



Future-Oriented Statement of Operations

For the year ending March 31, 2020

March 2019



Canadian Nuclear Safety Commission

**Future-Oriented Statement of Operations
(Unaudited)**

For the year ending March 31 (in thousands of dollars)		Forecast results 2018–19	Planned results 2019–20
Expenses			
	Salaries and employee benefits	\$ 121,592	\$ 125,379
	Professional and special services	21,282	21,752
	Accommodation	9,543	9,504
	Travel and relocation	5,800	5,800
	Amortization	4,651	5,483
	Furniture, repairs and rentals	2,178	2,632
	Grants and contributions	2,734	2,889
	Communication and information	1,300	1,350
	Utilities, materials and supplies	600	625
	Other	100	100
Total expenses		169,780	175,514
Revenues			
	Licence fees	116,079	121,750
	Special projects	3,391	3,746
Total revenues		119,470	125,496
Net cost of operations		\$ 50,310	\$ 50,018

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

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

1. Methodology and significant assumptions

The Future-Oriented Statement of Operations has been prepared on the basis of government priorities and Canadian Nuclear Safety Commission (CNSC) departmental plans as described in the 2019–20 Departmental Plan.

The information in the forecast results for fiscal year 2018–19 is based on actual results as at December 31, 2018 and on forecasts for the remainder of the fiscal year. Forecasts have been made for the planned results for fiscal year 2019–20.

The main assumptions underlying the forecasts are as follows:

- The CNSC'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 past experience. The general historical pattern is expected to continue.
- Allowances for uncollectibility are based on historical experience. The general historical pattern is expected to continue.
- Estimated year-end information for 2018–19 is used as the opening position for the fiscal year planned results.

These assumptions are made as at December 31, 2018.

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

2. Variations and changes to the forecast financial information

Although every attempt has been made to forecast final results for the remainder of 2018–19 and for 2019–20, 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 CNSC 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 past 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:

- changes to the operating budget, such as new initiatives or technical adjustments later in the year may affect both revenue and expenditure levels;
- economic conditions, which may affect both the amount of revenue earned and the collectability of accounts receivables;
- the timing and the amount of capital asset acquisitions and disposals, which may affect gains, losses and amortization expenses; and
- the implementation of new collective agreements.

After the Departmental Plan is tabled in Parliament, the CNSC 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.

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Notes to the Future-Oriented Statement of Operations (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 2018–19, 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

CNSC records expenses on an accrual basis.

Transfer payments are recorded as expenses 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) Revenue

Revenue is recognized in the period in which the underlying transaction or event that gave rise to the revenue takes place. Licence fee revenue is recognized on a straight-line basis over the period to which the fee payment pertains (normally three months or one year). Licence fees received for future year licence periods are recorded as deferred revenue.

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

4. Parliamentary authorities

The CNSC is financed by the Government of Canada through parliamentary authorities. Financial reporting of authorities provided to the CNSC 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 authorities in prior, current and future years. Accordingly, the CNSC has different net cost of operations for the year on a government funding basis than on an accrual accounting basis. These differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to requested authorities

(in thousands of dollars)	Forecast results 2018–19	Planned results 2019–20
Net cost of operations before government funding	\$ 50,310	\$ 50,018
Adjustments for items affecting net cost of operations but not affecting authorities:		
Add (Less):		
Services provided without charge by other government departments	(17,227)	(17,255)
Amortization of tangible capital assets	(4,651)	(5,483)
Revenues pursuant to subsection 21(3) of the Nuclear Safety and Control Act	119,470	125,496
Decrease in employee future benefits	450	350
Decrease (increase) in vacation pay, compensatory leave and accrued liabilities not charged to authorities	207	(1,511)
	98,249	101,597
Adjustments for items not affecting net cost of operations but affecting authorities:		
Add (Less):		
Acquisitions of tangible capital assets	6,073	4,645
	6,073	4,645
Requested authorities	\$ 154,632	\$ 156,260

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4. Parliamentary authorities (continued)

(b) Authorities requested

(in thousands of dollars)	Forecast results 2018–19	Planned results 2019–20
Authorities requested		
Vote 1	\$ 41,219	\$ 39,136
Statutory amounts		
Expenditures pursuant to subsection 21(3) of the Nuclear Safety and Control Act	101,883	105,378
Contributions to employee benefit plans	15,008	15,338
Authorities requested	158,110	159,852
Less:		
Authorities available for use in the subsequent year	3,478	3,592
Total authorities requested	\$ 154,632	\$ 156,260