

Invest in Canada

Statement of Management Responsibility

Departmental management is responsible for these future-oriented financial statements, including responsibility for the appropriateness of the assumptions on which these statements are prepared. These statements are based on the best information available and assumptions adopted as of February 6, 2020 and reflect the plans described in the Departmental Plan.

Ian McKay
Chief Executive Officer
February 20, 2020

Future-oriented Statement of Operations (Unaudited)

For the year ending March 31 (In thousands of dollars)	Forecast Results for 2019-20	Planned Result for 2020-21
Expenses		
Information Services	3,761	7,096
Marketing and Outreach	9,985	16,523
Investor Services	2,296	3,932
Internal Services	4,941	5,248
Total Expenses	20,983	32,799
Revenues		
Internal Support Services	0	0
Total revenues	0	0
Net cost of operations before government funding and transfers	20,983	32,799

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

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 the plans of Invest in Canada as described in the Departmental Plan.

The information in the forecast results for fiscal year 2019-20 is based on actual results as of February 6th, 2020 and on forecasts for the remainder of the fiscal year. Forecasts have been made for the planned results for the 2020-21 fiscal year.

The main assumptions underlying the forecasts are as follows:

- a) Invest in Canada's activities will remain substantially the same as the previous year.
- b) Expenses and revenues, including the determination of amounts internal and external to the government, are based on historical experience. The general historical pattern is expected to continue.

These assumptions are made as at February 6th, 2020.

2. Variations and Changes to the Forecast Financial Information

Although every attempt has been made to forecast results for the remainder of 2019-20 and for 2020-21, 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, Invest in 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:

- the timing and the amount of acquisitions and disposals of property, plant and equipment, which may affect gains, losses and amortization expense;
- the amount of prepaid expenses for signature events is projected to be material in nature;
- 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, Invest in 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 2019-20 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:

Expenses

Invest in Canada records expenses on an accrual basis.

Invest in Canada expenses are 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. Vacation pay and compensatory leave, as well as severance benefits, are accrued and expenses are recorded as the benefits are earned by employees based on draft terms of employment.

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.

4. Parliamentary authorities

The department is financed by the Government of Canada through parliamentary authorities. Financial reporting of authorities provided to the department 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, the department 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:

Reconciliation of net cost of operations to requested authorities

For the years ending March 31 (In thousands of dollars)	Estimated results for 2019-20	Planned results for 2020-21
Net cost of operations	20,983	32,799
<i>Adjustment for items affecting net cost of operations but not affecting authorities:</i>		
Amortization of tangible capitals assets	(399)	(820)
Increase in vacation pay and compensatory leave	(20)	(24)
Services provided without charge by other government departments	(613)	(1,040)
	(1,032)	(1,884)
<i>Adjustment for items not affecting net cost of operations but affecting authorities:</i>		
Increase in prepaid expenses	3,743	1,650
Acquisition of tangible capital assets	588	1,707
	4,331	3,357
Requested authorities	24,282	34,272

b) Authorities requested

For the year ending March 31 (In thousands of dollars)	Estimated results for 2019-20	Planned results for 2020-21
Authorities requested		
Vote 1 – Operating expenditures	36,057	34,272
Forecast authorities available	36,057	34,272
Lapse	(11,775)	0
Requested authorities	24,282	34,272

Forecast authorities reflect current forecasts of statutory items, approved initiatives included and expected to be included in Estimates documents and, when reasonable estimates can be made, estimates of amounts to be allocated from Treasury Board central votes. Contributions to employee benefits plan is not considered services provided without charge by other government departments, as it is managed internally by Invest in Canada.