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Statement Outlining Results, Risks and Significant Changes in Operations, Personnel and Programs

1. Introduction

This quarterly financial report has been prepared by management as required by section 65.1 of the *Financial Administration Act* and in the form and manner prescribed by the Treasury Board. It should be read in conjunction with the Main Estimates and Supplementary Estimates. This quarterly financial report has not been subject to an external audit or review.

The Administrative Tribunals Support Service of Canada (ATSSC) supports thirteen administrative tribunals, boards and councils, as well as two territorial bodies, by way of a single, integrated organization. These services include the specialized services required by each tribunal (e.g., registry, research and analysis, legal and other mandate or case activities specific to each tribunal), as well as internal services (e.g., human resources, financial services, information management and technology, accommodations, security, planning and communications).

Further information on the mandate, roles, responsibilities and programs of the ATSSC can be found in the organization's 2026-27 Departmental Plan.

1.1. Basis of Presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes ATSSC's spending authorities granted by Parliament, and those used by the department consistent with the Main Estimates and Supplementary Estimates for the 2026-2027 fiscal year. This quarterly report has been prepared using a special purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities.

The authority of Parliament is required before money can be spent by the Government. Approvals are given in the form of annually approved limits through appropriation acts, or through legislation in the form of statutory spending authority for specific purposes.

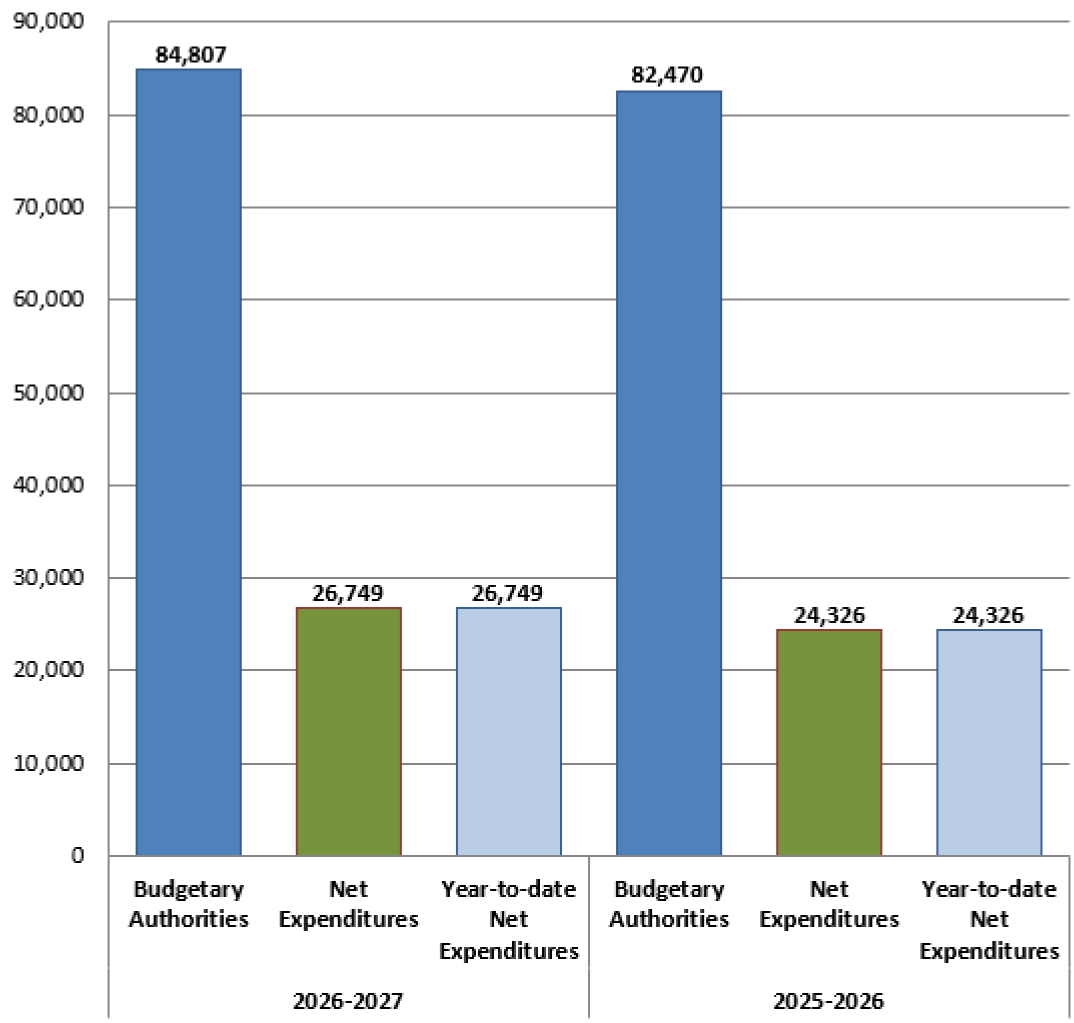
ATSSC uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental results reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

