

**Canada Energy Regulator****Future-Oriented Statement of Operations (unaudited)
for the year ending March 31
(in thousands of dollars)**

	Forecast results 2020–21	Planned results 2021–22
Expenses		
Energy Adjudication	27,109	22,787
Safety and Environment Oversight	26,893	29,889
Energy Information	6,395	9,519
Engagement	12,220	12,659
Internal Services	46,958	50,634
Total expenses	119,575	125,488
Revenues		
Regulatory fees	118,895	114,985
Miscellaneous revenues	47	49
Revenues earned on behalf of government	(118,942)	(115,034)
Total revenues	0	0
Net cost of operations before government funding and transfers	119,575	125,488

The accompanying notes form an integral part of the 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 departmental plans as described in the Departmental Plan.

The information in the forecast results for fiscal year 2020-21 is based on actual results as at September 30, 2020 and on forecasts for the remainder of the fiscal year. Forecasts have been made for the planned results for fiscal year 2021-22.

The main assumptions underlying the forecasts are as follows:

- The department's activities will remain substantially the same as in the previous year.
- 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.

These assumptions are made as at September 30, 2020.

2. Variations and changes to the forecast financial information

Although every attempt has been made to forecast final results for the remainder of 2020-21 and for 2021-22, 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, the Canada Energy Regulator 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 implementation of new collective agreements;
- economic conditions, which may affect the collectability of loan receivables;
- 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, the Canada Energy Regulator 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 2020-21 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

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

Deferred revenue consists of amounts received in advance of the delivery of goods and rendering of services that will be recognized as revenue in a subsequent fiscal year as it is earned.

Other revenues are recognized in the period the event giving rise to the revenues occurred.

Revenues that are non-respendable are not available to discharge the department's liabilities.

Although the deputy head is expected to maintain accounting control, he or she has no authority over the disposition of non-respendable revenues. As a result, non-respendable revenues are earned on behalf of the Government of Canada and are therefore presented as a reduction of the department's gross revenues.



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:

**a) Reconciliation of net cost of operations to requested authorities
(in thousands of dollars)**

	Forecast results 2020–21	Planned results 2021–22
Net cost of operations before government funding and transfers	119,575	125,488
Adjustment for items affecting net cost of operations but not affecting authorities:		
Services provided without charge by other government departments	(14,657)	(14,657)
Amortization of tangible capital assets	(4,059)	(4,082)
Total items affecting net cost of operations but not affecting authorities	(18,716)	(18,739)
Adjustment for items not affecting net cost of operations but affecting authorities:		
Acquisition of tangible capital assets	547	572
Increase in prepaid expenses	750	772
Total items not affecting net cost of operations but affecting authorities	1,297	1,344
Requested authorities forecasted to be used	102,156	108,093



b) Authorities provided/requested (in thousands of dollars)

	Forecast results for 2020-21	Planned results for 2021-22
Authorities requested		
Vote 1: operating expenditures	90,121	97,322
Statutory amounts:		
EBP	12,035	10,771
Total authorities provided/requested	102,156	108,093
Less: Estimated unused authorities and other adjustments	-	-
Requested authorities forecasted to be used	102,156	108,093