



Government  
of Canada

Gouvernement  
du Canada

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Prepared by the  
Receiver General for Canada

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# Public Accounts of Canada

# 2023

## Volume I

### Summary Report and Consolidated Financial Statements

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Canada

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*To Her Excellency*

The Right Honourable Mary May Simon  
C.C., C.M.M., C.O.M., O.Q., C.D.,  
*Governor General and  
Commander-in-Chief of Canada*

May it please your Excellency:

I have the honour to present to Your Excellency the Public Accounts of Canada for the year ended March 31, 2023.

All of which is respectfully submitted.

Original signed by  
Anita Anand, P.C., M.P.  
*President of the Treasury Board*

To The Honourable Anita Anand, P.C., M.P.  
*President of the Treasury Board*

Madam:

In accordance with the provisions of section 64(1) of the *Financial Administration Act*, I have the honour to transmit herewith the Public Accounts of Canada for the year ended March 31, 2023, to be laid by you before the House of Commons.

Respectfully submitted,

Original signed by  
Jean-Yves Duclos, P.C., M.P.  
*Receiver General for Canada*

To The Honourable Jean-Yves Duclos, P.C., M.P.  
*Receiver General for Canada*

Sir:

I have the honour to submit the Public Accounts of Canada for the year ended March 31, 2023.

Under section 64(1) of the *Financial Administration Act*, the Public Accounts of Canada for each fiscal year shall be prepared by the Receiver General and shall be laid before the House of Commons by the President of the Treasury Board on or before the thirty-first day of December next following the end of that year, or if the House of Commons is not then sitting, within the first fifteen days next thereafter that the House of Commons is sitting.

This annual report is presented in three volumes:

Volume I – The consolidated financial statements of Canada on which the Auditor General has expressed an opinion; a discussion and analysis of the consolidated financial statements and a ten-year comparison of financial information; analyses of revenues and expenses, and of asset and liability accounts; and various other statements;

Volume II – Details of the financial operations of the government, segregated by ministry; and

Volume III – Additional information and analyses

Respectfully submitted,

Original signed by  
Arianne Reza  
*Interim Deputy Receiver General for Canada*

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# Volume I

## *Public Accounts of Canada 2022–2023*

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# **Introduction to the Public Accounts of Canada**

## **Nature of the Public Accounts of Canada**

The Public Accounts of Canada is the report of the Government of Canada prepared annually by the Receiver General, as required by section 64 of the *Financial Administration Act*. It covers the fiscal year of the government, which ends on March 31.

The information contained in the report originates from two sources of data:

- the summarized financial transactions presented in the accounts of Canada, maintained by the Receiver General
- the detailed records, maintained by departments and agencies

Each department and agency is responsible for reconciling its accounts to the control accounts of the Receiver General, and for maintaining detailed records of the transactions in their accounts.

The report covers the financial transactions of the government during the year. In certain cases, parliamentary authority to undertake transactions was provided by legislation approved in earlier years.

## **Format of the Public Accounts of Canada**

The Public Accounts of Canada is produced in 3 volumes:

- **Volume I** presents the audited consolidated financial statements of the government, as well as additional financial information and analyses
- **Volume II** presents the financial operations of the government, segregated by ministry
- **Volume III** presents supplementary information and analyses

# Section 1

## *Public Accounts of Canada 2022–2023*

### **Financial statements discussion and analysis**

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#### **Note to reader**

An overview of the financial operations of the Government of Canada is provided in the *Annual Financial Report* prepared by the Department of Finance Canada. This report also includes condensed consolidated financial statements.

Accompanying this report are historical fiscal reference tables and related fiscal indicators for the federal government and the provinces.

The *Annual Financial Report* is available on the web at [canada.ca/en/department-finance/services/publications/annual-financial-report](https://canada.ca/en/department-finance/services/publications/annual-financial-report).

## Financial statements discussion and analysis

### Introduction

The Public Accounts of Canada is a major accountability report of the Government of Canada. This section, together with the other sections in this volume and in Volumes II and III of the Public Accounts of Canada, provides detailed supplementary information in respect of matters reported in the audited consolidated financial statements in Section 2 of this volume. Supplementary discussion and analysis of the financial results can be found in the *Annual Financial Report of the Government of Canada—Fiscal Year 2022–2023*, available on the Department of Finance Canada’s website.

The consolidated financial statements and financial statements discussion and analysis have been prepared under the joint direction of the Minister of Finance, the President of the Treasury Board, and the Receiver General for Canada. Responsibility for the integrity and objectivity of the consolidated financial statements and financial statements discussion and analysis rests with the government. A glossary of terms used in this financial statements discussion and analysis is provided at the end of this section.

### 2023 financial highlights

- The government posted an annual operating deficit of \$35.3 billion for the fiscal year ended March 31, 2023, compared to a deficit of \$90.3 billion in the previous fiscal year. The year-over-year improvement in the budgetary balance reflects the strong recovery of the Canadian economy from the effects of the pandemic along with the wind-down of temporary COVID-19 support measures.
- The annual operating deficit before net actuarial losses stood at \$25.7 billion in 2023, compared to \$80.1 billion in 2022. The annual operating deficit before net actuarial losses is intended to supplement the traditional budgetary balance and improve the transparency of the government’s financial reporting by isolating the impact of the recognition of net actuarial losses arising from the government’s public sector pensions and other employee and veteran future benefits.
- Compared to projections in Budget 2023, the annual operating deficit was \$7.7 billion lower than the \$43.0-billion deficit projected, mainly reflecting higher-than-expected tax revenues, partially offset by higher-than-expected program expenses and public debt charges. The annual operating deficit before net actuarial losses was \$7.5 billion lower than projected.
- Revenues increased by \$34.5 billion, or 8.4%, from 2022, reflecting a broad-based increase in revenue, supported by strong economic growth, tight labour markets, and resilient consumer spending.
- Program expenses excluding net actuarial losses decreased by \$30.4 billion, or 6.5%, from 2022, largely reflecting lower transfers to individuals and businesses due to expiring temporary COVID-19 measures.
- Net actuarial losses, which reflect changes in the value of the government’s obligations and assets for public sector pensions and other employee and veteran future benefits recorded in previous fiscal years, decreased \$0.6 billion, or 5.5%, largely reflecting the end of the amortization period for certain prior years’ net actuarial losses in 2022.
- Public debt charges were up \$10.5 billion, or 42.7%, largely reflecting higher interest rates on the stock of interest-bearing debt.
- In 2023, the government recorded expenses totaling approximately \$26 billion related to Indigenous claims, in advancing its commitment to resolve past injustices and renew its relationship with Indigenous Peoples. Absent these expenses, the 2023 budgetary deficit would have been roughly \$9 billion, or 0.3% of gross domestic product (GDP).
- The accumulated deficit (the difference between total liabilities and total assets), or federal debt, stood at \$1,173.0 billion at March 31, 2023. The accumulated deficit-to-GDP ratio was 42.2%, down from 45.4% in the previous year. As noted in Budget 2023, the government remains committed to its fiscal anchor of reducing the federal debt as a share of the economy over the medium term.

## Discussion and analysis

### Economic context<sup>1</sup>

The Canadian economy continued its rapid recovery from the pandemic and was more resilient in 2022 than had been expected in the wake of rapid increases in interest rates. Canada saw the strongest growth in the G7 over the course of 2022. Canadian real GDP grew by 3.4% in 2022 and was 3.7% above its pre-pandemic level in the first quarter of 2023 – the fastest recovery of the last four recessions.

Solid economic growth helped an additional 750,000 Canadians find jobs between 2021 and 2022, pulling the unemployment rate to a 50-year low. More people aged 15 to 64 years are engaged in the labour market than ever before, with meaningful increases for historically under-represented groups, including women, newcomers, and young Canadians. The labour force participation rate among women aged 25 to 54 years reached record highs.

Supply chain disruptions and surging commodity prices following Russia’s invasion of Ukraine exacerbated economy-wide price pressures, with consumer price inflation peaking at 8.1% in June 2022. Since then, Canada has managed to make significant progress in reducing inflation, reaching 3.2% in July 2023.

Elevated consumer price inflation combined with high commodity prices and a resilient economy led to another year of double-digit growth in nominal GDP, the broadest measure of the tax base, at 10.9% in 2022 after growing 13.6% in 2021.

Faced with inflationary pressures and excess demand in the economy, the Bank of Canada raised its policy rate by 425 basis points to 4.5% between March 2022 and the end of fiscal year 2023 – the highest rate since 2007 and above its estimated “neutral range” of 2–3%.

Looking ahead, the lagged impacts of monetary policy tightening are expected to gradually build and broaden, slowing overall economic activity. Over time, slower growth is expected to help bring demand into balance with supply, gradually easing labour market tightness and slowing underlying inflation. Economic growth is expected to pick up over the course of 2024 as the effect of higher interest rates in Canada and globally dissipates.

The government regularly surveys private sector economists on their views on the economy to assess and manage risk. The survey of private sector economists has been used as the basis for economic and fiscal planning since 1994 and introduces an element of independence into the government’s forecasts.

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<sup>1</sup> This section incorporates data available up to and including August 15, 2023. Unless otherwise noted, annual results are on a calendar year basis.

**Average private sector forecasts**

(in percentage)

	2021	2022	2023	2024
<b>Real GDP growth</b>				
Budget 2022 .....	5.0	4.1	3.1	2.0
Budget 2023 .....	5.0	3.4	0.3	1.5
Actual .....	5.0	3.4	–	–
<b>Nominal GDP growth</b>				
Budget 2022 .....	13.6	8.1	4.8	3.9
Budget 2023 .....	13.6	10.9	0.8	3.6
Actual .....	13.6	10.9	–	–
<b>3-month Treasury bill rate</b>				
Budget 2022 .....	0.1	0.8	1.7	2.0
Budget 2023 .....	0.1	2.4	4.4	3.3
Actual .....	0.1	2.4	–	–
<b>10-year government bond rate</b>				
Budget 2022 .....	1.4	2.0	2.4	2.6
Budget 2023 .....	1.4	2.8	3.0	2.9
Actual .....	1.4	2.8	–	–
<b>Unemployment rate</b>				
Budget 2022 .....	7.5	5.8	5.5	5.5
Budget 2023 .....	7.5	5.3	5.8	6.2
Actual .....	7.5	5.3	–	–
<b>Consumer price index inflation</b>				
Budget 2022 .....	3.4	3.9	2.4	2.2
Budget 2023 .....	3.4	6.8	3.5	2.1
Actual .....	3.4	6.8	–	–

Figures have been restated to reflect the historical revisions in the Canadian System of National Accounts as of the first quarter of 2023 released on May 31, 2023.

## The budgetary balance

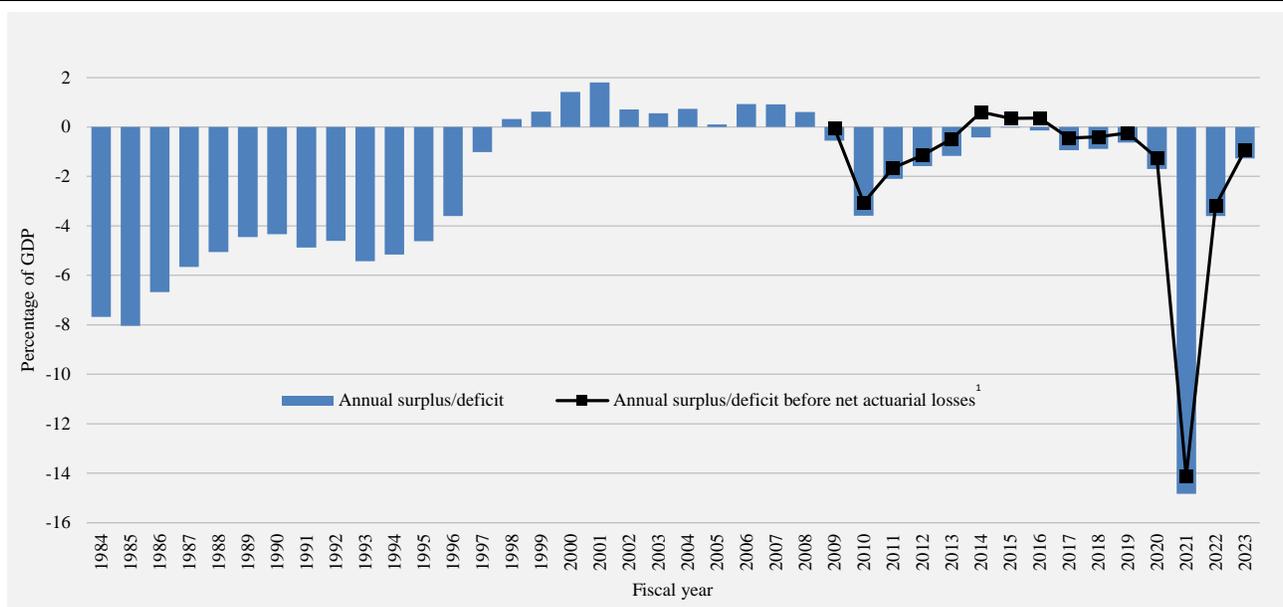
The budgetary balance, or annual operating surplus/deficit, is the difference between the government’s revenues and total expenses over a fiscal year. It is one of the key measures of the government’s annual financial performance. The government posted an annual operating deficit of \$35.3 billion in 2023, compared to a deficit of \$90.3 billion in 2022.

The annual operating deficit before net actuarial losses represents the difference between the government’s revenues and expenses excluding net actuarial losses. By excluding the impact of changes in the estimated value of the government’s obligations and assets for public sector pensions and other employee and veteran future benefits recorded in previous fiscal years, this measure is intended to present a clearer picture of the results of government operations during the current fiscal year. The annual operating deficit before net actuarial losses stood at \$25.7 billion in 2023, compared to \$80.1 billion in 2022.

The following graph shows the government’s budgetary balance since 1984, as well as the budgetary balance before net actuarial losses since 2009. To enhance the comparability of results over time and across jurisdictions, the budgetary balance and its components are presented as a percentage of GDP. In 2023, the annual operating deficit was 1.3% of GDP, compared to a deficit of 3.6% of GDP a year earlier. The annual operating deficit before net actuarial losses was 0.9% of GDP, compared to a deficit of 3.2% of GDP a year earlier.

### Annual operating surplus/deficit

(percentage of GDP)



<sup>1</sup> In 2018, the government implemented, on a retroactive basis, a change in its methodology for the determination of the discount rate for unfunded pension benefits. Fiscal results for 2009 to 2017 were restated to reflect this change. Restated data for years prior to 2009 is not available.

Revenues were up \$34.5 billion, or 8.4%, from the prior year, reflecting a broad-based increase in revenue, supported by strong labour markets and robust profits, notably in the resource sector.

Total expenses were down \$20.5 billion, or 4.1%, from the prior year. Program expenses excluding net actuarial losses decreased by \$30.4 billion, or 6.5%, primarily reflecting lower transfers to individuals and businesses due to expiring temporary COVID-19 measures.

Net actuarial losses decreased by \$0.6 billion, or 5.5%, from the prior year, largely reflecting the end of the amortization period for certain prior years’ net actuarial losses in 2022.

Public debt charges increased by \$10.5 billion, or 42.7%, from the prior year, largely reflecting higher interest rates on the government’s market debt and pension and benefit obligations.

## Indigenous Claims

The government is committed to advancing reconciliation, supporting Indigenous Peoples' right to self-determination, and addressing historical wrongs and systemic racism. Acknowledging and resolving past injustices through the resolution of Indigenous claims is an important part of renewing the relationship between the Government of Canada and Indigenous Peoples.

Indigenous claims can be grouped into four main categories, as follows:

- Comprehensive land claims, which arise in areas of the country where Aboriginal rights and title have not been resolved by treaty or by other legal means. There are currently 83 comprehensive land claims under negotiation, accepted for negotiation or under review.
- Specific claims, which deal with the past grievances of First Nations related to Canada's obligations under historic treaties or the way it managed First Nations' funds or other assets. There are currently 698 specific claims under negotiation, accepted for negotiation or under review.
- General litigation claims being pursued through the courts, which include compensation related to the First Nations Child and Family Services program, Jordan's Principle, and residential schools.
- Special claims, which represent claims that are not being pursued through the courts and that do not fit within the parameters of existing policies for Comprehensive Land Claims or Specific Claims.

In 2023, the government recorded expenses totaling approximately \$26 billion related to Indigenous claims. Absent these expenses, the 2023 budgetary deficit would have been roughly \$9 billion. This reflects the government's efforts to work with Indigenous partners to collaboratively address past injustices and to accelerate the resolution of litigation and the implementation of negotiated settlements to support reconciliation in Canada.

## 2023 Financial Highlights

(in millions of dollars)

	2023	2022 Restated <sup>1</sup>
<b>Consolidated Statement of Operations</b>		
Revenues .....	447,815	413,277
Expenses		
Program expenses, excluding net actuarial losses .....	438,555	468,919
Public debt charges .....	34,955	24,487
Total expenses, excluding net actuarial losses .....	473,510	493,406
<b>Annual operating deficit before net actuarial losses .....</b>	<b>(25,695)</b>	<b>(80,129)</b>
Net actuarial losses .....	(9,627)	(10,186)
<b>Annual operating deficit .....</b>	<b>(35,322)</b>	<b>(90,315)</b>
<b>Percentage of GDP .....</b>	<b>(1.3)%</b>	<b>(3.6)%</b>
<b>Consolidated Statement of Financial Position</b>		
Liabilities		
Accounts payable and accrued liabilities .....	259,440	262,529
Interest-bearing debt .....	1,616,753	1,585,035
Foreign exchange accounts liabilities .....	44,151	42,252
Derivatives .....	4,689	2,471
Total liabilities .....	1,925,033	1,892,287
Financial assets .....	642,276	647,543
<b>Net debt .....</b>	<b>(1,282,757)</b>	<b>(1,244,744)</b>
Non-financial assets .....	109,744	104,769
<b>Accumulated deficit .....</b>	<b>(1,173,013)</b>	<b>(1,139,975)</b>
<b>Percentage of GDP .....</b>	<b>42.2%</b>	<b>45.4%</b>

<sup>1</sup> Certain comparative figures have been restated. In addition, certain comparative figures have been reclassified to conform to the current year's presentation. Details can be found in Note 2 of the Consolidated Financial Statements of the Government of Canada in Section 2 of this volume.

### Annual operating deficit before net actuarial losses

Actuarial losses and gains arise from the annual remeasurement of the government's existing obligations for public sector pensions and other employee and veteran future benefits, as well as differences between actual and expected returns on pension assets. The measurement of these obligations and expected returns on pension assets involves the extensive use of estimates and assumptions about future events and circumstances, such as discount rates, future inflation, returns on investments, general wage increases, workforce composition, retirement rates, and mortality rates. In particular, the unfunded obligations are sensitive to changes in both short- and long-term interest rates, which are used to estimate the value of expected future benefit payments in today's dollars. Unfunded benefit obligations are discounted based on the spot rates of Government of Canada bonds at fiscal year-end (March 31), which can fluctuate significantly from one year to the next, resulting in actuarial gains and losses that flow through the budgetary balance.

While these adjustments and revaluations are an important part of providing an accurate picture of the government's Consolidated Statement of Financial Position at a given time, they can also result in large swings in the budgetary balance, which may impair the usefulness and understandability of the government's consolidated financial statements and fiscal projections, including as a measurement of the short-term impact of government spending and taxation choices on the economy.

The annual operating deficit before net actuarial losses isolates the impact of adjustments and remeasurements of previously recorded public sector pensions and other employee and veteran future benefits and provides a clearer view of the government's planned and actual operating activities in an accounting period, with the aim of enhancing transparency and accountability.

### Accounting changes in 2023

Starting in the fiscal year ending March 31, 2023, the government adopted new accounting standards issued by the Public Sector Accounting Board (PSAB) related to asset retirement obligations and financial instruments.

The asset retirement obligation standard requires public sector entities to recognize liabilities for legal obligations to incur costs associated with the retirement of controlled tangible capital assets arising on their acquisition, construction, or development or through their normal use, and to expense those costs systematically over the life of the respective assets. This includes activities such as decommissioning of nuclear reactors, removal of asbestos, and demilitarization or disarmament. The adoption of this standard has not had a material effect on the annual operating deficit for the current year. However, this accounting change has resulted in a net \$5.5-billion increase in the opening balance of the accumulated deficit for 2023 to reflect the estimated value of the government's assets and liabilities associated with asset retirement obligations as of April 1, 2022. Comparative figures for 2022 have also been restated as part of the transition to this new standard. Asset retirement obligations are mostly based on long term estimates, and the government uses assumptions about the timing and cost of future retirement activities. These estimates may be refined over time as information regarding the eventual costs to be incurred becomes available.

The government also adopted new accounting standards that prescribe recognition, measurement, and disclosure requirements for financial instruments. Financial instruments include primary instruments (such as receivables, payables, debt, and equity instruments) and derivative financial instruments (such as forward contracts and cross currency swaps). Under the new PSAB guidance, derivatives, which were previously recorded at historical cost, are recognized at fair value. Changes in the fair value of derivatives are not reflected in the budgetary balance but are instead charged directly to the accumulated deficit as accumulated remeasurement gains and losses. Remeasurement gains and losses, along with other comprehensive income reported by enterprise Crown corporations and other government business enterprises, are presented in a new financial statement, the Consolidated Statement of Remeasurement Gains and Losses, in Section 2 of this volume.

The financial instruments standard has been applied on a prospective basis. Accordingly, prior years' budgetary results have not been restated for this accounting change, but the opening balance of the accumulated deficit for 2023 has been increased by \$2.6 billion to reflect derivative assets and liabilities at their fair values as of April 1, 2022, and to adjust the value of unmatured debt. In addition, certain prior years' asset and liability balances presented for comparative purposes have been reclassified to reflect the current year's presentation.

Further details regarding these changes can be found in Note 2 to the Consolidated Financial Statements in Section 2.

## Revenues

Federal revenues can be broken down into five main categories: income tax revenues, other taxes and duties, Employment Insurance (EI) premium revenues, proceeds from the pollution pricing framework, and other revenues.

Within the income tax category, personal income tax revenues are the largest source of federal revenues and accounted for 46.4% of total revenues in 2023 (down from 48.0% in 2022). Corporate income tax revenues are the second largest source of revenues and accounted for 21.0% of total revenues in 2023 (up from 19.1% in 2022). Non-resident income tax revenues are a comparatively smaller source of revenues, accounting for only 2.9% of total revenues in 2023 (up from 2.6% in 2022).

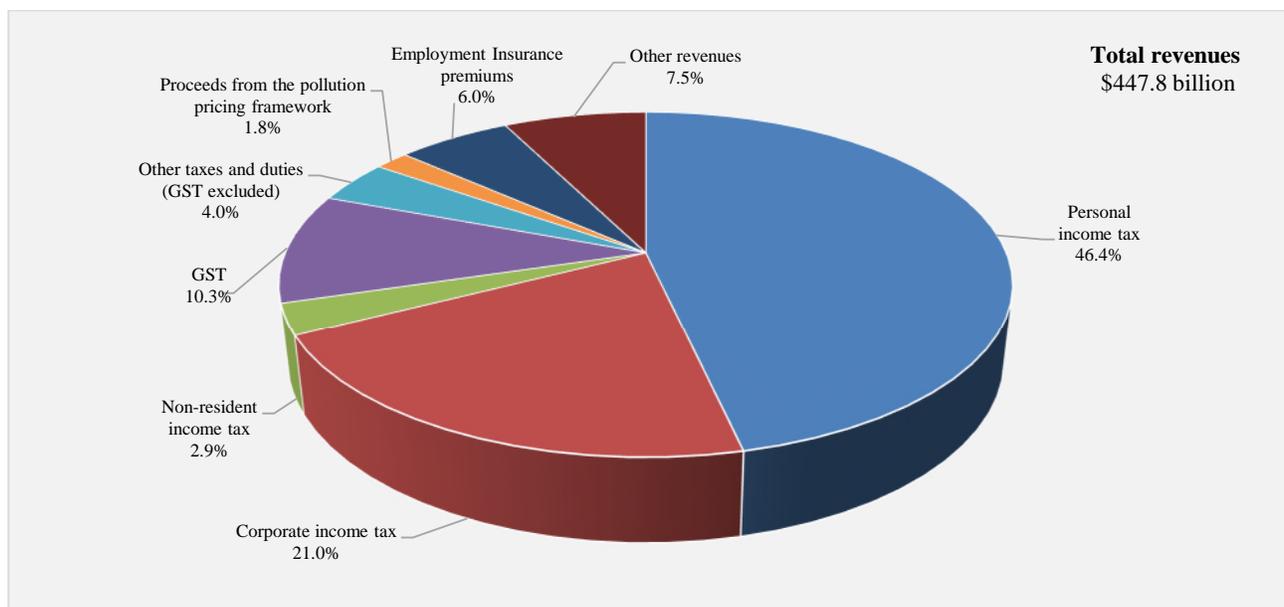
Other taxes and duties consist of revenues from the Goods and Services Tax (GST), energy taxes, customs import duties, and other excise taxes and duties. The largest component of this category—GST revenues—accounted for 10.3% of all federal revenues in 2023 (down from 11.2% in 2022). The share of the remaining components of other taxes and duties stood at 4.0% of total federal revenues (from 4.0% in 2022).

EI premium revenues accounted for 6.0% of total federal revenues in 2023 (up from 5.8% in 2022).

Proceeds from the federal carbon pollution pricing framework accounted for 1.8% of total federal revenues in 2023 (up from 1.5% in 2022). All direct proceeds from the federal carbon pollution pricing system are returned to the jurisdictions where they were collected, as required under the *Greenhouse Gas Pollution Pricing Act*.

Other revenues are made up of three broad components: net income from enterprise Crown corporations and other government business enterprises; other program revenues from returns on investments, proceeds from the sales of goods and services, and other miscellaneous revenues; and foreign exchange revenues. Other revenues accounted for 7.5% of total federal revenues in 2023 (down from 7.8% in 2022).

### Composition of revenues for 2023



Numbers may not add to 100% due to rounding.

**Revenues compared to 2022**

Total revenues amounted to \$447.8 billion in 2023, up \$34.5 billion, or 8.4%, from 2022. The following table compares revenues for 2023 to 2022.

**Revenues**

(in millions of dollars)

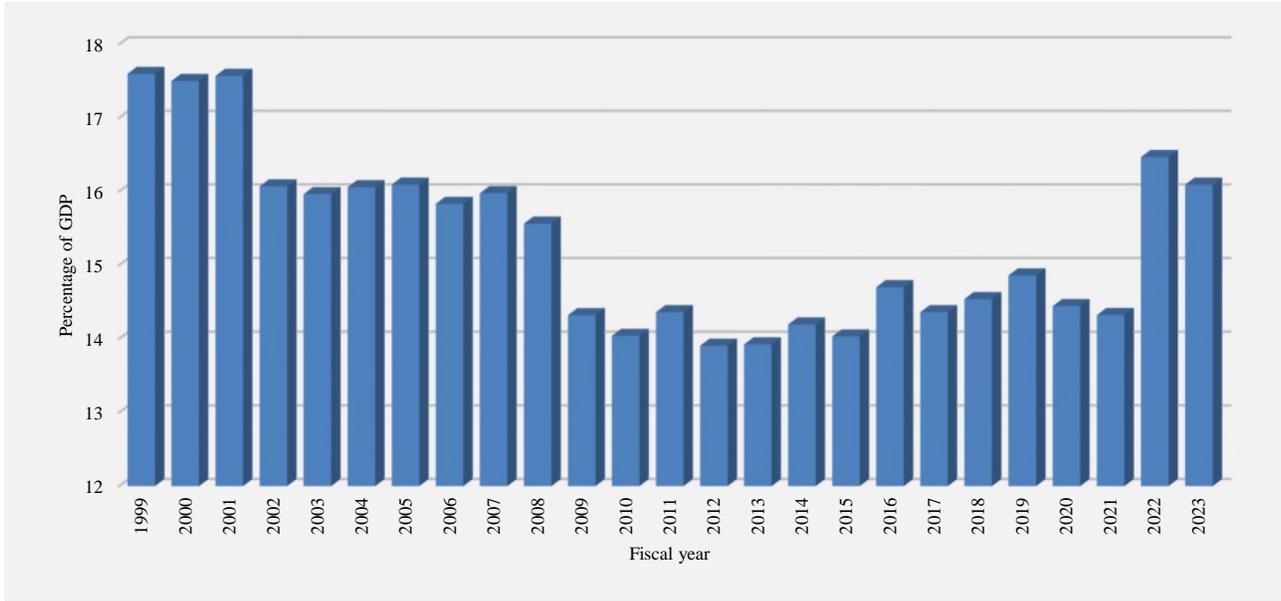
	2023	2022	Change	
			\$	%
<b>Income tax revenues</b>				
Personal.....	207,872	198,385	9,487	4.8
Corporate .....	93,945	78,815	15,130	19.2
Non-resident.....	13,187	10,789	2,398	22.2
<b>Total .....</b>	<b>315,004</b>	<b>287,989</b>	<b>27,015</b>	<b>9.4</b>
<b>Other taxes and duties</b>				
Goods and services tax .....	45,962	46,165	(203)	(0.4)
Energy taxes.....	5,657	5,355	302	5.6
Customs import duties.....	6,057	5,237	820	15.7
Other excise taxes and duties.....	6,548	5,923	625	10.6
<b>Total .....</b>	<b>64,224</b>	<b>62,680</b>	<b>1,544</b>	<b>2.5</b>
<b>Employment insurance premiums .....</b>	<b>26,914</b>	<b>23,856</b>	<b>3,058</b>	<b>12.8</b>
<b>Proceeds from the pollution pricing framework .....</b>	<b>8,041</b>	<b>6,341</b>	<b>1,700</b>	<b>26.8</b>
<b>Other revenues .....</b>	<b>33,632</b>	<b>32,411</b>	<b>1,221</b>	<b>3.8</b>
<b>Total revenues .....</b>	<b>447,815</b>	<b>413,277</b>	<b>34,538</b>	<b>8.4</b>

- Personal income tax revenues increased by \$9.5 billion in 2023, or 4.8%, reflecting a solid labour market performance, with continuing strong labour force participation and employment, as well as robust investment income growth.
- Corporate income tax revenues increased by \$15.1 billion, or 19.2%, reflecting strong growth in corporate profits, particularly in the resource sector.
- Non-resident income tax revenues are paid by non-residents on Canadian-sourced income. These revenues increased by \$2.4 billion, or 22.2%, reflecting strong investment income gains.
- Other taxes and duties increased by \$1.5 billion, or 2.5%. GST revenues decreased by \$0.2 billion in 2023, or 0.4%, reflecting the additional GST credit and the Grocery Rebate introduced by the government and decelerating consumer spending growth. Energy taxes increased by \$0.3 billion, or 5.6%, driven by an increase in motive fuel consumption. Customs import duties increased by \$0.8 billion, or 15.7%, reflecting growth in imports as well as the expiry of the Certain Goods Remission Order, which waived customs and import duties on medical supplies, including personal protective equipment, from May 5, 2020, to May 6, 2022. Other excise taxes and duties were up \$0.6 billion, or 10.6%, driven by a significant rebound in revenues from the Air Travellers Security Charge.
- EI premium revenues increased by \$3.1 billion, or 12.8%, reflecting a higher premium rate and improving labour market conditions.
- Proceeds from the federal carbon pollution pricing framework increased by \$1.7 billion, or 26.8%, reflecting a higher carbon pollution price of \$50 per tonne in fiscal year 2023 versus \$40 per tonne in the year prior.
- Other revenues increased by \$1.2 billion, or 3.8%, reflecting higher interest revenue and revenue from the sales of goods and services, which were partially offset by lower profits reported by enterprise Crown corporations.

The revenue ratio—revenues as a percentage of GDP—compares the total of all federal revenues to the size of the economy. This ratio is influenced by changes in statutory tax rates and by economic developments. The ratio stood at 16.1% in 2023 (down from 16.5% in 2022), as lower revenues from enterprise Crown corporations (particularly the Bank of Canada) offset some of the strength in the personal and corporate income tax streams.

**Revenue ratio**

(revenues as a percentage of GDP)



## Expenses

Federal expenses can be broken down into four main categories: transfer payments, which account for the majority of all federal spending, other expenses, public debt charges, and net actuarial losses.

Transfer payments are classified under five categories:

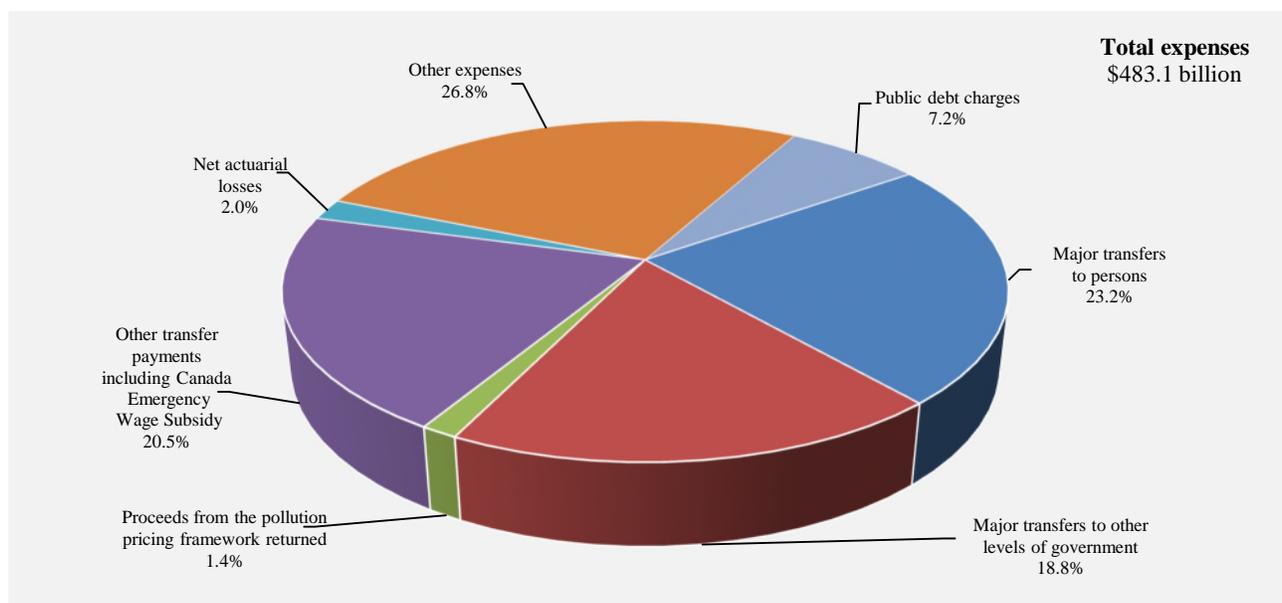
- Major transfers to persons made up 23.2% of total expenses (down from 28.1% in 2022). This category consists of elderly benefits, EI benefits and support measures, children’s benefits, and COVID-19 income support for workers (the Canada Emergency Response Benefit, or CERB, the Canada Recovery Benefit, the Canada Recovery Sickness Benefit, the Canada Recovery Caregiving Benefit, and the Canada Worker Lockdown Benefit) introduced under Canada’s COVID-19 Economic Response Plan. Of this, COVID-19 income support for workers accounted for a 0.7% decrease in total expenses in 2023 due to redeterminations of benefit overpayments, which are accounted for as a reduction in expenses (whereas it contributed 3.1% of total expenses in 2022).
- Major transfers to other levels of government—which include the Canada Health Transfer, the Canada Social Transfer, Canada-wide early learning and child care transfers, health agreements with provinces and territories, fiscal arrangements (Equalization, transfers to the territories, a number of smaller transfer programs and the Quebec Abatement), and the Canada Community-Building Fund (previously the Gas Tax Fund) transfers—made up 18.8% of total expenses in 2023 (up from 17.6% in 2022).
- Proceeds from the federal carbon pollution pricing framework returned made up 1.4% of expenses (up from 0.8% in 2022). These transfers consist of payments that return direct proceeds from the federal carbon pollution pricing system to the jurisdictions where they were collected, as required under the *Greenhouse Gas Pollution Pricing Act*. For more information on the return of proceeds, please consult the *Greenhouse Gas Pollution Pricing Act Annual Report to Parliament*.
- The Canada Emergency Wage Subsidy (CEWS), which provided payments to eligible employers as part of the COVID-19 Economic Response Plan, ended in 2022. Redeterminations of previous claims reduced total expenses by 0.1% in 2023 (compared to the program contributing 4.4% of total expenses in 2022).
- Other transfer payments, which include transfers to Indigenous Peoples, assistance to farmers, students and businesses, support for research and development, and international assistance, made up 20.5% of expenses (up from 17.6% in 2022).

Other expenses, which represent the operating expenses of the government’s 134 departments, agencies, and consolidated Crown corporations and other entities, accounted for 26.8% of total expenses in 2023 (up from 24.7% in 2022).

Public debt charges made up 7.2% of total expenses in 2023 (up from 4.9% in 2022).

Net actuarial losses made up the remaining 2.0% of total expenses in 2023 (unchanged from 2022).

### Composition of expenses for 2023



Numbers may not add to 100% due to rounding.

## Expenses compared to 2022

Total expenses amounted to \$483.1 billion in 2023, down \$20.5 billion, or 4.1%, from 2022. The following table compares total expenses for 2023 to 2022.

## Expenses

(in millions of dollars)

	2023	2022 Restated <sup>1</sup>	Change	
			\$	%
<b>Transfer payments</b>				
Major transfers to persons				
Elderly benefits.....	69,392	60,774	8,618	14.2
Employment insurance and support measures.....	21,836	38,923	(17,087)	(43.9)
Children's benefits .....	24,553	26,226	(1,673)	(6.4)
COVID-19 income support for workers.....	(3,544)	15,582	(19,126)	(122.7)
<b>Total.....</b>	<b>112,237</b>	<b>141,505</b>	<b>(29,268)</b>	<b>(20.7)</b>
Major transfers to other levels of government				
Federal transfer support for health and other social programs .....	63,079	60,607	2,472	4.1
Fiscal arrangements and other transfers .....	27,705	27,779	(74)	(0.3)
<b>Total.....</b>	<b>90,784</b>	<b>88,386</b>	<b>2,398</b>	<b>2.7</b>
Proceeds from the pollution pricing framework returned.....	6,996	3,814	3,182	83.4
Canada emergency wage subsidy .....	(257)	22,291	(22,548)	(101.2)
Other transfer payments .....	99,199	88,478	10,721	12.1
<b>Total transfer payments.....</b>	<b>308,959</b>	<b>344,474</b>	<b>(35,515)</b>	<b>(10.3)</b>
<b>Other expenses, excluding net actuarial losses.....</b>	<b>129,596</b>	<b>124,445</b>	<b>5,151</b>	<b>4.1</b>
<b>Total program expenses, excluding net actuarial losses .....</b>	<b>438,555</b>	<b>468,919</b>	<b>(30,364)</b>	<b>(6.5)</b>
<b>Public debt charges .....</b>	<b>34,955</b>	<b>24,487</b>	<b>10,468</b>	<b>42.7</b>
<b>Total expenses, excluding net actuarial losses.....</b>	<b>473,510</b>	<b>493,406</b>	<b>(19,896)</b>	<b>(4.0)</b>
Net actuarial losses.....	9,627	10,186	(559)	(5.5)
<b>Total expenses .....</b>	<b>483,137</b>	<b>503,592</b>	<b>(20,455)</b>	<b>(4.1)</b>

<sup>1</sup> Certain comparative figures have been restated. Details can be found in Note 2 of the Consolidated Financial Statements of the Government of Canada in Section 2 of this volume.

