

Future-Oriented Statement of Operations (Unaudited)

CANADIAN SPACE AGENCY

	Forecast Results	Planned Results
For the Year Ended March 31	2020	2021
(in thousands of dollars)	\$	\$
Expenses		
Canada in Space	305,099	295,772
Internal Services	55,087	60,193
Total Expenses	360,186	355,965
Revenues		
Sale of goods and services	548	355
Location and use of public property	252	259
Sale of rights and privileges	27	22
Other revenues	18,255	255
Revenues earned on behalf of Government	(19,058)	(867)
Total Revenues	24	24
Net cost of operations before government funding and transfers	360,162	355,941

The accompanying notes are an integral part of these future-oriented financial statements.

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

CANADIAN SPACE AGENCY

1. Methodology and Significant Assumptions

The Future-Oriented Statement of Operations has been prepared on the basis of government priorities and the plans of the Canadian Space Agency "Agency" as described in the Departmental Plan.

The information in the forecast results for fiscal year 2019-2020 is based on actual results as at October 31, 2019 and on forecasts for the remainder of the fiscal year. Forecasts have been made for the planned results for fiscal year 2020-2021.

The main assumptions underlying the forecasts are as follows:

- ✓ The Agency's activities will remain substantially the same as for the previous year but are adjusted to reflect the funding level.
- ✓ 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 adopted as at December 4, 2019.

2. Variations and Changes to the Forecast Financial Information

While every attempt has been made to forecast final results for the remainder of 2019-2020 and for 2020-2021, actual results achieved for both years are likely to vary from the forecast information presented, and this variation could be material.

In preparing this Future-Oriented Statement of Operations, the Canadian Space Agency has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are based on historical 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 following:

- ✓ The timing and amount of acquisitions and disposals of capital assets which may affect gains/losses on disposal of assets and amortization expense.
- ✓ The implementation of new collective agreements.
- ✓ Economic conditions, which may affect both the amount of revenue earned and the collectability of external accounts receivable as well as expenses due to variation in exchange rates.
- ✓ Further changes to the operating budget through additional new initiatives or technical adjustments in the year.

Once the Departmental Plan is tabled in Parliament, the Canadian Space Agency will not be updating the forecasts for any changes in financial resources made in ensuing supplementary estimates.

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CANADIAN SPACE AGENCY

3. Summary of Significant Accounting Policies

The Future-Oriented Statement of Operations has been prepared using the Government of Canada's accounting policies which are 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

The Agency records expenses on an accrual basis.

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 recorded when goods are received or services are rendered and include expenses related to personnel, professional and special services, repair and maintenance, utilities 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, prepaid expenses, and other are also included in other expenses.

(b) Revenues

Revenues from regulatory fees are recognized based on the services provided in the year.

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.

Funds that have been received are recorded as deferred revenue, provided the Agency has an obligation to other parties for the provision of goods, services or the use of assets in the future.

Other revenues are accounted for in the period in which the underlying transaction or event that gave rise to the revenue takes place.

Revenues that are non-respendable are not available to discharge the Agency's liabilities. Although the deputy head is expected to maintain accounting control, he has no authority over 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 the Agency's gross revenues.

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CANADIAN SPACE AGENCY

4. Parliamentary Authorities

The Agency is financed by the Government of Canada through parliamentary authorities. Financial reporting of authorities provided to the Agency differs from financial reporting according to generally accepted accounting principles because authorities are based on mainly 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 Agency 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
	2020	2021
(in thousands of dollars)	\$	\$
Net cost of operations before government funding and transfers	360,162	355,941
Adjustments for items affecting net cost of operations but not affecting authorities		
Amortization of tangible capital assets	(48,104)	(65,984)
Services provided without charge by other government departments	(6,879)	(6,787)
Refund of previous years' expenditures	198	198
Decrease (increase) in severance benefits	(267)	40
Decrease in vacation pay and compensatory leave	58	66
Loss on disposal and write-offs of tangible capital assets	(21)	(21)
Change in non-monetary exchange CSA/NASA	(1,189)	(139)
Other	13	37
	303,971	283,351
Adjustments for items not affecting net cost of operations but affecting authorities		
Acquisition of tangible capital assets	113,591	120,622
Increase (decrease) in prepaid expenses	(53,207)	-
	60,384	120,622
Requested authorities	364,355	403,973

(b) Requested authorities

	Forecast Results	Planned Results
	2020	2021
(in thousands of dollars)	\$	\$
Requested Authorities		
Vote 1 - Operating expenditures	180,430	204,916
Vote 5 - Capital expenditures	113,591	120,622
Vote 10 - Grants and contributions	59,626	67,965
Statutory amounts	10,708	10,470
Requested Authorities	364,355	403,973

The requested authorities planned for 2021 reflect main estimates as shown in the Departmental Plan (\$326 million) combined with expected estimates to be allocated from Treasury Board central votes.