2. Highlights of Fiscal Quarter and Fiscal Year-to-Date Results

This section highlights the significant items that contributed to the net increase or decrease in authorities available for the year, and actual expenditures for the quarter ended June 30, 2026.

The ATSSC's financial structure is mainly composed of voted budgetary authorities, namely Vote 1—Net Program Expenditures, Vote Netted Revenue (VNR) authority, as well as budgetary statutory authority for contributions to employee benefit plans. The VNR authority gives the ATSSC authority to recover expenditures from the Canada Pension Plan (CPP) and the Employment Insurance (EI) operating accounts. Graph 1 below shows the ATSSC's budgetary authorities and expenditures for the first quarter of 2026-2027. For more details, refer to the Statement of Authorities table presented in Annex A.

Graph 1: Total authorities available for use and total expenditures for the first quarter (in thousands of dollars)



The ATSSC expended $26.7 million (32% of total authorities available for use) in the first quarter of 2026-2027. This compares to $24.3 million (29% of total authorities available for use) in the same quarter of 2025-2026. The majority of expenditures in the first quarter of 2026-2027 (refer to Annex B) are related to personnel and totaled $24.1 million (90% of gross expenditures). The remaining $2.6 million is primarily related to professional and special services (mainly informatics services, consulting services, and interpretation and translation costs) and rental costs.

2.1. Significant Changes to Authorities

(Please refer to the Statement of Authorities table presented in Annex A.)

As of June 30, 2026, the net authorities available for use totaled $84.8 million, an increase of $2.3 million compared to the prior year. The increase is primarily due to additional funding received for operating requirements, as well as funding received to support the Environmental Protection Tribunal of Canada.

2.2. Significant Changes to Expenditures

(Please refer to the Departmental Budgetary Expenditures by Standard Object table presented in Annex B.)

Expenditures for the First Quarter

First quarter budgetary expenditures increased from $24.3 million in 2025-2026 to $26.7 million in 2026-2027. The increase is primarily attributable to personnel expenditures, and increased spending on professional and special services expenditures, mainly related to informatics, consulting and interpretation services.

3. Risks and Uncertainties

The ATSSC is exposed to a variety of risks in its operating environment that could have a negative effect in achieving its objectives. The ATSSC is monitoring these risks at all management levels through various lenses. This allows management to identify, evaluate and mitigate key risks by implementing risk mitigation strategies, which include the reallocation of resources, if so required.

Meeting the demanding and dynamic workloads of the tribunals it serves is central to the ATSSC's operating context. Tribunal legislative and policy mandates are highly sensitive to external demands and, as a result, tribunals can at times face fluctuations in their caseloads, which can create unpredictable workloads. The ATSSC works closely with tribunals to identify factors that affect caseloads and plan operations and investments accordingly.

4. Significant Changes Related to Operations, Personnel and Programs

Effective April 1, 2026, the ATSSC implemented a new organizational structure. The ATSSC transitioned to a functional model. This new structure enhances efficiency, improves service delivery and better positions the organization to meet current and future challenges, and to seize growth opportunities.

Effective the same date, changes to the Employment Insurance appeal system process changed. The creation of the Employment Insurance Board of Appeals replaces the Social Security Tribunal's General Division Employment Insurance section (SST GD-EI). While the SST GD-EI is no longer accepting new appeals as of April 1, 2026, it will continue to process appeals received prior to this date. The ATSSC will continue supporting the SST GD-EI in closing SST EI files during the transition year.