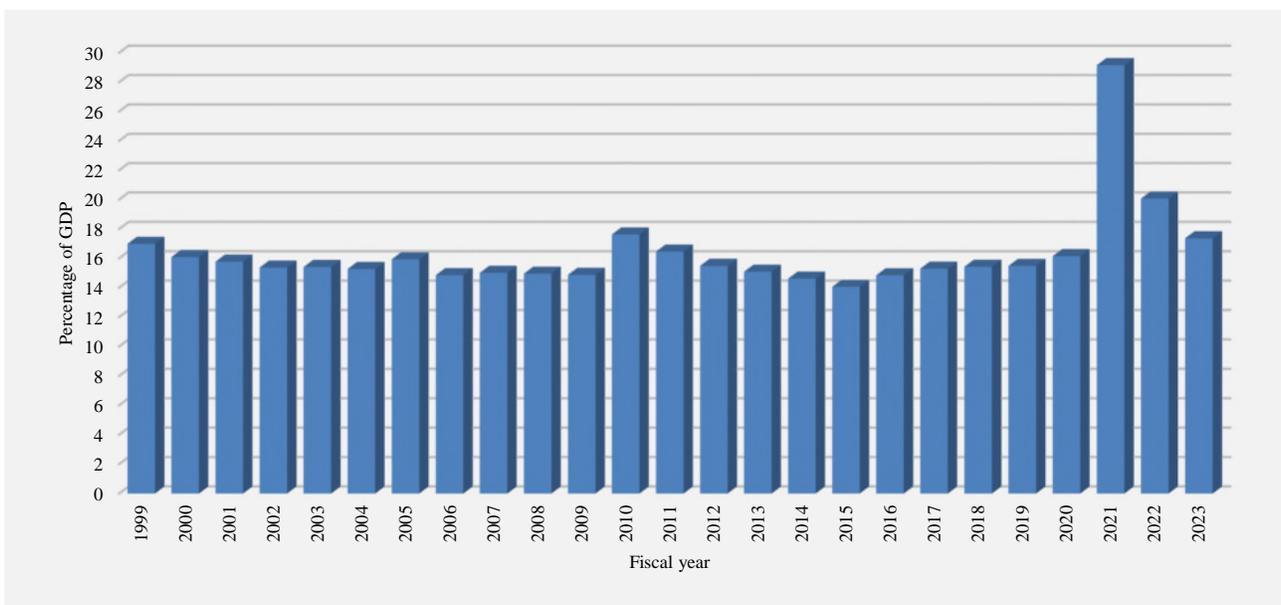
- Major transfers to persons decreased by \$29.3 billion in 2023, largely due to the end of temporary COVID-19 measures. COVID-19 income support for workers decreased \$19.1 billion, reflecting the wind-down of these programs, as well as the redetermination of benefits. EI benefits and support measures decreased by \$17.1 billion, or 43.9%, largely reflecting the expiry of temporary measures to facilitate access to EI, and a lower unemployment rate. Elderly benefits increased by \$8.6 billion, or 14.2%, reflecting growth in the number of recipients and changes in consumer prices, to which benefits are fully indexed. In addition, as announced in Budget 2021 and implemented in July 2022, the Old Age Security pension has permanently increased by 10% for seniors aged 75 and over. Children's benefits decreased by \$1.7 billion, or 6.4%, largely reflecting the temporary Canada Child Benefit young child supplement in fiscal year 2022.
- Major transfers to other levels of government increased by \$2.4 billion in 2023, primarily reflecting \$3.7 billion in legislated growth under the Canada Health Transfer, the Canada Social Transfer, Equalization transfers and Territorial Formula Financing and a \$1.5-billion increase in Canada-wide early learning and child care transfers. These increases were partly offset by a one-time transfer in 2022 of \$1.0 billion under the Safe Long-term Care Fund and a \$1.2-billion increase in the Quebec Abatement in 2023, which is accounted for as a reduction in transfer payments.
- Proceeds returned from the federal carbon pollution pricing framework increased by \$3.2 billion, or 83.4%, reflecting the change in the delivery of the Climate Action Incentive payment, from an annual basis through personal income tax returns to a quarterly benefit, as well as an increase in Climate Action Incentive payment amounts.
- The CEWS decreased by \$22.5 billion in 2023, reflecting the wind-down of the program in October 2021 and redeterminations of previous claims in 2023.
- Other transfer payments increased by \$10.7 billion, or 12.1%, in 2023, in large part reflecting revised estimates for claims and contingent liabilities and allowances on loans, as well as increased international assistance. These increases were offset in part by the end of temporary COVID-19 programs and lower provisions for disaster assistance relative to provisions recorded in 2022 for flooding, wildfires, and storms in British Columbia.

- Other expenses of departments, agencies, and consolidated Crown corporations and other entities, excluding net actuarial losses, increased by \$5.2 billion, or 4.1%, largely driven by revised estimates for claims and contingent liabilities, as well as increased personnel costs, partly offset by lower spending on the procurement and distribution of COVID-19 vaccines, therapeutics, medical supplies and equipment, and rapid tests.
- Public debt charges increased by \$10.5 billion, or 42.7%, largely reflecting higher interest rates on market debt and pension and benefit obligations.
- Net actuarial losses, which reflect changes in the value of the government’s obligations and assets for public sector pensions and other employee and veteran future benefits recorded in previous fiscal years, decreased \$0.6 billion, or 5.5%, largely reflecting the end of the amortization period for certain prior years’ net actuarial losses in 2022.

The expense ratio—expenses as a percentage of GDP—compares the total of all federal expenses to the size of the economy. This ratio is influenced by policy actions, economic developments, and changes in interest rates. The ratio stood at 17.4% in 2023 (down from 20.1% in 2022), largely reflecting the wind-down of temporary COVID-19 response measures.

**Expense ratio**

(expenses as a percentage of GDP)



## Supporting Ukraine

Following Russia’s full-scale invasion of Ukraine, Canada has supported the people of Ukraine as they fight for their sovereignty, democracy, and territorial integrity. Since January 2022, Canada has committed over \$8.9 billion in financial, military, humanitarian, development, security and stabilization and immigration assistance to Ukraine. This assistance has included:

- \$4.85 billion in loans to the Government of Ukraine to help deliver essential services to Ukrainians, including proceeds from the world-first \$500 million Ukraine Sovereignty Bond, which allowed Canadians to support Ukraine directly;
- A €36.5 million (approximately \$50 million) loan guarantee through the European Bank for Reconstruction and Development to facilitate support to Ukraine’s state-owned energy company, Naftogaz;
- Over \$1.8 billion in military aid and equipment donations, including for armoured vehicles; a National Advanced Surface-to-Air Missile System; 39 armoured combat support vehicles; four M777 howitzers; anti-tank weapons and small arms;
- The continuation of the Canadian Armed Forces’ Operation UNIFIER, which has trained more than 35,000 members of Ukraine’s security forces since 2015;
- Over \$1 billion in immigration measures. Since March 2022, Canada has become a safe haven for over 171,000 Ukrainian citizens and their family members through the Canada-Ukraine authorization for emergency travel initiative. On March 22, 2023, the federal government announced that it was extending application intake for the Canada-Ukraine authorization for emergency travel to July 15, 2023, giving approved clients until March 31, 2024 to arrive in Canada;
- Over \$352 million in humanitarian assistance;
- \$115 million in grant assistance to repair Kyiv’s power grid, provided through the World Bank Group Ukraine Relief, Recovery, Reconstruction and Reform Trust Fund. This contribution makes Canada the only G7 country thus far to meet a June 2022 G7 Leaders’ commitment to explore opportunities to use revenues collected through tariff measures against Russia to assist Ukraine;
- \$147 million in development assistance, which has supported the resilience of Ukraine’s government institutions and civil society organizations and women’s rights organizations, women’s political and economic empowerment, policy, electoral and judicial reform, and provided grain storage solutions for farmers;
- Over \$105 million in support for humanitarian demining operations, advancing accountability for human rights violations, supporting Ukrainian security sector institutions, cybersecurity, securing Ukraine’s nuclear and radiological materials, and other peace and stability initiatives; and,
- Temporary duty relief for Ukrainian imports.

## Comparison of actual results to budget projections

### Comparison to March 2023 budget plan

The \$35.3-billion deficit recorded in 2023 was \$7.7 billion lower than the \$43.0-billion deficit projected in the March 2023 federal budget.

- Overall, revenues were \$10.6 billion higher than forecast primarily due to higher tax revenues driven by higher-than-expected corporate income tax revenues.
- Program expenses, excluding net actuarial losses, were \$2.6 billion higher than expected, largely a result of higher-than-anticipated provisions for claims and contingent liabilities.
- Public debt charges were \$0.5 billion higher than projected due to higher-than-expected interest charges on unmatured debt resulting from higher-than-anticipated borrowing requirements toward the end of the fiscal year, offset in part by lower-than-expected interest expenses on future benefit obligations.
- Net actuarial losses were \$0.2 billion lower than projected.

### Comparison of 2023 outcomes to March 2023 budget plan

(in millions of dollars)

	Projection	Actual	Difference
Revenues .....	437,251	447,815	10,564
Expenses			
Program expenses, excluding net actuarial losses .....	435,928	438,555	2,627
Public debt charges .....	34,487	34,955	468
Total expenses, excluding net actuarial losses .....	470,415	473,510	3,095
<b>Annual operating deficit before net actuarial losses .....</b>	<b>(33,163)</b>	<b>(25,695)</b>	<b>7,468</b>
Net actuarial losses .....	(9,811)	(9,627)	184
<b>Annual operating deficit .....</b>	<b>(42,974)</b>	<b>(35,322)</b>	<b>7,652</b>

Numbers may not add due to rounding

### Comparison to April 2022 budget plan

The 2023 budgetary deficit of \$35.3 billion was \$17.5 billion lower than the \$52.8-billion deficit projected for 2023 in the April 2022 federal budget.

Revenues were \$39.4 billion, or 9.7%, higher than forecast in the April 2022 Budget, driven by higher income tax revenues as both personal and corporate income taxes showed continuously strong performances throughout the year.

Total expenses, excluding net actuarial losses, were \$21.2 billion, or 4.7%, higher than projected in the April 2022 Budget, with program expenses \$13.2 billion higher than forecast and public debt charges \$8.1 billion higher than forecast.

- Major transfers to persons were \$12.8 billion lower than forecast, largely attributable to the redetermination of benefits of COVID-19 income support for workers and the expiry of temporary measures to facilitate access to EI.
- Major transfers to other levels of government were \$1.0 billion higher than projected, due to a \$2.0-billion top-up to the Canada Health Transfer announced on March 25, 2023, partially offset by a \$1-billion increase in the Quebec Abatement over the amount forecast.
- Proceeds from the pollution pricing framework returned were \$1.1 billion lower than projected primarily due to revised timing of returning pollution pricing fuel charge proceeds to small and medium-sized businesses and Indigenous groups.
- Direct program expenses, which comprise the CEWS, other transfer payments, and other operating and capital amortization expenses, were \$26.1 billion higher than projected in the April 2022 budget. The variance from forecast is largely a result of measures announced after the budget, including financial and other supports for Ukraine, supports for natural disaster events in the Atlantic provinces, settlement of the Gottfriedson Band Class suit, and an increase in provisions for claims and contingent liabilities and allowances. These higher expenses were partially offset by lower-than-forecast spending on the procurement and distribution of COVID-19 vaccines, therapeutics and rapid tests, and redeterminations of previous claims related to the CEWS.
- Public debt charges were \$8.1 billion higher than expected in the April 2022 budget, reflecting higher-than-forecast interest on the government's pensions and other future benefits, higher interest rates on government bonds and treasury bills, and higher Consumer Price Index adjustments on Real Return Bonds, offset in part by lower-than-expected overall borrowing requirements.
- Net actuarial losses were \$0.7 billion higher than projected, reflecting higher-than-forecast losses stemming from actuarial valuations prepared for the *Public Accounts of Canada 2022*, which were amortized starting in 2023.

**Comparison of 2023 outcomes to April 2022 budget plan**

(in millions of dollars)

	Projection <sup>1</sup>	Actual	Difference
<b>Revenues</b>			
Income tax revenues .....	276,619	315,004	38,385
Other taxes and duties .....	65,496	64,224	(1,272)
Employment insurance premiums.....	25,801	26,914	1,113
Proceeds from the pollution pricing framework.....	8,221	8,041	(180)
Other revenues .....	32,254	33,632	1,378
<b>Total revenues .....</b>	<b>408,391</b>	<b>447,815</b>	<b>39,424</b>
<b>Expenses</b>			
<b>Program expenses</b>			
Major transfers to persons.....	125,084	112,237	(12,847)
Major transfers to other levels of government.....	89,827	90,784	957
Proceeds from the pollution pricing framework returned .....	8,046	6,996	(1,050)
Direct program expenses			
Canada emergency wage subsidy .....	–	(257)	(257)
Other transfer payments .....	86,263	99,199	12,936
Other expenses, excluding net actuarial losses .....	116,173	129,596	13,423
<b>Total program expenses, excluding net actuarial losses.....</b>	<b>425,393</b>	<b>438,555</b>	<b>13,162</b>
<b>Public debt charges .....</b>	<b>26,904</b>	<b>34,955</b>	<b>8,051</b>
<b>Total expenses, excluding net actuarial losses.....</b>	<b>452,297</b>	<b>473,510</b>	<b>21,213</b>
<b>Annual operating deficit before net actuarial losses .....</b>	<b>(43,906)</b>	<b>(25,695)</b>	<b>18,211</b>
Net actuarial losses.....	(8,923)	(9,627)	(704)
<b>Annual operating deficit .....</b>	<b>(52,829)</b>	<b>(35,322)</b>	<b>17,507</b>

<sup>1</sup> To enhance comparability with actual 2023 results, certain Budget 2022 amounts have been reclassified to conform to the current year's presentation in the consolidated financial statements, with no overall impact on the projected 2023 annual deficit.

## Accumulated deficit

The accumulated deficit is the difference between the government's total liabilities and total assets. It consists of the accumulated operating deficit and accumulated rereasurement gains and losses.

Rereasurement gains and losses represent unrealized gains and losses due to changes in the fair value of derivatives and certain other financial instruments held by the government, excluding gains and losses due to changes in foreign exchange rates, which are charged directly to the budgetary balance. Fair values of derivatives reported in the government's financial statements represent estimated amounts the government would have to receive or pay, based on market factors, if the agreements were terminated on March 31. The government uses derivatives, such as swap agreements and foreign exchange forward agreements, to manage financial risks and as a general practice holds these agreements to maturity.

Net rereasurement gains and losses also include other comprehensive income or loss reported by enterprise Crown corporations and other government business enterprises. Other comprehensive income or loss consists of certain unrealized gains and losses on Crown corporations' financial instruments and actuarial gains and losses related to their pensions and other employee future benefit plans.

The government began reporting rereasurement gains and losses in 2023 with the adoption of a new suite of financial instruments standards issued by the Public Sector Accounting Board (refer to Note 2 of the Consolidated Financial Statements of the Government of Canada in Section 2 of this volume). In accordance with those standards, rereasurement gains and losses are not included in the government's annual budgetary balance and are instead recorded directly as part of the accumulated deficit.

## Accumulated deficit

(in millions of dollars)

	2022		Difference
	2023	Restated <sup>1</sup>	
<b>Accumulated deficit at beginning of year<sup>2</sup></b> .....	<b>(1,142,538)</b>	<b>(1,054,125)</b>	<b>(88,413)</b>
Change in accumulated operating deficit			
Annual operating deficit .....	(35,322)	(90,315)	54,993
Other comprehensive income .....	–	4,465	(4,465)
	(35,322)	(85,850)	50,528
Net rereasurement gains (losses) for the year .....	4,847	–	4,847
<b>Accumulated deficit at end of year</b> .....	<b>(1,173,013)</b>	<b>(1,139,975)</b>	<b>(33,038)</b>
<b>Accumulated deficit is comprised of:</b>			
Accumulated operating deficit <sup>3</sup> .....	(1,183,618)	(1,139,975)	(43,643)
Accumulated rereasurement gains (losses) <sup>3</sup> .....	10,605	–	10,605
	<b>(1,173,013)</b>	<b>(1,139,975)</b>	<b>(33,038)</b>

<sup>1</sup> Certain comparative figures have been restated. Details can be found in Note 2 of the Consolidated Financial Statements of the Government of Canada in Section 2 of this volume.

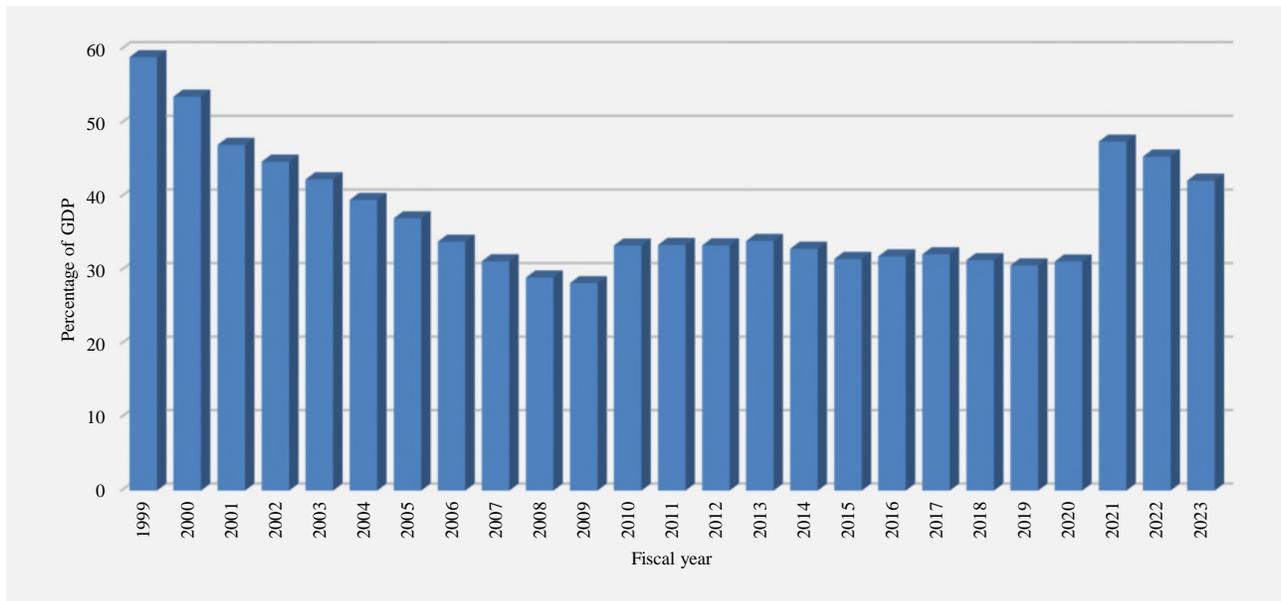
<sup>2</sup> The accumulated deficit at the beginning of 2023 was adjusted on transition to new accounting standards for financial instruments.

<sup>3</sup> The accumulated operating deficit as at March 31, 2022 included accumulated other comprehensive income of enterprise Crown corporations and other government business enterprises. Such amounts are reported in accumulated rereasurement gains and losses as at April 1, 2022.

The accumulated deficit increased by \$33.0 billion in 2023, reflecting the \$35.3-billion budgetary deficit and a \$2.6-billion increase to the opening balance of the accumulated deficit in 2022-23 on implementation of the new financial instruments standards, offset in part by \$4.8 billion in net remeasurement gains. As a percentage of GDP, the accumulated deficit decreased 3.3 percentage points to 42.2% of GDP at March 31, 2023. The government is committed to reducing the accumulated deficit-to-GDP ratio over the medium term as its key fiscal anchor.

### Accumulated deficit

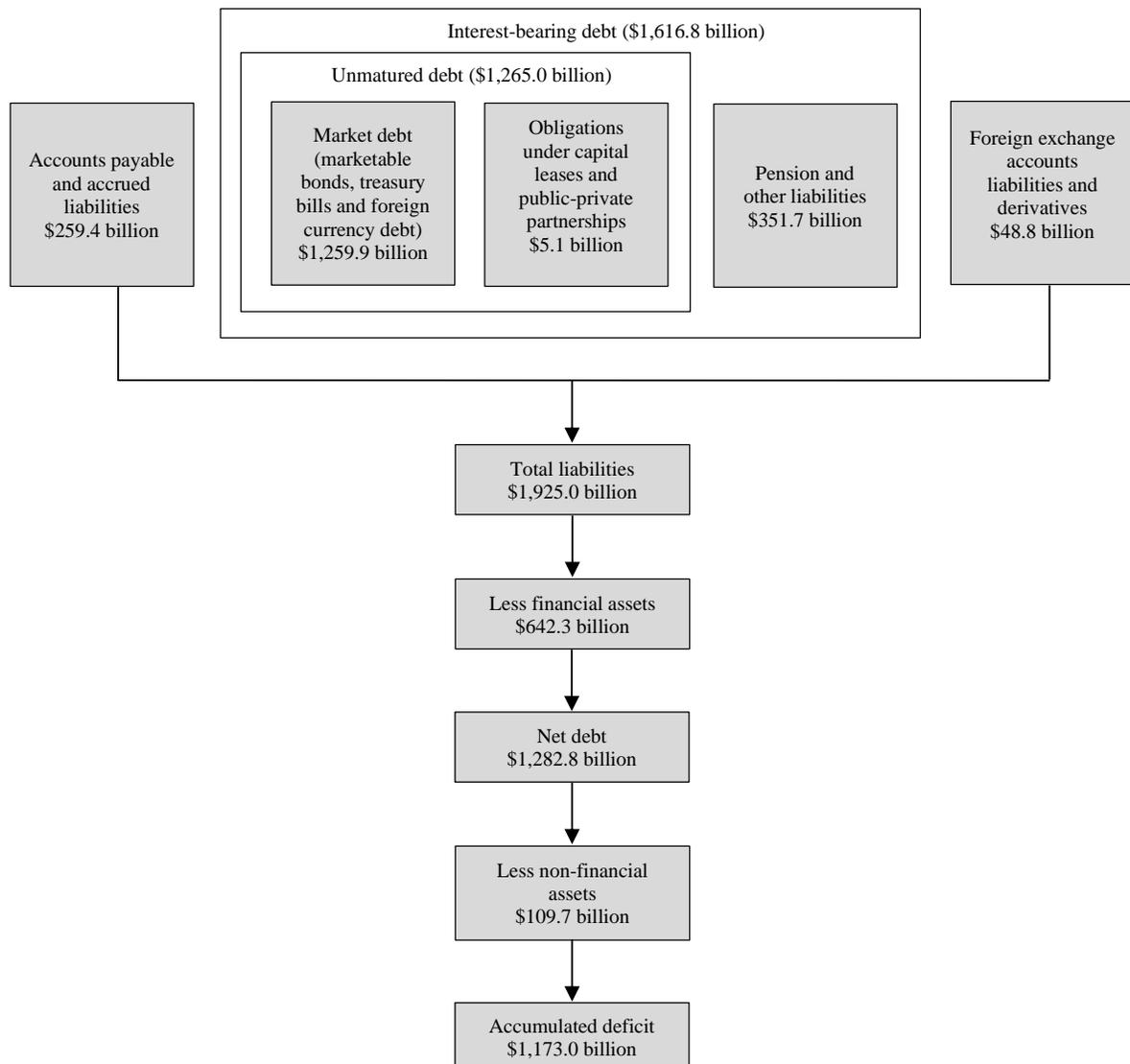
(as a percentage of GDP)



## Measures of government debt

There are several generally accepted measures of government debt.

- Total liabilities of the government consist of unmatured debt (i.e., debt issued on the credit markets), pension and other future benefit liabilities, other interest-bearing liabilities, accounts payable and accrued liabilities, foreign exchange accounts liabilities, and derivative liabilities.
- Net debt is equal to the total liabilities of the government less its financial assets. Financial assets include cash and cash equivalents, accounts receivable, foreign exchange accounts assets, derivative assets, loans, investments and advances, and public sector pension assets.
- The accumulated deficit is equal to total liabilities less total assets – both financial and non-financial. Non-financial assets include primarily tangible capital assets, such as land and buildings, as well as inventories, and prepaid expenses. The accumulated deficit is the federal government’s main measure of debt.



The following sections provide more details on each of these components.

### Statement of financial position

(in millions of dollars)

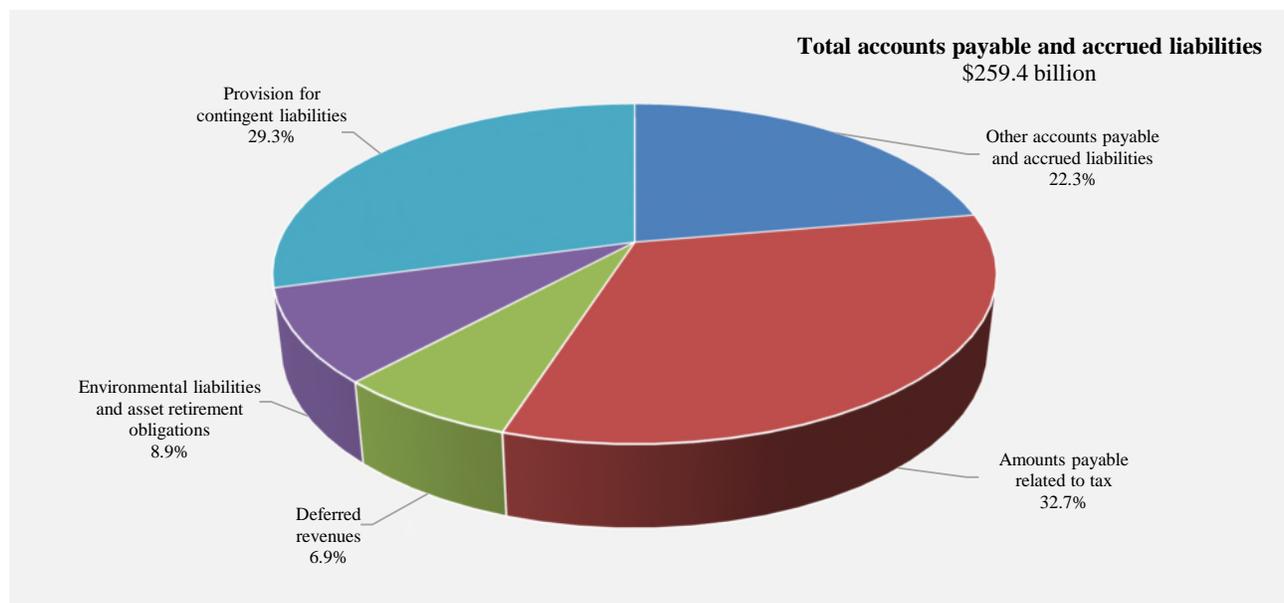
	2022		Difference
	2023	Restated <sup>1</sup>	
<b>Liabilities</b>			
Accounts payable and accrued liabilities .....	259,440	262,529	(3,089)
Interest-bearing debt			
Unmatured debt .....	1,265,040	1,249,957	15,083
Pensions and other future benefits .....	344,374	327,371	17,003
Other liabilities .....	7,339	7,707	(368)
Total .....	1,616,753	1,585,035	31,718
Foreign exchange accounts liabilities .....	44,151	42,252	1,899
Derivatives .....	4,689	2,471	2,218
<b>Total liabilities .....</b>	<b>1,925,033</b>	<b>1,892,287</b>	<b>32,746</b>
<b>Financial assets</b>			
Cash and accounts receivable .....	243,520	280,052	(36,532)
Foreign exchange accounts assets .....	169,390	146,283	23,107
Derivatives .....	3,260	4,974	(1,714)
Loans, investments and advances .....	213,110	207,031	6,079
Public sector pension assets .....	12,996	9,203	3,793
<b>Total financial assets .....</b>	<b>642,276</b>	<b>647,543</b>	<b>(5,267)</b>
<b>Net debt .....</b>	<b>(1,282,757)</b>	<b>(1,244,744)</b>	<b>(38,013)</b>
<b>Non-financial assets .....</b>	<b>109,744</b>	<b>104,769</b>	<b>4,975</b>
<b>Accumulated deficit .....</b>	<b>(1,173,013)</b>	<b>(1,139,975)</b>	<b>(33,038)</b>

<sup>1</sup> Certain comparative figures have been restated. In addition, certain comparative figures have been reclassified to conform to the current year's presentation. Details can be found in Note 2 of the Consolidated Financial Statements of the Government of Canada in Section 2 of this volume.

## Accounts payable and accrued liabilities

The government's accounts payable and accrued liabilities consist of amounts payable related to tax based on assessments and estimates of refunds owing for tax assessments not completed by year-end; provisions for contingent liabilities, including guarantees provided by the government and claims and pending and threatened litigation; environmental liabilities and asset retirement obligations, which include estimated costs related to the remediation of contaminated sites and the future retirement of certain tangible capital assets; deferred revenue; and other accounts payable and accrued liabilities. Other accounts payable and accrued liabilities include items such as accrued salaries and benefits; amounts payable to provinces, territories and Indigenous governments for taxes collected and administered on their behalf in accordance with tax agreements; and amounts owing at year-end pursuant to contractual arrangements or for work performed or goods received.

### Accounts payable and accrued liabilities by category for 2023



Numbers may not add to 100% due to rounding.

At March 31, 2023, accounts payable and accrued liabilities totalled \$259.4 billion, down \$3.1 billion from March 31, 2022. This decrease reflects a large decline in other accounts payable and accrued liabilities as well as smaller decreases in deferred revenue and environmental liabilities and asset retirement obligations, offset in part by growth in provisions for contingent liabilities and amounts payable related to tax.

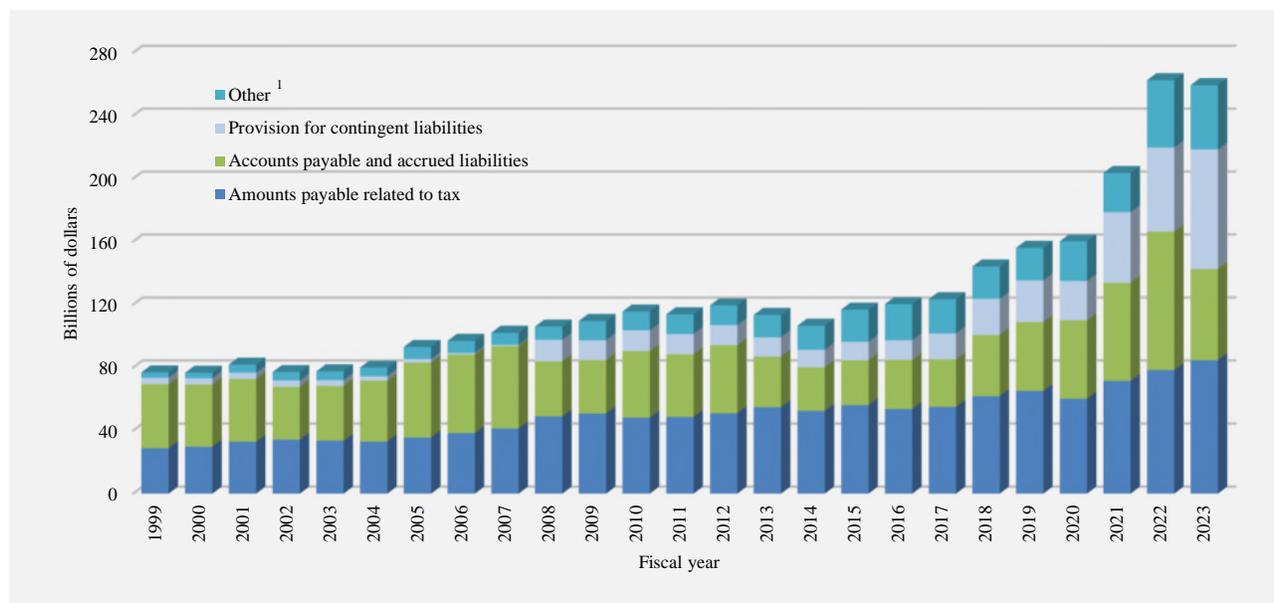
- Amounts payable related to tax increased by \$6.3 billion in 2023, from \$78.5 billion at March 31, 2022, to \$84.7 billion at March 31, 2023. This increase largely reflects higher refundable GST/HST credit returns and the accrual of the Grocery Rebate announced in Budget 2023, as well as higher accrued payables for individual income tax, offset in part by lower accrued payables for corporate income tax.
- Provisions for contingent liabilities increased by \$22.6 billion, largely reflecting increased provisions for claims and litigation, including the revised final settlement for compensation related to the First Nations Child and Family Services program and Jordan's Principle and increases in provisions for specific claims and comprehensive land claims.
- Environmental liabilities and asset retirement obligations decreased by \$0.8 billion in 2023, largely reflecting revisions to estimated provisions for asset retirement obligations, including the impact of year-over-year changes in discount rates used to estimate the present value of these obligations, as well as remediation activities undertaken in 2023.
- Deferred revenue decreased by \$1.1 billion in 2023, largely reflecting the amortization of proceeds from prior years' spectrum auctions.

- Other accounts payable and accrued liabilities decreased by \$30.1 billion in 2023. Within this component, liabilities under provincial, territorial and Indigenous tax agreements decreased by \$20.9 billion, largely reflecting underestimated amounts of personal and corporate income tax for prior years being paid to provinces and territories in 2023, as well as the timing differences in payments to provinces and territories. Accounts payable decreased by \$11.0 billion due to a number of factors including a decrease in the amount owing to the Canada Pension Plan (CPP) at year end for CPP contributions collected by the government; a decrease in accrued liabilities for disaster assistance due to payments made during 2023 and changes in estimates; payments made under various claims during the year, including under the First Nations Drinking Water Settlement; and the payment of various transfers to provinces and territories accrued at the end of 2022. These decreases were offset in part by a \$1.8-billion increase in accrued salaries and benefits.

Accounts payable and accrued liabilities have increased significantly in recent years, from \$123.4 billion at March 31, 2017 to \$259.4 billion at March 31, 2023. This increase is due in large part to increased provisions for contingent liabilities; growth in amounts payable related to tax, reflecting growth in the tax base; and, an increase in accounts payable pursuant to contractual agreements, for work performed, goods received, and services rendered.

### Accounts payable and accrued liabilities

(in billions of dollars)



<sup>1</sup> Other includes provisions for environmental liabilities and asset retirement obligations and deferred revenues.

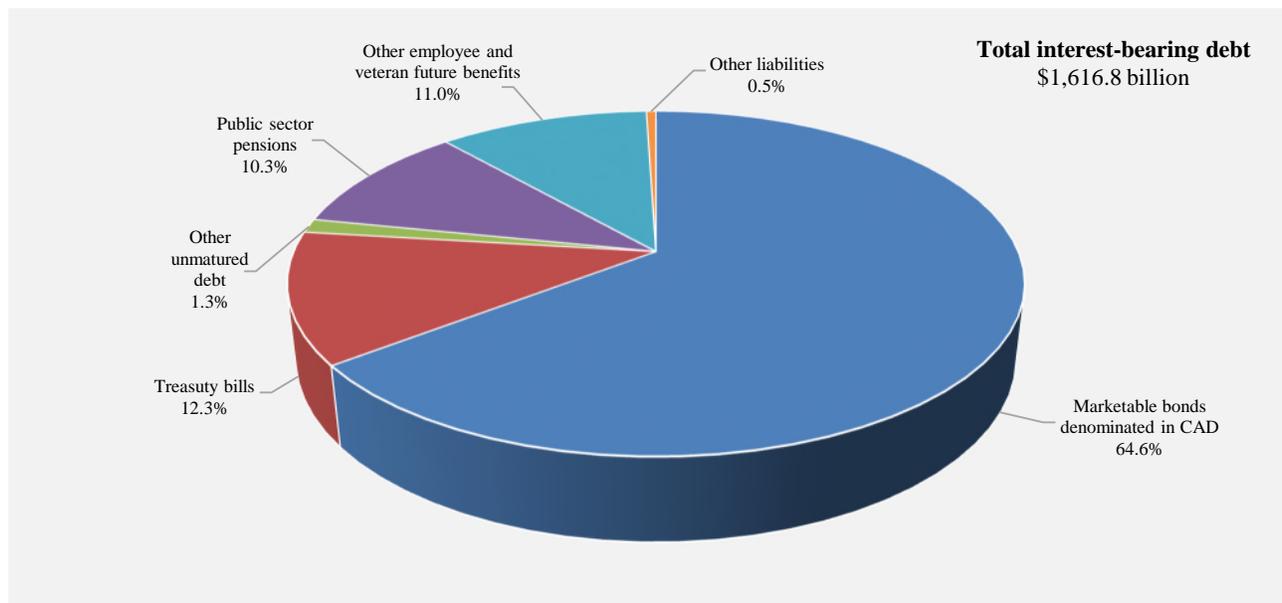
## Interest-bearing debt

Interest-bearing debt includes unmatured debt, or debt issued on the credit markets, pension and other future benefit liabilities, and other liabilities.

- Unmatured debt, which includes fixed-coupon marketable bonds, Real Return Bonds, treasury bills, foreign-currency-denominated debt, and obligations related to capital leases and public-private partnerships, amounted to 78.2% of interest-bearing debt at March 31, 2023.
- Pension and other future benefit liabilities include obligations for: federal public sector pensions sponsored by the government; disability and associated benefits available to war veterans, current and retired members of the Canadian Forces and the Royal Canadian Mounted Police, their survivors and dependants; health care and dental benefits available to retired employees and their dependants; accumulated sick leave entitlements; severance benefits; workers' compensation benefits; and other future benefits sponsored by some consolidated Crown corporations and other entities. Liabilities for public sector pensions made up 10.3% of interest-bearing debt, and other employee and veteran future benefits accounted for an additional 11.0% of interest-bearing debt.
- The remaining 0.5% of interest-bearing debt represents other interest-bearing liabilities of the government, which include deposit and trust accounts and other specified purpose accounts.

The share of total interest-bearing debt represented by unmatured debt had been declining since the mid-1990s, as the government was able to retire some of this debt. This trend reversed in 2009 due to the increase in financial requirements stemming from the recession and stimulus measures introduced to mitigate its impacts, as well as an increase in borrowings under the consolidated borrowing framework introduced in 2008. Under the consolidated borrowing framework, the government finances all of the borrowing needs of the Canada Mortgage and Housing Corporation (CMHC), the Business Development Bank of Canada (BDC) and Farm Credit Canada (FCC) through direct lending in order to reduce overall borrowing costs and improve the liquidity of the government securities market. More recently, increased financial requirements stemming from the COVID-19 pandemic and Canada's Economic Response Plan contributed to a further increase in unmatured debt as a portion of interest-bearing debt.

### Interest-bearing debt by category for 2023



Numbers may not add to 100% due to rounding.

At March 31, 2023, interest-bearing debt totalled \$1,616.8 billion, up \$31.7 billion from March 31, 2022. Within interest-bearing debt, unmaturred debt increased by \$15.1 billion and liabilities for other employee and veteran future benefits increased by \$18.2 billion, while liabilities for public sector pensions decreased by \$1.2 billion and other liabilities decreased by \$0.4 billion.

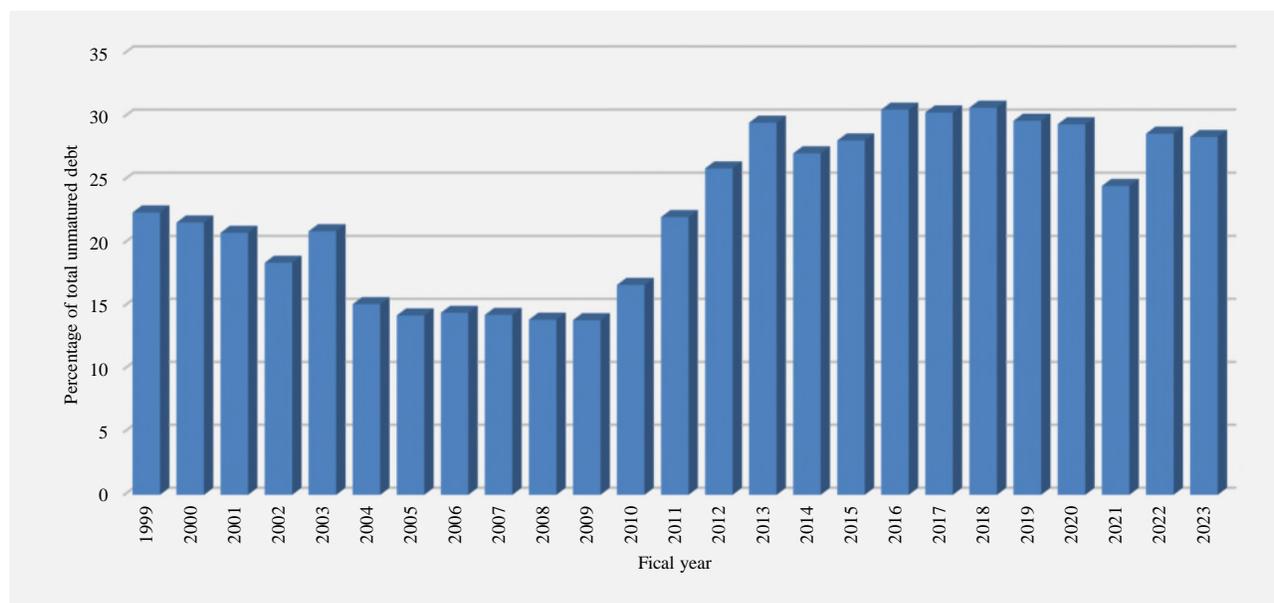
The \$15.1-billion increase in unmaturred debt is largely attributable to a \$15.3-billion increase in market debt and related unamortized discounts and premiums, reflecting increased borrowings to meet the government’s financial requirements.

The Bank of Canada and the Department of Finance Canada manage the government’s unmaturred debt and associated risks. The fundamental objective of the debt management strategy is to provide stable, low-cost funding to meet the government’s financial obligations and liquidity needs. The vast majority of debt is denominated in Canadian dollars. There is a small amount of borrowings denominated in US dollars, which fund a portion of the foreign exchange reserves. The reserves are managed under an asset-liability matching framework, and foreign exchange and interest rate risks are mitigated. Details on the government’s debt management objectives, strategy, borrowing plans, and debt management activities are tabled annually in Parliament through the Department of Finance Canada’s *Debt Management Strategy* and *Debt Management Report*.

Foreign holdings of the government’s unmaturred debt are estimated at \$361.8 billion at March 31, 2023, representing approximately 28.6% of the government’s total unmaturred debt, similar to their proportion at March 31, 2022.

**Foreign holdings of Government of Canada unmaturred debt**

(as a percentage of unmaturred debt)



Source: Statistics Canada

The government’s liabilities for pensions and other future benefits stood at \$344.4 billion at March 31, 2023, up \$17.0 billion from the prior year. These liabilities reflect the estimated present value of pensions and other future benefits earned to March 31, 2023, by current and former employees, as measured annually on an actuarial basis, net of the value of assets set aside for funding purposes. Liabilities for pensions and other future benefits do not include benefits payable under the CPP. The CPP is not consolidated in the government’s financial statements because changes to the CPP require the agreement of two-thirds of participating provinces and it is therefore not controlled by the government. Further information regarding the CPP can be found in Section 6 of this volume.

## Accounting for public sector pensions and other employee and veteran future benefits

The government's \$344.4-billion liability for public sector pensions and other employee and veteran future benefits results from its promise to provide certain benefits to employees, veterans, Members of Parliament, and employees of territorial governments during or after employment, or in retirement, in return for their service.

