

# Administrative Tribunals Support Service of Canada

## Future-Oriented Statement of Operations (Unaudited)

for the year ending March 31

|   | Forecast<br>Results<br>2018–19 | Planned Results<br>2019–20 |
|---|--------------------------------|----------------------------|
| in dollars  |                                |                            |
| <b>Expenses (Note 6)</b>  |                                |                            |
| Registry Services   | 16,924,040                     | <b>16,232,857</b>          |
| Legal services  | 7,251,408                      | <b>6,660,350</b>           |
| Mandate and Member Services   | 52,328,004                     | <b>51,677,141</b>          |
| Internal Services   | 30,049,194                     | <b>26,084,175</b>          |
| <b>Total expenses</b>   | <b>106,552,646</b>             | <b>100,654,523</b>         |
| <b>Revenues</b>   |                                |                            |
| Revenues Netted Against Expenditures                                  | 29,160,124                     | <b>28,874,834</b>          |
| Miscellaneous revenues  | 590                            | <b>590</b>                 |
| Revenues earned on behalf of Government                               | (2,892,031)                    | <b>(2,731,655)</b>         |
| <b>Total revenues</b>   | <b>26,268,683</b>              | <b>26,143,769</b>          |
| <b>Net cost of operations before government funding and transfers</b> | <b>80,283,963</b>              | <b>74,510,754</b>          |

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)

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### 1. 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 2018–19 is based on actual results as of November 30, 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:

- (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 of January 31, 2019.

### 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 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.

### 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 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-responsible 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-responsible revenues. As a result, non-responsible 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.

#### 4. 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**

|  | <b>Forecast<br/>Results<br/>2018–19</b> | <b>Planned<br/>Results<br/>2019–20</b> |
|--|---|--|
|  | in dollars                              |  |
| <b>Net cost of operations before government funding and transfers</b>                    | 80,283,963                              | 74,510,754                             |
| Adjustment for items affecting net cost of operations but not affecting authorities:     |   |  |
| Services provided without charge by other government departments                         | (9,588,581)                             | (8,499,375)                            |
| Amortization of tangible capital assets  | (1,741,399)                             | (1,656,770)                            |
| Decrease in vacation pay and compensatory leave  | (216,071)                               | (223,463)                              |
| Increase in employee future benefits   | 396,566                                 | 385,875                                |
| Amortization of prepaid expenses   | (153,312)                               | (154,845)                              |
| Refunds of previous years' expenditures  | 71,269                                  | 71,287                                 |
|  | <u>(11,231,529)</u>                     | <u>(10,077,291)</u>                    |
| Adjustments for items not affecting net cost of operations but affecting appropriations: |   |  |
| Acquisitions of tangible capital assets  | 1,321,302                               | 1,334,515                              |
| Decrease in prepaid expenses   | (22,687)                                | (24,220)                               |
| Forecasted current year lapse  | 2,458,225                               | 773,082                                |
| <b>Requested authorities</b>   | <u>72,809,274</u>                       | <u>66,516,840</u>                      |

**(b) Authorities requested:**

|   | <b>Forecast<br/>Results<br/>2018–19</b> | <b>Planned<br/>Results<br/>2019–20</b> |
|---|---|--|
|   | in dollars                              |  |
| <b>Authorities requested</b>                      |   |  |
| Vote 1 – Program expenditures                     | 58,581,621                              | 53,434,525                             |
| Vote 25 – Operating Budget Carry Forward          | 3,509,976                               | 2,458,225                              |
| Vote 30 – Paylist Requirements                    | 769,520                                 | 894,717                                |
| Statutory contributions to employee benefit plans | 9,948,157                               | 9,729,373                              |
| <b>Authorities requested</b>                      | <u>72,809,274</u>                       | <u>66,516,840</u>                      |