

## **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 at March 7, 2019 and reflect the plans described in the Departmental Plan.

A handwritten signature in blue ink, appearing to read 'Ian McKay', with a stylized flourish at the end.

Ian McKay

Chief Executive Officer

March 15, 2019

## Future-oriented Statement of Operations (Unaudited)

For the year ending March 31 (in thousand of dollars)	Forecast Results for 2018–19	Planned Results for 2019–20
<b>Expenses</b>		
Partnership and Strategy Development	3,456	5,912
Marketing and Outreach	4,425	19,228
Investor Services	600	4,013
Internal Services	3,810	6,269
<b>Total expenses</b>	12,291	35,423
<b>Revenues</b>		
Internal Support Services	0	0
<b>Total revenues</b>	0	0
<b>Net cost of operations before government funding and transfers</b>	12,291	35,423

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 on the basis of the government priorities and the plans of Invest in Canada as described in the Departmental Plan.

The information in the forecast results for fiscal year 2018-19 is based on actual results as at March 7, 2019 and on forecasts for the remainder of the fiscal year. Forecasts have been made for the planned results for the 2019-20 fiscal year.

The main assumptions underlying the forecasts are as follows:

- a) Invest in Canada will continue to scale-up operations in 2019-20
- b) Expenses, including the determination of amounts internal and external to the government, are based on estimates of planned growth and activities throughout 2019-20.
- c) A large percentage of Invest in Canada expenses will be used to enhance Canada's international brand recognition through proactive marketing and promotion activities.

These assumptions are made as at March 7, 2019.

### **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, 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 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:

- 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 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**

The department 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.

### **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**

<i>(in dollars)</i>	Estimated Results for 2018–19	Planned Results for 2019–20
Net cost of operations	12,291	<b>35,423</b>
<i>Adjustments for items affecting net cost of operations but not affecting authorities:</i>		
Amortization of tangible capital assets	0	<b>(273)</b>
Decrease (increase) in employee future benefits	0	<b>0</b>
Increase in vacation pay and compensatory leave	(16)	<b>(24)</b>
Services provided without charge by other government departments	(839)	<b>(1,102)</b>
<b>Total items affecting net cost of operations but not affecting authorities</b>	<b>(855)</b>	<b>(1,399)</b>
<i>Adjustments for items not affecting net cost of operations but affecting authorities:</i>		
Increase in prepaid expenses	500	<b>1,000</b>
Acquisition of tangible capital assets	1,700	<b>1,033</b>
	2,200	2,033
<b>Requested authorities</b>	<b>13,636</b>	<b>36,057</b>

**b) Authorities requested**

<i>(in dollars)</i>	Estimated Results for 2018–19	Planned Results for 2019–20
<b>Authorities requested</b>		
Vote 1 – Operating expenditures	22,204	<b>36,057</b>
Statutory amounts – Contribution to employee benefits plan	981	-
<b>Forecast authorities available</b>	23,185	<b>36,057</b>
Lapse	(9,550)	-
<b>Requested authorities</b>	<b>13,636</b>	<b>36,057</b>

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.