For benefits that accumulate over time as employees work, such as pensions, an annual expense and liability are generally recorded for the estimated cost of benefits earned by employees during the year. The government uses an actuarial cost method (the projected benefit method prorated on service) to estimate this expense and liability. Under this method, the government estimates the total expected future benefit payments for current employees. This total is then prorated over employees' eligible period of employment. This means that an equal portion of the estimate is expensed as current service cost in each year of an employee's eligible period of service, on a present value basis, assuming no change in discount rates and assumptions. Several actuarial assumptions are used in calculating current service cost, including future inflation, interest rates, return on pension investments, general wage increases, workforce composition, retirement rates and mortality rates.

For benefits or compensated absences that do not vest or accumulate, such as veteran future benefits and workers' compensation, a liability and expense for the expected cost of providing future benefits is recognized immediately in the period when the obligating event occurs. For example, some benefits provided to employees in the event of an accident or injury are recorded when the accident or injury occurs.

Since April 1, 2000, amounts equal to contributions less benefit payments and other charges that fall within the *Income Tax Act* limits are transferred to the Public Sector Pension Investment Board (PSPIB) for investment in relation to the public service, Canadian Forces—Regular Force and Royal Canadian Mounted Police pension plans, and since 2007 for the Canadian Forces—Reserve Force pension plan. Pension assets held by the PSPIB are valued at a market-related value. The government's accrued benefit obligations for public sector pensions and other employee and veteran future benefits are presented net of pension assets, as well as unrecognized net actuarial gains and losses (discussed below) and amounts related to the plans of some consolidated Crown corporations and other entities, in arriving at the liability for pensions and other future benefits shown on the Consolidated Statement of Financial Position.

Since the government's obligations for pensions and other future benefits are recorded on a present value basis, interest expense is recorded each year and added to the obligations to reflect the passage of time, as these liabilities are one year closer to settlement. Interest expense is recorded net of the expected return on the market-related value of investments for funded pension benefits and reported as part of public debt charges. Current service cost is recorded as part of other expenses excluding net actuarial losses on the Consolidated Statement of Operations and Accumulated Operating Deficit.

When an employee ceases employment with the government, the government stops recording current service cost in respect of that employee. Benefits subsequently provided to the employee are recorded as reductions in the government's benefit obligations.

The government's obligations for pensions and other future benefits are re-estimated on an annual basis to reflect actual experience and updated actuarial assumptions. Increases or decreases in the estimated value of the obligations are referred to as actuarial gains and losses. Actuarial gains and losses also result from differences between actual and expected returns on pension assets. Under Canadian public sector accounting standards, actuarial gains and losses are not recognized in the government's liabilities immediately due to their tentative nature and because further adjustments may be required in the future. Instead, these amounts are recognized to expense and to the government's liabilities over the expected average remaining service life of employees, which represents periods ranging from 4 to 23 years according to the plan in question, or the average remaining life expectancy of benefit recipients under wartime veteran plans, which represents periods ranging from 5 to 7 years.

Any plan amendments, curtailments and settlements that affect accrued benefit obligations for services already rendered by employees and veterans are reflected in the government's obligations in the period of the amendment, curtailment or settlement and recorded as part of other expenses excluding net actuarial losses.

The following table illustrates the change in the government's liabilities for pensions and other future benefits, net of public sector pension assets, in 2023.

### Net pensions and other future benefit liabilities

(in millions of dollars)

	Pensions	Other future benefits	Total
<b>Net future benefit liabilities at beginning of year</b> .....	<b>158,463</b>	<b>159,705</b>	<b>318,168</b>
Add:			
Benefits earned during the year .....	8,820	12,310	21,130
Interest on accrued benefit obligations, net of the expected return on investments .....	2,343	5,570	7,913
Net actuarial losses recognized during the year .....	1,077	8,550	9,627
Plan amendment and valuation allowance .....	754	(1,322)	(568)
	12,994	25,108	38,102
Deduct:			
Benefits paid during the year <sup>1</sup> .....	14,819	6,757	21,576
Transfers to the PSPIB and net use of funds held in external trusts <sup>2</sup> .....	2,433	(1)	2,432
Transfers to other plans and administrative expenses .....	776	108	884
	18,028	6,864	24,892
<b>Net (decrease) increase</b> .....	<b>(5,034)</b>	<b>18,244</b>	<b>13,210</b>
<b>Net future benefit liabilities at end of year</b> .....	<b>153,429</b>	<b>177,949</b>	<b>331,378</b>
Presented on the Consolidated Statement of Financial Position as:			
Public sector pension liabilities .....			166,425
Other employee and veteran future benefit liabilities .....			177,949
Total pension and other future benefit liabilities .....			344,374
Public sector pension assets .....			12,996
<b>Net pensions and other future benefit liabilities</b> .....			<b>331,378</b>

<sup>1</sup> Includes benefits paid by employer and external trusts of consolidated Crown corporations and other entities.

<sup>2</sup> With respect to the government's funded pension plans, amounts equal to employer and employee contributions or government and member contributions less benefits and other payments are transferred to the PSPIB for investment. Funds related to pension and other future benefit plans of consolidated Crown corporations and other entities are held in legally separate external trusts; the use of these funds to pay benefits is presented net of contributions transferred to the trusts.

The increase in net liabilities for pensions and other future benefits in 2023 reflects the addition of \$21.1 billion in future benefits earned by employees during the year, as well as \$7.9 billion in net interest charges on the liabilities. The discount rates used in the measurement of the government-sponsored unfunded pension and other future benefit obligations and in calculating interest charges on the obligations are based on the actual zero-coupon yield curve for Government of Canada bonds at fiscal year-end. The discount rates used to value the government's obligations for funded pension benefits, which relate to post-March 2000 service that falls within the *Income Tax Act* limits under its three main pension plans—the public service, Canadian Forces—Regular Force, and Royal Canadian Mounted Police pension plans—as well as benefits under the Canadian Forces—Reserve Force pension plan are based on the streamed expected rates of return on invested funds.

The government's liabilities for pensions and other future benefits increased by an additional \$9.6 billion in 2023 due to the recognition of net actuarial losses. As of March 31, 2023, the government had net unamortized losses of \$18.3 billion. These losses will be amortized over time and recorded as part of net actuarial losses and as an increase in the government's liabilities.

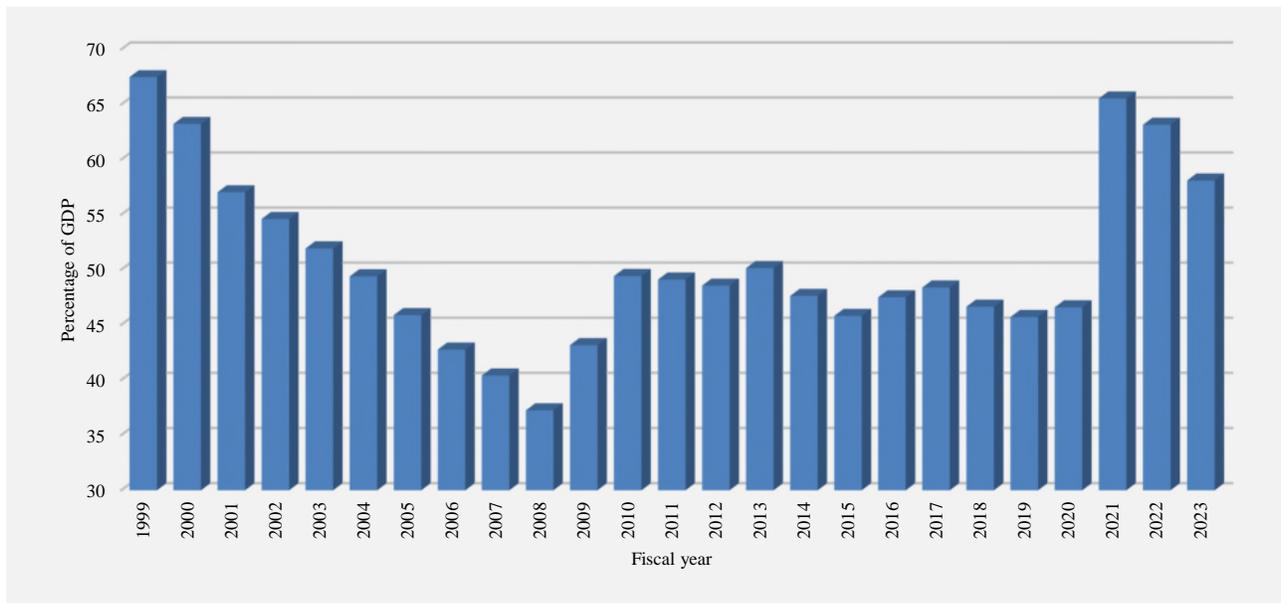
These increases were offset in part by reductions in the liabilities for benefits paid during the year (\$21.6 billion), net transfers to the PSPIB and net use of funds held in external trusts (\$2.4 billion), transfers to other plans and administrative expenses (\$0.9 billion), and the net impact of a plan amendment and valuation allowance (\$0.6 billion).

Further details on the federal public sector pensions and other employee and veteran future benefits are contained in Section 6 of this volume.

Interest-bearing debt stood at 58.1% of GDP in 2023, down from 63.2% in 2022. The increase since 2020 shown in the chart below reflects borrowings undertaken to meet the government’s financial requirements under the COVID-19 Economic Response Plan. As of 2023, this ratio is down 16.8 percentage points from its high of 74.9% in 1996.

**Interest-bearing debt**

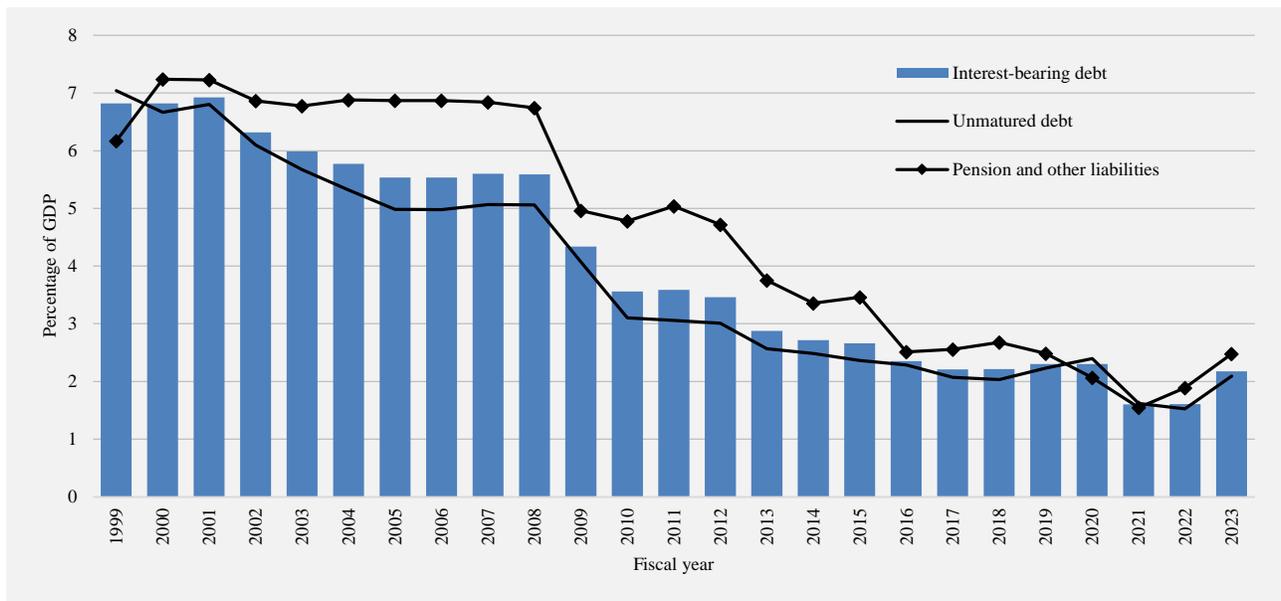
(as a percentage of GDP)



The average effective interest rate on the government’s interest-bearing debt in 2023 was 2.2%, up from 1.6% in 2022. The average effective interest rate on unmatured debt was 2.1%, while the average effective interest rate on pension and other liabilities was 2.5%.

**Average effective interest rate on interest-bearing debt**

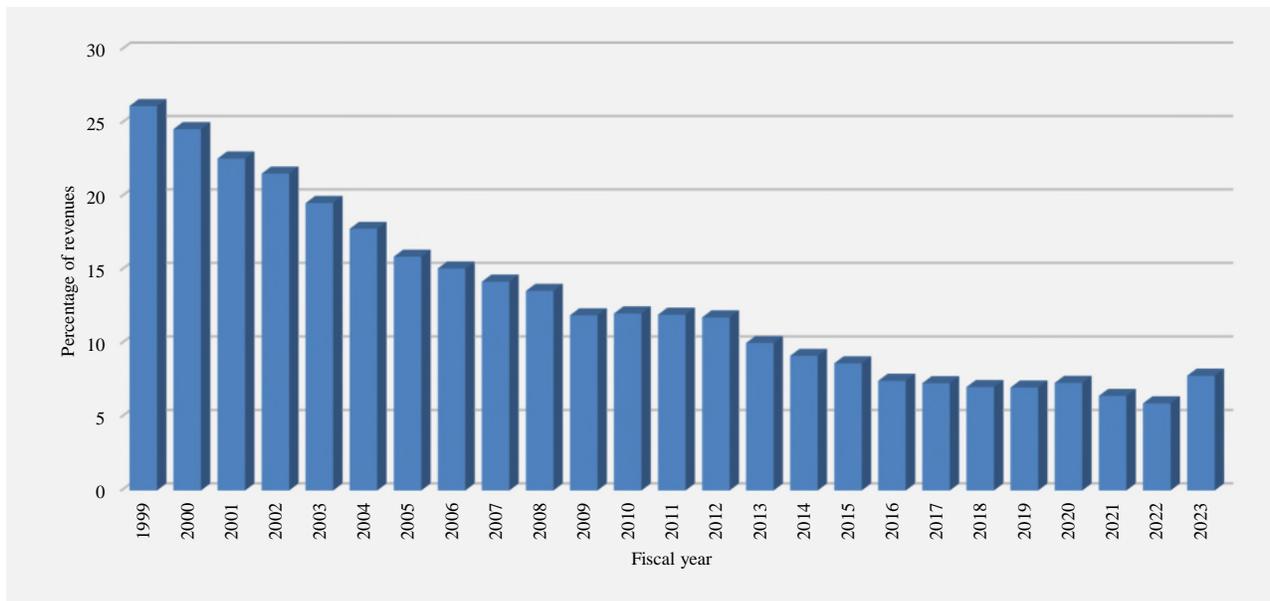
(in percentage)



The interest ratio (public debt charges as a percentage of revenues) shows the proportion of every dollar of revenue that is needed to pay interest and is therefore not available to pay for program initiatives. The interest ratio had been decreasing in recent years, falling from a peak of 37.6% in 1991 to 5.9% in 2022. The ratio increased to 7.8% in 2023, reflecting an increase in interest rates. This means that, in 2023, the government spent approximately 8 cents of every revenue dollar on servicing the public debt.

**Interest ratio**

(public debt charges as a percentage of revenues)



**Foreign exchange accounts liabilities and derivatives**

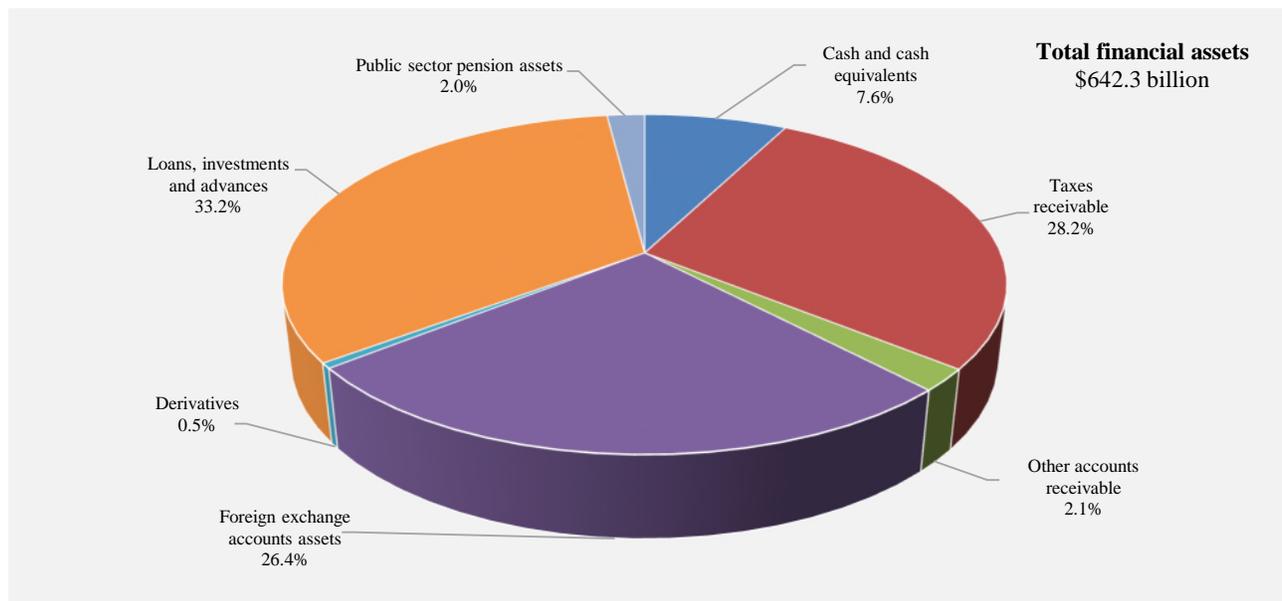
Foreign exchange accounts liabilities include Special Drawing Rights (SDR) allocations and notes payable to the International Monetary Fund (IMF). The SDR is an international reserve asset created by the IMF and allocated to countries participating in its Special Drawing Rights Department. SDRs represent both an asset (a holder of SDRs has the right to exchange them for an equivalent amount of freely usable currency, or other reserve assets, of other countries participating in the IMF’s SDR Department) and a liability (an allocation of SDRs by the IMF entails an obligation to provide, on demand, an equivalent amount of freely usable currency to another IMF member). SDR holdings are recorded in foreign exchange accounts assets, which are presented separately from foreign exchange accounts liabilities starting in 2023. The government’s foreign exchange accounts liabilities at March 31, 2023, stood at \$44.2 billion, up \$1.9 billion from a year earlier primarily due to foreign exchange rate movements, which resulted in the liabilities appreciating against the Canadian dollar.

Derivatives represent financial contracts whose value is derived by reference to a rate, index, or underlying asset. The government uses derivatives for hedging purposes to manage various types of financial risk. With the adoption of new accounting standards on financial instruments in 2023, derivatives are presented separately from other types of liabilities and are recorded at fair value. Derivatives estimated to require a net outflow of resources if terminated on March 31 are presented as liabilities, while derivatives estimated to result in a net inflow of resources if terminated on March 31 are presented as assets. Derivative liabilities increased \$2.2 billion to \$4.7 billion at March 31, 2023, from a March 31, 2022 carrying value of \$2.5 billion, largely reflecting the transition to a fair value measurement basis and changes in foreign exchange rates during 2023.

## Financial assets

Financial assets include cash on deposit with the Bank of Canada, chartered banks and other financial institutions, accounts receivable, foreign exchange accounts assets, derivatives, loans, investments and advances, and public sector pension assets. The government's foreign exchange accounts assets include foreign currency deposits, investments in marketable securities, and subscriptions and loans to the IMF. Proceeds of the government's foreign currency borrowings are held in the Exchange Fund Account to provide foreign currency liquidity and provide funds needed to promote orderly conditions for the Canadian dollar in foreign exchange markets. Further details on the management of international reserves, including foreign currency and interest rate risk, are available in the annual *Report on the Management of Canada's Official International Reserves*. The government's derivative assets include cross-currency swaps and foreign exchange forward agreements. The government's loans, investments and advances include its investments in and loans to enterprise Crown corporations, loans to national governments mainly for financial assistance and development of export trade, loans under the Canada Student Loans Program, and, starting in 2021, loans to small businesses and not-for-profits under the Canada Emergency Business Account (CEBA) program.

### Financial assets by category for 2023



Numbers may not add to 100% due to rounding.

At March 31, 2023, financial assets amounted to \$642.3 billion, down \$5.3 billion from March 31, 2022. The decrease reflects decreases in cash and accounts receivable and derivatives, offset in part by increases in foreign exchange accounts assets, loans, investments and advances, and public sector pension assets.

At March 31, 2023, cash and accounts receivable totalled \$243.5 billion, down \$36.5 billion from March 31, 2022. Within this component, cash and cash equivalents decreased by \$51.8 billion. The government maintained higher cash balances during the COVID-19 pandemic to be prepared for uncertain spending needs such as emergency supports for people and businesses. These cash balances were reduced during 2023 to offset some of the government's financial requirements, as part of a general shift in the return to normal government operations. The balance of cash and cash equivalents at March 31, 2023, includes \$20.0 billion that has been designated as a deposit held with respect to prudential liquidity management. Taxes receivable increased by \$13.4 billion during 2023 to \$181.0 billion, reflecting growth in tax revenues. Other accounts receivable increased by \$1.9 billion, largely reflecting an increase in cash held as collateral support under International Swaps and Derivatives Association master agreements in respect of outstanding cross-currency swap arrangements, as well as a net increase in COVID-19 benefit overpayments receivable as a result of redeterminations during 2023. These increases were offset in part by the receipt during 2023 of dividends receivable from CMHC at March 31, 2022, and a decrease in dividends receivable from the Bank of Canada due to its net losses in 2023.

Loans, investments and advances in enterprise Crown corporations and other government business enterprises increased by \$7.3 billion in 2023. Investments in enterprise Crown corporations and other government business enterprises decreased \$4.9 billion, largely reflecting \$8.7 billion in net share repurchases and distributions of contributed surplus and \$1.7 billion in dividends paid to the government, offset in part by \$3.9 billion in net profits and \$1.6 billion in other comprehensive income recorded by these entities during 2023. Net loans and advances to enterprise Crown corporations and other government business enterprises were up \$12.2 billion. This growth primarily reflects a \$12.3-billion increase in loans to Crown corporations under the consolidated borrowing framework to finance the operational needs of BDC, CMHC and FCC.

Other loans, investments and advances decreased by \$1.3 billion, from \$63.3 billion to \$62.1 billion, as a decrease in CEBA loans offset increases in other loans, investments and advances.

Public sector pension assets increased by \$3.8 billion, largely reflecting an increase in the net assets under the Public Service Pension Fund, which pertains to service accrued on or after April 1, 2000, that falls within the *Income Tax Act* limits under the *Public Service Superannuation Act*.

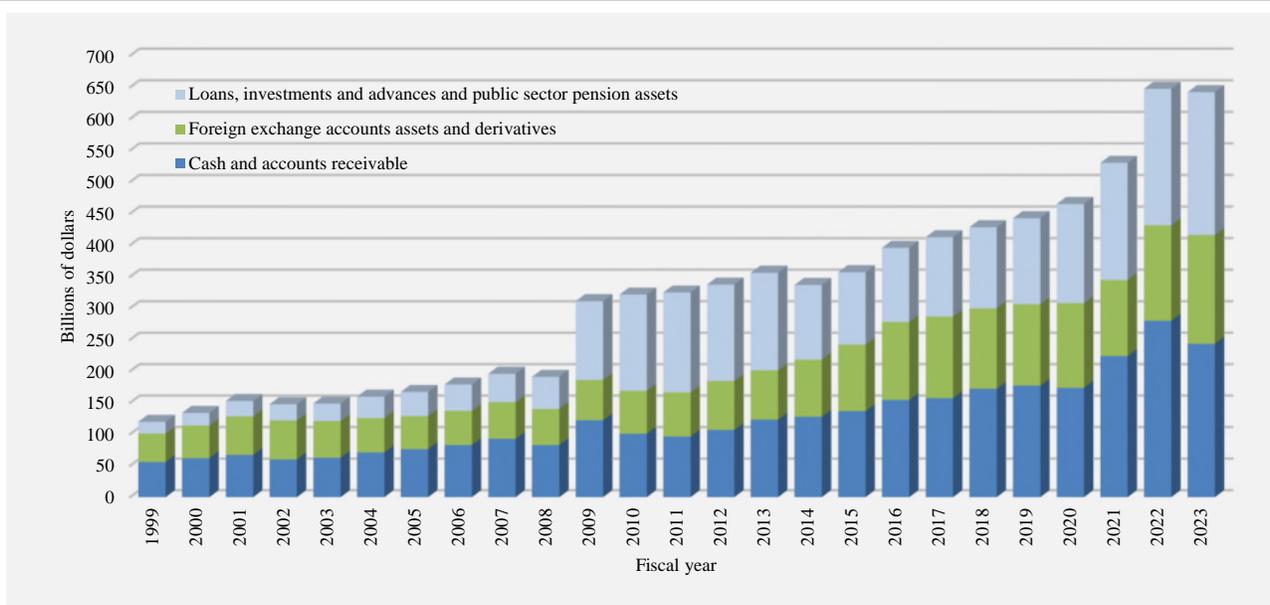
Foreign exchange accounts assets increased by \$23.1 billion in 2023, totalling \$169.4 billion at March 31, 2023, due mainly to an increase in net advances to the Exchange Fund Account and appreciation in the value of foreign currency denominated investments held due to exchange rate movements.

Derivative assets decreased \$1.7 billion to \$3.3 billion at March 31, 2023, from a March 31, 2022 carrying value of \$5.0 billion, largely reflecting the transition to a fair value measurement basis, as required by new accounting standards on financial instruments, and changes in foreign exchange rates during 2023.

Since the accumulated deficit reached its post-World War II peak of 66.6% of GDP at March 31, 1996, financial assets have increased by \$541.2 billion, mainly reflecting higher levels of cash and cash equivalents and accounts receivable (up \$190.9 billion), an increase in foreign exchange accounts assets (up \$141.9 billion), and an increase in loans, investments and advances (up \$192.1 billion). The increase in cash and cash equivalents and accounts receivable is largely attributable to growth in taxes receivable and cash balances. The increase in taxes receivable is broadly in line with the growth in the applicable tax bases. The growth in cash reflects an increase in balances held under the government’s prudential liquidity management plan announced in Budget 2011, as well as a larger cash position for contingency purposes following the onset of the pandemic. The increase in the foreign exchange accounts reflects a decision by the government in the late 1990s and more recently in the 2012 *Debt Management Strategy* to increase liquidity in these accounts. The increase in loans, investments and advances is attributable to several factors including the accumulation of net profits from enterprise Crown corporations, the government taking over the financing of the Canada Student Loans Program from the chartered banks in 2000, the issuance of direct loans to Crown corporations under the government’s consolidated borrowing framework implemented in 2008, and the increase in loans to support businesses as part of the COVID-19 Economic Response Plan through the CEBA program.

### Financial assets

(in billions of dollars)



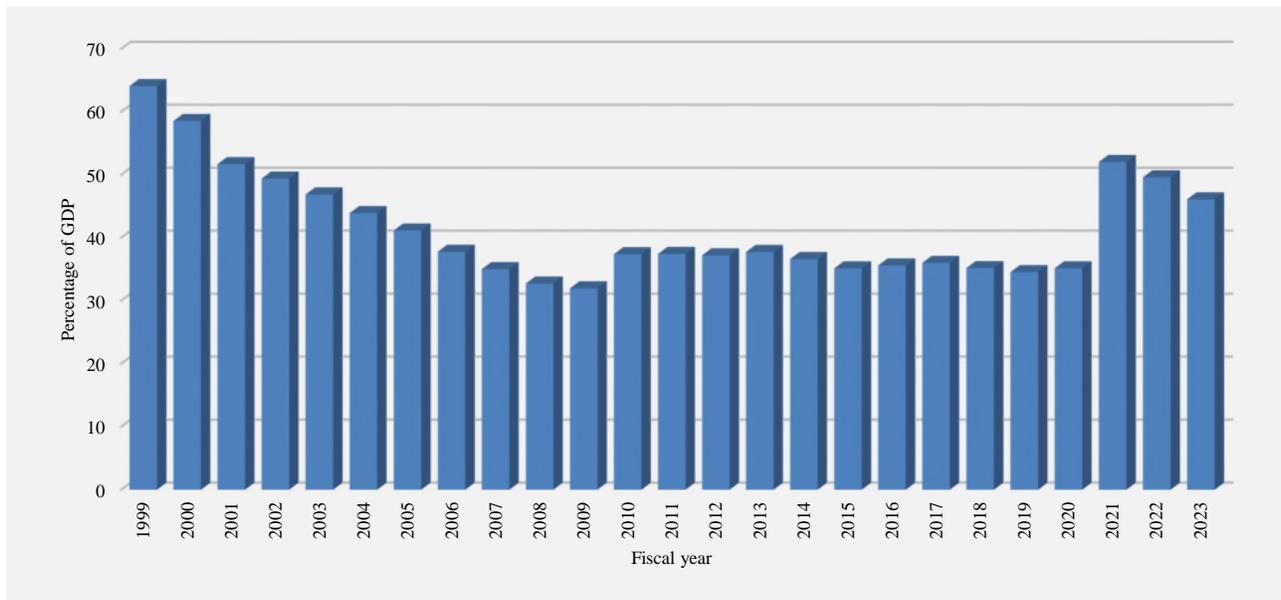
## Net debt

The government's net debt—its total liabilities less financial assets—stood at \$1,282.8 billion at March 31, 2023. Net debt was 46.1% of GDP, down 3.5 percentage points from a year earlier, and 25.9 percentage points below its peak of 72.0% at March 31, 1996. The increase in net debt as a percentage of GDP since 2020 reflects borrowings undertaken to meet the government's financial requirements under the COVID-19 Economic Response Plan.

This ratio measures debt relative to the ability of the country's taxpayers to finance it. Total liabilities are reduced only by financial assets as non-financial assets cannot normally be converted to cash to pay off the debt without disrupting government operations.

## Net debt

(as a percentage of GDP)



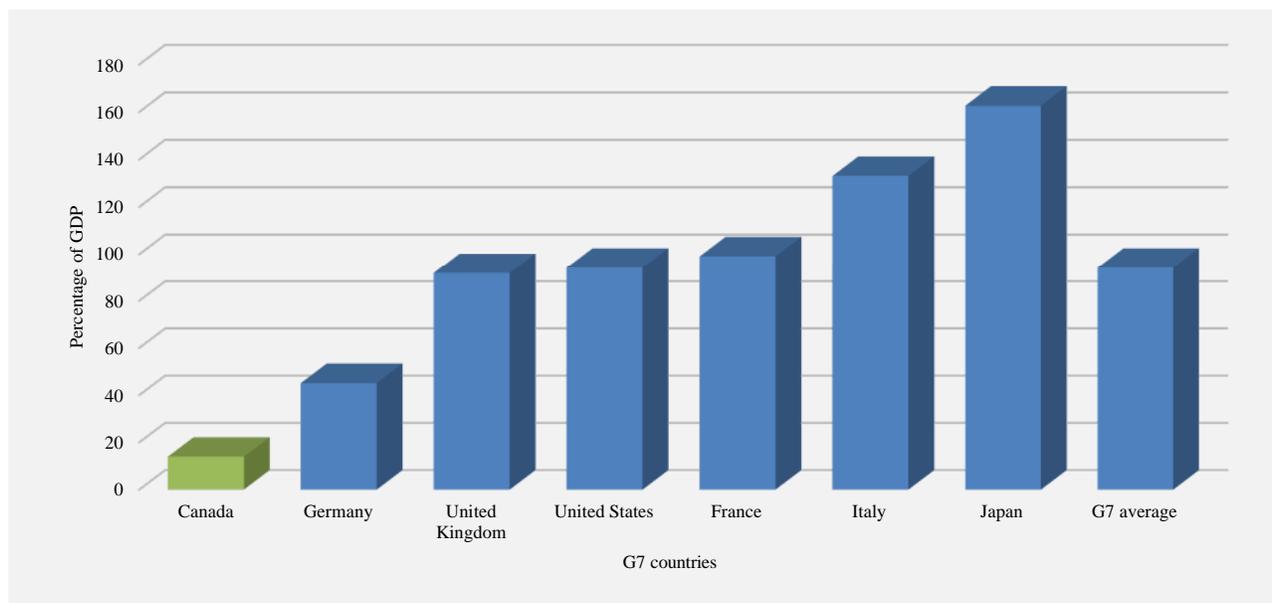
### International comparisons of net debt

Jurisdictional responsibility (between central, state, and local levels of government) for government programs differs among countries. As a result, international comparisons of government fiscal positions are undertaken on a total government, National Accounts basis. For Canada, total government net debt includes that of the federal, provincial/territorial, and local governments, as well as the net assets held in the Canada Pension Plan and Quebec Pension Plan.

#### Canada has the lowest total government net debt burden among G7 countries

#### G7 total government net debt, 2022

(as a percentage of GDP)



Source: IMF

Canada’s total government net debt-to-GDP ratio stood at 13.9% in 2022, according to the IMF. This is the lowest level among G7 countries, which the IMF estimates will record an average net debt of 94.2% of GDP in that same year.

The following table provides a reconciliation between the Government of Canada’s accumulated deficit-to-GDP ratio and Canada’s total government net debt-to-GDP ratio used for international net debt comparison purposes. Importantly, the latter includes the net debt of the federal, provincial, territorial, and local governments, as well as the net assets held by the CPP and QPP and excludes liabilities for public sector pensions and other employee future benefits. Given significant inconsistencies across countries in the accounting treatment of unfunded liabilities for public sector pensions and other employee future benefits, international organizations remove them from debt estimates for countries that include them (such as Canada) to facilitate international comparability.

**Reconciliation of 2023 accumulated deficit-to-GDP ratio to calendar 2022 total government net debt-to-GDP ratio**

(as a percentage of GDP)

	% of GDP
<b>Accumulated deficit</b> .....	<b>42.2</b>
Add: Non-financial assets .....	3.9
<b>Net debt (Public Accounts basis)</b> .....	<b>46.1</b>
Less:	
Liabilities for public sector pensions .....	(6.0)
Liabilities for other future benefits .....	(6.4)
National Accounts/Public Accounts methodological differences and timing adjustments <sup>1</sup> .....	(6.8)
<b>Total federal net debt (National Accounts basis)</b> .....	<b>26.9</b>
Add: Net debt of provincial/territorial and local governments .....	10.7
Less: Net assets of the CPP/QPP .....	(23.4)
<b>Total government net debt<sup>2</sup></b> .....	<b>14.2</b>

Numbers may not add due to rounding.

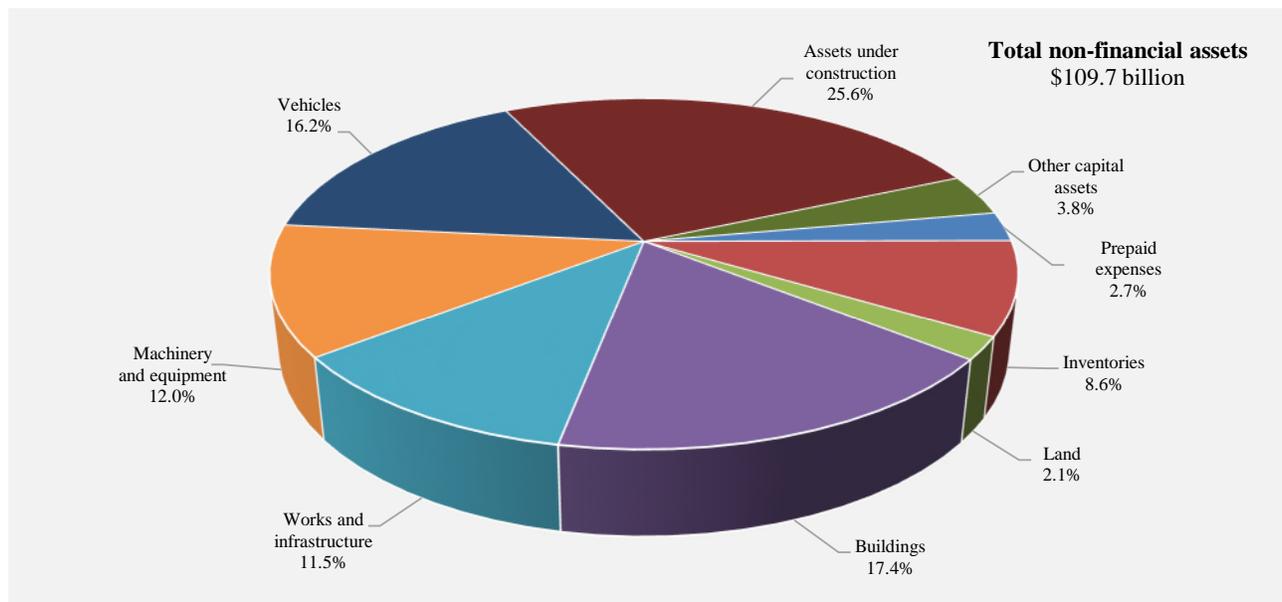
Source: Statistics Canada and Public Accounts of Canada

<sup>1</sup> Includes timing differences (National Accounts data are as of December 31), differences in the universe covered by each accounting system, and differences in accounting treatments of various transactions such as capital gains.

<sup>2</sup> The net debt figure has been revised by Statistics Canada since the publication of the IMF's April 2023 *Fiscal Monitor*, which is the source for the chart "G7 total government net debt, 2022". Net debt has been revised from 13.9% to 14.2%.

**Non-financial assets**

Non-financial assets include the net book value of the government's tangible capital assets, which include land, buildings, works and infrastructure such as roads and bridges, machinery and equipment, ships, aircraft, and other vehicles. Non-financial assets also include inventories and prepaid expenses.

**Non-financial assets by category for 2023**

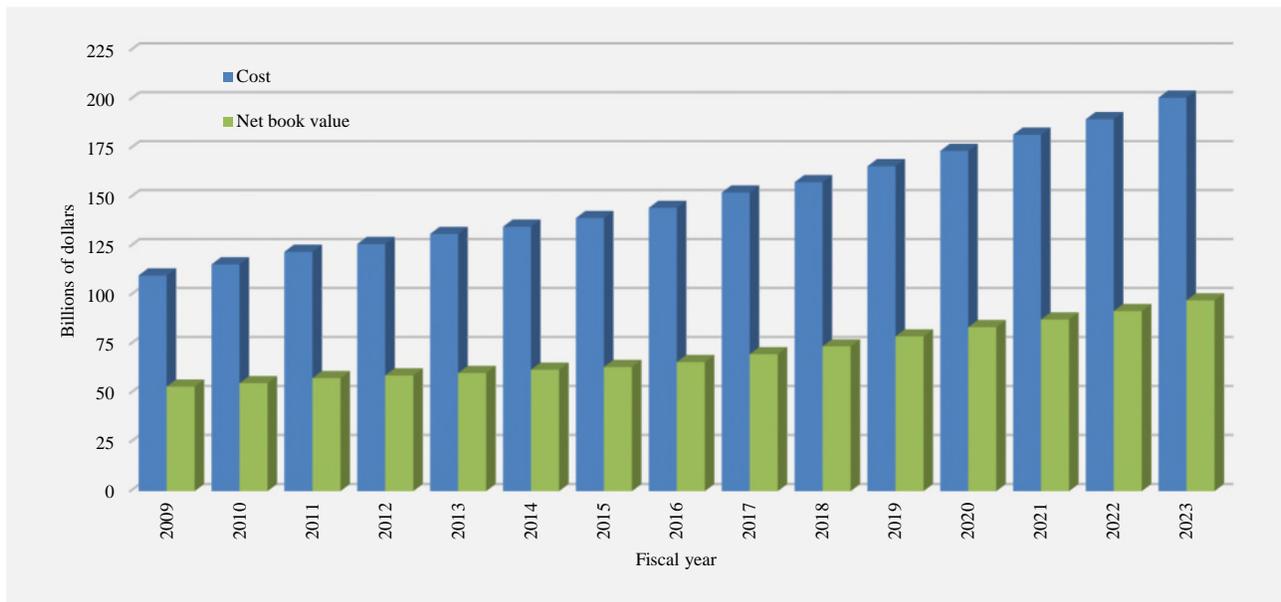
Numbers may not add to 100% due to rounding.

At March 31, 2023, non-financial assets stood at \$109.7 billion, up \$5.0 billion from a year earlier. This growth primarily relates to a \$4.6-billion increase in tangible capital assets, largely reflecting an increase in assets under construction and a net increase in vehicles, a \$0.4-billion increase in inventories, primarily due to additional procurement of COVID-19 therapeutics and other medical countermeasures, and a \$44-million increase in prepaid expenses.

At March 31, 2023, 60.8% of the original cost of the government's depreciable tangible capital assets had been amortized, an increase of 0.5% from a year earlier. Depreciable tangible capital assets exclude land and assets under construction, which are not yet available for use.

**Tangible capital assets**

(in billions of dollars)



The amounts for 2022 have been restated in 2023 to reflect the government’s adoption of the new Public Sector Accounting Standard PS 3280 Asset Retirement Obligations. Prior years’ amounts have not been restated.

Assets under construction totalled \$28.1 billion at March 31, 2023, some of which are being built using public-private partnerships in which the private sector partner designs, builds, finances, and/or operates and maintains large infrastructure projects. The government’s liability for these long-term financing arrangements is included in obligations under public-private partnerships reported in Note 10 of the consolidated financial statements.

The government has a robust policy framework for the management of assets and acquired services. The framework sets the direction for management of assets to ensure the conduct of activities provides value for money and demonstrates sound stewardship in program delivery.

## Cash flow

The annual operating surplus or deficit is presented on an accrual basis of accounting, recognizing revenue in the period it is earned and expenses when incurred, regardless of when the associated cash is received or paid. In contrast, the government's net cash flow measures the difference between cash coming in to the government and cash going out.

