

PARKS CANADA AGENCY

Future-Oriented Statement of Operations (Unaudited)

For the year ending March 31	Forecast	Planned
	results	results
(in thousands of dollars)	2024-25	2025-26
Expenses		
Parks Canada Programs		
Heritage Places Establishment	65,951	46,950
Heritage Places Conservation	265,742	267,686
Heritage Places Promotion and Public Support	101,434	87,355
Visitor Experience	513,467	461,632
Heritage Canals, Highways and Townsites Management	183,677	206,013
Internal Services	208,890	181,669
Total expenses	1,339,161	1,251,305
Revenues		
Recurring revenues		
Entrance fees	106,167	102,417
Recreational fees	49,742	46,095
Rentals and concessions	39,640	33,459
Other operating revenues	17,903	17,462
Townsites revenues	4,657	4,750
Staff housing	5,037	4,838
Revenues earned on behalf of Government	(20)	(20)
Total Recurring revenues	223,126	209,001
Non-recurring revenues		
Other operating revenues	274	279
Total revenues	223,400	209,280
Net cost of operations before government funding and transfers	1,115,761	1,042,025

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

Original signed by

Andrew Francis

Vice-President, Finance & Chief Financial Officer

Gatineau, Canada

Date: January 24, 2025

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 2024-25 is based on actual results as at October 31, 2024 and on forecasts for the remainder of the fiscal year. Forecasts have been made for the planned results for the fiscal year 2025-26.

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, 2024.

2. Variations and changes to the forecast financial information

Although every attempt has been made to forecast final results for the remainder of 2024-25 and for 2025-26, 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 2024-25, 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)

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)	2024-25	2025-26
Net cost of operations before government funding and transfers	1,115,761	1,042,025
Revenues received pursuant to section 20 of the <i>Parks Canada Agency Act</i>	223,400	209,280
Adjustments for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(246,842)	(225,184)
Services provided without charge by other government departments	(67,652)	(62,174)
Net loss on disposal of tangible capital assets including adjustments	(19,202)	(17,998)
Decrease in vacation pay and compensatory leave	(973)	(973)
Decrease in employee future benefits	565	575
Increase in asset retirement obligations	(1,414)	(1,749)
Decrease in environmental liability	12,086	7,391
Bad debt expense	(1,586)	(1,586)
Provision for contingent liabilities	(1,025)	(2,000)
Refund of prior years' expenditures	2,447	2,497
Increase in New Parks and Historic Sites Account	35,650	30,637
Other	(61)	(747)
Total items affecting net cost of operations but not affecting authorities	(288,007)	(271,311)
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisitions and betterments to tangible capital assets	285,445	190,079
Salary overpayments	1,030	1,030
Proceeds from disposal of tangible capital assets	(897)	(554)
Decrease in lease obligation for tangible capital assets	262	-
Increase in inventory	1,358	1,386
Decrease in prepaid expenses	(349)	(355)
Other	(19)	(22)
Total items not affecting net cost of operations but affecting authorities	286,830	191,564
Requested authorities	1,337,984	1,171,558

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

4. Parliamentary authorities (continued)

b) Authorities requested	Forecast	Planned
	results	results
(in thousands of dollars)	2024-25	2025-26
Authorities requested:		
Vote 1 - Operating, grants and contributions	786,536	691,728
Vote 5 - Capital	285,445	190,079
Vote 10 - Payments to New Parks and Historic Sites Account	35,650	30,637
Statutory amounts:		
Expenditures equivalent to revenue received pursuant to section 20 of the Parks Canada Agency Act	223,400	209,280
Contributions to employee benefit plans	65,353	69,114
Total requested authorities	1,396,384	1,190,838
Less:		
Lapsed authorities and authorities available for future years	(58,400)	(19,280)
Current year authorities requested	1,337,984	1,171,558