



PrairiesCan

Future-Oriented Statement of Operations (unaudited)

For the Year Ending March 31

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Prairies Economic
Development Canada

Développement économique
Canada pour les Prairies

Canada

Prairies Economic Development Canada
Future-Oriented Statement of Operations (unaudited)
For the year ending March 31
(in dollars)

	Forecast results 2023-24	Planned results 2024-25
Expenses		
Innovation	\$ 131,305,044	\$109,361,914
Community Initiatives	163,919,161	52,890,994
Business Growth	46,195,568	45,854,402
Business Services	33,922,301	32,316,756
Internal Services	20,145,146	18,222,173
Expenses incurred on behalf of government	(26,940,737)	50,224,181
Total expenses	368,546,483	308,870,420
Revenues		
Amortization of discount	4,331,796	12,775,236
Services to other government departments	3,800,000	3,800,000
Interest	996,920	1,414,118
Other	19,721	78,884
Revenues earned on behalf of government	(9,147,877)	(18,067,831)
Total revenues	560	407
Net cost of operations before government funding and transfers	\$ 368,545,923	\$ 308,870,013

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

Prairies Economic Development Canada

Notes to the Future-Oriented Statement of Operations (unaudited)

For the year ending March 31

1. Methodology and significant assumptions

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

The information in the forecast results for fiscal year 2023–24 is based on actual results as at November 30, 2023 and on forecasts for the remainder of the fiscal year. Forecasts have been made for the planned results for fiscal year 2024–25.

The main assumptions underlying the forecasts are as follows:

- The department's activities will remain substantially the same as in the previous year.
- Expenses and revenues, including the determination of amounts internal and external to the government, are based on experience. The general historical pattern is expected to continue.
- Allowances for uncollectible accounts are based on historical experience. The general historical pattern is expected to continue.

These assumptions are made as at November 30, 2023.

2. Variations and changes to the forecast financial information

Although every attempt has been made to forecast final results for the remainder of 2023–24 and for 2024–25, 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, Prairies Economic Development Canada (PrairiesCan) 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 the amount of acquisitions and disposals of property, plant and equipment, which may affect gains, losses and amortization expense;
- the implementation of new collective agreements;
- economic conditions, which may affect both the amount of revenue earned and the collectability of loan receivables;
- interest rates in effect at the time of issue, which will affect the net present value of non-interest bearing loans; 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, PrairiesCan 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 2023–24, 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

Transfer payments are recorded as an expense in the year the transfer is authorized, and all eligibility criteria have been met by the recipient.

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 without performance obligations are recognized when there is authority to claim inflows of economic resources and the past transaction or event has occurred.

Funds received from external parties for specified purposes are recorded upon receipt as deferred revenue. These revenues are recognized in the period in which the related expenses are incurred.

Deferred revenue consists of amounts received prior to the provision of goods or services that will be recognized as revenue in a subsequent fiscal year as the performance obligations are met.

Other revenues are recognized in the period the event giving rise to the revenues occurred and future economic benefits are expected to be received.

Revenues that are non-respendable are not available to discharge PrairiesCan's liabilities. Although the deputy head is expected to maintain accounting control, she 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 PrairiesCan's gross revenues.

4. Parliamentary authorities

PrairiesCan is financed by the Government of Canada through parliamentary authorities. Financial reporting of authorities provided to PrairiesCan 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, PrairiesCan 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 results 2023-24	Planned results 2024-25
(in dollars)		
Net cost of operations before government funding and transfers	\$ 368,545,923	\$ 308,870,013
Adjustment for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(280,825)	(280,825)
Services provided without charge by other government departments	(4,908,806)	(4,800,867)
Decrease (increase) in vacation pay and compensatory leave	295,237	129,656
Decrease (increase) in employee future benefits	(121,203)	(31,130)
Decrease (increase) in accrued liabilities not charged to authorities	577,378	1,337,115
Refunds of previous years' expenditures	1,108,615	2,199,581
Services to other government departments	(3,800,000)	(3,800,000)
Other	342,976	342,823
Total items affecting net cost of operations but not affecting authorities	(6,786,628)	(4,903,647)
Adjustment for items not affecting net cost of operations but affecting authorities:		
Unconditionally repayable transfer payments	66,883,630	17,387,891
Increase (decrease) in employee advances	8,619	11,840
Increase (decrease) in prepaid expenses	(32,820)	(30,085)
Total items not affecting net cost of operations but affecting authorities	66,859,429	17,369,646
Requested authorities forecasted to be used	\$ 428,618,724	\$ 321,336,012

b) Authorities provided/requested

	Forecast results 2023-24	Planned results 2024-25
(in dollars)		
Authorities provided/requested		
Vote 1 - Operating expenditures	\$ 48,884,994	\$ 41,478,066
Vote 5 - Transfer payments	374,975,943	275,379,745
Statutory amounts	4,757,787	4,478,201
Total authorities provided/requested	\$ 428,618,724	\$ 321,336,012
Less: Estimated unused authorities and other adjustments	0	0
Requested authorities forecasted to be used	\$ 428,618,724	\$ 321,336,012