In 2023, the government had a total cash requirement of \$55.8 billion before financing activities, compared to a total cash requirement of \$80.2 billion before financing activities in 2022. Operating activities resulted in a net cash requirement of \$42.3 billion in 2023, compared to a net cash requirement of \$64.8 billion in 2022. Cash used by capital investment activities resulted in a net cash requirement of \$10.5 billion in 2023, compared to a net cash requirement of \$8.9 billion in 2022. Cash used by investing activities totalled \$3.1 billion in 2023, compared to \$6.6 billion in 2022.

### Cash flow

(in millions of dollars)

	2023	2022
Cash used by operating activities .....	(42,310)	(64,754)
Cash used by capital investment activities .....	(10,458)	(8,858)
Cash used by investing activities.....	(3,066)	(6,562)
<i>Total cash used before financing activities.....</i>	<i>(55,834)</i>	<i>(80,174)</i>
Cash provided by financing activities .....	4,018	116,895
Net (decrease) increase in cash and cash equivalents .....	(51,816)	36,721
Cash and cash equivalents at beginning of year.....	100,822	64,101
Cash and cash equivalents at end of year .....	49,006	100,822

Financing activities generated a \$4.0-billion source of cash in 2023, resulting in an overall net decrease in cash of \$51.8 billion. The level of cash and cash equivalents stood at \$49.0 billion at March 31, 2023.

## Contractual obligations and contractual rights

The nature of the government's operations results in large multi-year contracts and agreements that will generate expenses, liabilities, and cash outflows in future years. Major contractual obligations of the government relate to transfer payments, capital assets and purchases, operating leases, public-private partnership arrangements, and payments to international organizations. As of March 31, 2023, future payments under contractual obligations totalled \$236.5 billion (\$224.4 billion as of March 31, 2022). The increase over the prior year largely reflects increased contractual obligations related to transfer payment agreements.

Similarly, the activities of government can also involve the negotiation of contracts or agreements with third parties that result in the government having rights to both assets and revenues in the future. These arrangements typically relate to sales of goods and services, leases of property, and royalties and profit-sharing arrangements. The terms of these contracts and agreements may not always allow for a reasonable estimate of revenues in the future. For contracts and agreements that do allow for a reasonable estimate, total revenues to be received in the future under major contractual rights are estimated at \$30.9 billion at March 31, 2023 (\$32.8 billion as of March 31, 2022).

Further details regarding the government's contractual obligations and contractual rights are provided in Section 11, Contractual obligations, contractual rights and contingent liabilities, of this volume.

## Risks and uncertainties

The government's financial results are subject to risks and uncertainties inherent in the nature of certain financial statement elements and government operations, including:

- changes in economic conditions – particularly changes in economic growth, inflation, and interest rates
- outcomes from litigation, arbitration, and negotiations with third parties, and the resolution of taxes under objection
- identification and quantification of environmental liabilities
- aging tangible capital assets, including information technology infrastructure, and costs associated with retiring capital assets at the end of their useful lives
- credit risk and foreign currency risk associated with the government's financial assets, including loans, investments and advances and foreign exchange accounts assets
- unforeseen situations such as natural catastrophes, geopolitical developments, cybersecurity incidents, or more recently, the COVID-19 pandemic
- effects of climate change and climate-related innovations and measures, which could affect the values of existing assets and liabilities.

The government's financial statements incorporate a number of significant estimates and assumptions related to risks and uncertainties that are used in valuing its assets, liabilities, revenues, and expenses. One of the most significant areas of measurement uncertainty relates to public sector pensions and other employee and veteran future benefits, for which payments are made many years into the future and are dependent upon the evolution of factors such as wage increases, inflation, workforce composition, retirement rates, mortality rates, and returns on pension investments. In developing its best estimates and assumptions, which are set at the reporting date, the government takes into consideration historical experience, current facts and circumstances, and expected future developments. The government's financial results are also subject to volatility as a result of year-over-year changes in the discount rates used to value its public sector pension and other employee and veteran future benefit obligations. These discount rates are affected by interest rates and expected rates of return on assets, and changes in these discount rates will result in unrealized gains and losses that are amortized to expenses.

Another significant area of measurement uncertainty relates to contingent liabilities. Contingent liabilities represent possible obligations that may result in future payments when one or more events occur or fail to occur. Examples of contingent liabilities include loan guarantees; insurance programs, including the Deposit Insurance Fund operated by the Canada Deposit Insurance Corporation and the Mortgage Insurance Fund operated by CMHC; callable share capital in international financial institutions; and claims and pending and threatened litigation. This last category includes, among other items, specific claims that deal with the past grievances of First Nations related to Canada's obligations under historic treaties or the way it managed First Nations' funds or other assets, and comprehensive land claims, which relate to areas of the country where Aboriginal rights and title have not been resolved by treaty or by other legal means. As of March 31, 2023, the government's exposure to contingent liabilities totalled over \$2 trillion. However, the vast majority of this amount represents situations where the probability of a future payment is assessed as unlikely or not determinable. The government records a provision for contingent liabilities only in cases where the probability of future payment is considered likely and the amount is estimable. As of March 31, 2023, this provision totalled \$76.0 billion.

The government's assumptions related to risks and uncertainties used in determining its financial results are reassessed at each fiscal year-end and updated as necessary. Exposure to measurement uncertainty from the use of accounting and other estimates in recording certain transactions is discussed in the notes to the consolidated financial statements. Further details with respect to the measurement of the government's tax revenues, provisions for accounts receivable, contingent liabilities, environmental liabilities and asset retirement obligations, public sector pensions and other employee and veteran future benefits, and loans, investments and advances are included in the notes to the consolidated financial statements of the Government of Canada. Note 21 of the consolidated financial statements provides information on instruments and strategies used by the government to manage financial risks associated with its financial assets and liabilities.

The government's revenues and expenses are also highly sensitive to changes in economic conditions—particularly to changes in economic growth, inflation, and interest rates.

To illustrate the impact of changes in economic conditions, the Department of Finance Canada publishes, on a regular basis, sensitivity impacts on the budgetary balance. These are “rules of thumb” as the actual impact will depend on many other factors as well. As published in the March 28, 2023, federal budget, these show, for example, that:

- A one-year, 1-percentage-point decrease in real GDP growth would lower the budgetary balance by \$4.9 billion in the first year, \$4.8 billion in the second year, and \$5.7 billion in the fifth year.
- A one-year, 1-percentage-point decrease in GDP inflation would lower the budgetary balance by \$2.3 billion in the first year, \$2.6 billion in the second year, and \$2.0 billion in the fifth year, assuming that the Consumer Price Index moves in line with GDP inflation.
- A sustained 100-basis-point increase in interest rates would lower the budgetary balance by \$4.0 billion in the first year, \$5.1 billion in the second year, and \$6.9 billion in the fifth year.

While these generalized rules of thumb provide good estimates of the sensitivity of the budgetary balance to small economic changes, it is important to note that some of the estimated relationships would change in response to large economic changes.

### **Ten-year comparative financial information**

The following tables provide a ten-year comparison of financial information based on the accounting policies explained in Note 1 to the audited consolidated financial statements in Section 2 of this volume.

**Table 1.1**  
**Government of Canada—Consolidated Statement of Operations and Accumulated Operating Deficit—detailed**  
(in millions of dollars)

	Year ended March 31 <sup>3,4,5</sup>									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 <sup>1,2</sup>
<b>Revenues</b>										
<i>Tax revenues</i>										
<b>Income tax revenues</b>										
Personal.....	130,811	135,743	144,897	143,680	153,619	163,881	167,576	174,755	198,385	207,872
Corporate.....	36,587	39,447	41,444	42,216	47,805	50,368	50,060	54,112	78,815	93,945
Non-resident.....	6,404	6,216	6,505	7,071	7,845	9,370	9,476	8,107	10,789	13,187
	<i>173,802</i>	<i>181,406</i>	<i>192,846</i>	<i>192,967</i>	<i>209,269</i>	<i>223,619</i>	<i>227,112</i>	<i>236,974</i>	<i>287,989</i>	<i>315,004</i>
<b>Other taxes and duties</b>										
Goods and services tax.....	30,998	31,349	32,952	34,368	36,751	38,221	37,386	32,415	46,165	45,962
Energy taxes.....	5,486	5,528	5,565	5,634	5,739	5,802	5,683	4,894	5,355	5,657
Customs import duties.....	4,239	4,581	5,372	5,478	5,416	6,881	4,853	4,254	5,237	6,057
Other excise taxes and duties.....	5,413	5,724	5,916	5,868	5,913	6,323	5,958	5,391	5,923	6,548
	<i>46,136</i>	<i>47,182</i>	<i>49,805</i>	<i>51,348</i>	<i>53,819</i>	<i>57,227</i>	<i>53,880</i>	<i>46,954</i>	<i>62,680</i>	<i>64,224</i>
<b>Total tax revenues.....</b>	<b>219,938</b>	<b>228,588</b>	<b>242,651</b>	<b>244,315</b>	<b>263,088</b>	<b>280,846</b>	<b>280,992</b>	<b>283,928</b>	<b>350,669</b>	<b>379,228</b>
<b>Employment insurance premiums.....</b>	<b>21,766</b>	<b>22,564</b>	<b>23,070</b>	<b>22,125</b>	<b>21,140</b>	<b>22,295</b>	<b>22,219</b>	<b>22,392</b>	<b>23,856</b>	<b>26,914</b>
<b>Proceeds from the pollution pricing framework.....</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,655</b>	<b>4,380</b>	<b>6,341</b>	<b>8,041</b>
<b>Other revenues</b>										
Enterprise Crown corporations and other government business enterprises.....	7,966	9,306	7,916	5,655	7,731	7,101	5,059	(10,542)	12,804	6,452
Net foreign exchange revenues.....	1,682	1,355	2,322	2,133	1,473	1,667	2,410	2,173	873	1,261
Other.....	18,660	18,092	16,649	16,640	17,784	20,309	20,796	14,115	18,734	25,919
<b>Total other revenues.....</b>	<b>28,308</b>	<b>28,753</b>	<b>26,887</b>	<b>24,428</b>	<b>26,988</b>	<b>29,077</b>	<b>28,265</b>	<b>5,746</b>	<b>32,411</b>	<b>33,632</b>
<b>Total revenues.....</b>	<b>270,012</b>	<b>279,905</b>	<b>292,608</b>	<b>290,868</b>	<b>311,216</b>	<b>332,218</b>	<b>334,131</b>	<b>316,446</b>	<b>413,277</b>	<b>447,815</b>
<b>Expenses</b>										
<b>Program expenses</b>										
<b>Transfer payments</b>										
Old age security benefits, guaranteed income supplement and spouse's allowance.....	41,786	44,103	45,461	48,162	50,644	53,366	56,227	58,529	60,774	69,392
<b>Major transfer payments to other levels of government</b>										
Canada Health Transfer.....	30,543	32,114	34,025	36,057	37,124	38,568	40,872	45,880	45,133	47,141
Canada Social Transfer.....	12,215	12,582	12,959	13,348	13,748	14,161	14,585	15,023	15,474	15,938
Canada-Wide Early Learning and Child Care.....	–	–	–	–	–	–	–	–	2,948	4,489
Fiscal arrangements.....	15,610	16,271	16,893	17,145	17,575	17,929	18,030	19,299	19,121	19,731
Other major transfers.....	2,107	2,142	1,973	2,102	2,072	5,267	5,688	26,451	5,710	3,485
	<i>60,475</i>	<i>63,109</i>	<i>65,850</i>	<i>68,652</i>	<i>70,519</i>	<i>75,925</i>	<i>79,175</i>	<i>106,653</i>	<i>88,386</i>	<i>90,784</i>
Employment insurance and support measures ..	17,300	18,052	19,419	20,711	19,715	18,888	21,750	58,356	38,923	21,836
Children's benefits.....	13,136	14,303	18,025	22,065	23,432	23,882	24,344	27,370	26,226	24,553
COVID-19 income support for workers.....	–	–	–	–	–	–	4,739	55,832	15,582	(3,544)
Canada emergency wage subsidy.....	–	–	–	–	–	–	–	80,166	22,291	(257)
Proceeds from the pollution pricing framework returned.....	–	–	–	–	–	664	2,636	4,566	3,814	6,996
Other transfer payments.....	36,698	35,126	34,874	41,580	47,138	51,753	54,405	97,961	88,478	99,199
<b>Total transfer payments.....</b>	<b>169,395</b>	<b>174,693</b>	<b>183,629</b>	<b>201,170</b>	<b>211,448</b>	<b>224,478</b>	<b>243,276</b>	<b>489,433</b>	<b>344,474</b>	<b>308,959</b>
<b>Other expenses, excluding net actuarial losses.....</b>	<b>64,277</b>	<b>73,971</b>	<b>79,939</b>	<b>77,519</b>	<b>86,488</b>	<b>90,077</b>	<b>95,191</b>	<b>119,089</b>	<b>124,445</b>	<b>129,596</b>
<b>Total program expenses, excluding net actuarial losses.....</b>	<b>233,672</b>	<b>248,664</b>	<b>263,568</b>	<b>278,689</b>	<b>297,936</b>	<b>314,555</b>	<b>338,467</b>	<b>608,522</b>	<b>468,919</b>	<b>438,555</b>
<b>Public debt charges.....</b>	<b>24,729</b>	<b>24,207</b>	<b>21,837</b>	<b>21,232</b>	<b>21,889</b>	<b>23,266</b>	<b>24,447</b>	<b>20,358</b>	<b>24,487</b>	<b>34,955</b>
<b>Total expenses, excluding net actuarial losses.....</b>	<b>258,401</b>	<b>272,871</b>	<b>285,405</b>	<b>299,921</b>	<b>319,825</b>	<b>337,821</b>	<b>362,914</b>	<b>628,880</b>	<b>493,406</b>	<b>473,510</b>
<b>Annual operating deficit before net actuarial losses.....</b>	<b>11,611</b>	<b>7,034</b>	<b>7,203</b>	<b>(9,053)</b>	<b>(8,609)</b>	<b>(5,603)</b>	<b>(28,783)</b>	<b>(312,434)</b>	<b>(80,129)</b>	<b>(25,695)</b>
Net actuarial losses.....	(19,661)	(7,584)	(10,064)	(9,904)	(10,352)	(8,361)	(10,609)	(15,295)	(10,186)	(9,627)
<b>Annual operating deficit.....</b>	<b>(8,050)</b>	<b>(550)</b>	<b>(2,861)</b>	<b>(18,957)</b>	<b>(18,961)</b>	<b>(13,964)</b>	<b>(39,392)</b>	<b>(327,729)</b>	<b>(90,315)</b>	<b>(35,322)</b>
<b>Accumulated operating deficit at beginning of year—as previously (adjusted).....</b>	<b>(609,391)</b>	<b>(611,881)</b>	<b>(612,330)</b>	<b>(615,986)</b>	<b>(631,899)</b>	<b>(671,254)</b>	<b>(685,450)</b>	<b>(721,360)</b>	<b>(1,048,746)</b>	<b>(1,148,296)</b>
<b>Accounting change and restatement</b>										
<b>Public sector pensions.....</b>	<b>(11,219)</b>	<b>(14,119)</b>	<b>(16,580)</b>	<b>(18,454)</b>	<b>(19,641)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Asset retirement obligations.....</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(5,379)</b>	<b>–</b>
<b>Other comprehensive income (loss).....</b>	<b>2,660</b>	<b>(2,360)</b>	<b>(2,669)</b>	<b>1,857</b>	<b>(753)</b>	<b>(232)</b>	<b>3,482</b>	<b>343</b>	<b>4,465</b>	<b>–</b>
<b>Accumulated operating deficit at end of year.....</b>	<b>(626,000)</b>	<b>(628,910)</b>	<b>(634,440)</b>	<b>(651,540)</b>	<b>(671,254)</b>	<b>(685,450)</b>	<b>(721,360)</b>	<b>(1,048,746)</b>	<b>(1,139,975)</b>	<b>(1,183,618)</b>

<sup>1</sup> Prior year comparatives have been restated to reflect the adoption of Public Sector Accounting Standard PS 3280 Asset Retirement Obligations. Years prior to 2022 figures have not been restated.

<sup>2</sup> The 2023 accumulated operating deficit at beginning of year has been adjusted to account for changes resulting from the introduction of the financial instrument suite of standards. Details can be found in Note 2 of Section 2 of this volume.

<sup>3</sup> The figures up to 2022 have been reclassified in the fiscal year 2023 to reflect the change in the financial instrument suite of standards. Other than the 2022 restated figures, the restatements in the prior years have not been audited.

<sup>4</sup> The figures up to 2018 have been restated in the fiscal year 2019 to reflect the change in revenue recognition criteria for consolidated Crown corporations. Other than the 2018 restated figures, the restatements in the prior years have not been audited.

<sup>5</sup> The figures up to 2017 have been restated in the fiscal year 2018 to reflect the impact of the change in methodology for the determination of the discount rate for unfunded pension benefits. Other than the 2017 restated figures, the restatements in the prior years have not been audited.

**Table 1.2**  
**Government of Canada—Consolidated Statement of Financial Position—detailed**  
(in millions of dollars)

	As at March 31 <sup>1,4,5</sup>									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 <sup>1,2</sup>
<b>Liabilities</b>										
<i>Accounts payable and accrued liabilities</i>										
Amounts payable related to tax.....	52,600	56,198	53,697	55,077	61,876	65,200	60,186	71,516	78,463	84,747
Other accounts payable and accrued liabilities.....	27,561	28,384	31,113	30,130	38,740	43,678	49,875	62,358	87,852	57,771
Provision for contingent liabilities.....	11,135	11,757	12,562	16,511	23,030	26,447	24,928	44,815	53,436	75,999
Environmental liabilities and asset retirement obligations.....	11,143	12,296	13,282	12,599	12,291	13,192	14,646	14,484	23,886	23,134
Deferred revenue.....	4,147	8,161	9,684	9,066	8,220	7,500	10,522	10,424	18,892	17,789
<b>Total accounts payable and accrued liabilities.....</b>	<b>106,586</b>	<b>116,796</b>	<b>120,338</b>	<b>123,383</b>	<b>144,157</b>	<b>156,017</b>	<b>160,157</b>	<b>203,597</b>	<b>262,529</b>	<b>259,440</b>
<i>Interest-bearing debt</i>										
<i>Unmatured debt</i>										
Payable in Canadian currency										
Marketable bonds.....	481,035	496,463	513,016	545,382	582,501	576,128	603,639	889,137	1,043,240	1,044,997
Treasury bills.....	152,530	135,361	137,894	136,464	110,264	133,555	151,285	218,664	186,877	198,899
Retail debt.....	6,327	5,660	5,076	4,533	2,586	1,237	497	299	–	–
	639,892	637,484	655,986	686,379	695,351	710,920	755,421	1,108,100	1,230,117	1,243,896
Payable in foreign currencies.....	16,066	20,277	22,498	17,626	16,089	16,068	15,982	15,469	14,473	16,034
Obligation related to capital leases.....	3,603	3,710	3,477	3,226	3,203	2,893	2,913	2,708	2,786	2,546
Obligation under public-private partnership.....	1,179	1,005	1,570	2,199	2,393	3,511	2,590	2,531	2,581	2,564
<b>Total unmatured debt.....</b>	<b>660,740</b>	<b>662,476</b>	<b>683,531</b>	<b>709,430</b>	<b>717,036</b>	<b>733,392</b>	<b>776,906</b>	<b>1,128,808</b>	<b>1,249,957</b>	<b>1,265,040</b>
<i>Pensions and other future benefits</i>										
Public sector pensions.....	167,281	169,244	170,681	171,447	170,914	168,782	168,596	168,761	167,666	166,425
Other employee and veteran future benefits.....	71,959	76,140	85,681	93,568	104,793	113,862	126,378	144,186	159,705	177,949
<b>Total pensions and other future benefits.....</b>	<b>239,240</b>	<b>245,384</b>	<b>256,362</b>	<b>265,015</b>	<b>275,707</b>	<b>282,644</b>	<b>294,974</b>	<b>312,947</b>	<b>327,371</b>	<b>344,374</b>
Canada Pension Plan Account.....	140	212	35	106	32	163	279	139	101	306
Other liabilities.....	5,774	5,790	5,567	5,583	5,638	5,742	5,772	6,572	7,606	7,033
<b>Total interest-bearing debt.....</b>	<b>905,894</b>	<b>913,862</b>	<b>945,495</b>	<b>980,134</b>	<b>998,413</b>	<b>1,021,941</b>	<b>1,077,931</b>	<b>1,448,466</b>	<b>1,585,035</b>	<b>1,616,753</b>
<i>Foreign exchange accounts liabilities</i> .....	17,651	19,425	29,288	28,888	29,914	28,507	28,660	24,797	42,252	44,151
<i>Derivatives</i> .....	3,180	7,716	9,232	9,419	8,786	8,265	11,331	3,245	2,471	4,689
<b>Total liabilities.....</b>	<b>1,033,311</b>	<b>1,057,799</b>	<b>1,104,353</b>	<b>1,141,824</b>	<b>1,181,270</b>	<b>1,214,730</b>	<b>1,278,079</b>	<b>1,680,105</b>	<b>1,892,287</b>	<b>1,925,033</b>
<b>Financial assets</b>										
<i>Cash and accounts receivable</i>										
Cash and cash equivalents.....	31,429	34,999	38,570	36,500	34,642	37,635	37,242	64,101	100,822	49,006
Taxes receivable.....	92,489	98,499	105,848	110,514	123,035	127,561	121,098	142,023	167,588	180,982
Other accounts receivable.....	3,706	3,031	10,139	10,316	14,380	11,845	15,375	18,072	11,642	13,532
<b>Total cash and accounts receivable.....</b>	<b>127,624</b>	<b>136,529</b>	<b>154,557</b>	<b>157,330</b>	<b>172,057</b>	<b>177,041</b>	<b>173,715</b>	<b>224,196</b>	<b>280,052</b>	<b>243,520</b>
<i>Foreign exchange accounts</i>										
International reserves held in the Exchange Fund Account.....	77,365	91,961	101,379	106,668	105,430	107,200	112,017	97,589	127,099	148,866
International Monetary Fund—Subscriptions.....	10,883	11,129	20,170	19,892	20,647	20,449	21,178	19,633	19,052	20,043
International Monetary Fund—Loans.....	1,665	1,353	1,278	1,125	775	546	368	197	132	67
International Monetary Fund—Resilience and Sustainability Trust.....	–	–	–	–	–	–	–	–	–	414
<b>Total foreign exchange accounts.....</b>	<b>89,913</b>	<b>104,443</b>	<b>122,827</b>	<b>127,685</b>	<b>126,852</b>	<b>128,195</b>	<b>133,563</b>	<b>117,419</b>	<b>146,283</b>	<b>169,390</b>
<i>Derivatives</i> .....	768	1,170	764	1,649	979	1,052	810	3,067	4,974	3,260
<i>Loans, investments and advances</i>										
Enterprise Crown corporations and other government business enterprises.....	94,815	89,375	91,116	99,427	100,775	108,169	125,108	119,994	143,717	151,051
Other loans, investments and advances.....	22,820	24,306	24,841	24,579	25,596	25,743	27,394	59,284	63,314	62,059
<b>Total loans, investments and advances.....</b>	<b>117,635</b>	<b>113,681</b>	<b>115,957</b>	<b>124,006</b>	<b>126,371</b>	<b>133,912</b>	<b>152,502</b>	<b>179,278</b>	<b>207,031</b>	<b>213,110</b>
<i>Public sector pension assets</i> .....	938	1,263	1,639	1,900	2,124	2,406	4,598	6,320	9,203	12,996
<b>Total financial assets.....</b>	<b>336,878</b>	<b>357,086</b>	<b>395,744</b>	<b>412,570</b>	<b>428,383</b>	<b>442,606</b>	<b>465,188</b>	<b>530,280</b>	<b>647,543</b>	<b>642,276</b>
<b>Net Debt.....</b>	<b>(696,433)</b>	<b>(700,713)</b>	<b>(708,609)</b>	<b>(729,254)</b>	<b>(752,887)</b>	<b>(772,124)</b>	<b>(812,891)</b>	<b>(1,149,825)</b>	<b>(1,244,744)</b>	<b>(1,282,757)</b>
<b>Non-financial assets</b>										
Tangible capital assets.....	61,942	63,347	65,838	69,676	73,835	78,942	83,682	87,583	92,785	97,337
Inventories.....	7,316	7,250	7,221	6,842	6,679	6,601	6,171	9,764	9,026	9,405
Prepaid expenses.....	1,175	1,206	1,110	1,196	1,119	1,131	1,678	3,732	2,958	3,002
<b>Total non-financial assets.....</b>	<b>70,433</b>	<b>71,803</b>	<b>74,169</b>	<b>77,714</b>	<b>81,633</b>	<b>86,674</b>	<b>91,531</b>	<b>101,079</b>	<b>104,769</b>	<b>109,744</b>
<b>Accumulated deficit.....</b>	<b>(626,000)</b>	<b>(628,910)</b>	<b>(634,440)</b>	<b>(651,540)</b>	<b>(671,254)</b>	<b>(685,450)</b>	<b>(721,360)</b>	<b>(1,048,746)</b>	<b>(1,139,975)</b>	<b>(1,173,013)</b>
<b>Accumulated deficit is comprised of:</b>										
Accumulated operating deficit.....	(626,000)	(628,910)	(634,440)	(651,540)	(671,254)	(685,450)	(721,360)	(1,048,746)	(1,139,975)	(1,183,618)
Accumulated remeasurement gains (losses).....	–	–	–	–	–	–	–	–	–	10,605
	<b>(626,000)</b>	<b>(628,910)</b>	<b>(634,440)</b>	<b>(651,540)</b>	<b>(671,254)</b>	<b>(685,450)</b>	<b>(721,360)</b>	<b>(1,048,746)</b>	<b>(1,139,975)</b>	<b>(1,173,013)</b>

<sup>1</sup> Prior year comparatives have been restated to reflect the adoption of Public Sector Accounting Standard PS 3280 Asset Retirement Obligations. Years prior to 2022 figures have not been restated.

<sup>2</sup> The 2023 accumulated operating deficit at beginning of year has been adjusted to account for changes resulting from the introduction of the financial instrument suite of standards. Details can be found in Note 2 of Section 2 of this volume.

<sup>3</sup> The figures up to 2022 have been reclassified in the fiscal year 2023 to reflect the change in the financial instrument suite of standards. Other than the 2022 restated figures, the restatements in the prior years have not been audited.

<sup>4</sup> The figures up to 2018 have been restated in the fiscal year 2019 to reflect the change in revenue recognition criteria for consolidated Crown corporations. Other than the 2018 restated figures, the restatements in the prior years have not been audited.

<sup>5</sup> The figures up to 2017 have been restated in the fiscal year 2018 to reflect the impact of the change in methodology for the determination of the discount rate for unfunded pension benefits. Other than the 2017 restated figures, the restatements in the prior years have not been audited.

**Table 1.3**  
**Government of Canada**  
**Consolidated Statement of Change in Net Debt—detailed**

(in millions of dollars)

	Year ended March 31 <sup>3, 4, 5</sup>									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 <sup>1, 2</sup>
<b>Net debt at beginning of year—as</b>										
<b>previously reported.....</b>	<b>(671,363)</b>	<b>(682,314)</b>	<b>(686,959)</b>	<b>(693,751)</b>	<b>(714,457)</b>	<b>(752,887)</b>	<b>(772,124)</b>	<b>(812,891)</b>	<b>(1,149,825)</b>	<b>(1,247,307)</b>
Accounting changes and restatement										
Unamortized premiums and discounts on the										
buy-back of bonds.....	(5,387)	—	—	—	—	—	—	—	—	—
Loans expected to be repaid										
from future appropriations.....	(1,563)	—	—	—	—	—	—	—	—	—
Public sector pensions.....	(11,219)	(14,119)	(16,580)	(18,454)	(19,641)	—	—	—	—	—
Change in revenue recognition criteria.....	—	—	2,826	3,596	4,844	—	—	—	—	—
Asset retirement obligations.....	—	—	—	—	—	—	—	—	(6,328)	—
<b>Net debt at beginning of year—as restated .....</b>	<b>(689,532)</b>	<b>(696,433)</b>	<b>(700,713)</b>	<b>(708,609)</b>	<b>(729,254)</b>	<b>(752,887)</b>	<b>(772,124)</b>	<b>(812,891)</b>	<b>(1,156,153)</b>	<b>(1,247,307)</b>
<b>Change in net debt during the year</b>										
<b>Annual Operating deficit .....</b>	<b>(8,050)</b>	<b>(550)</b>	<b>(2,861)</b>	<b>(18,957)</b>	<b>(18,961)</b>	<b>(13,964)</b>	<b>(39,392)</b>	<b>(327,729)</b>	<b>(90,315)</b>	<b>(35,322)</b>
<b>Change due to tangible capital assets</b>										
Acquisition of tangible capital assets .....	(7,129)	(7,204)	(8,015)	(8,547)	(9,793)	(11,134)	(10,286)	(10,127)	(9,588)	(10,703)
Amortization of tangible capital assets .....	4,865	5,090	5,049	5,168	5,261	5,643	5,790	5,969	5,514	5,644
Proceeds from disposal of tangible capital assets.....	804	855	610	373	236	433	41	15	28	26
Net loss (gain) on disposal of tangible capital assets,										
including adjustments .....	(241)	(146)	(135)	(832)	137	(49)	(285)	242	(207)	481
<b>Total change due to tangible capital assets.....</b>	<b>(1,701)</b>	<b>(1,405)</b>	<b>(2,491)</b>	<b>(3,838)</b>	<b>(4,159)</b>	<b>(5,107)</b>	<b>(4,740)</b>	<b>(3,901)</b>	<b>(4,253)</b>	<b>(4,552)</b>
<b>Change due to inventories.....</b>	<b>137</b>	<b>66</b>	<b>29</b>	<b>379</b>	<b>163</b>	<b>78</b>	<b>430</b>	<b>(3,593)</b>	<b>738</b>	<b>(379)</b>
<b>Change due to prepaid expenses.....</b>	<b>53</b>	<b>(31)</b>	<b>96</b>	<b>(86)</b>	<b>77</b>	<b>(12)</b>	<b>(547)</b>	<b>(2,054)</b>	<b>774</b>	<b>(44)</b>
<b>Increase in net debt excluding remeasurement</b>										
<b>gains and (losses).....</b>	<b>(9,561)</b>	<b>(1,920)</b>	<b>(5,227)</b>	<b>(22,502)</b>	<b>(22,880)</b>	<b>(19,005)</b>	<b>(44,249)</b>	<b>(337,277)</b>	<b>(93,056)</b>	<b>(40,297)</b>
<b>Net remeasurement gains (losses) .....</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>4,847</b>
<b>Other comprehensive income (loss).....</b>	<b>2,660</b>	<b>(2,360)</b>	<b>(2,669)</b>	<b>1,857</b>	<b>(753)</b>	<b>(232)</b>	<b>3,482</b>	<b>343</b>	<b>4,465</b>	<b>—</b>
<b>Net increase in net debt.....</b>	<b>(6,901)</b>	<b>(4,280)</b>	<b>(7,896)</b>	<b>(20,645)</b>	<b>(23,633)</b>	<b>(19,237)</b>	<b>(40,767)</b>	<b>(336,934)</b>	<b>(88,591)</b>	<b>(35,450)</b>
<b>Net debt at end of year.....</b>	<b>(696,433)</b>	<b>(700,713)</b>	<b>(708,609)</b>	<b>(729,254)</b>	<b>(752,887)</b>	<b>(772,124)</b>	<b>(812,891)</b>	<b>(1,149,825)</b>	<b>(1,244,744)</b>	<b>(1,282,757)</b>

<sup>1</sup> Prior year comparatives have been restated to reflect the adoption of Public Sector Accounting Standard PS 3280 Asset Retirement Obligations. Years prior to 2022 figures have not been restated.

<sup>2</sup> The 2023 accumulated operating deficit at beginning of year has been adjusted to account for changes resulting from the introduction of the financial instrument suite of standards. Details can be found in Note 2 of Section 2 of this volume.

<sup>3</sup> The figures up to 2022 have been reclassified in the fiscal year 2023 to reflect the change in the financial instrument suite of standards. Other than the 2022 restated figures, the restatements in the prior years have not been audited.

<sup>4</sup> The figures up to 2018 have been restated in the fiscal year 2019 to reflect the change in revenue recognition criteria for consolidated Crown corporations. Other than the 2018 restated figures, the restatements in the prior years have not been audited.

<sup>5</sup> The figures up to 2017 have been restated in the fiscal year 2018 to reflect the impact of the change in methodology for the determination of the discount rate for unfunded pension benefits. Other than the 2017 restated figures, the restatements in the prior years have not been audited.

**Table 1.4**  
**Government of Canada—Consolidated Statement of Cash Flow—detailed**  
(in millions of dollars)

	Year ended March 31 <sup>3,4,5</sup>									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 <sup>1,2</sup>
<b>Operating activities</b>										
<b>Annual Operating deficit</b> .....	<b>(8,050)</b>	<b>(550)</b>	<b>(2,861)</b>	<b>(18,957)</b>	<b>(18,961)</b>	<b>(13,964)</b>	<b>(39,392)</b>	<b>(327,729)</b>	<b>(90,315)</b>	<b>(35,322)</b>
Non-cash items										
Share of annual (profit) loss in enterprise										
Crown corporations and other										
government business enterprises.....	(5,945)	(8,365)	(7,316)	(4,920)	(6,959)	(5,920)	(3,588)	11,638	(11,535)	(3,878)
Effective interest on debt.....	2,792	2,261	2,374	1,936	1,999	3,044	4,649	1,559	3,416	9,329
Provision for valuation on other loans, investments										
and advances.....	1,798	1,056	1,034	869	(109)	2,080	425	17,175	2,563	4,879
Amortization of tangible capital assets.....	4,865	5,090	5,049	5,168	5,261	5,643	5,790	5,969	5,514	5,644
Net (gain) loss on disposal and write-offs of tangible										
capital assets, including adjustments.....	(241)	(146)	(135)	(832)	137	(49)	(285)	242	(207)	481
Net exchange gain (loss) on derivatives.....	5,745	4,343	1,722	(627)	71	(561)	3,318	(10,142)	(2,696)	5,406
Pensions and other future benefit and interest expenses...	24,549	21,817	26,491	25,884	29,588	25,662	28,954	35,152	32,127	33,720
Provision for doubtful accounts.....	3,921	4,315	4,325	2,566	2,323	4,024	4,403	6,257	5,571	6,249
Net losses on write-offs and write-down										
of inventory and prepaid expenses.....	115	327	698	370	613	400	307	486	2,236	1,524
Net exchange gain (loss) on foreign exchange accounts..	(6,720)	(6,653)	(2,471)	214	(771)	(589)	(5,298)	7,199	3,450	(6,345)
Change in taxes receivable.....	(4,125)	(9,920)	(11,182)	(7,425)	(15,846)	(8,292)	2,198	(26,049)	(30,653)	(18,162)
Pension and other future benefit payments.....	(16,434)	(15,998)	(15,889)	(17,492)	(19,120)	(19,007)	(18,816)	(18,901)	(20,586)	(20,510)
Net change in foreign exchange accounts assets.....	(7,066)	(8,860)	(15,691)	(5,200)	2,873	(859)	610	5,564	(13,569)	(13,859)
Net change in foreign exchange accounts liabilities.....	(97)	2,114	9,493	(394)	882	(1,400)	(682)	(1,526)	(1,173)	(638)
Change in accounts payable and accrued liabilities.....	(6,853)	9,858	3,488	2,824	20,849	11,908	4,126	43,564	52,641	(3,221)
Net change in cash collateral.....	–	–	(6,557)	(349)	(1,841)	1,622	(2,825)	9,286	1,802	(2,623)
Net change in other accounts.....	(3,067)	(824)	(3,068)	(720)	(516)	1,118	1,036	(9,517)	(3,340)	(4,984)
<b>Cash (used) provided by operating activities</b> .....	<b>(14,813)</b>	<b>(135)</b>	<b>(10,496)</b>	<b>(17,085)</b>	<b>473</b>	<b>4,860</b>	<b>(15,070)</b>	<b>(249,773)</b>	<b>(64,754)</b>	<b>(42,310)</b>
<b>Capital investment activities</b>										
Acquisition of tangible capital assets.....	(7,129)	(6,804)	(7,379)	(7,834)	(9,220)	(10,010)	(9,598)	(10,030)	(8,886)	(10,484)
Proceeds from disposal of tangible capital assets.....	804	855	610	373	236	433	41	15	28	26
<b>Cash used by capital investment activities</b> .....	<b>(6,325)</b>	<b>(5,949)</b>	<b>(6,769)</b>	<b>(7,461)</b>	<b>(8,984)</b>	<b>(9,577)</b>	<b>(9,557)</b>	<b>(10,015)</b>	<b>(8,858)</b>	<b>(10,458)</b>
<b>Investing activities</b>										
Enterprise Crown corporations and other government										
business enterprises										
Dividends received and other equity adjustments.....	5,165	3,514	4,975	2,195	7,993	6,302	1,992	(13,989)	13,187	11,505
Issuance of loans and advances.....	(70,328)	(79,905)	(54,542)	(52,213)	(42,756)	(48,889)	(54,334)	(48,985)	(67,331)	(64,071)
Repayment of loans and advances.....	110,259	88,168	52,699	48,703	39,884	41,086	42,648	47,837	54,205	52,058
Issuance of other loans, investments and advances.....	(5,145)	(7,481)	(7,601)	(5,978)	(7,483)	(7,446)	(8,158)	(54,548)	(14,316)	(13,602)
Repayment of other loans, investments and advances.....	4,402	4,991	5,383	4,708	3,120	4,555	4,699	5,010	7,693	11,044
<b>Cash (used) provided by investing activities</b> .....	<b>44,353</b>	<b>9,287</b>	<b>914</b>	<b>(2,585)</b>	<b>758</b>	<b>(4,392)</b>	<b>(13,153)</b>	<b>(64,675)</b>	<b>(6,562)</b>	<b>(3,066)</b>
<b>Total cash (used) generated before financing activities</b> .....	<b>23,215</b>	<b>3,203</b>	<b>(16,351)</b>	<b>(27,131)</b>	<b>(7,753)</b>	<b>(9,109)</b>	<b>(37,780)</b>	<b>(324,463)</b>	<b>(80,174)</b>	<b>(55,834)</b>
<b>Financing activities</b>										
Issuance of Canadian currency borrowings.....	512,009	468,021	452,850	507,483	441,307	437,135	468,722	1,048,574	710,292	587,867
Repayment of Canadian currency borrowings.....	(536,364)	(471,891)	(435,143)	(477,549)	(433,801)	(424,926)	(430,279)	(698,130)	(592,308)	(584,412)
Issuance of foreign currency borrowings.....	12,011	16,961	26,817	21,702	15,847	19,631	17,821	34,185	31,377	23,769
Repayment of foreign currency borrowings.....	(6,783)	(12,724)	(24,602)	(26,575)	(17,458)	(19,738)	(18,877)	(33,307)	(32,466)	(23,206)
<b>Cash provided (used) by financing activities</b> .....	<b>(19,127)</b>	<b>367</b>	<b>19,922</b>	<b>25,061</b>	<b>5,895</b>	<b>12,102</b>	<b>37,387</b>	<b>351,322</b>	<b>116,895</b>	<b>4,018</b>
<b>Net increase (decrease) in cash and cash equivalents</b> .....	<b>4,088</b>	<b>3,570</b>	<b>3,571</b>	<b>(2,070)</b>	<b>(1,858)</b>	<b>2,993</b>	<b>(393)</b>	<b>26,859</b>	<b>36,721</b>	<b>(51,816)</b>
<b>Cash and cash equivalents at beginning of year</b> .....	<b>27,341</b>	<b>31,429</b>	<b>34,999</b>	<b>38,570</b>	<b>36,500</b>	<b>34,642</b>	<b>37,635</b>	<b>37,242</b>	<b>64,101</b>	<b>100,822</b>
<b>Cash and cash equivalents at end of year</b> .....	<b>31,429</b>	<b>34,999</b>	<b>38,570</b>	<b>36,500</b>	<b>34,642</b>	<b>37,635</b>	<b>37,242</b>	<b>64,101</b>	<b>100,822</b>	<b>49,006</b>

<sup>1</sup> Prior year comparatives have been restated to reflect the adoption of Public Sector Accounting Standard PS 3280 Asset Retirement Obligations. Years prior to 2022 figures have not been restated.

<sup>2</sup> The 2023 accumulated operating deficit at beginning of year has been adjusted to account for changes resulting from the introduction of the financial instrument suite of standards. Details can be found in Note 2 of Section 2 of this volume.

<sup>3</sup> The figures up to 2022 have been reclassified in the fiscal year 2023 to reflect the change in the financial instrument suite of standards. Other than the 2022 restated figures, the restatements in the prior years have not been audited.

<sup>4</sup> The figures up to 2018 have been restated in the fiscal year 2019 to reflect the change in revenue recognition criteria for consolidated Crown corporations. Other than the 2018 restated figures, the restatements in the prior years have not been audited.

<sup>5</sup> The figures up to 2017 have been restated in the fiscal year 2018 to reflect the impact of the change in methodology for the determination of the discount rate for unfunded pension benefits. Other than the 2017 restated figures, the restatements in the prior years have not been audited.

