

Administrative Tribunals Support Service of Canada

Future-Oriented Statement of Operations (Unaudited)

for the year ending March 31

	Forecast Results 2017-18	Planned Results 2018-19
in dollars		
Expenses (Note 6)		
Registry services	19,484,736	19,997,154
Mandate and Members Services	59,805,265	59,422,857
Legal services	7,777,953	7,874,117
Internal services	23,918,729	23,225,417
Total expenses	110,986,683	110,519,544
Revenues		
Revenues Netted Against Expenditures	27,481,396	34,416,805
Miscellaneous revenues	727	727
Revenues earned on behalf of Government	(2,960,175)	(4,037,153)
Total revenues	24,521,948	30,380,379
Net cost of operations before government funding and transfers	86,464,735	80,139,165

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

Administrative Tribunals Support Service of Canada

Notes to Future-Oriented Financial Statements (Unaudited)

1. Departmental Core Responsibilities

In 2018–19, the Administrative Tribunals Support Service of Canada (ATSSC) will transition from a reporting framework comprising Strategic Outcomes and a Program Alignment Architecture to a Departmental Results Framework (DRF) comprising Core Responsibilities and Departmental Results. The DRF communicates the organization's core responsibility, presents the desired results that we seek to achieve and establishes performance metrics to assess our progress towards realizing our objectives.

Under the new DRF structure, ATSSC functions have been grouped into the following key programs:

- Registry Services
- Legal Services
- Mandate and Members Services
- Internal Services

2. Methodology and significant assumptions

The Future-Oriented Statement of Operations has been prepared on the basis of government priorities and ATSSC plans as described in the Departmental Plan.

The information in the forecast results for fiscal year 2017–18 is based on actual results as at November 30, 2017 and on forecasts for the remainder of the fiscal year. Forecasts have been made for the planned results for fiscal year 2018–19.

The main assumptions underlying the forecasts are as follows:

- (a) The ATSSC's activities will remain substantially the same as in the previous year.
- (b) 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 January 31, 2018.

3. Variations and changes to the forecast financial information

Although every attempt has been made to forecast final results for the remainder of 2017–18 and for 2018–19, 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 ATSSC 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:

- (a) The timing and the amount of acquisitions and disposals of property, plant and equipment, which may affect gains, losses and amortization expense;
- (b) Implementation of new collective agreements.
- (c) Economic conditions, which may affect both the amount of revenue earned and the collectability of loan receivables.
- (d) Other changes to the operating budget, such as new initiatives or technical adjustments later in the fiscal year.
- (e) Changes in standard rate used by Treasury Board to calculate employee benefits.

After the Departmental Plan is tabled in Parliament, the ATSSC 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.

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 fiscal year 2017–18, 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 department records expenses on an accrual basis.

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

Revenues from regulatory fees are recognized in the accounts based on the services provided in the fiscal year.

Revenues that are non-respondable 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-respondable revenues. As a result, non-respondable revenues are considered to be earned on behalf of the Government of Canada and are therefore presented as a reduction of the department's gross revenues.

5. Parliamentary Authorities

The ATSSC is financed by the Government of Canada through parliamentary authorities. Financial reporting of authorities provided to the ATSSC 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 ATSSC 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

	Forecast	Planned
	Results	Results
	2017-18	2018-19
in dollars		
Net cost of operations before government funding and transfers	86,464,735	80,139,165
Adjustment for items affecting net cost of operations but not affecting authorities:		
Services provided without charge by other government departments	(14,600,676)	(14,600,676)
Amortization of tangible capital assets	(1,393,116)	(1,358,883)
Decrease in vacation pay and compensatory leave	(314,949)	(314,949)
Increase in employee future benefits	391,778	538,554
Amortization of prepaid expenses	(149,073)	(149,073)
Refunds of previous years' expenditures	63,076	63,076
	<u>(16,002,960)</u>	<u>(15,821,951)</u>
Adjustments for items not affecting net cost of operations but affecting appropriations:		
Acquisitions of tangible capital assets	800,966	808,976
Increase in prepaid expenses	139,127	139,127
Forecasted current year lapse	1,313,249	1,430,843
Requested authorities	<u>72,575,991</u>	<u>66,557,033</u>

(b) Authorities requested:

	Forecast	Planned
	Results	Results
	2017-18	2018-19
in dollars		
Authorities requested		
Vote 1 – Program expenditures	55,729,039	55,556,354
Vote 25 – Operating Budget Carry Forward	3,322,498	1,313,249
Vote 30 – Paylist Requirements	3,540,332	-
Statutory contributions to employee benefit plans	9,984,122	9,687,430
Authorities requested	<u>72,575,991</u>	<u>66,557,033</u>

6. Comparative Information

In 2018-19, ATSSC will replace its Program Alignment Architecture with the Departmental Results Framework. The new structure results in changes in the programs aside from the Registry Services program and the Internal Services program. For presentation and comparison purposes, the financial statements have been prepared in accordance with the new DRF.

Restatement of forecast results of 2017-18

Expenses	Before	Effect of change	After
Tribunal Specialized and Expert Support Services	38,889,765	(38,889,765)	-
Payment to Tribunal Charis and Members	28,693,453	(28,693,453)	-
Registry Services	19,484,736	-	19,484,736
Internal Services	23,918,729	-	23,918,729
Mandate and Members Services	-	59,805,265	59,805,265
Legal Services	-	7,777,953	7,777,953
Total expenses	110,986,683	-	110,986,683