Finally, effective June 27, 2026, amendments to the Administrative Tribunals Support Service of Canada Act enabled the ATSSC to provide support services and facilities to the Yukon Public Service Labour Relations Board and the Yukon Teachers Labour Relations Board. Under a new spending authority, the ATSSC may spend revenues that it receives in a fiscal year for the provision of those services to offset expenditures that it incurs in that fiscal year.

Approval by Senior Officials

Approved, as required by the *Policy on Financial Management*:

Original signed by

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Orlando Da Silva, LSM
Chief Administrator

Original signed by

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Stéphane Lavigne, CPA
Director General, Corporate Services and
Chief Financial Officer

Ottawa, Canada.
August 31, 2026

ANNEX A - Statement of Authorities (unaudited)

Fiscal year 2026-2027 (in thousands of dollars)

Authorities available for use	Total available for use for the year ending March 31, 2027 *	Used during the quarter ended June 30, 2026	Year to date used at quarter end
Vote 1 - Net Operating expenditures	**70,169**	**23,260**	**23,260**
Contributions to employee benefit plans	14,638	3,489	3,489
Total Budgetary authorities	**84,807**	**26,749**	**26,749**

*Includes only Authorities available for use and granted by Parliament at quarter end.

Fiscal year 2025-2026 (in thousands of dollars)

Authorities available for use	Total available for use for the year ending March 31, 2026 *	Used during the quarter ended June 30, 2025	Year to date used at quarter end
Vote 1 - Net Operating expenditures	**68,848**	**23,191**	**23,191**
Contributions to employee benefit plans	13,622	1,135	1,135
Total Budgetary authorities	**82,470**	**24,326**	**24,326**

*Includes only Authorities available for use and granted by Parliament at quarter end.

ANNEX B - Departmental Budgetary Expenditures by Standard Object (unaudited)

Fiscal year 2026-2027 (in thousands of dollars)

Expenditures and Revenues	Planned expenditures for the year ending March 31, 2027	Expended during the quarter ended June 30, 2026	Year to date used at quarter end
Expenditures: Personnel	102,706	24,084	24,084
Expenditures: Transportation and communications	1,886	254	254
Expenditures: Information	1,356	424	424
Expenditures: Professional and special services	9,536	1,208	1,208
Expenditures: Rentals	3,916	542	542
Expenditures: Repair and maintenance	826	44	44
Expenditures: Utilities, materials and supplies	331	28	28
Expenditures: Acquisition of land, building and works	0	0	0
Expenditures: Acquisition of machinery and equipment	2,153	169	169
Expenditures: Other subsidies and payments	0	-4	-4
Total gross budgetary expenditures	**122,710**	**26,749**	**26,749**
Revenues: Canada Pension Plan (CPP)	-21,262	0	0
Revenues: Employment Insurance (EI)	-16,641	0	0
Total Revenues netted against expenditures	**-37,903**	**0**	**0**
Total net budgetary expenditures	**84,807**	**26,749**	**26,749**

Fiscal year 2025-2026 (in thousands of dollars)

Expenditures and Revenues	Planned expenditures for the year ending March 31, 2026	Expended during the quarter ended June 30, 2025	Year to date used at quarter end
Expenditures: Personnel	102,654	22,321	22,321
Expenditures: Transportation and communications	2,087	243	243
Expenditures: Information	1,436	357	357
Expenditures: Professional and special services	8,839	757	757
Expenditures: Rentals	4,315	525	525
Expenditures: Repair and maintenance	963	11	11
Expenditures: Utilities, materials and supplies	412	13	13
Expenditures: Acquisition of land, building and works	0	0	0
Expenditures: Acquisition of machinery and equipment	1,590	104	104
Expenditures: Other subsidies and payments	0	-5	-5
Total gross budgetary expenditures	**122,296**	**24,326**	**24,326**
Revenues: Canada Pension Plan (CPP)	-21,149	0	0
Revenues: Employment Insurance (EI)	-18,677	0	0
Total Revenues netted against expenditures	**-39,826**	**0**	**0**
Total net budgetary expenditures	**82,470**	**24,326**	**24,326**