**Table 1.5**  
**Government of Canada—Consolidated Statement of Non-Budgetary Transactions and of Non-Financial Assets—detailed**  
(in millions of dollars)

	Year ended March 31 <sup>3,4,5</sup>									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 <sup>1,2</sup>
<b>Loans, investments and advances</b>										
Enterprise Crown corporations and other government business enterprises										
Loans and advances										
Canada Mortgage and Housing Corporation.....	41,951	10,465	177	720	1,124	592	(6,282)	(907)	(2,024)	(2,510)
Business Development Bank of Canada.....	(1,106)	(1,356)	(1,266)	(1,869)	(1,659)	(1,765)	(1,170)	5,179	(1,848)	(6,793)
Farm Credit Canada.....	(855)	(658)	(748)	(2,245)	(2,318)	(1,850)	(2,794)	(1,699)	(3,106)	(2,821)
Canadian Development Investment Corporation.....	—	—	—	—	—	(4,790)	(1,465)	(3,725)	(6,290)	138
Other.....	(60)	(167)	(11)	(117)	(18)	9	17	(12)	154	(26)
	<b>39,930</b>	<b>8,284</b>	<b>(1,848)</b>	<b>(3,511)</b>	<b>(2,871)</b>	<b>(7,804)</b>	<b>(11,694)</b>	<b>(1,164)</b>	<b>(13,114)</b>	<b>(12,012)</b>
Investments										
Share of annual loss (profit).....	(5,945)	(8,365)	(7,316)	(4,920)	(6,959)	(5,920)	(3,588)	11,638	(11,535)	(3,878)
Other comprehensive (income) loss.....	(2,660)	2,360	2,669	(1,857)	753	232	(3,482)	(343)	(4,465)	(1,628)
Dividends.....	5,215	2,341	4,002	2,320	8,058	6,427	3,618	13,592	6,050	1,695
Capital.....	(50)	1,030	973	(125)	(65)	(125)	(1,816)	(18,470)	(435)	8,717
Transition adjustment and other.....	—	143	—	—	—	—	190	(24)	2	(27)
	<b>(3,440)</b>	<b>(2,491)</b>	<b>328</b>	<b>(4,582)</b>	<b>1,787</b>	<b>614</b>	<b>(5,078)</b>	<b>6,393</b>	<b>(10,383)</b>	<b>4,879</b>
<b>Total.....</b>	<b>36,490</b>	<b>5,793</b>	<b>(1,520)</b>	<b>(8,093)</b>	<b>(1,084)</b>	<b>(7,190)</b>	<b>(16,772)</b>	<b>5,229</b>	<b>(23,497)</b>	<b>(7,133)</b>
Less:										
Loans expected to be repaid from future appropriations.....	(480)	353	221	218	264	204	167	115	225	201
<b>Total.....</b>	<b>(36,970)</b>	<b>5,440</b>	<b>(1,741)</b>	<b>(8,311)</b>	<b>(1,348)</b>	<b>(7,394)</b>	<b>(16,939)</b>	<b>5,114</b>	<b>(23,722)</b>	<b>(7,334)</b>
<b>Other loans, investments and advances</b>										
Portfolio investments.....	157	119	351	286	1,235	(616)	(385)	(165)	390	(166)
Capital subscriptions - International organizations.....	—	—	—	—	(257)	257	—	—	—	—
Loans and advances										
Canada Emergency Business Account.....	—	—	—	—	—	—	—	(28,789)	344	3,864
Canada Student Loans and Canada Apprentice Loans.....	(578)	(1,021)	(694)	(504)	(913)	(1,156)	(637)	(1,120)	(115)	(510)
Unconditionally repayable contributions.....	(156)	(170)	(1,177)	47	(139)	(147)	(389)	(1,619)	(1,098)	(948)
Other loans and advances.....	891	(414)	985	433	(943)	1,515	(240)	(197)	(3,550)	(984)
Total loans and advances.....	157	(1,605)	(886)	(24)	(1,995)	212	(1,266)	(31,725)	(4,419)	1,422
<b>Total.....</b>	<b>314</b>	<b>(1,486)</b>	<b>(535)</b>	<b>262</b>	<b>(1,017)</b>	<b>(147)</b>	<b>(1,651)</b>	<b>(31,890)</b>	<b>(4,029)</b>	<b>1,256</b>
<b>Total loans, investments and advances.....</b>	<b>37,284</b>	<b>3,954</b>	<b>(2,276)</b>	<b>(8,049)</b>	<b>(2,365)</b>	<b>(7,541)</b>	<b>(18,590)</b>	<b>(26,776)</b>	<b>(27,751)</b>	<b>(6,078)</b>
<b>Pensions and other future benefits</b>										
Public sector pensions.....	3,457	1,638	1,061	505	(757)	(2,414)	(2,378)	(1,557)	(3,979)	(5,034)
Other employee and veteran future benefits.....	4,658	4,181	9,541	7,887	11,225	9,069	12,516	17,808	15,519	18,244
<b>Total pensions and other future benefits.....</b>	<b>8,115</b>	<b>5,819</b>	<b>10,602</b>	<b>8,392</b>	<b>10,468</b>	<b>6,655</b>	<b>10,138</b>	<b>16,251</b>	<b>11,540</b>	<b>13,210</b>
<b>Other liabilities</b>										
Canada Pension Plan Account.....	72	72	(177)	71	(74)	131	115	(139)	(38)	204
Other liabilities.....	(204)	16	(223)	16	55	104	31	800	1,034	(573)
<b>Total other liabilities.....</b>	<b>(132)</b>	<b>88</b>	<b>(400)</b>	<b>87</b>	<b>(19)</b>	<b>235</b>	<b>146</b>	<b>661</b>	<b>996</b>	<b>(369)</b>
<b>Non-financial assets</b>										
Tangible capital assets.....	(1,701)	(1,405)	(2,491)	(3,838)	(4,159)	(5,107)	(4,740)	(3,901)	(5,202)	(4,552)
Inventories.....	137	66	29	379	163	78	430	(3,593)	738	(379)
Prepaid expenses.....	53	(31)	96	(86)	77	(12)	(547)	(2,054)	774	(44)
<b>Total non-financial assets.....</b>	<b>(1,511)</b>	<b>(1,370)</b>	<b>(2,366)</b>	<b>(3,545)</b>	<b>(3,919)</b>	<b>(5,041)</b>	<b>(4,857)</b>	<b>(9,548)</b>	<b>(3,690)</b>	<b>(4,975)</b>
<b>Other transactions</b>										
Taxes receivable.....	(374)	(6,010)	(7,349)	(4,666)	(12,521)	(4,526)	6,463	(20,925)	(25,565)	(13,394)
Other accounts receivable.....	(119)	675	(7,108)	(177)	(4,064)	2,535	(3,530)	(2,697)	6,430	(1,890)
Provincial, Territorial and Indigenous										
Tax Agreements Account.....	(1,584)	951	2,780	(1,942)	5,034	(351)	(4,710)	7,691	16,140	(20,942)
Amounts payable related to tax.....	(2,277)	3,598	(2,501)	1,380	6,799	3,324	(5,014)	11,330	6,947	6,285
Other liabilities.....	(2,977)	5,661	3,262	3,607	8,941	8,888	13,863	24,419	35,845	11,568
<b>Total other transactions.....</b>	<b>(7,331)</b>	<b>4,875</b>	<b>(10,916)</b>	<b>(1,798)</b>	<b>4,189</b>	<b>9,870</b>	<b>7,072</b>	<b>19,818</b>	<b>39,797</b>	<b>(18,373)</b>
<b>Total non-budgetary transactions and non-financial assets.....</b>	<b>36,425</b>	<b>13,366</b>	<b>(5,356)</b>	<b>(4,913)</b>	<b>8,354</b>	<b>4,178</b>	<b>(6,091)</b>	<b>406</b>	<b>20,892</b>	<b>(16,585)</b>

<sup>1</sup> Prior year comparatives have been restated to reflect the adoption of Public Sector Accounting Standard PS 3280 Asset Retirement Obligations. Years prior to 2022 figures have not been restated.

<sup>2</sup> The 2023 accumulated operating deficit at beginning of year has been adjusted to account for changes resulting from the introduction of the financial instrument suite of standards. Details can be found in Note 2 of Section 2 of this volume.

<sup>3</sup> The figures up to 2022 have been reclassified in the fiscal year 2023 to reflect the change in the financial instrument suite of standards. Other than the 2022 restated figures, the restatements in the prior years have not been audited.

<sup>4</sup> The figures up to 2018 have been restated in the fiscal year 2019 to reflect the change in revenue recognition criteria for consolidated Crown corporations. Other than the 2018 restated figures, the restatements in the prior years have not been audited.

<sup>5</sup> The figures up to 2017 have been restated in the fiscal year 2018 to reflect the impact of the change in methodology for the determination of the discount rate for unfunded pension benefits. Other than the 2017 restated figures, the restatements in the prior years have not been audited.

**Table 1.6**  
**Government of Canada**  
**Consolidated Statement of Foreign Exchange, Unmatured Debt and Cash Transactions—detailed**  
(in millions of dollars)

	Exercice clos le 31 mars <sup>2</sup>									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 <sup>1</sup>
<b>Foreign exchange accounts</b>										
<b>Assets</b>										
International reserves held in the Exchange Fund Account.....	(13,984)	(14,596)	(9,418)	(5,289)	1,238	(1,770)	(4,817)	14,427	(29,510)	(21,767)
International Monetary Fund—Subscriptions.....	(1,189)	(246)	(9,041)	278	(755)	198	(729)	1,546	581	(992)
International Monetary Fund—Loans.....	(208)	312	75	153	350	229	178	171	65	65
International Monetary Fund—Resilience and Sustainability Trust.....	—	—	—	—	—	—	—	—	—	(414)
	(15,381)	(14,530)	(18,384)	(4,858)	833	(1,343)	(5,368)	16,144	(28,864)	(23,108)
<b>Liabilities</b>										
International Monetary Fund										
Special drawing rights allocations.....	(1,118)	(231)	(493)	150	(409)	107	(396)	840	(17,945)	(1,489)
Notes payable.....	(760)	(1,543)	(9,370)	250	(617)	1,300	243	3,023	490	(411)
	(1,878)	(1,774)	(9,863)	400	(1,026)	1,407	(153)	3,863	(17,455)	(1,900)
<b>Total foreign exchange accounts.....</b>	<b>(13,503)</b>	<b>(12,756)</b>	<b>(8,521)</b>	<b>(5,258)</b>	<b>1,859</b>	<b>(2,750)</b>	<b>(5,215)</b>	<b>12,281</b>	<b>(11,409)</b>	<b>(21,208)</b>
<b>Unmatured debt</b>										
Payable in Canadian currency										
Marketable bonds.....	11,996	15,428	16,553	32,366	37,119	(6,373)	27,511	285,498	154,103	1,757
Treasury bills.....	(28,159)	(17,169)	2,533	(1,430)	(26,200)	23,291	17,730	67,379	(31,787)	12,022
Retail debt.....	(1,154)	(667)	(584)	(543)	(1,947)	(1,349)	(740)	(198)	(299)	—
	(17,317)	(2,408)	18,502	30,393	8,972	15,569	44,501	352,679	122,017	13,779
Payable in foreign currencies.....	5,264	4,211	2,221	(4,872)	(1,537)	(21)	(86)	(513)	(996)	1,561
Obligation related to capital leases.....	(45)	107	(233)	(251)	(23)	(310)	20	(205)	78	(240)
Obligation under public-private partnership.....	262	(174)	565	629	194	1,118	(921)	(59)	50	(17)
<b>Total unmaturred debt.....</b>	<b>(11,836)</b>	<b>1,736</b>	<b>21,055</b>	<b>25,899</b>	<b>7,606</b>	<b>16,356</b>	<b>43,514</b>	<b>351,902</b>	<b>121,149</b>	<b>15,083</b>
<b>Cash and cash equivalents at end of year</b>										
In Canadian currency.....	31,415	34,716	36,022	35,353	34,110	36,840	36,400	63,685	100,166	47,891
In foreign currencies.....	14	283	2,548	1,147	532	795	842	416	656	1,115
<b>Total cash and cash equivalents.....</b>	<b>31,429</b>	<b>34,999</b>	<b>38,570</b>	<b>36,500</b>	<b>34,642</b>	<b>37,635</b>	<b>37,242</b>	<b>64,101</b>	<b>100,822</b>	<b>49,006</b>

<sup>1</sup> The 2023 accumulated operating deficit at beginning of year has been adjusted to account for changes resulting from the introduction of the financial instrument suite of standards. Details can be found in Note 2 of Section 2 of this volume.

<sup>2</sup> The figures up to 2022 have been reclassified in the fiscal year 2023 to reflect the change in the financial instrument suite of standards. Other than the 2022 restated figures, the restatements in the prior years have not been audited.

## Glossary of terms

The following terms are used in this section and throughout the consolidated financial statements in Section 2 of this volume. The definitions are taken from the following primary sources:

TERMIUM at [btb.termiumplus.gc.ca](http://btb.termiumplus.gc.ca)

The *CPA Canada Public Sector Accounting Handbook*

Glossary of frequently-used terms, Finance Canada

### Accounts of Canada

The centralized record of the financial transactions of the Government of Canada, maintained by the Receiver General. The accounts of Canada summarize revenues, expenses, assets and liabilities transactions.

### Accrued benefit obligation

The value of future benefits attributed to services rendered by employees and former employees to the accounting date.

### Accumulated deficit

The accumulated net total of all past federal deficits and surpluses since Confederation plus accumulated other comprehensive income. The accumulated deficit is also equal to total liabilities less total assets – both financial and non-financial.

### Actuarial valuation for accounting purposes

An assessment of the financial status of a benefit plan. It consists of the valuation of assets held to discharge the benefit liability and calculation of the actuarial present value of benefits to be paid under the plan. The valuation measures the obligations and attributes the costs of the benefits to the period; it also determines any gains or losses since the last valuation.

### Allowance

Estimated potential losses on the realization of government financial claims or estimated financial obligations that would not otherwise be recorded in the financial statements.

### Appropriation

Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

### Canada Account

Pursuant to Section 23 of the *Export Development Act*, the Minister for International Trade, with the concurrence of the Minister of Finance, may authorize Export Development Canada (EDC) to enter into certain transactions or class of transactions where the Minister is of the opinion it is in the national interest and where EDC has advised the Minister that it will not enter into such transactions without such authorization. Funding for such transactions is provided by the Minister of Finance out of the Consolidated Revenue Fund and the transactions are administered by EDC on behalf of the Government of Canada. Collectively these transactions are known as the Canada Account.

### Capital lease

A lease that, from the point of view of the lessee, transfers substantially all the benefits and risks incident to ownership of property to the lessee.

### Consolidated Revenue Fund

The aggregate of all public moneys that are on deposit at the credit of the Receiver General for Canada.

### Consumer Price Index (CPI)

A measure of price changes produced by Statistics Canada on a monthly basis. The CPI measures the retail prices of a “shopping basket” of about 300 goods and services including food, housing, transportation, clothing and recreation. The index is “weighted”, meaning that it gives greater importance to price changes for some products than others – more to housing, for example, than to entertainment – in an effort to reflect typical spending patterns. Increases in the CPI are also referred to as increases in the cost of living.

### Contingent liability

A potential debt that may become an actual financial obligation if certain events occur or fail to occur.

### Contractual obligation

A written obligation to outside organizations or individuals as a result of a contract.

### Deficit

The amount by which government expenses exceed revenue in any given year.

### Defined benefit pension plan

A plan that specifies either the benefits to be received by employees after retirement or the method for determining those benefits.

**Derivative**

Derivatives are financial instruments or other contracts with all three of the following characteristics:

- (a) their value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable;
- (b) they require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and
- (c) they are settled at a future date(s).

**Enterprise Crown corporation**

A corporation that is not dependent on parliamentary appropriations and whose principal activity and source of revenues are the sale of goods or services to outside parties. An enterprise Crown corporation is ultimately accountable to Parliament, through a minister of the Crown, for the conduct of its affairs.

**Fair value**

Fair value is the amount of the consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

**Financial assets**

An asset on hand at the end of the accounting period, which could provide resources to discharge existing liabilities or finance future operations. Financial assets include cash and assets that are convertible into cash and are not intended for consumption in the normal course of activities.

**Financial instruments**

Financial instruments are any contracts that give rise to financial assets of one entity and financial liabilities or equity instruments of another entity.

**Full accrual accounting**

The method of recording transactions by which revenues and expenses are reflected in the determination of results for the period in which they are considered to have been earned and incurred, respectively, whether or not such transactions have been settled finally by the receipt or payment of cash or its equivalent.

**G7 (Group of Seven)**

The G7 consists of the world's seven largest industrial market economies: the United States, Japan, Germany, France, Great Britain, Italy and Canada. The leaders of these countries meet annually to discuss political and economic issues of mutual concern. In addition, G7 finance ministers meet several times a year to discuss economic policy. Their work is supported by regular, functional meetings of officials, including the G7 Finance Deputies.

**Gross domestic product (GDP)**

The total value of all goods and services produced within Canada during a given year. It is a measure of the income generated by production within Canada. Also referred to as annual economic output or, more simply, output. To avoid counting the same output more than once, GDP includes only final goods and services – not those that are used to make another product. GDP would not include the wheat used to make bread, but would include the bread itself. Real GDP values reflect adjustments for the impact of inflation, while nominal GDP values do not.

**National Accounts**

Refers to Canada's National Economic Accounts (NEA), a set of accounts (or economic statistical statements), compiled by Statistics Canada, providing an aggregated portrait of economic activity during a given period. NEA are compiled using the "System of National Accounts 2008" (SNA2008) as the organizing framework. The SNA2008 provides the internationally recommended concepts, classifications and methods to measure wealth, production, income, saving, investment and financial transactions. The use of the SNA2008 ensures that the Canadian National Economic Accounts are comparable with those of other countries.

**Net book value of tangible capital assets**

The cost of tangible capital assets less both accumulated amortization and the amount of any write-downs.

**Net debt**

The total liabilities of the government less its financial assets.

**Non-financial assets**

An asset on hand at the end of the accounting period, which could not normally be converted to cash to pay off the debt, without disrupting government operations.

**Operating lease**

A lease in which the lessor retains substantially all the benefits and risks of ownership.

**Other comprehensive income**

Other comprehensive income holds any unrealized gains and losses resulting from the change in market value on assets that are classified as available-for-sale, derivative instruments used in hedging activities or actuarial gains and losses on pensions and other employee future benefits.

**Public money**

All money belonging to Canada received or collected by the Receiver General or any other public officer in his official capacity or any person authorized to receive or collect such money.

**Real return bonds**

These Government of Canada bonds pay semi-annual interest based upon a real interest rate. Unlike standard fixed-coupon marketable bonds, interest payments on real return bonds are adjusted for changes in the Consumer Price Index.

**Retail debt**

Canada Savings Bonds and Canada Premium Bonds.

**Special drawing rights (SDR)**

The SDR is an international reserve asset created by the International Monetary Fund to supplement the official reserves of its member countries. The value of the SDR is based on a basket of five currencies—the U.S. dollar, the euro, the Chinese renminbi, the Japanese yen, and the British pound sterling.

**Surplus**

The amount by which government revenue exceeds expenses in any given year.

**Swap**

An agreement that exchanges one type of return or financial instrument for another (e.g. a fixed for a floating rate of interest).

**Tangible capital asset**

A non-financial asset having physical substance that: *(a)* is held for use in the production or supply of goods and services; *(b)* has a useful economic life extending beyond an accounting period; and *(c)* has been acquired to be used on a continuing basis.

**Transfer payments**

A transfer of money from a government to an individual, an organization or another government for which the government making the transfer does not: *(a)* receive any goods or services directly in return as would occur in a purchase/sales transaction; *(b)* expect to be repaid in the future, as would be expected in a loan; or *(c)* expect a financial return, as would be expected in an investment.

# Section 2

## *Public Accounts of Canada 2022–2023*

### **Consolidated financial statements of the Government of Canada and report of the Auditor General of Canada**

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#### **Note to reader**

The observations of the Auditor General of Canada on the consolidated financial statements are now published in the Office of the Auditor General’s *Commentary on the 2022–2023 Financial Audits*. This report is available on the web at:

[oag-bvg.gc.ca/internet/English/parl\\_lpf\\_e\\_42210](http://oag-bvg.gc.ca/internet/English/parl_lpf_e_42210)

## Preface to the consolidated financial statements of the Government of Canada

The fundamental purpose of these consolidated financial statements is to provide information to Parliament, and thus to the public, to facilitate an understanding and evaluation of the full nature and extent of the financial affairs and resources for which the government is responsible. These consolidated financial statements reflect the financial position of the government at the reporting date, as well as its results of operations and accumulated deficit, remeasurement gains and losses, change in net debt and cash flow for the year then ended.

The two fundamental concepts underlying the government’s accounting system are found in the Constitution Acts: first, that all duties and revenues received, other than those reserved to the provinces, “shall form One Consolidated Revenue Fund” (CRF); second, that the balance of the CRF, after certain prior charges, “shall be appropriated by the Parliament of Canada”.

The right of Canada to raise taxes and revenues is contained in the Constitution Acts, and is given specific form in various Acts passed by Parliament. Revenues can be raised and moneys can be spent or borrowed by the government only with the authority of Parliament. All receipts of money by departments and agencies must be deposited into the CRF. All disbursements from the CRF for spending on operations, for loans, investments and advances, and for the redemption of matured debt, must be authorized by Parliament, through annual appropriation acts and other statutes.

Wholly-owned Crown corporations that are agents of His Majesty under an Act of Parliament may only borrow if specifically authorized to do so by an Act of Parliament. Such Acts usually place a ceiling on the amount of borrowings that can be outstanding at any one time. Non-agent Crown corporations and other government business enterprises may borrow without the specific authorization of Parliament, but such borrowings are subject to the entity’s enabling legislation. Borrowings by non-agent Crown corporations may also be guaranteed by the government with the authority of Parliament.

The consolidated financial statements of the Government of Canada consist of five statements and accompanying notes.

The first is the **Consolidated Statement of Operations and Accumulated Operating Deficit**, which presents the government’s revenues, expenses, deficit, and other comprehensive loss or income for the year, and the net accumulation of the annual surpluses and deficits since Confederation.

The second is the **Consolidated Statement of Financial Position**, which discloses the government’s cash balance and investments, amounts owing to and by the government at the end of the year, and the government’s non-financial assets such as its tangible capital assets and inventories. It also presents both the accumulated deficit of the government and its net debt which is the difference between the government’s total liabilities and its financial assets.

The third is the **Consolidated Statement of Remeasurement Gains and Losses**, which presents the remeasurement gains and losses for financial instruments measured at fair value and other comprehensive income or loss of enterprise Crown corporations and other government business enterprises.

The fourth is the **Consolidated Statement of Change in Net Debt**, which explains the difference between the government’s annual deficit or surplus and the change in the net debt for the year. It reports the extent to which revenues recognized in the year were sufficient, or not sufficient, to offset expenditures, as opposed to the expenses recognized in the annual deficit or surplus.

The fifth is the **Consolidated Statement of Cash Flow**, which provides information on the government’s cash provided by or used for operating, capital investment, investing and financing activities.

Other sections in this volume together with Volume II and Volume III of the Public Accounts of Canada, provide more detailed supplementary information in respect of matters reported in the consolidated financial statements. The Independent Auditor’s Report on the consolidated financial statements does not extend to this supplementary information.

## Statement of responsibility

The government is responsible for preparing these consolidated financial statements in accordance with the accounting policies referred to in Note 1 to the consolidated financial statements, which are based on Canadian public sector accounting standards, and on a basis consistent with that of the preceding year.

Responsibility for the integrity and objectivity of these consolidated financial statements rests with the government. These consolidated financial statements are prepared under the joint direction of the President of the Treasury Board, the Minister of Finance, and the Receiver General for Canada in compliance with governing legislation. These consolidated financial statements are prepared on a full accrual basis of accounting. The information included in these consolidated financial statements is based on the management's best estimates and judgment, with due consideration given to materiality.

To fulfill its accounting and reporting responsibilities, the government maintains systems of financial management and internal control which give due consideration to costs, benefits and risks. These systems are designed to provide reasonable assurance that transactions are properly authorized by Parliament, are executed in accordance with prescribed regulations, and are properly recorded to maintain accountability of public money and safeguard the assets and properties of Canada under government administration. The Receiver General for Canada maintains the accounts of Canada, a centralized summary record of the government's financial transactions. Additional information is obtained as required, from departments, agencies, Crown corporations, other government business enterprises, and other entities to meet accounting and reporting requirements.

The government presents these consolidated financial statements to the Auditor General of Canada, who audits them and provides an independent audit opinion to the House of Commons. The duties of the Auditor General of Canada in that respect are contained in Section 6 of the *Auditor General Act*.

Annually, the consolidated financial statements are tabled in the House of Commons as part of the Public Accounts of Canada, and are referred to the Standing Committee on Public Accounts, which reports to Parliament on the results of its examination together with any recommendations it may have with respect to the consolidated financial statements and accompanying independent audit opinion.

On behalf of the Government of Canada.

Original signed by  
Graham Flack  
*Secretary of the Treasury  
Board of Canada*

Original signed by  
Nick Leswick  
*Interim Deputy Minister of Finance*

Original signed by  
Paul Thompson  
*Deputy Receiver General for Canada*

Original signed by  
Roch Huppé  
*Comptroller General of Canada*

September 7, 2023



Office of the  
Auditor General  
of Canada

Bureau du  
vérificateur général  
du Canada

## Independent Auditor's Report

To the House of Commons

### Report on the Audit of the Consolidated Financial Statements

#### *Opinion*

We have audited the consolidated financial statements of the Government of Canada and its controlled entities (the Group), which comprise the consolidated statement of financial position as at 31 March 2023, and the consolidated statement of operations and accumulated operating deficit, consolidated statement of remeasurement gains and losses, consolidated statement of change in net debt and consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2023, and the consolidated results of its operations, its consolidated remeasurement gains and losses, consolidated changes in its net debt, and its consolidated cash flows for the year then ended in accordance with the stated accounting policies of the Government of Canada set out in Note 1 to the consolidated financial statements, which conform with Canadian public sector accounting standards.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Independent Auditor’s Report—continued**

<b>Measurement of tax revenues</b> <i>Refer to Note 4: Revenues</i>	<b>How the matter was addressed by our audit</b>
<p>The Group recognized \$379,228 million in tax revenues for the year ended 31 March 2023.</p> <p>A significant amount of tax revenues from individuals and corporations requires estimation because the final income tax owed for the year is known only when a tax return is filed. In some cases, filing could happen more than a year after the applicable tax year.</p> <p>Estimating tax revenues is a key audit matter because the estimation process and models are complex, require consistent application, are not fully automated, and require management to make significant judgments and assumptions.</p> <p>The key assumption used in estimating tax revenues is that tax instalments, source deductions withheld and historical information on refund rates, payments received upon filing tax returns, and amounts receivable assessed are all indicators of the amount of tax revenues earned for the year but not yet assessed.</p>	<p>We tested the design, implementation, and operating effectiveness of relevant controls related to the revenue general ledger system used to record tax-related transactions.</p> <p>We evaluated the effectiveness of management’s estimation process and models by obtaining management’s review of the reasonableness of prior periods’ accounting estimates of tax revenues compared with actual filings.</p> <p>We assessed the validity and consistent application of the estimation process and models, and verified that required changes to the models were made when necessary.</p> <p>We assessed the reasonableness of the significant management judgments and key assumptions used in the estimates. We also evaluated the sensitivity of the estimates to changes in the key assumptions.</p> <p>We evaluated the completeness of and performed sample testing on the underlying data used in the estimation models. We also assessed the accuracy of management’s calculations supporting the estimates.</p>
<p><b>Accuracy of personnel expenses</b> <i>Refer to Note 5(i): Total expenses by type of resource used in operations</i></p> <p>The Group recognized \$67,356 million in personnel expenses for the year ended 31 March 2023.</p> <p>The accuracy of personnel expenses relies on complex information technology systems that process a high volume of payments and the application of complex pay rules reflecting the collective agreements, and terms and conditions of employment of many different public sector employee groups.</p> <p>The accuracy of personnel expenses is a key audit matter because of</p> <ul style="list-style-type: none"> <li>• the internal control deficiencies in the process that links information between the human resources systems and the pay system. As a result of these deficiencies, the risk of errors in the consolidated financial statements arising from inaccurate payments to personnel is heightened</li> <li>• the various pay rules in complex collective agreements that require a common understanding and consistent application from the compensation advisors employed by the Public Service Pay Centre, and those in the departments and agencies</li> </ul>	<p><b>How the matter was addressed by our audit</b></p> <p>We recalculated a sample of employees’ basic and acting pay for the year ended 31 March 2023 by tracing the pay to supporting documentation that included letters of offer, acting requests, terms of collective agreements and/or terms and conditions of employment.</p> <p>We evaluated whether the personnel expense payments sampled were properly approved in accordance with the relevant sections of the <i>Financial Administration Act</i>.</p> <p>We tested the accuracy of year-end estimates for personnel expense accruals for regular pay, vacation pay, and employer’s contributions by verifying that these amounts were within a range of reasonableness we determined for these balances using the personnel data held by management.</p>

**Independent Auditor’s Report—continued**

**Valuation of public sector pensions and other future benefits**

*Refer to Note 11: Public sector pensions and other employee and veteran future benefits*

The Group recognized public sector pensions and other future benefits liabilities of \$344,374 million and public sector pension assets of \$12,996 million as at 31 March 2023.

Pension assets and liabilities are recognized for defined benefit pension plans. Other future benefits include benefits such as veteran benefits and health and dental benefits.

The valuation of pension assets and liabilities and other future benefits is a key audit matter because of the complex methodologies and significant assumptions used in their measurement. Management engages actuarial experts to measure these assets and liabilities.

The assets and liabilities relating to pensions and other future benefits are subject to high measurement uncertainty because they are highly sensitive to changes in long term assumptions and given the magnitude of these estimates, the impact of any changes could be material. These assumptions include economic assumptions, such as discount rates, long-term rate of inflation and long-term general wage increase, and demographic assumptions such as mortality rates. Selecting long-term assumptions requires significant management judgment.

**How the matter was addressed by our audit**

We assessed the work undertaken by management’s actuarial experts by evaluating the appropriateness of the valuation methodologies used, the reasonableness of management’s economic and demographic assumptions applied in estimating the liabilities, and the determination of the market-related value of the pension assets.

We tested on a sample basis the completeness and accuracy of certain plans’ underlying data that was updated during the year and used in the valuations. We also tested on a sample basis the calculation of the pension obligation for some pension and future benefit plans. In addition, we tested the reasonableness of pension contributions and tested a sample of benefit payments for significant plans.

We evaluated the completeness and accuracy of the consolidated financial statement note disclosures in respect of the sensitivity of the pension liabilities and other future benefits to changes in management’s assumptions.

We engaged an auditor’s actuarial expert to assist with the audit of these complex estimates.

**Recognition and valuation of contingent liabilities**

*Refer to Note 8: Provision for contingent liabilities*

The Group recognized a provision for contingent liabilities of \$75,999 million as at 31 March 2023.

Contingent liabilities are potential liabilities that may become actual liabilities depending on the outcome of future events that are not wholly within the Group’s control.

The recognition of contingent liabilities is a key audit matter because of the extensive judgment required in assessing the likelihood of the future confirming event occurring or not, and the inherent complexity of the estimation methodologies that require a consistent application.

The valuation of contingent liabilities is a key audit matter because of

- the uncertainty related to the potential settlement costs used in the estimates and the inherent subjectivity when using a range of costs to determine the best estimate
- the continuous revisions and refinements of the estimates required in light of ongoing negotiations, recent and prior settlements or agreements, and decisions made by the courts and administrative tribunals

**How the matter was addressed by our audit**

We assessed the appropriateness of the recognition criteria used and the methods applied to calculate the provision.

We evaluated the consistent application of the estimation methodologies. We verified on a sample basis the accuracy and completeness of the data used in the estimates, such as populations of claimants and results of prior settlements, including compensation paid.

We assessed the reasonableness of the significant judgments that management made in determining the provision for contingent liabilities. We also tested on a sample basis the accuracy of calculations supporting management’s best estimate of the provision, which included in some cases the determination of a range of reasonably possible amounts.

We obtained confirmations from the Group’s legal counsel to assess the completeness and the valuation of claims against the Group. In addition, we examined press releases, and verified payments processed after 31 March 2023.

**Independent Auditor’s Report—continued****Completeness and valuation of asset retirement obligations**

*Refer to Note 2(a): Adoption of new accounting standards – Asset Retirement Obligations, and Note 9: Environmental liabilities and asset retirement obligations*

Effective 1 April 2022, the Group adopted the new accounting standard PS 3280 Asset retirement obligations, retroactively. This standard establishes how to account for and report a liability for the retirement of tangible capital assets.

As a result of the adoption of PS 3280, the Group restated the 31 March 2022 provision for asset retirement obligations to \$13,722 million. The provision for asset retirement obligations is \$12,880 million as at 31 March 2023.

The completeness of asset retirement obligations is a key audit matter because of challenges in identifying all legal obligations, as defined in the standard, related to the retirement of tangible capital assets in a decentralized operating environment with diverse asset portfolios.

The valuation of asset retirement obligations is a key audit matter because of the inherent complexity and significant judgments required by management in estimating the long-term retirement costs. The key complexities and judgments in the estimate include the selection of appropriate valuation techniques and assumptions, such as discount and inflation rates.

Management engaged engineering and legal experts to assist in estimating the asset retirement obligations as at 31 March 2022 and as at 31 March 2023.

**How the matter was addressed by our audit**

We tested management’s processes for identifying asset retirement obligations related to tangible capital assets.

We evaluated the completeness of management’s identification of legal obligations by evaluating the different sources which established the obligations, including legislation, agreements, contracts, and promissory estoppels. In addition, we obtained legal confirmations, on a sample basis, to verify the completeness and the existence of these legal obligations.

We assessed the work undertaken by management’s experts by evaluating the appropriateness of the valuation techniques used. We also assessed the reasonableness of the assumptions and significant management judgments made in estimating the obligations, including the appropriateness of the discount and inflation rates applied, and the adequacy of the long-term retirement costs.

We tested on a sample basis the underlying data and the calculation of the provision for asset retirement obligations as at 31 March 2022 and as at 31 March 2023. In addition, we evaluated the completeness and appropriateness of the consolidated financial statement note disclosures related to asset retirement obligations.

We engaged an auditor’s engineering expert to assist with the audit of this complex estimate.

**Independent Auditor’s Report—continued**

**Accounting transition for financial instruments**

*Refer to Note 2(b): Adoption of new accounting standards – Financial instruments suite of standards, Note 12: Derivatives, and Note 21: Financial instruments*

Effective 1 April 2022, the Group adopted prospectively the new accounting standards: PS 3450 Financial instruments, and PS 1201 Financial statement presentation.

The adoption of these new standards is a key audit matter because of the significant impacts on the consolidated financial statements and note disclosures.

The significant impacts of the new standards include

- the addition of a consolidated statement of remeasurement gains and losses
- the change in the basis of measurement for derivative assets and liabilities to fair value (previously measured at cost)
- the change in amortization from straight-line to effective interest method for certain financial instruments
- inclusion of note disclosure regarding the transitional provisions
- amendments to the quantitative and qualitative information disclosed in the notes to the consolidated financial statements on the nature and extent of different types of financial instrument risks

**How the matter was addressed by our audit**

We examined the balances of the new consolidated statement of remeasurement gains and losses and the new and revised consolidated financial statement note disclosures (including transitional provisions) to verify completeness, reasonableness, accuracy, and compliance with the standards.

We tested the design, implementation, and operating effectiveness of relevant controls related to the systems used to automate calculations using the effective interest method for the amortized cost of market debt, including interest recognition and the amortization of premiums and discounts.

We evaluated management’s judgments and processes for determining the fair value measurement of derivatives. We tested on a sample basis the measurement, recognition, and classification of financial instruments in the consolidated financial statements. We assessed the appropriateness of the fair values assigned to these financial instruments.

**Valuation, classification, and existence of military related inventory and asset pooled items**

*Refer to Note 20: Tangible capital assets and inventories*

The Group’s non-financial assets include assets that support the military. As at 31 March 2023, these assets include \$4,841 million of inventory. They also include asset pooled items that are recorded in tangible capital assets.

The valuation and existence of these assets are key audit matters because of the continued weaknesses in internal controls within the Group’s processes and the challenges in managing and accounting for these types of assets.

Assets that support the military are managed in a decentralized manner and across various locations, making it difficult to accurately quantify balances as at 31 March 2023. The classification of inventory and asset pooled items is also subject to significant management judgment, which affects how these assets are valued.

Significant management judgment is also required in determining the appropriate valuation because of the complex costing methods, the identification of indicators of impairment, and the determination of appropriate useful life.

**How the matter was addressed by our audit**

We performed counts on a sample basis of inventory and asset pooled items to test the accuracy of the quantity on hand against the system of record.

We tested the classification between inventory, expenses, and asset pooled items by assessing the appropriateness of management judgments applied in the capitalization of assets.

We tested on a sample basis the pricing accuracy of inventory and asset pooled items by tracing to evidence supporting the recorded costs.

We evaluated management’s impairment assessments for any obsolete assets identified in our sampled items.

We tested on a sample basis the amortization rates applied to asset pooled items to evaluate the reasonableness of amortization expenses related to these assets.

**Independent Auditor’s Report—continued***Other Information*

Management is responsible for the other information. The other information comprises the information included in the Public Accounts of Canada – 2023 – Volume I, but does not include the consolidated financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the stated accounting policies of the Government of Canada set out in Note 1 to the consolidated financial statements, which are based on Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

*Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

### **Independent Auditor’s Report—concluded**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

#### *Opinion*

As required by Section 6 of the *Auditor General Act*, we report that, in our opinion, the stated accounting policies of the Government of Canada have been applied, after giving retroactive effect to the change in the method of accounting for asset retirement obligations as explained in Note 2(a) to the consolidated financial statements and except for the change in the method of accounting for financial instruments as explained in Note 2(b) to the consolidated financial statements, on a basis consistent with that of the preceding year.

Original signed by  
Karen Hogan, FCPA  
Auditor General of Canada

Ottawa, Canada  
7 September 2023

## Government of Canada

Consolidated Statement of Operations and Accumulated Operating Deficit  
for the year ended March 31, 2023

(in millions of dollars)

	2023		2022
	Budget	Actual	Actual Restated
	(Note 3d)		(Note 2)
<b>Revenues (Note 4 and Note 23)</b>			
<i>Tax revenues</i>			
<b>Income tax revenues</b>			
Personal.....	197,320	207,872	198,385
Corporate .....	68,361	93,945	78,815
Non-resident.....	10,938	13,187	10,789
<b>Total income tax revenues.....</b>	<b>276,619</b>	<b>315,004</b>	<b>287,989</b>
<b>Other taxes and duties.....</b>	<b>65,496</b>	<b>64,224</b>	<b>62,680</b>
<b>Total tax revenues.....</b>	<b>342,115</b>	<b>379,228</b>	<b>350,669</b>
<i>Employment insurance premiums.....</i>	<i>25,801</i>	<i>26,914</i>	<i>23,856</i>
<i>Proceeds from the pollution pricing framework.....</i>	<i>8,221</i>	<i>8,041</i>	<i>6,341</i>
<i>Other revenues</i>			
Enterprise Crown corporations and other government business enterprises .....	10,086	6,452	12,804
Net foreign exchange revenues .....	1,743	1,261	873
Other.....	20,425	25,919	18,734
<b>Total other revenues .....</b>	<b>32,254</b>	<b>33,632</b>	<b>32,411</b>
<b>Total revenues.....</b>	<b>408,391</b>	<b>447,815</b>	<b>413,277</b>
<b>Expenses (Note 5 and Note 23)</b>			
<i>Program expenses</i>			
<b>Transfer payments</b>			
Old age security benefits, guaranteed income supplement and spouse's allowance.....	68,238	69,392	60,774
Major transfer payments to other levels of government.....	89,827	90,784	88,386
Employment insurance and support measures .....	31,270	21,836	38,923
Children's benefits.....	25,166	24,553	26,226
COVID-19 income support for workers .....	410	(3,544)	15,582
Canada emergency wage subsidy .....	–	(257)	22,291
Proceeds from the pollution pricing framework returned.....	8,046	6,996	3,814
Other transfer payments .....	86,263	99,199	88,478
<b>Total transfer payments.....</b>	<b>309,220</b>	<b>308,959</b>	<b>344,474</b>
<b>Other expenses, excluding net actuarial losses.....</b>	<b>116,173</b>	<b>129,596</b>	<b>124,445</b>
<b>Total program expenses, excluding net actuarial losses.....</b>	<b>425,393</b>	<b>438,555</b>	<b>468,919</b>
<i>Public debt charges.....</i>	<i>26,904</i>	<i>34,955</i>	<i>24,487</i>
<b>Total expenses, excluding net actuarial losses.....</b>	<b>452,297</b>	<b>473,510</b>	<b>493,406</b>
<b>Annual operating deficit before net actuarial losses .....</b>	<b>(43,906)</b>	<b>(25,695)</b>	<b>(80,129)</b>
Net actuarial losses (Note 11).....	(8,923)	(9,627)	(10,186)
<b>Annual operating deficit .....</b>	<b>(52,829)</b>	<b>(35,322)</b>	<b>(90,315)</b>
<b>Accumulated operating deficit at beginning of year (Note 2).....</b>	<b>(1,148,296)</b>	<b>(1,148,296)</b>	<b>(1,054,125)</b>
<b>Other comprehensive income (Note 2 and Note 6).....</b>	<b>–</b>	<b>–</b>	<b>4,465</b>
<b>Accumulated operating deficit at end of year (Note 6) .....</b>	<b>(1,201,125)</b>	<b>(1,183,618)</b>	<b>(1,139,975)</b>

The accompanying notes are an integral part of these consolidated statements.  
Details can be found in other sections (unaudited) of this volume.

