



Military Grievances External Review Committee
Future-Oriented Statement of Operations (Unaudited)
For the Year Ended March 31

(in thousands of dollars)

	Estimated Results 2014-15	Planned Results 2015-16
Expenses		
Review of Canadian Forces Grievances	\$ 4,466	\$ 5,079
Internal Services	1,735	1,973
Total expenses	6,201	7,052
Net cost of operations	\$ 6,201	\$ 7,052

The accompanying notes form an integral part of these financial statements



Military Grievances External Review Committee

Notes to the Future-Oriented Statements of Operations (Unaudited)

1. Methodology and Significant Assumptions

The future-oriented statement of operations has been prepared on the basis of government priorities and the plans of the Organization as described in the Report on Plans and Priorities.

The information in the estimated results for the fiscal year 2014-15 is based on actual results as at December 15, 2014 and on forecasts for the remainder of the fiscal year. Forecasts have been made for the planned results for the 2015-16 fiscal year.

The main assumptions underlying the forecasts are as follows:

- a) The Organization'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 experience, trend analysis and other analytical methodologies. The general historical pattern is expected to continue.
- c) According to the requirements of Treasury Board Accounting Policies which are based on Canadian generally accepted accounting principles for the public sector.
- d) On the basis that the resources provided will enable the Committee to deliver the expected results specified in the Report on Plans and Priorities.

2. Variations and Changes to the Forecast Financial Information

While every attempt has been made to forecast final results for the remainder of 2014-15 and for 2015-16, actual results achieved for both years are likely to vary from the forecast information presented, and this variation could be material.

In preparing this future-oriented statement of operations the Committee has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Factors that could lead to material differences between the future-oriented statement of operations and the historical statement of operations include the following:

- The timing and amount of acquisitions and disposals of property, plant and equipment may affect gains/losses and amortization expense.
- Implementation of new collective agreements.
- Economic conditions may affect both the amount of revenue earned and the collectability of loan receivables.
- Further changes to the operating budget through additional new initiatives or technical adjustments later in the year.



Once the Report on Plans and Priorities is presented, the Committee will not be updating the forecasts for any changes in financial resources made in ensuing supplementary estimates. Variances will be explained in the Departmental Performance Report.

3. Summary of Significant Accounting Policies

The future-oriented statement of operations has been prepared using Government's accounting policies that came into effect for the 2014–15 fiscal year, which are 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 recorded on an accrual basis. Expenses for the Committee operations are recorded when goods are received or services are rendered including services provided without charges for employer contributions to health and dental insurance plans and worker's compensation which are recorded as expenses at their estimated cost. Vacation pay and compensatory leave, as well as severance benefits, are accrued and expenses are recorded as the benefits are earned by employees under their respective terms of employment.

Expenses also include provision for liabilities, including contingent liabilities to the extent the future event is likely to occur and a reasonable estimate can be made.

Expenses also include amortization of tangible capital assets, which are capitalized at their acquisition cost. Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset.

(b) Revenues

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

Other revenues are accounted for in the period in which the underlying transaction or event that gave rise to the revenue takes place.

Revenues that are non-respendable are not available to discharge the Committee's liabilities. While the Deputy Head is expected to maintain accounting control, he has no authority regarding the disposition of non-respendable revenues. As a result, non-respendable revenues are considered to be earned on behalf of the Government of Canada and are therefore presented in reduction of the entity's gross revenues.

4. Parliamentary Authorities

The Committee is financed by the Government of Canada through parliamentary authorities. Financial reporting of authorities provided to the Committee do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily 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 Committee 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:

	Estimated 2014-15	Planned 2015-16
	<i>(in thousands of dollars)</i>	
Net cost of operations	\$ 6,201	\$ 7,052
Adjustments for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(101)	(95)
Services provided without charge by other government departments	(313)	(309)
Increase in vacation pay and compensatory leave	(6)	5
Increase in future employee benefits	26	(28)
Refunds of prior years' expenditures	9	
Total items affecting net cost of operations but not affecting authorities	(385)	(427)
Adjustments for items not affecting net cost of operations but affecting appropriations:		
Acquisition of tangible capital assets	39	117
Total for items not affecting net cost of operations but affecting authorities:	39	117
Forecast current year lapse	851	
Requested authorities	\$ 6,706	\$ 6,742

(b) Authorities requested

	Estimated 2014-15	Planned 2015-16
	<i>(in thousands of dollars)</i>	
Authorities requested:		
Vote 15 - Operating expenditures	\$ 6,097	\$ 6,144
Statutory amounts	609	598
Requested authorities	\$ 6,706	\$ 6,742