

PARKS CANADA AGENCY

Future-Oriented Statement of Operations (Unaudited)

| For the year ending March 31 | Forecast | Planned |
|---|------------------|------------------|
| | results | results |
| (in thousands of dollars) | 2025-26 | 2026-27 |
| Expenses | | |
| Parks Canada Programs | | |
| Heritage Places Establishment | 51,428 | - |
| Heritage Places Conservation | 304,659 | - |
| Heritage Places Promotion and Public Support | 101,437 | - |
| Visitor Experience | 594,520 | - |
| Heritage Canals, Highways and Townsites Management | 183,716 | - |
| Access Routes, Infrastructure and Community Services | - | 184,846 |
| Cultural Heritage | - | 57,194 |
| Emergency and Wildland fire Management | - | 54,066 |
| Nature Conservation | - | 98,356 |
| Operations Management | - | 17,652 |
| Protected Areas Establishment | - | 8,951 |
| Public Understanding and Appreciation | - | 69,858 |
| Visitor Experience and Services (National Historic Sites and Canals) | - | 144,144 |
| Visitor Experience and Services (National, Marine and Urban Parks) | - | 376,972 |
| Internal Services | 213,606 | 176,278 |
| Total expenses | 1,449,366 | 1,188,317 |
| Revenues | | |
| Recurring revenues | | |
| Entrance fees | 94,391 | 103,919 |
| Recreational fees | 41,307 | 46,225 |
| Rentals and concessions | 37,520 | 37,991 |
| Other operating revenues | 14,668 | 14,889 |
| Townsites revenues | 3,757 | 3,832 |
| Staff housing | 4,218 | 4,302 |
| Revenues earned on behalf of Government | (1) | (1) |
| Total recurring revenues | 195,860 | 211,157 |
| Non-recurring revenues | | |
| Other operating revenues | 2,840 | 2,897 |
| Total revenues | 198,700 | 214,054 |
| Net cost of operations before government funding and transfers | 1,250,666 | 974,263 |

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

Original signed by _____

Andrew Francis, CPA

Vice-President, Finance & Chief Financial Officer

Ottawa, Canada

Date: February 2, 2026

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

1. Methodology and significant assumptions

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

The information in the forecast results for fiscal year 2025-26 is based on actual results as at October 31, 2025 and on forecasts for the remainder of the fiscal year. Forecasts have been made for the planned results for the fiscal year 2026-27.

The main assumptions underlying the forecasts are as follows:

- (a) Parks Canada'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. The general historical pattern is expected to continue.
- (c) Amortization expenses of tangible capital assets are estimated based on the expected capital asset closing balances.

These assumptions are made as at October 31, 2025.

2. Variations and changes to the forecast financial information

Although every attempt has been made to forecast final results for the remainder of 2025-26 and for 2026-27, 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, Parks Canada 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:

- (a) the timing, the amount of acquisitions, the disposals of tangible capital assets and Asset Retirement Obligation may impact expenses, gains/losses and amortization expense;
- (b) the implementation of new collective agreements;
- (c) other changes to the operating budget, such as new initiatives or technical adjustments later in the fiscal year;
- (d) changes within Government of Canada policies and direction or accounting standards;
- (e) weather or other natural adversities or disasters.

After the Departmental Plan is tabled in Parliament, Parks Canada 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 2025-26, 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

Entrance fees, recreational fees, rentals and concessions, other operating, townsites and staff housing revenues are recognized in the fiscal year in which the goods or services are provided by Parks Canada. Funds received for future services are recorded as deferred revenue.

Revenues that are non-respendable are not available to discharge Parks Canada's liabilities. While Parks Canada is expected to maintain accounting control, it 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 as a reduction of Parks Canada's gross revenues.

c) Measurement uncertainty

The preparation of the Future-Oriented Statement of Operations in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Future-Oriented Statement of Operations and the reported amounts of revenues and expenses for the year. The most significant item where an estimate is used is the estimated useful life of tangible capital asset. Actual results could differ significantly from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the Future-Oriented Statement of Operations in the year they become known.

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

4. Parliamentary authorities

Parks Canada receives most of its funding through annual parliamentary authorities. Financial reporting of authorities provided to Parks Canada 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, Parks Canada 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 2025-26 | Planned results 2026-27 |
|--|--------------------------------|-------------------------------|
| (in thousands of dollars) | | |
| Net cost of operations before government funding and transfers | 1,250,666 | 974,263 |
| Revenues received pursuant to section 20 of the <i>Parks Canada Agency Act</i> | 198,701 | 214,055 |
| Adjustments for items affecting net cost of operations but not affecting authorities: | | |
| Amortization of tangible capital assets | (239,257) | (223,713) |
| Adjustments of tangible capital assets | 5,452 | 5,452 |
| Net loss on disposal of tangible capital assets | (30,380) | (14,434) |
| Services provided without charge by other government departments | (59,628) | (55,936) |
| Increase in vacation pay and compensatory leave | 1,410 | 1,410 |
| Decrease in employee future benefits | 536 | 546 |
| Increase in asset retirement obligations | (2,094) | (1,593) |
| (Increase)/Decrease in environmental liability | (2,090) | 7,191 |
| Bad debt expense | (1,736) | (702) |
| Refund of prior years' expenditures | 2,531 | 2,580 |
| Increase in New Parks and Historic Sites Account | 30,637 | 24,948 |
| Other | (1,222) | (1,221) |
| Total items affecting net cost of operations but not affecting authorities | (295,841) | (255,472) |
| Adjustments for items not affecting net cost of operations but affecting authorities: | | |
| Acquisitions and improvements of tangible capital assets | 183,230 | 356,665 |
| Proceeds from disposal of tangible capital assets | (983) | (725) |
| Salary overpayments | 1,913 | 1,915 |
| (Increase)/Decrease in lease obligation for tangible capital assets | (1,151) | 173 |
| Increase in inventory | 1,912 | 1,949 |
| Increase in prepaid expenses | 602 | 613 |
| Total items not affecting net cost of operations but affecting authorities | 185,523 | 360,590 |
| Requested authorities | 1,339,049 | 1,293,436 |

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

4. Parliamentary authorities (continued)

| b) Authorities requested | Forecast results 2025-26 | Planned results 2026-27 |
|---|--------------------------------|-------------------------------|
| (in thousands of dollars) | | |
| Authorities requested: | | |
| Vote 1 - Operating, grants and contributions | 865,238 | 626,339 |
| Vote 5 - Capital | 183,230 | 356,665 |
| Vote 10 - Payments to New Parks and Historic Sites Account | 30,637 | 24,947 |
| Statutory amounts: | | |
| Expenditures equivalent to revenue received pursuant to section 20 of the Parks Canada Agency Act | 198,700 | 220,000 |
| Contributions to employee benefit plans | 69,944 | 65,485 |
| Total requested authorities | 1,347,749 | 1,293,436 |
| Less: | | |
| Lapsed authorities and authorities available for future years | (8,700) | - |
| Current year authorities requested | 1,339,049 | 1,293,436 |