## Government of Canada

Consolidated Statement of Financial Position  
as at March 31, 2023

(in millions of dollars)

	2023	2022
		Restated (Note 2)
<b>Liabilities</b>		
<i>Accounts payable and accrued liabilities</i>		
Amounts payable related to tax .....	84,747	78,463
Other accounts payable and accrued liabilities (Note 7) .....	57,771	87,852
Provision for contingent liabilities (Note 8) .....	75,999	53,436
Environmental liabilities and asset retirement obligations (Note 9) .....	23,134	23,886
Deferred revenue .....	17,789	18,892
<b>Total accounts payable and accrued liabilities .....</b>	<b>259,440</b>	<b>262,529</b>
<i>Interest-bearing debt</i>		
Unmatured debt (Note 10) .....	1,265,040	1,249,957
Pensions and other future benefits		
Public sector pensions (Note 11) .....	166,425	167,666
Other employee and veteran future benefits (Note 11) .....	177,949	159,705
Total pensions and other future benefits .....	344,374	327,371
Other liabilities (Note 13) .....	7,339	7,707
<b>Total interest-bearing debt .....</b>	<b>1,616,753</b>	<b>1,585,035</b>
<i>Foreign exchange accounts liabilities (Note 17) .....</i>	<i>44,151</i>	<i>42,252</i>
<i>Derivatives (Note 12) .....</i>	<i>4,689</i>	<i>2,471</i>
<b>Total liabilities .....</b>	<b>1,925,033</b>	<b>1,892,287</b>
<b>Financial assets</b>		
<i>Cash and accounts receivable</i>		
Cash and cash equivalents (Note 14) .....	49,006	100,822
Taxes receivable (Note 15) .....	180,982	167,588
Other accounts receivable (Note 16) .....	13,532	11,642
<b>Total cash and accounts receivable .....</b>	<b>243,520</b>	<b>280,052</b>
<i>Foreign exchange accounts assets (Note 17) .....</i>	<i>169,390</i>	<i>146,283</i>
<i>Derivatives (Note 12) .....</i>	<i>3,260</i>	<i>4,974</i>
<i>Loans, investments and advances</i>		
Enterprise Crown corporations and other government business enterprises (Note 18) .....	151,051	143,717
Other loans, investments and advances (Note 19) .....	62,059	63,314
<b>Total loans, investments and advances .....</b>	<b>213,110</b>	<b>207,031</b>
<i>Public sector pension assets (Note 11) .....</i>	<i>12,996</i>	<i>9,203</i>
<b>Total financial assets .....</b>	<b>642,276</b>	<b>647,543</b>
<b>Net debt .....</b>	<b>(1,282,757)</b>	<b>(1,244,744)</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 20) .....	97,337	92,785
Inventories (Note 20) .....	9,405	9,026
Prepaid expenses .....	3,002	2,958
<b>Total non-financial assets .....</b>	<b>109,744</b>	<b>104,769</b>
<b>Accumulated deficit (Note 6) .....</b>	<b>(1,173,013)</b>	<b>(1,139,975)</b>
<b>Accumulated deficit is comprised of:</b>		
Accumulated operating deficit .....	(1,183,618)	(1,139,975)
Accumulated remeasurement gains (losses) .....	10,605	–
	<b>(1,173,013)</b>	<b>(1,139,975)</b>
<b>Contractual obligations and contractual rights (Note 22)</b>		

The accompanying notes are an integral part of these consolidated statements.  
Certain comparative figures have been reclassified to conform to the current year's presentation.  
Details can be found in other sections (unaudited) of this volume.

## Government of Canada

### Consolidated Statement of Remeasurement Gains and Losses for the year ended March 31, 2023

(in millions of dollars)

	2023
<b>Accumulated remeasurement gains (losses)—beginning of year (Note 2)</b> .....	<b>5,758</b>
Net unrealized gains (losses) attributable to (Note 6):	
Derivatives .....	3,350
Other loans, investments and advances—Portfolio investments .....	(122)
<b>Total net unrealized gains (losses)</b> .....	<b>3,228</b>
Amounts reclassified during the year to the Consolidated Statement of Operations and Accumulated Operating Deficit (Note 6):	
Derivatives .....	(12)
Other loans, investments and advances—Portfolio investments .....	3
<b>Total amounts reclassified during the year to the Consolidated Statement of Operations and Accumulated Operating Deficit</b> .....	<b>(9)</b>
Other comprehensive income of enterprise Crown corporations (Note 6) .....	1,628
<b>Net remeasurement gains (losses) for the year</b> .....	<b>4,847</b>
<b>Accumulated remeasurement gains (losses)—end of year</b> .....	<b>10,605</b>

The accompanying notes are an integral part of these consolidated statements.  
Details can be found in other sections (unaudited) of this volume.

## Government of Canada

Consolidated Statement of Change in Net Debt  
for the year ended March 31, 2023

(in millions of dollars)

	2023		2022
	Budget	Actual	Actual
	(Note 3d)		Restated (Note 2)
Net debt at beginning of year (Note 2) .....	(1,247,307)	(1,247,307)	(1,156,153)
Change in net debt during the year			
Annual operating deficit .....	(52,829)	(35,322)	(90,315)
Changes due to tangible capital assets			
Acquisition of tangible capital assets .....	(9,642)	(10,703)	(9,588)
Amortization of tangible capital assets .....	6,771	5,644	5,514
Proceeds from disposal of tangible capital assets .....	120	26	28
Net loss (gain) on disposal and write-offs of tangible capital assets, including adjustments .....	99	481	(207)
<i>Total change due to tangible capital assets</i> .....	<i>(2,652)</i>	<i>(4,552)</i>	<i>(4,253)</i>
Change due to inventories .....	2,000	(379)	738
Change due to prepaid expenses .....	855	(44)	774
Increase in net debt excluding remeasurement gains and (losses) .....	(52,626)	(40,297)	(93,056)
Net remeasurement gains (losses) for the year .....	–	4,847	–
Other comprehensive income (Note 2 and Note 6) .....	–	–	4,465
Net increase in net debt .....	(52,626)	(35,450)	(88,591)
Net debt at end of year .....	(1,299,933)	(1,282,757)	(1,244,744)

The accompanying notes are an integral part of these consolidated statements.  
Details can be found in other sections (unaudited) of this volume.

## Government of Canada

Consolidated Statement of Cash Flow  
for the year ended March 31, 2023

(in millions of dollars)

	2023	2022
		Restated (Note 2)
<b>Operating activities</b>		
<b>Annual operating deficit</b> .....	<b>(35,322)</b>	<b>(90,315)</b>
Non-cash items		
Share of annual (profit) loss in enterprise Crown corporations and other government business enterprises .....	(3,878)	(11,535)
Effective interest on debt .....	9,329	3,416
Provision for valuation on other loans, investments and advances .....	4,879	2,563
Amortization of tangible capital assets.....	5,644	5,514
Net (gain) loss on disposal and write-offs of tangible capital assets, including adjustments.....	481	(207)
Net exchange (gain) loss on derivatives .....	5,406	(2,696)
Pension and other future benefit and interest expenses.....	33,720	32,127
Provision for doubtful accounts .....	6,249	5,571
Net losses on write-offs and write-down of inventory and prepaid expenses.....	1,524	2,236
Net exchange (gain) loss on foreign exchange accounts and other foreign currency balances .....	(6,345)	3,450
Change in taxes receivable .....	(18,162)	(30,653)
Pension and other future benefit payments .....	(20,510)	(20,586)
Net change in foreign exchange accounts assets .....	(13,859)	(13,569)
Net change in foreign exchange accounts liabilities.....	(638)	(1,173)
Change in accounts payable and accrued liabilities .....	(3,221)	52,641
Net change in cash collateral .....	(2,623)	1,802
Net change in other accounts .....	(4,984)	(3,340)
<b>Cash used by operating activities</b> .....	<b>(42,310)</b>	<b>(64,754)</b>
<b>Capital investment activities</b>		
Acquisition of tangible capital assets.....	(10,484)	(8,886)
Proceeds from disposal of tangible capital assets.....	26	28
<b>Cash used by capital investment activities</b> .....	<b>(10,458)</b>	<b>(8,858)</b>
<b>Investing activities</b>		
Enterprise Crown corporations and other government business enterprises		
Dividends received and other equity adjustments.....	11,505	13,187
Issuance of loans and advances .....	(64,071)	(67,331)
Repayment of loans and advances.....	52,058	54,205
Issuance of other loans, investments and advances .....	(13,602)	(14,316)
Repayment of other loans, investments and advances.....	11,044	7,693
<b>Cash used by investing activities</b> .....	<b>(3,066)</b>	<b>(6,562)</b>
<b>Financing activities</b>		
Issuance of Canadian currency borrowings.....	587,867	710,292
Repayment of Canadian currency borrowings .....	(584,412)	(592,308)
Issuance of foreign currency borrowings .....	23,769	31,377
Repayment of foreign currency borrowings.....	(23,206)	(32,466)
<b>Cash provided by financing activities</b> .....	<b>4,018</b>	<b>116,895</b>
<b>Net (decrease) increase in cash and cash equivalents</b> .....	<b>(51,816)</b>	<b>36,721</b>
<b>Cash and cash equivalents at beginning of year</b> .....	<b>100,822</b>	<b>64,101</b>
<b>Cash and cash equivalents at end of year (Note 14)</b> .....	<b>49,006</b>	<b>100,822</b>
<b>Supplementary information</b>		
Cash used for interest.....	19,338	14,793

The accompanying notes are an integral part of these consolidated statements.  
Details can be found in other sections (unaudited) of this volume.

## Notes to the consolidated financial statements of the Government of Canada

### 1. Summary of significant accounting policies

#### Reporting entity

The reporting entity of the Government of Canada includes all of the government organizations which comprise the legal entity of the government as well as other government organizations, including Crown corporations, which are separate legal entities but are controlled by the government. For financial reporting purposes, control is defined as the power to govern the financial and operating policies of an organization with benefits from the organization's activities being expected, or the risk of loss being assumed by the government. All organizations defined as departments and as Crown corporations in the *Financial Administration Act* are included in the reporting entity. The definition of control for financial reporting purposes may be met by other organizations not listed in the *Financial Administration Act*, these organizations are therefore included in the government's reporting entity if their revenues, expenses, assets or liabilities are significant.

Some Crown corporations and not-for-profit organizations rely on the government for a portion of their financing. Examples of consolidated Crown corporations that received significant funding from the government include Atomic Energy of Canada Limited, Canada Infrastructure Bank, Canadian Air Transport Security Authority, Canadian Broadcasting Corporation, Windsor-Detroit Bridge Authority and VIA Rail Canada Inc. The consolidated not-for-profit organizations that receive significant funding are the Canada Foundation for Innovation and the Canada Foundation for Sustainable Development Technology. The financial activities of all of these entities are consolidated in these financial statements on a line-by-line and uniform basis of accounting after eliminating significant inter-governmental balances and transactions. Detailed information on the consolidated entities is included in Section 4 (unaudited) of this volume.

Enterprise Crown corporations are government business enterprises able to raise substantial portions of their revenues through commercial business activity and are therefore considered self-sustaining. The major enterprise Crown corporations include the Bank of Canada, Canada Mortgage and Housing Corporation, Canada Post Corporation and Export Development Canada. In addition, there are a number of self-sustaining government business enterprises that are not Crown corporations but which are controlled by the government. These include various Canada Port Authorities. Investments in government business enterprises are recorded under the modified equity method. Detailed information on the enterprise Crown corporations is included in Section 9 (unaudited) of this volume.

The Canada Pension Plan (CPP), which includes the assets of CPP under the administration of the Canada Pension Plan Investment Board, is excluded from the reporting entity because changes to CPP require the agreement of two thirds of participating provinces and it is therefore not controlled by the government.

#### Basis of accounting

These consolidated financial statements are prepared using the government's accounting policies stated below, 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 standards.

#### Foreign currency translation

Transactions involving foreign currencies are translated into Canadian dollar equivalents using rates in effect at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using rates at March 31. The government has elected to recognize gains and losses resulting from foreign currency translation, including those arising prior to settlement or derecognition of the financial instrument, directly on the Consolidated Statement of Operations and Accumulated Operating Deficit for all financial instruments. Net exchange gains and losses are reported according to the activities to which they relate. Net exchange gains and losses relating to the foreign exchange accounts, foreign debt, swaps and foreign exchange forward agreements revaluations are presented with investment revenues from foreign exchange accounts under net foreign exchange revenues. Net exchange gains and losses relating to loans, investments and advances are presented with the return on investments from these loans, investments and advances under other revenues. Net exchange gains and losses relating to transfer payments are reported in the transfer payment expenses under other transfer payments. Net exchange gains and losses relating to departmental sale or purchase of goods or services in foreign currency are reported under other expenses. The carrying amounts of financial instruments denominated in a foreign currency are disclosed in the respective financial statement notes.

### Fair value measurement

Fair value is the amount of the consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. For financial reporting purposes, fair value measurements are categorized as Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs. The three levels of the fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities, which represent actual and regularly occurring arm's-length market transactions;
- Level 2: Inputs other than quoted prices included in Level 1, which are observable for the assets or liabilities either directly (e.g., prices for similar instruments, prices from inactive markets) or indirectly (e.g., interest rates, credit spreads);
- Level 3: Unobservable inputs for the assets or liabilities that are not based on observable market data (e.g., market participant assumptions).

The fair value hierarchy requires the use of observable market inputs wherever such inputs exist and in measuring fair value, a financial instrument is classified at the lowest level of the hierarchy for which a significant input has been considered.

### Measurement uncertainty

The preparation of consolidated financial statements requires the government to make estimates and assumptions that affect the reported and disclosed amounts of assets, liabilities, revenues and expenses in the consolidated financial statements and accompanying notes at March 31. The estimates are based on facts and circumstances, historical experience, general economic conditions and reflect management's best estimate of the related amount at the end of the reporting period. Estimates and underlying assumptions are reviewed annually at March 31. Revisions to accounting estimates are recognized in the period in which estimates are revised if revisions affect only that period or in the period of revision and future periods if revisions affect both current and future periods.

Measurement uncertainty that is material exists when it is reasonably possible that a material variance could occur in the reported or disclosed amount in the near term. Near term is defined as a period of time not to exceed one year from March 31. The government has determined that measurement uncertainty exists with respect to the reported amounts for:

- the accrual of tax revenues and the related amounts receivable, other accounts receivables, and the allowance for doubtful accounts (Note 4 , Note 15 and Note 16)
- expenses (Note 5)
- the provision for contingent liabilities (Note 8)
- environmental liabilities and asset retirement obligations (Note 9)
- public sector pensions and other employee and veteran future benefits (Note 11)
- enterprise Crown corporations and other government business enterprises (Note 18)
- other loans, investments and advances (Note 19)
- the expected useful life of tangible capital assets (Note 20)
- inventories (Note 20)
- contractual rights (Note 22b)

It is reasonably possible that the government's reassessments of these estimates and assumptions could require a material change in reported amounts or disclosures in the consolidated financial statements. Refer to the specific note disclosures for more information on measurement uncertainty.

Measurement uncertainties exist at March 31, 2023, as a result of higher than expected inflation rates, increasing interest rates, and the Russia-Ukraine conflict. The consolidated financial statements reflect the impacts to the extent known and estimable at the reporting date. The government continues to assess and monitor the effects of these measurement uncertainties on its financial position, including related estimates and assumptions used in the preparation of its statements. The full potential impact on the assumptions used for the year is unknown as it will depend on future developments that are uncertain.

In addition, these measurement uncertainties have impacted various estimates, assumptions, and judgments in the consolidated financial statements; the most critical areas are discussed within the specific notes below.

### Additional significant accounting policies

To facilitate the understanding of these consolidated financial statements, the significant accounting policies related to the following financial statement line items are detailed in the referenced note.

- revenues (Note 4)
- expenses (Note 5)
- other accounts payable and accrued liabilities (Note 7)
- contingent liabilities (Note 8)
- environmental liabilities and asset retirement obligations (Note 9)
- unmatured debt (Note 10)
- public sector pensions and other employee and veteran future benefits (Note 11)
- taxes receivable (Note 15)
- other accounts receivable (Note 16)
- foreign exchange accounts (Note 17)
- enterprise Crown corporations and other government business enterprises (Note 18)
- other loans, investments and advances (Note 19)
- tangible capital assets and inventories (Note 20)
- financial instruments (Note 21)
- contractual obligations and contractual rights (Note 22)
- segmented information (Note 23)

## 2. Adoption of new accounting standards

### (a) Asset Retirement Obligations

Effective April 1, 2022, the government adopted the new Public Sector Accounting Standard PS 3280 *Asset Retirement Obligations*. This standard requires public sector entities to recognize liabilities for legal obligations to incur costs associated with the retirement of tangible capital assets arising on their acquisition, construction or development or through their normal use, and to expense those costs systematically over the life of the asset.

The government applied the modified retroactive application transitional approach, with a restatement of prior year comparatives. On initial application of the standard, the government removed from its Consolidated Statement of Financial Position any existing liability for an asset retirement obligation and associated asset retirement costs and recognized:

- A liability for any existing asset retirement obligations, adjusted for accumulated accretion to that date;
- an asset retirement cost capitalized as an increase to the carrying amount of the related tangible capital asset;
- accumulated amortization on that capitalized cost; and
- an adjustment to the opening balance of the accumulated deficit.

Asset retirement obligations associated with assets no longer in productive use were recognized as a liability and a corresponding adjustment to the opening accumulated operating deficit.

These amounts were measured using information, assumptions and discount rates that were current at the beginning of the fiscal year. The amount recognized as an asset retirement cost was measured as of the date the asset retirement obligation was incurred. Accumulated accretion and amortization were measured for the period from the date the liability would have been recognized had the provisions of this standard been in effect to the date of transition.

A reconciliation of the restatement for the significant consolidated financial statement line items is as follows:

(in millions of dollars)

	2022		
	As previously reported	Effect of change in accounting policy	As restated
<b>Consolidated Statement of Operations and Accumulated Operating Deficit</b>			
Other expenses, excluding net actuarial losses.....	124,342	103	124,445
Total expenses, excluding net actuarial losses .....	493,303	103	493,406
Annual deficit.....	(90,212)	(103)	(90,315)
Accumulated operating deficit at beginning of year.....	(1,048,746)	(5,379)	(1,054,125)
Accumulated operating deficit at end of year .....	(1,134,493)	(5,482)	(1,139,975)
<b>Consolidated Statement of Financial Position</b>			
Environmental liabilities and asset retirement obligations .....	17,482	6,404	23,886
Total liabilities <sup>1</sup> .....	1,838,657	6,404	1,845,061
Net debt.....	(1,238,366)	(6,378)	(1,244,744)
Tangible capital assets .....	91,889	896	92,785
Total non-financial assets.....	103,873	896	104,769
<b>Consolidated Statement of Change in Net Debt</b>			
Net debt at beginning of year.....	(1,149,825)	(6,328)	(1,156,153)
Annual deficit.....	(90,212)	(103)	(90,315)
Amortization of tangible capital assets .....	5,433	81	5,514
Net loss (gain) on disposal of tangible capital assets, including adjustments .....	(179)	(28)	(207)
Net increase in net debt due to operations.....	(93,006)	(50)	(93,056)
Net increase in net debt .....	(88,541)	(50)	(88,591)
Net debt at end of year .....	(1,238,366)	(6,378)	(1,244,744)
<b>Consolidated Statement of Cash Flow</b>			
Amortization of tangible capital assets .....	5,433	81	5,514
Net (gain) loss on disposal and write-offs of tangible capital assets, including adjustments .....	(179)	(28)	(207)
Change in accounts payable and accrued liabilities .....	52,591	50	52,641

<sup>1</sup> Refer to reclassification in Note 2(c) below.

#### (b) Financial instruments suite of standards

Effective April 1, 2022, the government adopted the new accounting standards issued by the Public Sector Accounting Board (PSAB) that prescribe the accounting treatment for financial instruments. These standards include PS 3450 Financial Instruments, PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation and PS 3041 Portfolio Investments. PS 3450 addresses the recognition and derecognition, measurement, presentation, and disclosure of financial instruments, including derivatives, while PS 2601 addresses the accounting for and reporting transactions that are denominated in a foreign currency. PS 1201 establishes general reporting principles for disclosure of information in the financial statements. PS 3041 replaces PS 3040 Portfolio Investments in order to conform the accounting for portfolio investments with the requirements in PS 3450.

In accordance with PS 3450, the financial statements of prior periods were not restated on transition to the aforementioned standards. Consequently, the accounting policies for recognition, derecognition and measurement of financial instruments applied to the comparative information reflect those disclosed in the 2022 consolidated financial statements.

On initial application of these standards on April 1, 2022:

- the government introduced a new statement, the Consolidated Statement of Remeasurement Gains and Losses, which records the remeasurement gains and losses for financial instruments measured at fair value and other comprehensive income of enterprise Crown corporations and other government business enterprises. Any historical balance for accumulated other comprehensive income or accumulated actuarial gains and losses from government business enterprises were transferred from accumulated operating deficit to accumulated remeasurement gains (losses). Therefore, effective April 1, 2022, other comprehensive income is no longer reported in the Consolidated Statement of Operations and Accumulated Operating Deficit and is now reported in the Consolidated Statement of Remeasurement Gains and Losses. No comparative amounts are reported in the Consolidated Statement of Remeasurement Gains and Losses due to prospective application of these standards;
- amounts previously reported in the Consolidated Statement of Operations and Accumulated Deficit are reported in the Consolidated Statement of Operations and Accumulated Operating Deficit;

- the government elected to recognize all exchange gains and losses resulting from foreign currency transactions in the Consolidated Statement of Operations and Accumulated Operating Deficit, including those exchange gains and losses arising prior to settlement or derecognition. This elected treatment is consistent with the policy applied prior to April 1, 2022, for exchange gains and losses resulting from foreign currency transactions and, therefore, no adjustments were required to the opening balance of accumulated operating deficit related to the transition to PS 2601;
- the government recognized and classified all financial assets and financial liabilities in accordance with PS 3450, as disclosed in Note 21;
- for financial instruments measured at amortized cost, any associated unamortized discounts or premiums that were presented separately as at March 31, 2022, have been included in the instruments' opening carrying value as at April 1, 2022;
- for financial instruments measured at fair value:
  - any difference between the instruments' fair values as at April 1, 2022 and previous carrying amounts as at March 31, 2022, excluding previously recognized exchange gains and losses, were recognized as an adjustment to the opening balance of accumulated remeasurement gains and losses;
  - the government adopted a prospective approach to identifying embedded derivatives in contracts. Effective April 1, 2022, embedded derivatives are recognized separately from host contracts and accounted for as derivatives assets or liabilities when all of the following conditions are met: (a) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract; (b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and (c) the combined instrument is not measured at fair value. Accordingly, no adjustment to the opening balance of accumulated remeasurement gains and losses was required.

The impacts of adopting PS 3450, PS 2601 and PS 1201 at April 1, 2022, are provided in the table below:

(in millions of dollars)

Financial Statements	Consolidated Statement of Operations and Accumulated Operating Deficit	Consolidated Statement of Remeasurement Gains and Losses	Consolidated Statement of Financial Position	Consolidated Statement of change in Net Debt
Financial Statement Line Item	Accumulated operating deficit	Accumulated remeasurement gains (losses)	Accumulated deficit	Net debt
Restated closing balances reported at March 31, 2022 .....	(1,139,975)	-	(1,139,975)	(1,244,744)
Adjustments for prospective adoption of new standards on April 1, 2022				
Difference between the fair value and the previous carrying amount of financial instruments measured at fair value				
Derivatives (Note 12) .....	-	(1,866)	(1,866)	(1,866)
Other loans, investments and advances - Portfolio investments (Note 19) .....	-	52	52	52
Application of the effective interest method to real return bonds outstanding on transition (Note 10) .....	(749)	-	(749)	(749)
Transitional adjustment to account for other comprehensive income of enterprise Crown corporations and other government business enterprises reported in the Consolidated statement of Remeasurement Gains and Losses (Note 6)				
Accumulated other comprehensive income at March 31, 2022 .....	(200)	200	-	-
Accumulated actuarial gains and losses .....	(7,372)	7,372	-	-
Adjusted opening balances at April 1, 2022 .....	(1,148,296)	5,758	(1,142,538)	(1,247,307)

## (c) Reclassification of financial statement line items

The following table shows reclassifications of March 31, 2022 amounts reported on the Consolidated Statement of Financial Position and Consolidated Statement of Operations and Accumulated Operating Deficit that were made for either consistency with the current year's presentation or to enhance comparability as a result of the prospective adoption of the Financial instruments suite of standards in 2023, or due to the change to an accounting policy:

(in millions of dollars)

Consolidated Statement of Financial Position	As previously reported	Reclassification	Comparative balance reported
<b>Liabilities</b>			
Other accounts payable and accrued liabilities .....	86,905	947 <sup>1</sup>	87,852
Interest and matured debt .....	5,110	(5,110) <sup>1</sup>	–
Unmatured debt .....	1,243,291	6,666 <sup>1,2</sup>	1,249,957
Foreign exchange account liabilities .....	–	42,252 <sup>3</sup>	42,252
Derivatives .....	–	2,471 <sup>2</sup>	2,471
<b>Net reclassification of liabilities.....</b>	<b>1,335,306</b>	<b>47,226</b>	<b>1,382,532</b>
<b>Financial Asset</b>			
Foreign exchange accounts assets.....	104,031	42,252 <sup>3</sup>	146,283
Derivatives .....	–	4,974 <sup>1,2</sup>	4,974
<b>Net reclassification of financial assets.....</b>	<b>104,031</b>	<b>47,226</b>	<b>151,257</b>
<b>Public debt charges as disclosed in prior year (Note 5g)</b>			
Interest on unmaturred debt .....	15,033	3,435 <sup>4</sup>	18,468
Amortization of discounts on Canada and Treasury Bills .....	473	(473) <sup>4</sup>	–
Amortization of premiums and discounts on all other debts .....	2,943	(2,943) <sup>4</sup>	–
Servicing costs and costs of issuing new borrowings.....	19	(19) <sup>4</sup>	–

<sup>1</sup> Accrued interest payable on market debt and derivatives, previously reported separately in interest and matured debt, was reclassified to the related financial instruments line items for consistency with the current year's presentation due to the application of the effective interest method. Matured debt was reclassified into other accounts payable and accrued liabilities. As a result, interest and matured debt (\$5,110 million) as at March 31, 2022, was reclassified to unmaturred debt (\$4,419 million), accounts payable and accrued liabilities (\$827 million) and derivative assets (\$136 million).

<sup>2</sup> For comparative purposes, the previously reported amounts for cross-currency swap revaluations (\$2,247 million) were reclassified from unmaturred debt to derivatives liabilities (\$2,468 million) and derivatives assets (\$4,715 million). These comparative amounts represented the net unrealized exchange gains and losses due to fluctuations in the foreign exchange value of the cross-currency swaps at March 31, 2022.

<sup>3</sup> Following a review of the government's accounting policy for the presentation of the foreign exchange accounts, it was decided to present the related assets and liabilities on a gross basis, meaning that they are being presented separately on the Consolidated Statement of Financial Position. This change in accounting policy was applied retroactively and there is no impact on the opening accumulated deficit. Refer to Note 17 for the components of the Foreign exchange accounts assets and liabilities.

<sup>4</sup> These reclassifications reflect consistency with the current year's presentation where amortization of discounts and premiums and transaction costs are included in the calculation of interest on unmaturred debt using the effective interest method.

### 3. Spending and borrowing authorities

#### (a) Spending authorities

The authority of Parliament is required before moneys can be spent by the government. Approvals are given in the form of annually approved limits through appropriation acts or through legislation in the form of statutory spending authority for specific purposes. In response to the COVID-19 pandemic, the COVID-19 support measures were implemented through both voted and statutory expenditures. When Parliament is dissolved for the purposes of general election, section 30 of the *Financial Administration Act* authorizes the Governor General, under certain conditions, to issue a special warrant authorizing the government to withdraw funds from the Consolidated Revenue Fund. During fiscal year 2023, there were no requirements to issue special warrants to support expenditures. The government uses the full accrual method of accounting to prepare its Budget and present its current consolidated financial statements. However, the spending authorities voted by Parliament are on an expenditure basis, which uses only a partial accrual method of accounting. During the year, expenditures were made under the authorities indicated in the following table:

(in millions of dollars)

	2023	2022
		Restated (Note 2)
Annual spending limits voted by Parliament .....	225,478	188,841
Expenditures permitted under other legislation .....	222,245	228,174
Total budgetary expenditures authorized.....	447,723	417,015
Less: amounts available for use in subsequent years and amounts that have lapsed .....	56,820	40,936
Total net budgetary expenditures .....	390,903	376,079
Effect of consolidation and full accrual accounting, excluding net actuarial losses .....	82,607	117,327
Total expenses, excluding net actuarial losses.....	473,510	493,406
Net actuarial losses .....	9,627	10,186
Total expenses .....	483,137	503,592

The total net budgetary expenditures reported in the preceding table differs from the total expenses reported in the Consolidated Statement of Operations and Accumulated Operating Deficit. The difference is due to various factors. The transactions of consolidated specified purpose accounts and of certain Crown corporations and other controlled entities are consolidated in the financial statements but are not included in the budgetary expenditure authorities available for use. Transfer payments to organizations within the government reporting entity are recorded against a budgetary expenditure authority in the year they are disbursed to the organization, but they are recorded as a consolidated expense only when the transfer is authorized and all eligibility criteria have been met by the ultimate recipient outside of the government reporting entity. Provisions for valuation of assets and liabilities are also not included in spending authorities.

In addition to the authorities for budgetary expenditures, non-budgetary spending of \$307,701 million (\$311,014 million in 2022) was authorized for loans, investments and advances. A net amount of \$84,014 million (\$66,324 million in 2022) was used, an amount of \$17 million (\$18 million in 2022) lapsed and an amount of \$223,670 million (\$244,672 million in 2022) is available for use in subsequent years.

Details about the source and disposition of authorities (unaudited) and the details of ministerial expenditures are provided in Volume II of the Public Accounts of Canada.

#### (b) Over-expenditure of spending authorities

During the fiscal year, Global Affairs Canada exceeded its authority limit of \$50 million for working capital advance for advances to posts abroad in accordance with Vote 630, *Appropriation Act No. 2, 1954*, amended by Vote L12, *Appropriation Act No. 3, 1989-90*. Details (unaudited) of this overexpended authority can be found in the ministerial sections of Volume II of the Public Accounts of Canada.

(c) Borrowing authorities

Through the *Borrowing Authority Act* (“BAA”) and the *Financial Administration Act* (“FAA”), Parliament authorizes the Minister of Finance (the “Minister”) to borrow money on behalf of His Majesty in right of Canada.

*Borrowing Authority Act: Maximum Amount*

Authority to borrow is granted through section 3 of the BAA up to the maximum amount on the total outstanding stock of debt set out under section 4 of the BAA.

Subject to limited exceptions, borrowings undertaken by the Minister – together with amounts borrowed by agent Crown corporations and Canada Mortgage Bonds guaranteed by the Canada Mortgage and Housing Corporation – may not exceed the maximum amount specified in the BAA, which was \$1,831,000 million as of May 6, 2021.

As at March 31, 2023, the outstanding borrowings subject to the maximum amount was \$1,573,818 million (\$1,529,422 million as at March 31, 2022).

*Financial Administration Act: Annual Borrowing Authority*

In addition to the maximum amount on the total outstanding stock of debt, pursuant to Part IV of the FAA, the Governor in Council (GIC) specifies a maximum aggregate principal amount of money that the Minister is authorized to borrow.

For the fiscal year 2023, the GIC specified a maximum amount of \$513,300 million (\$635,000 million for fiscal year 2022). The GIC authority is calculated as the sum of *i*) the maximum stock of treasury bills anticipated to be outstanding during the year, *ii*) the total value of new issuances of marketable bonds, and *iii*) the total value of new issuances intended to fund the Exchange Fund Account, plus a contingency margin to enable responses to changes in economic circumstances. During fiscal year 2023, \$394,509 million (\$451,648 million in fiscal year 2022) has been borrowed by the Minister.

*Extraordinary Borrowings*

In June 2022, when the Budget Implementation Act, 2022, received Royal Assent, the BAA was amended to cause extraordinary borrowings raised under paragraph 46.1(c) of the FAA for the period of March 23, 2021 to May 6, 2021, inclusive, to be counted against the BAA maximum amount. The extraordinary borrowings that were used to fund the government’s COVID-19 response are reflected in the outstanding borrowings counted against the BAA maximum amount above. This is consistent with the approach taken in May 2021, when a similar tranche of extraordinary borrowing was consolidated into the overall borrowing limit.

(d) Source of budget amounts

The budget amounts included in the Consolidated Statement of Operations and Accumulated Operating Deficit and the Consolidated Statement of Change in Net Debt are derived from the amounts that were budgeted for 2023 in the April 2022 Budget Plan (Budget 2022). To enhance comparability with actual 2023 results, Budget 2022 amounts have been reclassified to conform to the current year’s presentation in the consolidated financial statements, with no overall impact on the budgeted 2023 annual deficit.

Since actual opening balances of the accumulated operating deficit and net debt were not available at the time of preparation of Budget 2022, the corresponding amounts in the budget column have been adjusted to the actual opening balances.

#### 4. Revenues

The government has four major types of revenues: tax revenues, employment insurance premiums, proceeds from the pollution pricing framework and other revenues. Tax revenues are comprised of income tax revenues from personal, corporate and non-resident taxes, and other taxes and duties. Other revenues are mainly comprised of Crown corporations' revenues, other program revenues from returns on investments and proceeds from sales of goods and services, as well as other miscellaneous revenues.

##### Significant accounting policies

##### Revenues

Tax revenues are recognized in the period in which the taxable event occurs and when they are authorized by legislation or the ability to assess and collect the tax has been provided through legislative convention. The policy is applied in the following manner for the following tax revenue streams:

- Income tax revenue is recognized when the taxpayer has earned the income subject to the tax. Income is calculated net of tax deductions and credits allowed under the *Income Tax Act*, including refundable taxes resulting from current-year activity. For non-resident taxpayers (individuals and corporations), revenues are recognized when the taxpayers receive income from which tax is withheld on active and inactive income they earned in Canada.
- Domestic goods and services tax (GST) which includes the federal portion of the harmonized sales tax (HST) revenue is recognized at the time of the sale of goods or the provision of services. These revenues are reported net of input tax credits, GST rebates, and the GST quarterly tax credits. The GST quarterly tax credit for low-income individuals and families is recorded in the period the event giving rise to the GST quarterly credit occurred.
- Customs duties and goods and services tax revenue on imports are recognized when goods are authorized to enter Canada.
- Excise tax revenue is recognized when a taxpayer sells goods taxable under the *Excise Tax Act*.
- Excise duties revenue is recognized when the taxpayer manufactures goods taxable under the *Excise Act* and the *Excise Act, 2001*.

Tax revenues are measured from amounts assessed/reassessed and from estimates of amounts not yet assessed/reassessed based on cash received that relates to the fiscal year ended March 31. Revenues also include adjustments between the estimated revenues of previous years and actual amounts, as well as revenues from reassessments relating to prior years. Revenues do not include estimates of unreported taxes, or the impact of future reassessments that cannot yet be reliably determined.

Taxes under objection are assessed taxes for which the taxpayer filed a notice of objection. An amount for federal taxes under objection is recognized as a reduction of tax revenues for cases where it has been determined that the government had little or no discretion to avoid settlement. The amounts in objection for which the likelihood of an adverse outcome was not determinable or for which an amount could not be reasonably estimated are disclosed in Note 4(c) to the consolidated financial statements.

Tax expenditures that reduce taxes paid or payable are considered tax concessions and are netted against the applicable tax revenue. Refundable tax credits, deductions, or exemptions provided by the government are considered tax concessions when they provide tax relief to taxpayers and relate to the types of taxes that are a revenue source. Tax expenditures that provide a financial benefit through the tax system, and are not related to the relief of taxes paid or payable, are recorded as transfer payments and are not netted against tax revenue.

Tax revenues that were not collected at year end and refunds that were not yet disbursed are reported respectively as taxes receivable (Note 15) and amounts payable related to tax on the Consolidated Statement of Financial Position. These amounts also include other receivables and payables for amounts collected through the tax system such as provincial and territorial taxes, as well as Employment Insurance premiums and Canada Pension Plan contributions receivable from individuals and employers as applicable.

Tax collected on behalf of the provincial/territorial governments is not included in tax revenues. It is recorded as payable to the provincial/territorial governments included within other accounts payable and accrued liabilities and distributed by the Department of Finance in accordance with associated agreements.

The following policies are applied for non-tax revenue streams:

- Employment Insurance premiums are recognized as revenue in the period the insurable earnings are earned.
- Fuel charge proceeds are recognized as revenues in the period the charge is earned which is the production and the delivery by registered distributor of the fuel under the *Greenhouse Gas Pollution Pricing Act*.
- The compensation for excess emissions provided for under the *Greenhouse Gas Pollution Pricing Act* are recognized upon confirmation by the registered facility that the compensation is to be provided.
- Spectrum licence fees are recognized as other revenue on a straight-line basis over the term of the licence. Deferred revenue consists of spectrum licence fees and other amounts received in advance for 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 transactions or events giving rise to the respective revenues occurred.

**Measurement uncertainty**

Tax revenues are subject to measurement uncertainty due to the use of estimates of amounts not yet assessed/reassessed based on cash received as well as taxpayer objections to assessed federal tax. A key assumption used in estimating tax revenues is that tax instalments, source deductions withheld and historical information on refund rates, payments received upon filing tax returns, and amounts receivable assessed are good indicators of the amount of tax revenue earned to March 31 that has not yet been assessed. Relevant factors such as new administered activities, legislative changes, and economic factors may also be considered. These are also indicators of tax revenue earned to March 31 that has not yet been assessed. The estimates are reviewed in subsequent years and compared to actual results to assess if refinements to the estimation methodology are required.

Measurement uncertainties exist at March 31, 2023 as a result of the on-going uncertainties around the economic outlook. These measurement uncertainties will impact the estimation of tax revenues. Historical experiences related to the estimates of unassessed tax revenues may not be relevant to predict future outcomes which may lead to a greater possibility of a material variance in the upcoming year.

**(a) Proceeds from the pollution pricing framework**

As part of the federal carbon pollution pricing framework, fuel and excess emission charges are collected pursuant to the *Greenhouse Gas Pollution Pricing Act* and are applicable to jurisdictions that voluntarily adopt the federal carbon pollution pricing framework and those that do not meet the federal benchmark requirements. As of March 31, 2023, there were \$7,740 million of fuel charge proceeds recorded (\$6,106 million in 2022).

As of March 31, 2023, the excess emission charges revenue pursuant to the output-based pricing system for industrial facilities with high emissions totalled \$301 million (\$235 million in 2022).

**(b) Other taxes and duties**

(in millions of dollars)

	2023	2022
Goods and services tax.....	45,962	46,165
Energy taxes .....	5,657	5,355
Customs import duties .....	6,057	5,237
Other excise taxes and duties .....	6,548	5,923
Total other taxes and duties.....	64,224	62,680

**(c) Federal tax objections**

As of March 31, 2023, \$21,347 million of federal taxes were under objection (\$19,258 million for 2022).

## 5. Expenses

The government has three major types of expenses: transfer payments, other expenses and public debt charges.

Transfer payments are monetary payments, or transfers of goods, services, or assets to third parties. These transfers do not result in the acquisition by the government of any goods, services, or assets.

Other expenses include 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, are also included in other expenses. Public sector pension and other employee and veteran future benefit expenses are included in personnel expenses except for net actuarial losses which are presented separately on the Consolidated Statement of Operations and Accumulated Operating Deficit.

Public debt charges include effective interest calculated on market debt including amounts arising on the extinguishment of debt, as well as interest on obligations for public sector pensions and other employee and veteran future benefits.

Significant accounting policies
<p>Transfer payments are recorded as an expense in the year the transfer is authorized and all eligibility criteria have been met by the recipient. Certain transfer payments to individuals have legislated income thresholds where higher income recipients are required to repay a portion of the benefits they received. Overpayments or underpayments identified through post-payment verification are recorded in the year when the existence and amounts have been determined.</p> <p>Other expenses are generally recorded when goods are received or services are rendered.</p> <p>Public sector pension and other employee and veteran future benefit expenses are recorded as employees render services using the projected benefit method prorated on service, except for: veteran future benefits and workers' compensation where benefits are accrued on an event driven basis; and accumulated sick leave entitlements where benefits are recognized using an accrued benefit method. Past service costs or cost reductions related to amendments and curtailments are recorded when amendments and curtailments are approved while past service costs or cost reductions related to settlements are recorded when benefits are paid.</p> <p>To enhance financial reporting and decision-making for users of the consolidated financial statements, the impacts of re-measurements of public sector pension and other employee and veteran future benefit obligations were isolated as they are often significant and could potentially mask underlying events and trends in current government spending. These amounts are presented in the Consolidated Statement of Operations and Accumulated Operating Deficit line item titled net actuarial losses.</p> <p>Public debt charges are recorded when incurred. Interest on market debt and the amortization of premium and discounts are recorded in public debt charges using the effective interest rate method. Interest expense related to public sector pensions and other employee and veteran future benefits is calculated on the basis of the average accrued benefit obligations of the various plans and is presented net of the expected return on the average market-related value of pension investments.</p>
Measurement uncertainty
<p>Measurement uncertainties that impact certain expenses are described in the following consolidated financial statement notes: Provision for contingent liabilities (Note 8), environmental liabilities and asset retirement obligations (Note 9), public sector pensions and other employee and veteran future benefits (Note 11), taxes receivable (Note 15) and other accounts receivable (Note 16), other loans, investments and advances (Note 19), and tangible capital assets and inventories (Note 20).</p> <p>Measurement uncertainties exist at March 31, 2023 as a result of higher than expected inflation rates, increasing interest rates, and the Russia-Ukraine conflict. These measurement uncertainties continue to impact the estimation of certain expenses.</p> <p>The various COVID-19 support measures were designed to issue payments on an expedited basis. The government's post-payment verification activities commenced shortly after payment issuance and are expected to continue for a number of years. The future cumulative value of COVID-19 benefit overpayments related to ineligible amounts have not been determined as at the reporting date; however could be material.</p>

Expenses in the Consolidated Statement of Operations and Accumulated Operating Deficit include:

(a) Major transfer payments to other levels of government

Major transfer payments to other levels of government include the Canada Health Transfer, the Canada Social Transfer, the Canada-wide Early Learning and Child Care and fiscal arrangements pursuant to the *Federal-Provincial Fiscal Arrangements Act*. Other major transfers include contributions under the federal Canada Community-Building Fund program, the Home Care and Mental Health Transfer, and certain COVID-19 support measures.

