

FINANCIAL PERFORMANCE

Passport Office Revolving Fund

As a special operating agency with a revolving fund, the Passport Office finances its operations entirely from revenues generated by fees received for the provision of travel documents.

The financial statements of the Passport Office Revolving Fund have been prepared in accordance with the Treasury Board policy on revolving funds and the reporting standards and requirements of the Receiver General for Canada. These financial statements are the responsibility of the managers of the Fund.

Some of the information included in these statements is based on best estimates and gives due consideration to materiality. To meet this reporting responsibility, the Fund maintains a centralized record of financial transactions that is consistent with information submitted in ministerial statements and the Public Accounts of Canada. The Directorate responsible for the Passport Office Revolving Fund, Financial and Administrative Services, complies with departmental financial management and accounting policies. By adhering to financial management and internal accounting controls, the Fund provides reasonable assurance that transactions are recorded and executed in accordance with its authority and that its assets are safeguarded.

Management Report

As illustrated in the Statement of Operations (Table 1), at the end of the 2000-2001 fiscal year, the Passport Office had a loss of \$11.2 million compared with a loss of \$2.9 million for the 1999-2000 fiscal year. This situation has been principally caused by an inability to obtain approval for a fee increase at the appropriate juncture in the Passport Office's four-year revolving fund cycle and by massive investments in technology over the years. While the first returns of these investments will have a positive impact on our finances in the medium term, additional measures to reach the break-even point have been nevertheless deployed: a freeze on any office expansions and a review of internal processes to increase productivity and revenues.

In fiscal year 2000-2001, revenues are 10 percent, or \$6.7 million, higher than those in the previous year. This corresponds to a 10 percent increase in the number of documents issued.