures	540,000	540,000
Statutory amounts	29,670	27,540
Total authorities provided/requested	569,670	567,540
Less:		
Lapsed – Program expenditures	114,487	-
Lapsed – Statutory amounts	25,454	-
Requested authorities forecasted to be used	<u>429,729</u>	<u>567,540</u>