(in millions of dollars)

	2023	2022
Canada Health Transfer .....	47,141	45,133
Canada Social Transfer .....	15,938	15,474
Canada-wide Early Learning and Child Care .....	4,489	2,948
Fiscal arrangements .....	19,731	19,121
Other major transfers .....	3,485	5,710
Total major transfer payments to other levels of government .....	90,784	88,386

Details can be found in Section 3 (unaudited) of this volume and in Section 1 (unaudited) of Volume II of the Public Accounts of Canada.

Canada health transfer expenses include additional top-up payments in response to the COVID-19 pandemic of nil in 2023 (\$2,000 million in 2022).

(b) Employment insurance and support measures

Pursuant to the *Employment Insurance Act*, employment insurance includes unemployment and self-employed benefits and support measures paid to/for individuals of \$19,561 million (\$36,588 million in 2022) and payments to provinces and territories related to Labour Market Development Agreements of \$2,344 million (\$2,375 million in 2022). The *Employment Insurance Act* was amended to authorize the emergency response benefit payments, as part of the Government's Economic Response Plan. As at March 31, 2023, benefit overpayments to be recovered of \$69 million (\$40 million in 2022) related to the Employment Insurance Emergency Response Benefit (EI-ERB) were recorded. Refer to Note 5(c) for information on the Canada Emergency Response Benefit (CERB).

(c) COVID-19 income support for workers

The government provided financial support to workers during the COVID-19 pandemic through the Canada Emergency Response Benefit (ended on October 3, 2020), the Canada Worker Lockdown Benefit (ended on May 7, 2022) and the Canada Recovery Benefits. The Canada Recovery Benefits included three temporary recovery benefits starting September 27, 2020: the Canada Recovery Benefit (ended on October 23, 2021), the Canada Recovery Caregiving Benefit (ended on May 7, 2022), and the Canada Recovery Sickness Benefit (ended on May 7, 2022).

Details of COVID-19 income support provided to workers and the related benefit overpayments to be recovered are as follows:

(in millions of dollars)

	2023	2022 <sup>1</sup>
Canada Emergency Response Benefit .....	–	–
Canada Emergency Response Benefit—overpayments .....	(1,687)	(954)
Canada Recovery Benefits .....	247	16,948
Canada Recovery Benefits—overpayments .....	(2,094)	(1,322)
Canada Worker Lockdown Benefit .....	6	910
Canada Worker Lockdown Benefit—overpayments .....	(16)	–
Total COVID-19 income support for workers .....	(3,544)	15,582

<sup>1</sup> Comparative figures have been reclassified to conform to the current year's presentation.

(d) Canada Emergency Wage Subsidy

The Canada Emergency Wage Subsidy (CEWS), provided a wage subsidy to eligible employers who experienced a drop in qualifying revenues between March 15, 2020 and October 23, 2021. As at March 31, 2023, benefit overpayments to be recovered of \$257 million were recorded (\$22,291 million of expenses in 2022).

(e) Proceeds from the pollution pricing framework returned

As part of the federal carbon pollution pricing framework, the government returns all direct proceeds from the fuel charge directly to the governments of those jurisdictions that voluntarily adopt the federal carbon pollution pricing framework, and for those that do not meet federal benchmark requirements, they are returned directly to recipients through the tax system, such as the Climate Action Incentive (CAI) payments, various federal programming, and other transfers. For the year-ended March 31, 2023, these expenses for proceeds returned include \$6,872 million (\$3,762 million in 2022) in CAI payments.

(f) Other transfer payments

Other transfer payments totalling \$99,199 million (\$88,478 million in 2022) include various amounts paid or payable through federal programs to stabilize market prices for commodities, develop new technologies, conduct research, provide international development assistance, support health care and infrastructure of First Nations and Inuit communities, support social housing and families and promote educational and cultural activities. Also included are expenses of other consolidated entities and other miscellaneous payments. The various types of transfer payments are being delivered by departments according to their departmental legislative mandates.

In addition, other transfer payments expenses include many of the COVID-19 support measures, the most significant of which include:

- Nil for Canada Emergency Rent Subsidy (\$3,702 million in 2022);
- \$494 million for Tourism and Hospitality Recovery Program (\$2,214 million in 2022);
- Nil for the One-time payment for older seniors (\$1,679 million in 2022); and
- \$441 million for the Canada Emergency Business Account loan incentive (\$1,515 million in 2022). Refer to Note 19 for further details of the Canada Emergency Business Account.

Details can be found in Table 3.6 of Section 3 (unaudited) of this volume.

(g) Public debt charges

(in millions of dollars)

	2023	2022
Public debt charges related to unmatured debt		
Interest on market debt .....	26,322	18,468
Net interest on cross-currency swaps .....	(331)	(601)
Interest on capital lease obligations .....	161	163
Interest on obligations under public-private partnerships .....	127	124
Total .....	26,279	18,154
Interest expense related to pensions and other employee and veteran future benefits .....	7,913	6,157
Other liabilities .....	763	176
Total public debt charges .....	34,955	24,487

Details can be found in Section 3 (unaudited) of this volume.

Certain comparative figures have been reclassified to conform to the current year's presentation (Note 2c).

## (h) Total expenses by segment

The government has defined segments as Ministries which groups the activities of departments, agencies and consolidated Crown corporations and other entities for which a Minister is responsible to Parliament. Additional segmented information is provided in Note 23. The following table presents the total expenses by segment after the elimination of internal transactions:

(in millions of dollars)

	2023	2022
		Restated Note 2(a)
Ministries		
Agriculture and Agri-Food .....	3,352	3,284
Canadian Heritage .....	5,997	5,773
Crown-Indigenous Relations and Northern Affairs .....	26,701	14,181
Economic Development Agency of Canada for the regions of Quebec .....	410	293
Employment, Workforce Development and Disability Inclusion .....	109,933	135,874
Environment and Climate Change .....	3,207	2,733
Finance .....	124,549	106,553
Fisheries, Oceans and the Canadian Coast Guard .....	3,086	2,796
Global Affairs .....	10,270	9,128
Health .....	12,146	18,138
Immigration, Refugees and Citizenship .....	5,701	3,773
Indigenous Services .....	23,836	22,727
Innovation, Science and Industry .....	10,338	9,153
Intergovernmental Affairs, Infrastructure and Communities .....	11,733	11,870
Justice .....	2,216	2,066
National Defence .....	32,653	29,210
National Revenue .....	50,107	75,659
Natural Resources .....	3,117	4,023
Office of the Governor General's Secretary .....	26	24
Parliament .....	813	750
Privy Council .....	396	327
Public Safety <sup>1</sup> .....	14,767	20,183
Public Services and Procurement .....	6,394	6,174
Transport .....	4,762	3,914
Treasury Board .....	4,898	11,699
Veterans Affairs .....	456	434
Women, Gender Equality and Youth .....	322	229
Provision for valuation and other items <sup>1</sup> .....	1,324	(7,563)
Total expenses, excluding net actuarial losses .....	473,510	493,406
Net actuarial losses <sup>2</sup> .....	9,627	10,186
Total expenses .....	483,137	503,592

Details providing total expenses by segment and type can be found in Section 3 (unaudited) of this volume.

<sup>1</sup> Comparative figures have been reclassified to conform to the current year's presentation.

<sup>2</sup> Allocation by segment provided in Note 23.

## (i) Total expenses by type of resource used in operations

The following table presents the total expenses by main objects of expense:

(in millions of dollars)

Objects of expense	2023	2022
		Restated Note 2(a)
Transfer payments .....	308,959	344,474
Other expenses		
Personnel, excluding net actuarial losses .....	67,356	63,301
Transportation and communications .....	3,140	2,669
Information .....	479	530
Professional and special services .....	15,664	14,649
Rentals .....	3,557	3,248
Repairs and maintenance .....	4,181	3,654
Utilities, materials and supplies .....	9,017	12,128
Other subsidies and expenses .....	20,490	18,646
Amortization of tangible capital assets .....	5,644	5,514
Net loss on disposal of assets .....	68	106
Total other expenses, excluding net actuarial losses .....	129,596	124,445
Total program expenses, excluding net actuarial losses .....	438,555	468,919
Public debt charges .....	34,955	24,487
Total expenses, excluding net actuarial losses .....	473,510	493,406
Net actuarial losses .....	9,627	10,186
Total expenses .....	483,137	503,592

Details reconciling objects of expense to objects of expenditure can be found in Section 3 (unaudited) of this volume and details on ministerial expenditures by object can be found in Section 1 (unaudited) of Volume II of the Public Accounts of Canada.

## 6. Accumulated deficit

The accumulated deficit comprises accumulated operating deficit and accumulated remeasurement gains and losses.

### Accumulated operating deficit

The accumulated operating deficit is equal to the net liabilities of the government less any accumulated remeasurement gains and losses. The government includes in its revenues and expenses certain accounts established for specified purposes. Legislation requires that revenues received for purposes specified in the legislation be credited to these accounts and that related payments be charged to these accounts. Any deficiency of revenues over payments must be met through future revenues or transfers credited to these accounts. The following table shows the balance of these consolidated accounts included in the accumulated operating deficit:

(in millions of dollars)

	2023	2022
		Restated Note 2
Accumulated operating deficit, excluding consolidated specified purpose accounts <sup>1</sup> .....	(1,163,098)	(1,116,535)
Consolidated specified purpose accounts		
Employment Insurance Operating Account .....	(22,177)	(24,972)
Other insurance accounts .....	828	811
Other consolidated accounts .....	829	721
Accumulated operating deficit .....	(1,183,618)	(1,139,975)

<sup>1</sup> The accumulated operating deficit as at March 31, 2022 included accumulated other comprehensive income and actuarial gains and losses on pensions and other employee future benefits of enterprise Crown corporations and other government business enterprises. Such amounts are reported in accumulated remeasurement gains and losses as at April 1, 2022 (Note 2b).

**Accumulated remeasurement gains and losses**

Remeasurement gains and losses are revenues and expenses recognized in the Consolidated Statement of Remeasurement Gains and Losses arising when financial instruments in the fair value category are remeasured. When a financial instrument is derecognized, previously reported remeasurement gains or losses are reclassified to the Consolidated Statement of Operations and Accumulated Operating Deficit. Other comprehensive income or loss of enterprise Crown corporations and other government business enterprises is also reported in accumulated remeasurement gains and losses.

The following table presents the components of accumulated remeasurement gains and losses:

(in millions of dollars)

	2023
Accumulated remeasurement gains (losses) at beginning of year (Note 2).....	5,758
Net unrealized gains (losses) attributable to:	
Derivatives .....	3,350
Other loans, investments and advances - Portfolio investments .....	(122)
Subtotal.....	3,228
Amounts reclassified to the Consolidated Statement of Operations and Accumulated Operating Deficit:	
Derivatives .....	(12)
Other loans, investments and advances - Portfolio investments .....	3
Subtotal.....	(9)
Other comprehensive income of enterprise Crown corporations:	
Net change in unrealized (losses) gains on financial instruments measured at fair value through other comprehensive income .....	(51)
Net change in fair value of derivatives designated as hedges.....	48
Actuarial gains on pensions and other employee future benefits.....	1,631
Subtotal.....	1,628
Accumulated remeasurement gains (losses) at end of year.....	10,605

**7. Other accounts payable and accrued liabilities**

Other accounts payable and accrued liabilities mainly consist of amounts owed to suppliers and employees that have been invoiced or accrued.

<b>Significant accounting policies</b>
Other accounts payable and accrued liabilities are recognized when the government becomes a party to the contractual provisions of the financial liability and are measured at the cost to settle the obligation given they are either short-term in nature or payable on demand.
<b>Measurement uncertainty</b>
There are no significant measurement uncertainties related to other accounts payable and accrued liabilities.

Other accounts payable and accrued liabilities include:

(in millions of dollars)

	2023	2022
Accounts payable.....	43,002	53,996
Accrued salaries and benefits.....	7,739	5,959
Matured debt.....	720	817
Notes payable to international organizations <sup>1</sup> .....	91	84
Provincial, Territorial and Indigenous Tax Agreements Account.....	5,247	26,189
Other.....	972	807
Total other accounts payable and accrued liabilities.....	57,771	87,852

Comparative figures have been reclassified to conform to the current year's presentation (Note 2c).

<sup>1</sup> Notes payable to international organizations are denominated in US dollars and translated into Canadian dollars as at March 31.

## 8. Provision for contingent liabilities

Contingent liabilities arise in the normal course of operations and their ultimate disposition is unknown. Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events not wholly within the government's control occur or fail to occur.

Significant accounting policies
<p>For claims, if the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, a provision is accrued and an expense recorded to other expenses. If the likelihood is not determinable or is likely but an amount cannot be reasonably estimated, the contingency is disclosed below.</p> <p>For guarantees, an allowance is recorded when it is determined that a loss is likely and the amount of the allowance can be estimated. The allowance is reviewed on an ongoing basis and changes in the allowance are recorded as other expenses in the year they become known.</p>
Measurement uncertainty
<p>Contingent liabilities are subject to measurement uncertainty due to the use of estimates relating to both the outcome of the future event as well as the value of the potential loss. The estimate of the provision for claims is continuously reviewed and refined in light of several factors, including ongoing negotiations, settlements or agreements and decisions made by the courts and administrative tribunals. Rulings by the judiciary that contain elements applicable to other claims filed against Canada could also result in significant changes to the contingent liability recorded.</p> <p>For guarantees, the estimate considers the nature of the guarantee, loss experience, assessments of individual companies, particular fields or markets as well as the broader Canadian and global economies which can result in changes to the contingent liability recorded.</p>

The following table presents the different components of the provision for contingent liabilities:

(in millions of dollars)

	2023	2022
Claims		
Pending and threatened litigation and other claims .....	42,702	30,765
Specific claims .....	23,559	15,169
Comprehensive land claims .....	9,265	7,112
Provision for guarantees provided by the government .....	473	390
Total provision recorded .....	75,999	53,436

### (a) Claims

Where the government has assessed a claim as likely and measurable, an estimated provision is determined using relevant historical experience, facts and circumstances. In situations where the estimate of loss is based on a range of amounts, the amount accrued within the range is management's best estimate of the potential loss which may be at an amount lesser than the maximum of the range. Significant exposure to a liability could exist in excess of what has been accrued.

The government has claims for which the outcome is likely to result in a liability, but management cannot reasonably measure the amount at the financial statement date. These claims are continually reassessed as they progress through the legal process. Until more information becomes available which would allow for a reasonable estimate of the liability or the extent, no amount is accrued or disclosed.

Claims for which the outcome is not determinable and for which an amount has not been accrued are estimated at \$3,375 million (\$4,186 million in 2022). The resolution of these claims may result in a liability, if any, that differs from the estimated amount.

#### *Pending and threatened litigation and other claims*

There are thousands of pending and threatened litigation cases as well as claims outstanding against the government. These claims include items with pleading amounts and items where an amount is not specified. While the total amount claimed in these actions is significant, their outcomes are not known in all cases. As a result, provisions that are recorded are based on management's best estimate of the potential loss.

#### *Specific claims*

Specific claims deal with the past grievances of First Nations related to Canada's obligations under historic treaties or the way it managed First Nations' funds or other assets. The past grievances may be proceeding via the legal system or via the specific claims program. The Government of Canada will pursue a settlement agreement with the First Nation when a claim demonstrates an outstanding lawful obligation. There are currently 698 (677 in 2022) specific claims under negotiation, accepted for negotiation or under review. A liability is estimated and recorded for claims that have progressed to a point where quantification is possible. This estimate also includes projections based on historical rates and costs of settlement for similar claims and includes an estimate for claims which have been filed but not yet assessed.

*Comprehensive land claims*

Comprehensive land claims arise in areas of the country where Aboriginal rights and title have not been resolved by treaty or by other legal means. There are currently 83 (84 in 2022) comprehensive land claims under negotiation, accepted for negotiation or under review. A liability is estimated and recorded for claims that have progressed to a point where quantification is possible. This estimate also includes projections based on historical rates and costs of settlement for similar claims.

## (b) Guarantees provided by the government

Guarantees provided by the government include guarantees on the borrowings of enterprise Crown corporations and other government business enterprises, loan guarantees, insurance programs managed by the government or agent enterprise Crown corporations, and other explicit guarantees. At March 31, guarantees provided by the government include:

(in millions of dollars)

	2023	2022
	Principal amount outstanding	Principal amount outstanding
Guarantees with an authorized limit (2023 limit: \$402,518; 2022 limit: \$391,107 <sup>1</sup> ) .....	284,554	270,872
Guarantees with no authorized limit (including borrowings of agent enterprise Crown corporations and other government business enterprises) .....	317,834	304,871
Total .....	602,388	575,743
Less: provision for guarantees .....	473	390
Net exposure under guarantees .....	601,915	575,353

Details can be found in Section 11 (unaudited) of this volume.

<sup>1</sup> Comparative figure has been reclassified to conform to the current year's presentation.

The authorized limit represents the aggregate total of various types of authorities of government bodies as stipulated in legislation, legal agreements or other documents that may be in force at any one time. The principal amount outstanding represents the total amount of guarantees provided as at the end of the fiscal year.

## (c) Other

*Assessed taxes under appeal*

Contingent liabilities include previously assessed federal taxes where amounts are being appealed to the Tax Court of Canada, the Federal Court of Appeal, or the Supreme Court of Canada. As of March 31, 2023, an amount of \$6,753 million (\$5,634 million in 2022) was being appealed to the courts, for which the likelihood of an adverse outcome was not determinable or for which an amount could not be reasonably estimated. The government has recorded, in the amounts payable related to tax or in reduction of the amounts receivable from taxpayers, as applicable, the estimated amount of appeals that are considered likely to be lost and that can be reasonably estimated.

*International organizations*

The government has callable share capital whereby certain international organizations have the ability to require payments. As at March 31, 2023, the callable share capital amounts to \$40,461 million (\$37,522 million in 2022). No payments (nil in 2022) have been requested by international organizations or paid by the government in the year related to the callable share capital.

*Insurance programs of agent enterprise Crown corporations*

Four agent enterprise Crown corporations operate insurance programs for the government. In the event that the corporations have insufficient funds, the government will have to provide financing. The Canada Deposit Insurance Corporation operates the Deposit Insurance Fund which provides basic protection coverage to depositors for up to \$100,000 of eligible deposits with each member bank, trust or loan company; the Canada Mortgage and Housing Corporation operates the Mortgage Insurance Fund which provides insurance for mortgage lending on Canadian housing by private institutions and the Mortgage-Backed Securities Guarantee Fund which guarantees the timely payment of the principal and interest for investors of securities based on the *National Housing Act* through the Mortgage-Backed Securities program and the bonds issued by the Canada Housing Trust through the Canada Mortgage Bond program; Export Development Canada provides export and foreign investment insurance to help with export trade; and Farm Credit Canada sells group creditor life and accident insurance to its customers through a program administered by a major insurance provider and Farm Credit Canada's risk of the insurance program is limited. At March 31, 2023, total insurance in force amounts to \$2,001,600 million (\$1,912,891 million in 2022). The government expects that all four corporations will cover the cost of both current claims and possible future claims.

## 9. Environmental liabilities and asset retirement obligations

Environmental liabilities represent the amount required to remediate contaminated sites to current minimum environmental standards.

Asset retirement obligations represent the estimated amount required to retire for legally obligated costs for the asset retirement activities of tangible capital assets.

Significant accounting policies
<p>An environmental liability for the remediation of contaminated sites is recognized when all of the following criteria are satisfied: an environmental standard exists, contamination exceeds the environmental standard, the government is directly responsible or accepts responsibility, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. The liability reflects management’s best estimate of the amount required to remediate the sites to the current minimum environmental standard for its use prior to contamination.</p> <p>A liability for unexploded explosive ordnance (UXO) affected legacy sites is recognized when there is an appropriate basis for measurement and a reasonable estimate can be made. These liabilities are present obligations arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits.</p> <p>An asset retirement obligation is recognized when all of the following criteria are satisfied: there is a legal obligation to incur retirement costs in relation to a tangible capital asset controlled by the Government; the past event or transaction giving rise to the retirement liability has occurred; it is expected that the government will give up future economic benefits to retire the asset; and, a reasonable estimate of the amount can be made. The estimated amount to retire an asset is normally capitalized to the related tangible capital asset and amortized over the estimated remaining useful life. An asset retirement obligation may arise in connection with a tangible capital asset that is not recognized or no longer in productive use. In this case, the asset retirement cost would be expensed. The measurement of the liability is the Government’s best estimate of the amount required to retire a tangible capital asset at the financial statement date.</p> <p>When the future cash flows required to settle or otherwise extinguish a liability are estimable, predictable and expected to occur over extended future periods, a present value technique is used. The discount rate used reflects the government’s cost of borrowing, associated with the estimated number of years to complete the retirement or remediation.</p> <p>The recorded liabilities are adjusted each year, as required, for the passage of time as an accretion expense, present value adjustments, inflation, new obligations, and changes in management estimates and actual costs incurred.</p>
Measurement uncertainty
<p>Environmental liabilities are subject to measurement uncertainty due to the evolving technologies used in remediation activities of contaminated sites, the use of discounted present value of future estimated costs, inflation and the fact that not all sites have had a complete assessment of the extent and nature of remediation costs. Changes to underlying assumptions, the timing of the expenditures, the technology employed, the revisions to environmental standards or changes in regulatory requirements could result in significant changes to the liabilities recorded.</p> <p>Asset retirement obligations are also subject to measurement uncertainty, as asset retirement costs are typically based on long term estimates. These estimates rely on assumptions about the timing and cost of future retirement activities and other element such as inflation and interest rates. The government utilizes various techniques, including models, historical cost analysis and expert opinions to make these estimates. Changes in these techniques or assumptions could result in a significant impact to the liabilities recorded.</p> <p>The government’s ongoing efforts to assess contaminated sites, UXO affected sites, and asset retirement obligations may result in additional liabilities.</p>

Environmental liabilities and asset retirement obligations include:

(in millions of dollars)

	2023	2022
		Restated Note 2(a)
Remediation liability for contaminated sites .....	10,118	10,024
Other environmental liabilities .....	136	140
Asset retirement obligations .....	12,880	13,722
Total environmental liabilities and asset retirement obligations .....	23,134	23,886

## (a) Remediation of contaminated sites

The government's "Federal Approach to Contaminated Sites" sets out a framework for management of contaminated sites using a risk-based approach. Under this approach the government has inventoried the contaminated sites identified on federal lands or on lands where the government has assumed responsibility for the clean-up, allowing them to be classified, managed and recorded in a consistent manner. This systematic approach aids in the identification of the high risk sites in order to allocate limited resources to those sites which pose the highest risk to human health and the environment.

The government has identified 6,138 sites (6,462 sites in 2022) where contamination may exist and assessment, remediation and monitoring may be required. Of these, the government has identified 2,476 sites (2,524 sites in 2022), where action is required and for which a liability of \$9,868 million (\$9,768 million in 2022) has been recorded. This liability estimate has been determined based on site assessments performed by environmental experts. In addition, a statistical model based upon a projection of the number of sites that will proceed to remediation and upon which current and historical costs are applied is used to estimate the liability for a group of unassessed sites.

This group includes 2,816 unassessed sites (3,079 sites in 2022), of which 1,212 sites (1,330 sites in 2022) are projected to proceed to remediation and for which an estimated liability of \$250 million (\$256 million in 2022) has been recorded. These two estimates combined, totalling \$10,118 million (\$10,024 million in 2022), represents management's best estimate of the costs required to remediate sites to the current minimum environmental standard for its use prior to contamination, based on information available on March 31.

For the remaining 846 sites (859 sites in 2022), no liability for remediation has been recognized. Some of these sites are at various stages of testing and evaluation and, if remediation is required, liabilities will be reported as soon as a reasonable estimate can be determined. For other sites, the government does not expect to give up any future economic benefits (there is likely no significant environmental impact or human health threats). These sites will be re-examined and a liability for remediation will be recognized if future economic benefits will be given up.

When the liability estimate is based on a future cash requirement, the amount is adjusted for inflation using a forecast CPI rate of 2.0% (2.0% in 2022). Inflation is included in the undiscounted amount. The Government of Canada's cost of borrowing by reference to the actual zero-coupon yield curve for Government of Canada bonds has been used to discount the estimated future expenditures. March 2023 discount rates range from 4.50% (1.88% in 2022) for a 1-year term to 3.01% (2.35% in 2022) for a 30 or greater year term.

(in millions of dollars)

	2023				2022			
	Total number of sites	Number of sites with a liability	Estimated liability	Estimated total undiscounted expenditures	Total number of sites	Number of sites with a liability	Estimated liability	Estimated total undiscounted expenditures
Former mineral exploration sites <sup>1</sup> .....	128	108	6,245	9,974	124	106	6,250	9,684
Radioactive material <sup>2</sup> .....	7	6	1,338	1,508	7	6	1,535	1,694
Military and former military sites <sup>3</sup> .....	439	221	528	600	410	214	510	561
Fuel related practices <sup>4</sup> .....	1,587	1,037	461	493	1,670	1,116	441	462
Marine facilities/aquatic sites <sup>5</sup> .....	1,909	1,095	589	658	2,079	1,124	539	586
Landfill/waste sites <sup>6</sup> .....	1,038	645	390	436	1,067	694	230	242
Other <sup>7</sup> .....	1,030	576	567	609	1,105	594	519	539
Total .....	6,138	3,688	10,118	14,278	6,462	3,854	10,024	13,768

<sup>1</sup> Contamination associated with former mine activities, e.g. heavy metals, petroleum hydrocarbons, etc. Sites often have multiple sources of contamination.

<sup>2</sup> Contamination associated with former nuclear operations, e.g. low-level radioactive waste, radioactive isotopes.

<sup>3</sup> Contamination associated with the operations of military and former military sites where activities such as fuel handling and storage activities, waste sites, metals/PCB-based paint used on buildings resulted in former or accidental contamination, e.g. petroleum hydrocarbons, PCBs, heavy metals. Sites often have multiple sources of contamination.

<sup>4</sup> Contamination primarily associated with fuel storage and handling, e.g., accidental spills related to fuel storage tanks or former fuel handling practices, e.g. petroleum hydrocarbons, polyaromatic hydrocarbons and BTEX (benzene, toluene, ethylbenzene and xylenes).

<sup>5</sup> Contamination associated with the operations of marine assets, e.g., port facilities, harbours, navigation systems, light stations, hydrometric stations, where activities such as fuel storage/handling, use of metal based paint on light stations resulted in former or accidental contamination, e.g. metals, petroleum hydrocarbons, polyaromatic hydrocarbons and other organic contaminants. Sites often have multiple sources of contamination.

<sup>6</sup> Contamination associated with former landfill/waste site or leaching from materials deposited in the landfill/waste site, e.g. metals, petroleum hydrocarbons, BTEX, other organic contaminants, etc.

<sup>7</sup> Contamination from other sources, e.g. use of pesticides, herbicides, fertilizers at agricultural sites; use of PCBs, firefighting training areas, firing ranges and training facilities, the operations of assets such as airports, railways and roads where activities such as, fuel storage/handling, waste sites, and chemical storage areas resulted in former or accidental contamination, e.g. metals, petroleum hydrocarbons, polyaromatic hydrocarbons, BTEX and other organic contaminants.

Also, during the year, 628 sites (558 sites in 2022) were closed as they were either remediated or assessed to confirm that they no longer meet all the criteria required to record a liability for contaminated sites. Estimated recoveries related to environmental liabilities amounted to \$26 million as at year end (\$26 million in 2022) and are reported as other accounts receivable.

(b) Other environmental liabilities

The government has identified approximately 522 unexploded explosive ordnance (UXO) suspected sites (528 in 2022) for which clearance action may be necessary. Of these sites, 34 (29 in 2022) are confirmed UXO affected sites. Based on management’s best estimates, a liability of \$136 million (\$140 million in 2022) has been recorded for clearance action on 7 of the confirmed UXO sites (5 in 2022). Remediation has been completed on 22 sites during the year (11 in 2022). The remaining 493 suspect sites (512 in 2022) are currently in the assessment stage and a reasonable estimate cannot yet be determined. Of these sites, the obligation for clearance action is likely for 16 (17 in 2022), indeterminable for 36 (37 in 2022) and unlikely for the 441 remaining (458 in 2022).

(c) Asset retirement obligations

The government has recorded asset retirement obligations for the removal of asbestos and other hazardous materials in buildings, decommissioning of nuclear facilities, demilitarization or disarmament and other asset retirement obligations.

The changes in the asset retirement obligations during the year are as follows:

(in millions of dollars)

	2023					2022 Restated Note 2(a)				
	Asbestos and other hazardous material	Decommissioning of nuclear facilities	Demilitarization or disarmament	Others	Total	Asbestos and other hazardous material	Decommissioning of nuclear facilities	Demilitarization or disarmament	Others	Total
Opening balance .....	2,834	9,304	844	740	13,722	2,782	9,381	812	717	13,692
Liabilities incurred .....	6	–	15	12	33	1	–	16	9	26
Liabilities settled .....	(21)	(522)	(1)	–	(544)	(17)	(453)	–	–	(470)
Revisions in estimate .....	(247)	(277)	(98)	(33)	(655)	–	156	–	–	156
Accretion expense <sup>1</sup> .....	69	218	20	17	324	68	220	16	14	318
Closing balance .....	2,641	8,723	780	736	12,880	2,834	9,304	844	740	13,722

<sup>1</sup> Accretion expense is the increase in the carrying amount of an asset retirement obligation due to the passage of time.

The undiscounted future expenditures, adjusted for inflation, for the planned projects comprising the liability are \$23,514 million (\$22,288 million at March 31, 2022). Estimated recoveries related to asset retirement obligations amounted to nil as at year end (nil in 2022).

Key assumptions used in determining the provision are as follows:

	2023				2022 Restated Note 2(a)			
	Asbestos and other hazardous material	Decommissioning of nuclear facilities	Demilitarization or disarmament	Others	Asbestos and other hazardous material	Decommissioning of nuclear facilities	Demilitarization or disarmament	Others
Discount rate .....	2.8% - 4.5%	3.0%	2.8% - 4.5%	3.0% - 4.5%	1.9% - 2.5%	2.4%	1.6% - 2.5%	1.9% - 2.4%
Time period over which the undiscounted expenditures are to be incurred .....	1-60 years	162 years	1-41 years	1-70 years	1-61 years	163 years	2-42 years	1-71 years
Long-term rate of inflation .....	2.0%	2.0%	2.0%	2.0%	2.0%	1.7%	2.0%	2.0%

## 10. Unmatured debt

Unmatured debt consists of market debt, capital lease obligations and the obligation under public-private partnerships.

<b>Significant accounting policies</b>
<p>Market debt is recognized on the Consolidated Statement of Financial Position when the government becomes a party to the contractual provisions of the instrument and is measured at amortized cost. At initial recognition, amortized cost is calculated by taking into account transaction costs, including debt issuance costs, and any discount or premium arising on issuance of the debt when the face value of the instrument issued differs from the proceeds received. Subsequently, the effective interest method is applied to determine the amortized cost of the instrument and allocate the unamortized portion and interest to public debt charges over the term to maturity of the instrument, or a shorter period when appropriate.</p> <p>When a marketable bond is exchanged or repurchased, and the transaction results in an extinguishment of the debt, the difference between the carrying amount of the debt instrument and the net consideration paid is recognized as a gain or loss in the Consolidated Statement of Operations and Accumulated Operating Deficit, and the debt instrument is derecognized. An extinguishment occurs on the repurchase of bonds, or when there is an exchange of bonds with an existing bond holder and the terms of the original debt and the replacement debt are substantially different. Exchanged bonds are considered to have substantially different terms when the discounted present value of the cash flows under the new terms, including any amounts paid on the exchange, and discounted using the average effective interest rate of the original debt, is at least 10% different from the discounted present value of the remaining cash flows of the original debt. If an exchange of bonds with an existing bond holder does not result in an extinguishment, any costs and fees incurred adjust the carrying amount of the debt, and are amortized over the remaining term of the replacement debt. The government's holdings of its own securities, if any, are offset against market debt until they are legally cancelled to report unmaturing debt owed to external parties.</p> <p>Capital lease obligations are the present value of the remaining minimum lease payments under capital lease agreements.</p> <p>Obligations under public-private partnerships (P3s) result from the government's agreements with private sector partners to design, build, finance and/or operate and maintain certain tangible capital assets. The obligation represents the government's liability for the tangible capital asset component of these long-term financing arrangements. These liabilities are recognized on a percentage-of-completion basis over the period of construction of the P3 asset and reduced by progress payments and capital payments made to the P3 partner.</p>
<b>Measurement uncertainty</b>
<p>There are no significant measurement uncertainties related to unmaturing debt.</p>

Unmatured debt includes:

(in millions of dollars)

	2023	2022
Market debt		
Payable in Canadian currency .....	1,243,896	1,230,118
Payable in foreign currencies .....	16,034	14,473
Total .....	1,259,930	1,244,591
Obligation related to capital leases .....	2,546	2,785
Obligation under public-private partnerships .....	2,564	2,581
Total unmaturing debt .....	1,265,040	1,249,957

Certain comparative figures have been reclassified to conform to the current year's presentation (Note 2c).  
Accrued interest payable of \$5,447 million (\$4,419 million in 2022) is included in market debt.

(a) Market debt

The following table presents the future principal repayments at the contractual maturity date of debt issues, interest rates by currency and type of instrument (in Canadian dollars) and the weighted average annual interest rates as at March 31, 2023:

(in millions of dollars)

Maturing year	Marketable bonds		Treasury	Canada	Total
	CAD	USD	bills	bills	
2024.....	152,616	–	201,800	2,473	356,889
2025.....	161,346	4,055	–	–	165,401
2026.....	129,234	4,730	–	–	133,964
2027.....	66,670	4,730	–	–	71,400
2028.....	49,861	–	–	–	49,861
2029 and subsequent.....	478,163	–	–	–	478,163
	1,037,890	13,515	201,800	2,473	1,255,678
Less: Government holdings of unmatured debt and consolidation adjustments <sup>1</sup> .....	(216)	–	16	–	(200)
Total future principal repayments at contractual maturity.....	1,038,106	13,515	201,784	2,473	1,255,878
Less: Adjustment to amortized cost <sup>2</sup> .....	6,891	60	(2,885)	(14)	4,052
Total market debt.....	1,044,997	13,575	198,899	2,459	1,259,930
Nature of interest rate <sup>3</sup>	Fixed <sup>4</sup>	Fixed	Variable	Variable	
Weighted average annual interest rates.....	1.90	1.83	4.28	4.64	
Range of interest rates.....	0.25 - 9.05	0.86 - 2.93	3.36 - 4.68	2.92 - 5.13	

Details can be found in Section 6 (unaudited) of this volume.

<sup>1</sup> Includes \$30 million of securities held by consolidated Crown corporations and other entities and \$229 million of borrowings by consolidated agent Crown corporations.

<sup>2</sup> The adjustment to amortized cost represents the difference between the carrying amount of debt measured at amortized cost and the principal payable at maturity.

<sup>3</sup> Debt with terms to maturity of less than one year is considered to have a variable interest rate. For marketable bonds and foreign currency notes, some of the fixed interest rates were converted into variable interest rates through swap agreements.

<sup>4</sup> Includes real return bonds which have a variable component based on the consumer price index. The above table does not include future fluctuations associated with the variable component of the real return bond portfolio.

(b) Obligation related to capital leases

The total obligation related to capital leases as at March 31, 2023, is \$2,546 million (\$2,785 million in 2022). Interest on this obligation of \$161 million (\$163 million in 2022) is reported in the Consolidated Statement of Operations and Accumulated Operating Deficit as part of public debt charges. At March 31, future minimum lease payments are summarized as follows:

(in millions of dollars)

Year	2023
2024.....	413
2025.....	378
2026.....	330
2027.....	306
2028.....	301
2029 and subsequent.....	1,916
Total minimum lease payments.....	3,644
Less: imputed interest at the average discount rate of 5.16%.....	1,098
Obligation related to capital leases.....	2,546

Details can be found in Section 6 (unaudited) of this volume.

A significant number of leases have a duration from inception that falls within the range of 10 to 25 years.

## 11. Public sector pensions and other employee and veteran future benefits

The accrued benefit obligations in respect of public sector pensions and other employee and veteran future benefits are presented net of pension assets, unrecognized net actuarial gains or losses and valuation allowance, as well as contributions and benefits paid by some of the consolidated Crown corporations and other entities after their measurement date of December 31 up to March 31, in the Consolidated Statement of Financial Position.

Significant accounting policies
<p>Public sector pensions and other employee and veteran future benefits are measured on an actuarial basis. The actuarial valuations estimate the current value of benefits earned and use various actuarial assumptions in the process. When actual experience varies from estimates or when actuarial assumptions change, actuarial gains or losses arise. Actuarial gains and losses are not recognized immediately but rather over the expected average remaining service life (EARSLS) of the employees, which varies across plans, or the average remaining life expectancy (ARLE) of the benefit recipients under wartime veteran plans. Recognition commences in the year following the determination of the actuarial gains and losses. In addition, an unrecognized net actuarial loss is recognized immediately upon an amendment, up to a maximum of the related decrease in the accrued benefit obligation; similarly, an unrecognized net actuarial gain is recognized immediately, up to a maximum of the related increase in the accrued benefit obligation. The unrecognized net actuarial loss or gain, relating to the obligation that is curtailed or settled, is recognized immediately upon a curtailment or settlement.</p> <p>Pension and other future benefit assets include investments held by the Public Sector Pension Investment Board (PSPiB), which are valued at market-related value. Under this valuation methodology, the expected return on investments is recorded immediately while the difference between the expected and the actual return on investments is recorded over a five-year period through actuarial gains and losses. The market-related value of investments is adjusted, if necessary, to ensure that it does not fall outside a limit of plus or minus 10% of the market value of investments at year end; any amount outside this limit is recorded immediately through actuarial gains and losses.</p> <p>Contributions receivable from employees for past service buyback elections are discounted to approximate their fair value.</p>
Measurement uncertainty
<p>As the accrued benefit obligations for public sector pensions and other employee and veteran future benefits are actuarially determined, the actual experience may differ significantly from the assumptions used in the calculation of the accrued benefit obligations. The actuarial assumptions used in measuring the accrued benefit obligations are outlined in Section (g) below and a sensitivity analysis showing how the accrued benefit obligations would have been affected by changes in the principal actuarial assumptions is found in Section (h) below.</p> <p>Measurement uncertainties exist at March 31, 2023 as a result of higher than expected inflation rates, increasing interest rates, and the Russia-Ukraine conflict. The economic environment continues to be subject to sustained volatility and unpredictability, which could continue to impact the actuarial assumptions used to measure the present value of the accrued benefit obligations and the market value of PSPiB's portfolio. The accrued benefit obligations and the investments held by PSPiB, as at March 31, 2023, as well as the return on investments for the year, reflect the impacts resulting from these events to the extent known and estimable at the reporting date.</p>

### (a) Overview of benefits

#### i. Pension benefits

The government sponsors a number of defined benefit pension plans covering substantially all the employees of the federal public service, as well as certain Public Service corporations as defined in the *Public Service Superannuation Act*, territorial governments, members of the Canadian Forces (including the Reserve Force), members of the Royal Canadian Mounted Police, federally appointed judges and Members of Parliament, including Senators. The public service, Canadian Forces - Regular Force and Royal Canadian Mounted Police pension plans represent the three main public sector pension plans sponsored by the government. In addition, some of the consolidated Crown corporations and other entities maintain their own defined benefit pension plans covering substantially all of their employees. In this note, the term "employees" is used in a general manner to apply to plan members of the different groups.

The defined benefit pension plans are designed to provide employees with a retirement income during their lifetime and, in the case of government-sponsored plans, are indexed to inflation. The indexation for Crown corporations and other entities pension plans varies depending on the specific plan. In the event of death, the pension plans also provide an income for a plan member's eligible survivors and dependants.

Pension benefits generally accrue as follows:

For the three main public sector pension plans, pension benefits generally accrue based on a member's average earnings during the best five consecutive years of earnings and years of pensionable service. Plan members can accrue up to a maximum of 35 years at a rate of 2% per year of pensionable service. Pension benefits are coordinated with the Canada and the Quebec Pension Plan benefits at age 65.

For the Canadian Forces - Reserve Force pension plan, pension benefits accrue at a rate of 1.5% per year up to a maximum of 35 years based on total pensionable service and pensionable earnings over the service period, and are coordinated with the Canada and the Quebec Pension Plan benefits at age 65.

For the Members of Parliament retiring allowance plan, basic allowances accrue at a rate of 3% per year of pensionable service multiplied by the average of the best five consecutive years of sessional indemnity and/or pensionable earnings up to a maximum of 75% of the plan member's average sessional indemnity and/or pensionable earnings as applicable. For service after December 31, 2015, retiring allowance benefits are coordinated with the Canada and the Quebec Pension Plan benefits at age 60. Members of Parliament are entitled to benefits after they have contributed to the plan for at least six years.

