

Office of the Commissioner for Federal Judicial Affairs Canada
Statement of Management Responsibility

Departmental management is responsible for these future-oriented statements of operations, 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 January 20, 2014 and reflect the plans described in the Report on Plans and Priorities. The future-oriented statement of operations has been prepared using Government's accounting policies that came into effect for the 2013-14 fiscal year which are based on Canadian public sector accounting standards.

(original signed by)
William A. Brooks
Commissioner

Ottawa, Canada
January 20, 2014

(original signed by)
Nicole Sayed
Chief Financial Officer

Ottawa, Canada
January 20, 2014

Office of the Commissioner for Federal Judicial Affairs Canada
Future-Oriented Statement of Operations
For the Year Ended March 31
(in thousands of dollars)

	Estimated Results 2013-14	Planned Results 2014-15
Expenses		
Payments Pursuant to the <i>Judges' Act</i>	\$ 478,851	\$ 492,130
Federal Judicial Affairs	10,327	9,919
Canadian Judicial Council	2,015	1,890
Internal Services	855	729
Total expenses	492,048	504,668
Revenues		
Payments Pursuant to the <i>Judges' Act</i>	14,000	14,100
Federal Judicial Affairs	275	275
Total revenues	14,275	14,375
Net cost of operations	477,773	490,293

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

Office of the Commissioner for Federal Judicial Affairs Canada
Notes to the Future-Oriented Statement of Operations

1. Methodology and Significant Assumptions

The future-oriented financial statements have been prepared on the basis of the government priorities and the departmental plans as described in the Report on Plans and Priorities.

The information in the estimated results for fiscal years 2013-14 is based on actual results at January 20, 2014 and on forecasts for the remainder of the fiscal year. Forecasts have been made for the planned results for the 2014-15 fiscal year.

The main assumptions underlying the assumptions are as follows:

- The department's activities will remain substantially the same as for the previous year.
- 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.
- Allowances for uncollectability are based on historical experience. The general historical pattern is expected to continue.
- Estimated year end information for 2013-14 is used as the opening position for the 2014-15 planned results.

These assumptions are adopted as at January 20, 2014.

2. Variations and Changes to the Forecast Financial Information

While every attempt has been made to forecast final results for the remainder of 2013-14 and 2014-15, 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 financial statements the Office of the Commissioner for Federal Judicial Affairs (FJA) Canada has made estimates and assumptions concerning the future. These estimates and judgements may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Factors that could lead to material differences between the future-oriented statements of operations and the historical financial statements include:

- The timing and amounts of acquisitions and disposals of property, plant and equipment may affect gains/losses and amortization expense.
- Implementation of new collective agreements.
- Economic conditions may affect both the amount of revenue earned and the collectability of loan receivables.
- Interest rates in effect at the time of issue will affect the net present value of non-interest bearing loans.
- Further changes to the operating budget through additional new initiatives or technical adjustments later in the year.

Once the Report on Plans and Priorities is presented, FJA will not be updating the forecasts for any changes in financial resources made in ensuing supplementary estimates. Variances will be explained in the Departmental Performance Report.

**Office of the Commissioner for Federal Judicial Affairs Canada
Notes to the Future-Oriented Statement of Operations**

3. Summary of Significant Accounting Policies

The future-oriented statements of operations have been prepared using Government's accounting policies that came into effect for the 2013-14 fiscal year 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 principles.

Significant accounting policies are as follows:

(a) Expenses

Expenses are recorded on an accrual basis. Expenses for FJA's operations are recorded when goods are received or services are rendered including services provided without charges for accommodation and employee contributions to health and dental insurance plans which are recorded as expenses at their estimated cost. Vacation pay and compensatory leave as well as severance benefits are accrued and expenses are recorded as the benefits are earned by employees under their respective terms of employment.

Expenses also include provisions to reflect changes in the value of assets, including provisions for investments and advances and inventory obsolescence or liabilities, including contingent liabilities to the extent the future event are likely to occur and a reasonable estimate can be made.

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.

(b) Revenues

Revenues from regulatory fees are recognized in the accounts 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 Department 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 Department's liabilities. While the Deputy Head is expected to maintain accounting control, he or she has no authority regarding 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 in reduction of the entity's gross revenues.

4. Parliamentary Authorities

FJA is financed by the Government of Canada through parliamentary authorities. Financial reporting of authorities provided to the Department do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based 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, FJA 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:

Office of the Commissioner for Federal Judicial Affairs Canada
Notes to the Future-Oriented Statement of Operations

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

<i>(in thousands of dollars)</i>	Estimated Results 2013-14	Planned Results 2014-15
Net cost of operations	\$ 477,773	\$ 490,293
Adjustment for items affecting net cost of operations but not affecting authorities:		
Services provided without charge by other government departments	(1,731)	(1,723)
Decrease (increase) in employee future benefits	60	13
Amortization of tangible capital assets	(78)	(48)
Judges' pension contributions	9,196	9,196
Increase in vacation pay and compensatory leave	(18)	(18)
Total items affecting net cost of operations but not affecting authorities	7,429	7,420
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisitions of tangible capital assets	20	50
Decrease (increase) in prepaid expenses	(69)	27
Total items not affecting net cost of operations but affecting authorities	(49)	77
Requested authorities	\$ 485,153	\$ 497,790

(b) Authorities requested

<i>(in thousands of dollars)</i>	Estimated Results 2013-14	Planned Results 2014-15
Authorities requested		
Vote 20 - Operating expenditures - FJA	9,217	8,643
Vote 25 - Operating expenditures - CJC	1,615	1,514
Statutory Authorities – EBP	786	667
Statutory amounts – <i>Judges Act</i>	487,535	500,885
Total forecast authorities available	\$ 499,153	\$ 511,709
Lapse – statutory amounts	14,000	13,919
Requested authorities	\$ 485,153	\$ 497,790

Authorities presented 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.