

PARKS CANADA AGENCY

Future-Oriented Statement of Operations (Unaudited)

For the year ending March 31	Forecast	Planned
	results	results
(in thousands of dollars)	2023-24	2024-25
Expenses		
Parks Canada Programs		
Heritage Places Establishment	39,253	66,654
Heritage Places Conservation	344,401	307,309
Heritage Places Promotion and Public Support	81,904	78,944
Visitor Experience	491,007	427,121
Heritage Canals, Highways and Townsites Management	203,637	183,849
Internal Services	182,933	157,908
Total expenses	1,343,135	1,221,785
Revenues		
Entrance fees	94,391	98,261
Recreational fees	47,714	49,670
Rentals and concessions	34,319	35,005
Other operating revenues	17,150	17,493
Townsites revenues	4,714	4,808
Staff housing	4,636	4,729
Revenues earned on behalf of Government	(24)	(24)
Total revenues	202,900	209,942
Net cost of operations before government funding and transfers	1,140,235	1,011,843

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



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Date: 01/24/2024

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 2023-24 is based on actual results as at October 31, 2023 and on forecasts for the remainder of the fiscal year. Forecasts have been made for the planned results for the fiscal year 2024-25.

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.
- (d) A model was used to estimate Asset Retirement Obligation (ARO), it takes in consideration the year of construction, the geographic location and the square footage.

These assumptions are made as at October 31, 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, 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.

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

For the Year Ending March 31 (Unaudited)

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

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-respondable 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-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 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)

For the Year Ending March 31 (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	Planned results
(in thousands of dollars)	2023-24	2024-25
Net cost of operations before government funding and transfers	1,140,235	1,011,843
Revenues received pursuant to section 20 of the <i>Parks Canada Agency Act</i>	202,900	209,942
Adjustments for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(267,022)	(249,906)
Services provided without charge by other government departments	(63,773)	(65,017)
Net loss on disposal of tangible capital assets including adjustments	(24,839)	(15,573)
Decrease in vacation pay and compensatory leave	400	250
Decrease in employee future benefits	594	606
Decrease in environmental liability	4,936	2,468
Increase in accrued liabilities not charged to authorities	(700)	-
Increase in Asset retirement obligations	(5,507)	(5,617)
Refund of prior years' expenditures	2,700	2,754
Other	(992)	(892)
Total items affecting net cost of operations but not affecting authorities	(354,203)	(330,927)
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisitions and betterments to tangible capital assets	347,600	307,213
Salary overpayments	649	616
Increase in New Parks and Historic Sites Account	81,305	35,650
Proceeds from disposal of tangible capital assets	(457)	(508)
Decrease in lease obligation for tangible capital assets	373	262
Increase in inventory	868	885
Decrease in prepaid expenses	(150)	(153)
Other	70	71
Total items not affecting net cost of operations but affecting authorities	430,258	344,036
Requested authorities	1,419,190	1,234,894

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

For the Year Ending March 31 (Unaudited)

4. Parliamentary authorities (continued)

b) Authorities requested	Forecast results	Planned results
(in thousands of dollars)	2023-24	2024-25
Authorities requested:		
Vote 1 - Program expenditures	696,089	611,116
Vote 5 - Capital	347,600	307,213
Vote 10 - Payments to New Parks and Historic Sites Account	81,305	35,650
Statutory amounts:		
Expenditures equivalent to revenue received pursuant to section 20 of the Parks Canada Agency Act	297,657	209,942
Contributions to employee benefit plans	74,985	70,973
Total requested authorities	1,497,636	1,234,894
Less:		
Lapsed authorities and authorities available for future years	(78,446)	-
Current year authorities requested	1,419,190	1,234,894