For federally appointed judges, pension benefits do not have an explicit accrual rate. Instead, federally appointed judges may retire with a pension equivalent to two thirds of the salary annexed to their office once the member has completed 15 years of pensionable service and the sum of the member's age and years of service equals 80 or more.

For the consolidated Crown corporations and other entities pension plans, pension benefits accrue depending on the terms of the plans; generally based on a combination of an accrual rate per year of pensionable service and pensionable earnings average as per plan terms. Some plans are closed to new entrants.

ii. Other future benefits

In addition to pension plans, the government and the consolidated Crown corporations and other entities sponsor different types of future benefit plans, with varying terms and conditions. The benefits are available to employees during or after employment or upon retirement. Other future benefits include disability and associated benefits available to war veterans, current and retired members of the Canadian Forces and the Royal Canadian Mounted Police, their survivors and dependants, health care and dental benefits available to retired employees and their dependants, accumulated sick leave entitlements, severance benefits and workers' compensation benefits.

(b) Financing arrangements

The government has a statutory obligation to pay the pension benefits it sponsors. Pursuant to pension legislation, the transactions for funded and unfunded pension benefits are tracked in the pension accounts within the accounts of Canada. The details (unaudited) of the pension accounts can be found in Section 6 of this volume.

i. Funded pension benefits

Pension benefits are generally financed from employee and employer contributions, as well as investment earnings. Pension benefits funded by the government relate to post March 2000 service that falls within the *Income Tax Act* limits for the three main public sector pension plans and all service for the Canadian Forces—Reserve Force pension plan. An amount equal to contributions less benefit payments and other charges is invested by the PSPIB. Funded pension benefits also relate to consolidated Crown corporations and other entities where pension plans' assets are held in external trusts that are legally separate from Crown corporations and other entities.

ii. Unfunded pension benefits

For unfunded pension benefits, separate invested funds are not maintained. These relate to all pre April 2000 service, and only to post March 2000 service that falls above the *Income Tax Act* limits for the three main public sector pension plans, all service periods for the pension plans of the federally appointed judges and Members of Parliament, and some of the consolidated Crown corporations and other entities' pension plans. Employee and employer contributions for unfunded pension benefits sponsored by the government are part of general government funds. Contributions amounted to \$1,456 million (\$7,976 million in 2022) of which \$164 million (\$105 million in 2022) represents regular employer contributions, \$1,220 million (\$7,805 million in 2022) represents special employer contributions, and \$72 million (\$66 million in 2022) represents employee contributions.

iii. Other future benefits

Other employee and veteran future benefits sponsored by the government and almost all of the other employee future benefits sponsored by the consolidated Crown corporations and other entities are unfunded. The health care and dental plans for retired employees are contributory plans, whereby contributions by retired plan members are made to obtain coverage. These contributions amounted to \$522 million (\$507 million in 2022). The cost of benefits earned and benefits paid are presented net of these contributions. Additional details can be found in Section 6 (unaudited) of this volume.

## (c) Actuarial valuations

## i. For funding purposes

Pursuant to the *Public Pensions Reporting Act*, actuarial valuations of the pension plans sponsored by the government are performed at least every three years to determine the state of the pension plans, as well as to assist in making informed decisions regarding the financing of the government's pension benefit obligations. The actuarial valuation report in respect of a pension plan must be filed with the Minister responsible for that pension plan within eighteen months of the valuation date. The Minister then has thirty sitting days to present the actuarial valuation to the Parliament. The actuarial assumptions underlying the valuations for funding purposes are based on the actuary's best estimates.

The most recent triennial actuarial valuations were conducted as at March 31, 2019, for the Canadian Forces - Regular Force and Reserve Force, the Members of Parliament and the federally appointed judges pension plans; as at March 31, 2020, for the public service pension plan; and as at March 31, 2021, for the Royal Canadian Mounted Police pension plan.

Federally regulated private pension plans sponsored by consolidated Crown corporations and other entities are governed by the provisions of the *Pension Benefits Standards Act, 1985* and are required to adhere to the directives of the Superintendent of Financial Institutions. The actuarial valuations are conducted at least every three years, or more often depending on the financial situation of the plan.

## ii. For accounting purposes

Actuarial valuations of the public sector pensions and other employee and veteran future benefits are performed every year to measure and report the obligations and to attribute the costs of the benefits to the period. Actuarial valuations are conducted as at March 31, except for some of the consolidated Crown corporations and other entities for which the actuarial valuations are conducted as at December 31. The actuarial valuations are based on the most recent actuarial valuation for funding purposes, as applicable, in regards to the majority of the demographic assumptions. The other assumptions underlying the valuations are based on best estimates of the government or of the management of the consolidated Crown corporations and other entities.

## (d) Change to benefits

In 2023, amendments were made to the Public Service Health Care Plan. These include the introduction of significant benefit enhancements offset by cost-containment measures to modernize and better align the plan with best practices in the employer-sponsored health care plan industry. These amendments resulted in a one-time past service cost reduction of \$1,322 million.

In 2022, an amendment was made to introduce new mental health benefits providing immediate coverage to veterans for treatment of certain mental health conditions. The goal is to support veterans' mental health while their disability benefits application is being processed. This amendment resulted in a one-time past service cost of \$102 million.

## (e) Net future benefit liabilities and assets

The net future benefit liabilities and assets are comprised of different components. The details are as follows:

## i. Accrued benefit obligations

The changes in the accrued benefit obligations during the year are as follows:

(in millions of dollars)

	2023				2022			
	Pension benefits			Other future benefits	Pension benefits			Other future benefits
	Funded	Unfunded	Total		Funded	Unfunded	Total	
Accrued benefit obligations at beginning of year .....	189,174	178,306	367,480	231,478	176,047	192,767	368,814	209,544
Benefits earned .....	8,350	470	8,820	12,310	8,122	559	8,681	10,961
Interest on average accrued benefit obligations .....	10,456	4,168	14,624	5,570	9,211	3,428	12,639	4,047
Benefits paid .....	(5,482)	(9,337)	(14,819)	(6,757)	(4,915)	(9,182)	(14,097)	(6,590)
Administrative expenses .....	(116)	(74)	(190)	(108)	(108)	(75)	(183)	(107)
Net transfers to other plans .....	(555)	(31)	(586)	–	(810)	(51)	(861)	–
Amendment costs (cost reductions) .....	–	–	–	(1,322)	–	–	–	102
Actuarial (gains) losses .....	(2,532)	(6,230)	(8,762)	(17,965)	1,627	(9,140)	(7,513)	13,521
Accrued benefit obligations at end of year .....	199,295	167,272	366,567	223,206	189,174	178,306	367,480	231,478

Details can be found in Section 6 (unaudited) of this volume.

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ii. Pension and other future benefit assets

Pension and other future benefit assets include investments held by the PSPIB and external trusts of consolidated Crown corporations and other entities and contributions receivable from employees for past service buyback elections.

The changes in pension and other future benefit assets during the year are as follows:

(in millions of dollars)

	2023		2022	
	Funded pension benefits	Other future benefits	Funded pension benefits	Other future benefits
Investments at beginning of year.....	222,255	1	200,810	1
Expected return on average market-related value of investments.....	12,281	–	10,529	–
Contributions				
Employees .....	4,105	–	4,142	–
Public Service corporations, territorial governments and Crown corporations and other entities.....	215	–	298	–
Government .....	4,202	–	4,248	–
Benefits paid, transfers and others .....	(6,083)	(1)	(5,528)	–
Actuarial gains .....	4,419	–	7,756	–
Investments at end of year .....	241,394	–	222,255	1
Contributions receivable from employees for past service .....	361	–	420	–
Total pension and other future benefit assets at end of year .....	241,755	–	222,675	1

Details can be found in Section 6 (unaudited) of this volume.

As at March 31, the market value of the investments is \$255,574 million (\$243,814 million in 2022). The actual return on investments is \$9,429 million (\$23,286 million in 2022) and the actual net rate of return on investments, calculated on a time-weighted basis, is 3.9% (10.7% in 2022) for the year.

iii. Net future benefit liabilities and assets

A reconciliation of the accrued benefit obligations to the amounts of net future benefit liabilities and assets follows:

(in millions of dollars)

	2023				2022			
	Pension benefits			Other future benefits	Pension benefits			Other future benefits
	Funded	Unfunded	Total		Funded	Unfunded	Total	
Accrued benefit obligations .....	199,295	167,272	366,567	223,206	189,174	178,306	367,480	231,478
Less: Pension and other future benefit assets .....	241,755	–	241,755	–	222,675	–	222,675	1
Subtotal.....	(42,460)	167,272	124,812	223,206	(33,501)	178,306	144,805	231,477
Plus: Unrecognized net actuarial gains (less losses).....	27,830	(847)	26,983	(45,255)	23,484	(10,700)	12,784	(71,770)
Less:								
Contributions after measurement date up to March 31 .....	–	–	–	–	6	–	6	–
Benefits paid after measurement date up to March 31 .....	–	–	–	2	–	–	–	2
Subtotal.....	(14,630)	166,425	151,795	177,949	(10,023)	167,606	157,583	159,705
Plus: Valuation allowance.....	1,634	–	1,634	–	880	–	880	–
Net future benefit liabilities (assets).....	(12,996)	166,425	153,429	177,949	(9,143)	167,606	158,463	159,705

The net future benefit liabilities and assets are recognized and presented in the Consolidated Statement of Financial Position as follows:

Public sector pension liabilities <sup>1</sup> .....	–	166,425	166,425	–	60	167,606	167,666	–
Other employee and veteran future benefit liabilities .....	–	–	–	177,949	–	–	–	159,705
Less: Public sector pension assets <sup>1</sup> .....	12,996	–	12,996	–	9,203	–	9,203	–
Net future benefit liabilities (assets).....	(12,996)	166,425	153,429	177,949	(9,143)	167,606	158,463	159,705

Details can be found in Section 6 (unaudited) of this volume.

<sup>1</sup> Public sector pension liabilities represent pension plans that are in a net liability position as at March 31, whereas public sector pension assets represent pension plans that are in a net asset position as at March 31.

## (f) Benefit and interest expenses

The components of public sector pension and other employee and veteran future benefit expenses are as follows:

(in millions of dollars)

	2023				2022			
	Pension benefits			Other future benefits	Pension benefits			Other future benefits
	Funded	Unfunded	Total		Funded	Unfunded	Total	
<b>Benefit expense</b>								
Benefits earned, net of employee contributions .....	4,045	393	4,438	12,310	3,777	493	4,270	10,961
Amendment costs (cost reductions) .....	–	–	–	(1,322)	–	–	–	102
Valuation allowance .....	754	–	754	–	451	–	451	–
Total benefit expense included in personnel expenses .....	4,799	393	5,192	10,988	4,228	493	4,721	11,063
Actuarial (gains) losses recognized during the year .....	(2,546)	3,623	1,077	8,550	(1,587)	4,667	3,080	7,106
Total benefit expense .....	2,253	4,016	6,269	19,538	2,641	5,160	7,801	18,169
<b>Interest expense</b>								
Interest on average accrued benefit obligations .....	10,456	4,168	14,624	5,570	9,211	3,428	12,639	4,047
Expected return on average market-related value of investments .....	(12,281)	–	(12,281)	–	(10,529)	–	(10,529)	–
Total interest expense .....	(1,825)	4,168	2,343	5,570	(1,318)	3,428	2,110	4,047

Details can be found in Section 6 (unaudited) of this volume.

Net actuarial losses of \$9,627 million (\$10,186 million in 2022) are presented in the Consolidated Statement of Operations and Accumulated Operating Deficit. The net actuarial losses are comprised of actuarial gains of \$2,546 million (\$1,587 million in 2022) on funded pension benefits, actuarial losses of \$3,623 million (\$4,667 million in 2022) on unfunded pension benefits and actuarial losses of \$8,550 million (\$7,106 million in 2022) on other future benefits.

## (g) Actuarial assumptions

The assumptions used in the actuarial valuations for accounting purposes are based on the government's or the consolidated Crown corporations and other entities management's best estimates of expected long-term experience and short-term forecasts, as well as the majority of the demographic assumptions underlying the most recent actuarial valuations for funding purposes, as applicable. The assumptions include estimates of discount rates, future inflation, returns on investments, general wage increases, workforce composition, retirement rates and mortality rates.

The discount rates used to measure the present value of the accrued obligations for public sector pensions and other employee and veteran future benefits sponsored by the government are as follows:

- For funded pension benefits, the streamed expected rates of return on invested funds.
- For unfunded pension and other future benefits, the government's cost of borrowing derived from the yields on the actual zero-coupon yield curve for Government of Canada bonds which reflects the timing of the expected future cash flows.

The principal actuarial assumptions used in measuring the accrued benefit obligations as at March 31 for government-sponsored benefits, as well as the related benefit and interest expenses for the year, are as follows:

	2023		2022	
	Accrued benefit obligations	Benefit and interest expenses	Accrued benefit obligations	Benefit and interest expenses
Discount rates				
Funded pension benefits <sup>1</sup>	6.0%	5.5%	5.8%	5.2%
Unfunded pension benefits <sup>2</sup>	3.0%	2.4%	2.4%	1.8%
Other employee and veteran future benefits <sup>2</sup>	3.0%	2.4%	2.4%	1.9%
Expected rate of return on investments	–	5.5%	–	5.2%
Long-term rate of inflation	2.0%	2.0%	2.0%	2.0%
Long-term general wage increase	2.6%	2.6%	2.6%	2.6%
Assumed health care cost trend rates				
Initial health care cost trend rate	6.5%	6.5%	6.5%	4.8%
Cost trend rate is expected to stabilize at	4.3%	4.3%	4.3%	4.3%
Year that the rate is expected to stabilize	2039	2041	2041	2041

<sup>1</sup> In regards to funded pension benefits, the streamed discount rates used to measure the accrued benefit obligations are equivalent to the flat discount rates presented in the table; the initial discount rates used to measure the benefit and interest expenses are presented in the table whereas the ultimate discount rates are expected to reach 6.0% by 2033 (5.9% by 2034 in 2022).

<sup>2</sup> In regards to unfunded pension and other future benefits, the discount rates disclosed in the table reflect weighted average discount rates derived from the computation of the equivalent flat discount rate of each benefit plan. The equivalent flat discount rates are used to measure the costs of benefits earned and the interest expense, as well as any amendments, curtailments or settlements.

The discount rates used to measure the significant classes of pensions and other employee future benefits sponsored by the consolidated Crown corporations and other entities are based on a variety of methodologies. To measure the present value of their accrued benefit obligations, these consolidated Crown corporations and other entities used expected rates of return on invested funds ranging from 5.2% to 6.3% (4.8% to 5.8% in 2022) for the funded pension benefits, discount rates ranging from 3.3% to 4.9% (1.7% to 4.0% in 2022) for the unfunded pension benefits and discount rates ranging from 3.3% to 4.9% (1.6% to 4.0% in 2022) for the other employee future benefits. The long-term general wage increase ranged from 2.5% to 4.0% (2.5% to 3.5% in 2022). The long-term inflation rate has remained consistent at 2.0% (2.0% in 2022).

The expected average remaining service life (EARSL) of the employees represent periods ranging from 4 to 23 years (4 to 23 years in 2022) according to the plan in question; more specifically, from 11 to 15 years (11 to 15 years in 2022) for the three main public sector pension plans. The average remaining life expectancy (ARLE) of the benefit recipients under wartime veteran plans represent periods ranging from 5 to 7 years (6 to 7 years in 2022).

(h) Sensitivity analysis

Changes in assumptions can result in significantly higher or lower estimates of the accrued benefit obligations. The table below illustrates the possible impact of a 1% change in the principal actuarial assumptions.

(in millions of dollars)

	2023			2022		
	Pension benefits		Other future benefits	Pension benefits		Other future benefits
	Funded	Unfunded		Funded	Unfunded	
Possible impact on the accrued benefit obligations due to:						
Increase of 1% in discount rates	(28,700)	(17,800)	(36,700)	(27,900)	(20,300)	(40,100)
Decrease of 1% in discount rates	36,900	21,600	49,800	35,900	25,100	55,000
Increase of 1% in rate of inflation	26,200	20,400	44,400	25,200	23,300	47,600
Decrease of 1% in rate of inflation	(21,500)	(17,100)	(30,700)	(20,800)	(19,400)	(34,600)
Increase of 1% in general wage increase	8,100	300	300	7,800	400	300
Decrease of 1% in general wage increase	(7,200)	(300)	(300)	(7,100)	(400)	(300)
Increase of 1% in assumed health care cost trend rates	–	–	6,400	–	–	8,200
Decrease of 1% in assumed health care cost trend rates	–	–	(4,700)	–	–	(6,000)

## 12. Derivatives

Derivatives are financial contracts whose value is derived from movements in one or more underlying assets, indexes, interest rates, currency exchange rates, or other market-based factors. The government uses derivatives for hedging purposes and in conjunction with its other risk management activities.

<b>Significant accounting policies</b>
<p>Derivatives are measured at fair value and reported as derivative assets or derivative liabilities on the Consolidated Statement of Financial Position. Unrealized fair value gains and losses arising on derivatives, excluding those relating to changes in foreign exchange rates, are presented in the Consolidated Statement of Remeasurement Gains and Losses. All exchange gains and losses arising on remeasurement or settlement of cross-currency swaps and foreign exchange forward contracts are recognized as part of net foreign exchange revenues in the Consolidated Statement of Operations and Accumulated Operating Deficit. Net interest paid or payable and received or receivable on all swap transactions is recorded as part of public debt charges. When derivatives are derecognized, any cumulative remeasurement gain or loss associated with the derecognized item, is reversed and reclassified to the Consolidated Statement of Operations and Accumulated Operating Deficit.</p> <p>Fair values of the swap and foreign exchange forward agreements are the estimated amount that the government would receive or pay, based on market factors, if the agreements were terminated on March 31. They are established by discounting the expected cash flows of the swap and foreign exchange forward agreements, calculated from the contractual or notional principal amounts, using year-end market interest and exchange rates. A positive (negative) fair value indicates that the government would receive (make) a payment if the agreements were terminated on March 31. The government classifies the fair value measurement of cross-currency swaps and foreign exchange forward agreements as level 2 in the fair value hierarchy.</p>
<b>Measurement uncertainty</b>
<p>The measurement of cross-currency swaps and foreign exchange forward agreements is based on observable inputs and classified at level 2 in the fair value hierarchy. Consequently, there are no significant measurement uncertainties related to these derivatives.</p>

The following table presents derivatives at March 31:

(in millions of dollars)

	2023	2022
	Fair value	Carrying Value <sup>1</sup>
<b>Liabilities</b>		
Cross-currency swaps.....	4,632	2,468
Foreign exchange forward agreements and other derivatives.....	57	3
Total.....	4,689	2,471
<b>Assets</b>		
Cross-currency swaps.....	3,228	4,851
Foreign exchange forward agreements and other derivatives.....	32	123
Total.....	3,260	4,974

<sup>1</sup> These amounts represent the foreign exchange revaluation reported in 2022, whereby notional amounts denominated in foreign currencies were translated into Canadian dollars at the exchange rates in effect at March 31, 2022. The net revaluation amount for cross-currency swaps was reported in unmatured debt, and the net revaluation amount for foreign exchange forward agreements was reported in accounts payable. These balances have been reclassified to derivative assets and liabilities in 2023 (Note 2c).

## i. Cross-currency swap agreements

The government has entered into individual cross-currency swap contracts with various counterparties to facilitate management of its debt structure. Terms and conditions associated with these outstanding contracts are established using International Swaps and Derivatives Association (ISDA) Master Agreements, which are in place with each counterparty. Cross-currency swaps are used primarily to fund foreign-denominated asset levels in the foreign exchange accounts. Using cross-currency swap agreements, Canadian dollar and other foreign currency debt has been converted into US dollars or other foreign currencies with either fixed interest rates or variable interest rates. As a normal practice, the government's swap positions are held to maturity.

The fair value of cross-currency swaps as at March 31, 2023 in terms of maturity date, stated in Canadian dollars, are as follows:

(in millions of dollars)

Maturing year	2023
2024.....	(1,138)
2025.....	(448)
2026.....	971
2027.....	(30)
2028.....	84
2029 and subsequent.....	(843)
Total.....	(1,404)

## ii. Foreign exchange forward agreements

The government's lending arrangements with the International Monetary Fund (IMF), included in the foreign exchange accounts, are denominated in special drawing rights (SDR). However, the government funds some of these loans with US dollars, while other are made directly in SDRs. Consequently, since the value of the SDR is based upon a basket of key international currencies (US dollar, Euro, Japanese yen, British pound sterling and Chinese renminbi), a currency mismatch results, whereby fluctuations in the value of the loan asset are not equally offset by fluctuations in the value of the related funding liability. Therefore, the government enters into forward agreements to hedge this foreign exchange risk.

The notional principal amount of a foreign exchange forward agreement refers to the principal amount used to calculate contractual cash flows. Foreign exchange forward agreements outstanding at March 31, with notional principal amounts in Canadian dollars of \$5,144 million (\$4,665 million at March 31, 2022), mature during the next fiscal year.

**13. Other Liabilities**

Other liabilities include:

(in millions of dollars)

	2023	2022
Canada Pension Plan Accounts.....	306	101
Others		
Government Annuities Account.....	68	82
Deposit and trust accounts.....	2,339	2,949
Other specified purpose accounts.....	4,626	4,575
Subtotal.....	7,033	7,606
Total other liabilities.....	7,339	7,707

Details and the audited consolidated financial statements of the Canada Pension Plan can be found in Section 6 (unaudited) of this volume.

## (a) Canada Pension Plan Accounts

As explained in Note 1, the financial activities of the Canada Pension Plan (CPP) are not included in these consolidated financial statements.

The CPP is a federal/provincial social insurance program established by an Act of Parliament. It is compulsory and in operation in all parts of Canada, except for the Province of Quebec. The objective of the program is to provide a measure of protection to workers and their families against the loss of earnings due to retirement, disability or death. The CPP is financed from employee, employer and self-employed worker contributions, as well as investment earnings. The CPP's investments are held and managed by the Canada Pension Plan Investment Board (CPPIB). As administrator of the CPP, the government's authority to provide benefits is limited to the consolidated net assets of the CPP. As at March 31, the fair value of the CPP's consolidated net assets is \$549,500 million (\$534,480 million in 2022) for the CPP Account and \$24,443 million (\$13,598 million in 2022) for the Additional CPP Account.

Pursuant to the *Canada Pension Plan Act*, the transactions of the CPP are recorded in the Canada Pension Plan Accounts (the Accounts) within the accounts of Canada. The Accounts also record the amounts transferred to or received from the CPPIB. The \$306 million (\$101 million in 2022) balance in the Accounts represents the CPP's deposit with the Receiver General for Canada and, therefore, is reported as a liability. The CPP's deposit with the Receiver General for Canada is comprised of the CPP Account balance of \$276 million (\$78 million in 2022) and the Additional CPP Account balance of \$30 million (\$23 million in 2022).

## (b) Others

Deposit and trust accounts are a group of liabilities representing the government's financial obligations in its role as administrator of certain funds that it has received or collected for specified purposes and that it will pay out accordingly. The net liability of the government is presented after reducing applicable accounts for securities held in trust. Certain accounts earn interest which is charged to interest on the public debt. Some of the largest deposit and trust accounts are the swap collateral guarantee deposit account of \$1,044 million (\$1,771 million in 2022) and the Indian band funds account in the amount of \$561 million (\$506 million in 2022). These accounts were established to record cash received as credit support under a collateral agreement with financial institutions and to record funds belonging to Indian bands throughout Canada pursuant to the *Indian Act*.

Other specified purpose accounts are liability accounts that are used to record transactions made under authorities obtained from Parliament through either the *Financial Administration Act* or other specific legislation. Certain accounts earn interest which is charged to interest on the public debt. The largest other specified purpose account is the Public Service Death Benefit Account totalling \$4,131 million (\$4,063 million in 2022). This account was established under the *Public Service Superannuation Act* to provide life insurance to contributing members of the public service.

**14. Cash and cash equivalents**

Cash consists of public moneys on deposit and cash in transit less outstanding cheques and warrants. Cash equivalents consist mainly of term deposits usually not exceeding 31 days.

Cash and cash equivalents are as follows:

(in millions of dollars)

	2023	2022
Cash <sup>1</sup> .....	49,006	100,822
Cash equivalents <sup>2</sup> .....	–	–
<b>Total cash and cash equivalents</b> .....	<b>49,006</b>	<b>100,822</b>

Details can be found in Section 7 (unaudited) of this volume.

<sup>1</sup> Included in cash is \$20,000 million (\$20,000 million in 2022) which has been designated as a deposit held at the Bank of Canada with respect to prudential liquidity management undertaken by the government.

<sup>2</sup> Less than \$500,000.

## 15. Taxes receivable

Taxes receivable include taxes, interest, penalties, and other revenues assessed or estimated but not yet collected as at March 31. They also include other receivables for amounts collectible through the tax system such as provincial and territorial taxes, Employment Insurance premiums and Canada Pension Plan contributions receivable from individuals and employers as applicable.

Significant accounting policies
<p>Tax revenues and other revenues that were not collected at year end are reported as taxes receivable on the Consolidated Statement of Financial Position.</p> <p>Taxes receivable are measured at net realizable value. An allowance for doubtful accounts is recorded where recovery is considered uncertain. The annual provision for the allowance for doubtful accounts is reported as a bad debt expense which is charged against other expenses.</p> <p>The allowance for doubtful accounts for taxes receivable is management's best estimate of the uncollectible amounts that have been assessed, including the related interest and penalties.</p> <p>The allowance for doubtful accounts for taxes receivable has two components. A general allowance is calculated based on the age and type of tax accounts using rates based on historical collection experience. A specific allowance is calculated based on an annual review of all accounts over \$25 million. The allowance for doubtful accounts is adjusted every year through a provision for doubtful accounts and is reduced by amounts written off as uncollectible during the year.</p>
Measurement uncertainty
<p>Taxes receivable and the allowance for doubtful accounts are subject to measurement uncertainty due to the use of estimates of amounts not yet assessed/reassessed based on cash received as well as taxpayer objections to assessed federal tax.</p> <p>Key assumptions used in estimating tax revenues are tax instalments, historical information on refund rates, source deductions, payments received on filing tax returns, and amounts receivable assessed.</p> <p>Measurement uncertainties exist at March 31, 2023 as a result of the on-going uncertainties around the economic outlook. Historical experiences related to the estimated tax receivables and the allowance for doubtful accounts, may not be relevant to predict future outcomes which may lead to a greater possibility of a material variance in the upcoming year.</p>

The details of the taxes receivable and other amounts collectible through the tax system and allowance for doubtful accounts are as follows:

(in millions of dollars)

	2023			2022		
	Total taxes receivable	Allowance for doubtful accounts <sup>1</sup>	Net	Total taxes receivable	Allowance for doubtful accounts <sup>1</sup>	Net
Income taxes receivable						
Individuals.....	96,964	9,995	86,969	95,893	9,408	86,485
Employers .....	33,572	1,713	31,859	28,106	1,497	26,609
Corporations.....	33,638	5,257	28,381	28,292	4,571	23,721
Non-residents .....	3,605	521	3,084	3,257	320	2,937
Goods and services tax receivable.....	33,231	5,668	27,563	31,188	5,412	25,776
Customs import duties receivable .....	758	157	601	766	144	622
Other excise taxes and duties receivable .....	2,776	251	2,525	1,594	156	1,438
<b>Total .....</b>	<b>204,544</b>	<b>23,562</b>	<b>180,982</b>	<b>189,096</b>	<b>21,508</b>	<b>167,588</b>

Details can be found in Section 7 (unaudited) of this volume.

<sup>1</sup> The government has recorded a bad debt expense of \$4,768 million (\$5,088 million in 2022) under other expenses, excluding net actuarial losses on the Consolidated Statement of Operations and Accumulated Operating Deficit.

## 16. Other accounts receivable

Other accounts receivable consist of billed or accrued financial claims arising from amounts owed to the government at year end, including COVID-19 benefit overpayments receivable, and cash collateral pledged to counterparties.

Significant accounting policies
Revenues (other than tax revenues) that were not collected at year end are reported as other accounts receivable on the Consolidated Statement of Financial Position.
A recipient of a COVID-19 benefit payment is obligated to repay benefits for any amounts for which they were not eligible. These overpayments are reported as other accounts receivable when determined and management has an appropriate basis of measurement.
Other accounts receivable are measured at amortized cost. An allowance for doubtful accounts is recorded where recovery is considered uncertain. The annual provision for the allowance for doubtful accounts is reported as a bad debt expense which is charged against other expenses.
The allowance for doubtful accounts for billed or accrued financial claims represents management's best estimate of uncollectable amounts receivable. The allowance is determined based on an analysis of historic loss experience and an assessment of current economic conditions.
Measurement uncertainty
Measurement uncertainties exist at March 31, 2023 as a result of the on-going uncertainties around the economic outlook.
Historical experiences related to other accounts receivable and the allowance for doubtful accounts, may not be relevant to predict future outcomes which may lead to a greater possibility of a material variance in the upcoming year.
There is no significant measurement uncertainty related to cash collateral pledged to counterparties.

The details of the other receivable and allowance for doubtful accounts are as follows:

(in millions of dollars)

	2023			2022		
	Gross receivables	Allowance for doubtful accounts	Net receivables	Gross receivables	Allowance for doubtful accounts	Net receivables
Other receivables <sup>1</sup> .....	8,276	1,846	6,430	8,992	1,725	7,267
COVID-19 benefit overpayments.....	6,962	2,261	4,701	5,119	1,250	3,869
Subtotal.....	15,238	4,107	11,131	14,111	2,975	11,136
Cash collateral pledged to counterparties <sup>2</sup> .....	2,401	-	2,401	506	-	506
Total .....	17,639	4,107	13,532	14,617	2,975	11,642

Details can be found in Section 7 (unaudited) of this volume.

<sup>1</sup> Certain comparative figures have been reclassified to conform to the current year's presentation.

<sup>2</sup> Cash collateral pledged to counterparties represents collateral support under International Swaps and Derivatives Association (ISDA) Master Agreements in respect of outstanding cross-currency swap arrangements. Further details can be found in Note 21.

The following table provides an aging analysis of billed or accrued financial claims:

(in millions of dollars)

	2023	2022
Billed or accrued financial claims		
Not past due .....	5 069	9 020
Number of days past due		
1 to 30.....	921	726
31 to 60.....	288	41
61 to 90.....	606	34
91 to 365.....	3 041	404
Over 365.....	1 206	911
Total .....	11 131	11 136

### 17. Foreign exchange accounts

Foreign exchange accounts represent financial assets and liabilities related to Canada’s official international reserves, primarily held in the Exchange Fund Account (EFA), and its membership in the International Monetary Fund (IMF).

Significant accounting policies
<p>Purchases and sales of securities held in the EFA are recognized on the trade date. Short-term deposits and marketable securities are measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account transaction costs and any discount or premium arising on purchase of the securities. Special drawing rights are recorded at cost.</p> <p>The government assesses at the end of each reporting period whether there has been a loss in the value of the investments held in the EFA. When conditions indicate a loss in value that is other than a temporary decline, the carrying value of the investment is written down to reflect its recoverable amount. A loss in value of a portfolio investment that is other than a temporary decline occurs when the actual value of the investment to the government becomes lower than the carrying value and the impairment is expected to remain for a prolonged period.</p> <p>Foreign exchange accounts assets also include Canada’s subscriptions to the capital of the IMF and loans receivable from the IMF and an IMF-established trust, which are recorded at cost.</p> <p>Foreign exchange accounts liabilities include special drawing rights allocations and notes payable to the IMF, which are recorded at cost.</p> <p>Investment income earned with respect to foreign exchange accounts, write-downs to reflect other-than-temporary declines in the value of securities, and interest revenues and charges related to the IMF balances are included in net foreign exchange revenues.</p>
Measurement uncertainty
<p>There are no significant measurement uncertainties related to foreign exchange accounts.</p>

The following table presents the balances of the foreign exchange accounts assets:

(in millions of dollars)

	2023	2022
International reserves held in the Exchange Fund Account		
Deposits		
US dollar .....	8,306	4,596
Euro .....	630	387
British pound sterling.....	161	353
Japanese yen.....	96	19
Total .....	9,193	5,355
Accounts receivable		
US dollar .....	134	–
Marketable securities <sup>1</sup>		
US dollar .....	73,074	63,690
Euro .....	15,780	14,079
British pound sterling.....	10,034	8,122
Japanese yen.....	8,883	5,861
Total .....	107,771	91,752
Special drawing rights holdings.....	31,768	29,992
Total international reserves held in the Exchange Fund Account.....	148,866	127,099
International Monetary Fund		
Subscriptions .....	20,043	19,052
Loans.....	67	132
Resilience and Sustainability Trust.....	414	–
Total foreign exchange accounts assets.....	169,390	146,283

Details can be found in Section 8 (unaudited) of this volume.

<sup>1</sup> The fair value of marketable securities is \$101,276 million as at March 31, 2023 (\$88,890 million in 2022), established using market quotes or other available market information. Further details on these investments are provided in the unaudited financial statements of the EFA in Section 8 of this volume. Interest earned on marketable securities was \$1,643 million (\$851 million in 2022)

The following table presents the balances of the foreign exchange accounts liabilities:

(in millions of dollars)

	2023	2022
International Monetary Fund liabilities		
Special drawing rights allocations .....	30,098	28,609
Notes payable.....	14,053	13,643
Total foreign exchange accounts liabilities.....	44,151	42,252

Details can be found in Section 8 (unaudited) of this volume.

(a) International reserves held in the Exchange Fund Account

*Foreign exchange accounts assets*

The purposes of the EFA, as specified in the *Currency Act*, are to aid in the control and protection of the external value of the Canadian dollar and to provide a source of liquidity for the government. The EFA holds the largest component of Canada's official international reserves in a portfolio consisting of high-quality liquid foreign currency securities, deposits and IMF special drawing rights (SDR) holdings.

SDR holdings are interest-bearing international reserve assets created by the IMF. The SDR is not considered a currency, nor is it a direct claim on the IMF; rather, SDR holdings represent a potential claim on the freely usable currencies of other IMF members. The IMF allocates SDRs to its members who are also participants in its SDR department, such as Canada. In an SDR allocation by the IMF, a participant receives SDR holdings (assets) and assumes an equal amount of SDR allocations (liabilities). As a holder of SDRs, Canada has the right to exchange them for an equivalent amount of freely usable currency, or other reserve assets, with other IMF members. The exchange value of the SDR is determined by a weighted basket of major international currencies (US dollar, euro, Japanese yen, British pound sterling and Chinese renminbi). The SDR can also be used in a variety of transactions between the holder and other participants in the SDR department, the IMF, and other prescribed SDR holders. Also, the SDR serves as the unit of account for the IMF and certain other international organizations.

There were no impairments of the marketable securities held in the EFA in 2023 (nil in 2022).

(b) International Monetary Fund

*Foreign exchange accounts assets*

As an IMF member, Canada has subscribed to the capital of the IMF in an amount corresponding to its quota, which broadly reflects its relative position in the world economy. IMF quotas are denominated in SDRs. Canada's subscription to the IMF, or its quota, is SDR 11,024 million, or \$20,043 million, at March 31, 2023 (SDR 11,024 million, or \$19,052 million, in 2022). Subscriptions to the IMF are also a key determinant of a member's voting power in the IMF; a member's share in new general SDR allocations; a member's maximum amount of loans that can be obtained from the IMF under normal access; and the maximum amount of financial resources a member may be required to provide to the IMF.

Canada also lends funds to the IMF and certain IMF-established trusts, which are used by the IMF to provide financing to other members. Canada, along with certain other IMF-member countries, participates in lending arrangements with the IMF (New Arrangements to Borrow, or NAB, and Bilateral Borrowing Agreements, or BBAs) and with the IMF's Resilience and Sustainability Trust (RST), where the resulting loans are considered part of Canada's official international reserves. The loans resulting from these arrangements are included in foreign exchange accounts assets. Collectively, the maximum direct lending under the NAB and BBAs is limited to no more than the equivalent of SDR 11,279 million, or \$20,507 million, at March 31, 2023 (SDR 11,279 million, or \$19,492 million, in 2022); and the lending committed to under the RST is limited to the equivalent of \$2,000 million (nil in 2022).

*Foreign exchange accounts liabilities*

Canada is a participant in the IMF's SDR Department (participant), and as such it has received SDR allocations from the IMF. In an SDR allocation by the IMF, a participant assumes the obligations associated with its SDR allocations (liability) and receives an equal amount of SDR holdings (assets). SDR allocations represent an obligation to provide, on demand, freely usable currency to another participant(s) in exchange for an equivalent amount of SDRs, where that other participant(s) has a balance of payments or reserve position need. The SDR market generally functions on a voluntary basis and Voluntary Trading Arrangements (VTAs) are intermediated by the IMF, which handles most SDR transactions between a group of SDR participants who have agreed to exchange SDRs for specific currencies within set trading limits. Canada's obligation to provide currency in exchange for an equivalent amount of SDRs is generally limited as Canada has a standing arrangement with the IMF which specifies the range of Canada's SDR holdings and the maximum number of transactions per week. Canada's SDR allocations are SDR 16,554 million, or \$30,098 million, at March 31, 2023 (SDR 16,554 million, or \$28,609 million, in 2022).

In partial consideration for its subscription to the capital of the IMF, Canada has issued promissory notes to the IMF which are non-interest bearing, payable on demand, and are subject to redemption or reissue, depending on the needs of the IMF for Canadian currency. These promissory notes have an outstanding amount of SDR 7,729 million, or \$14,053 million, at March 31, 2023 (SDR 7,894 million, or \$13,643 million, in 2022).

## 18. Enterprise Crown corporations and other government business enterprises

The net assets and liabilities of enterprise Crown corporations and other government business enterprises are recognized as an investment by the government. In addition, the government has loans and advances receivable from these entities.

Significant accounting policies
<p>Investments in enterprise Crown corporations and other government business enterprises are recorded under the modified equity method whereby the cost of the government's investment is reduced by dividends and adjusted to include the annual profits and losses of these corporations, the constructive retirement gains or losses realized on their purchases of government bonds and the elimination of unrealized inter-organizational gains and losses. All of these corporations follow International Financial Reporting Standards (IFRS). Under the modified equity method, the corporations' accounts are not adjusted to the government's basis of accounting and other comprehensive income or loss is recorded to the government's accumulated deficit and net debt through the Consolidated Statement of Remeasurement Gains and Losses.</p> <p>Some enterprise Crown corporations provide loans to borrowers outside the reporting entity of the government. Some of these loans will be repaid through future appropriations of the government under various subsidy programs which provide funds directly related to the repayment of the loan. For these loans receivable, the amount expected to be repaid from future appropriations is recorded to reduce the carrying value of the loan to an amount that approximates the amount to be recovered from sources outside the reporting entity of the government.</p>
Measurement uncertainty
<p>Each enterprise Crown corporation and other government business enterprise has measurement uncertainties that are inherent to their organization such as those relating to pension and employee future benefits and other liabilities. Measurement uncertainty exists with regards to the estimate of the amount of loans expected to be repaid through future appropriations which is based upon the amount qualified borrowers are expected to receive under various government subsidy programs and the percentage of the subsidy expected to be applied to the outstanding loan balance.</p> <p>Enterprise Crown corporations that undertook additional lending and support measures as part of Canada's Economic Response Plan applied significant judgment when assessing the impact of the COVID-19 pandemic on their allowance for expected credit losses.</p>

### (a) Enterprise Crown corporations and other government business enterprises

The following table presents the government's recorded loans, investments and advances in significant enterprise Crown corporations and other government business enterprises:

(in millions of dollars)

	2023	2022
<b>Investments</b>		
Canada Mortgage and Housing Corporation .....	12,153	12,285
Export Development Canada .....	12,683	14,782
Farm Credit Canada .....	8,577	8,576
Business Development Bank of Canada .....	16,139	20,404
Canada Port Authorities .....	4,511	4,236
Canada Deposit Insurance Corporation .....	6,031	5,383
Canada Development Investment Corporation .....	257	107
Canada Post Corporation .....	6,216	5,358
Other .....	(797)	1,678
Inter-organizational adjustments .....	(15,919)	(18,079)
<b>Total investments .....</b>	<b>49,851</b>	<b>54,730</b>
<b>Loans and advances</b>		
Farm Credit Canada .....	40,268	37,447
Business Development Bank of Canada .....	26,864	20,071
Canada Mortgage and Housing Corporation .....	19,818	17,308
Canada Development Investment Corporation .....	16,132	16,270
Other .....	295	269
<b>Total loans and advances .....</b>	<b>103,377</b>	<b>91,365</b>
<b>Less:</b>		
Loans expected to be repaid from future appropriations .....	2,177	2,378
<b>Total loans, investments and advances to enterprise Crown corporations and other government business enterprises .....</b>	<b>151,051</b>	<b>143,717</b>

Details can be found in Section 9 (unaudited) of this volume.

The following table presents the summary financial position and results of enterprise Crown corporations and other government business enterprises:

(in millions of dollars)

	2023			2022		
	Third Parties	Government, Crown corporations and other entities	Total	Third Parties	Government, Crown corporations and other entities	Total
<b>Assets</b>						
Financial assets.....	483,056	386,210	869,266	480,322	472,148	952,470
Non-financial assets .....	42,369		42,369	31,570		31,570
Total assets.....	525,425	386,210	911,635	511,892	472,148	984,040
<b>Liabilities</b> .....	702,469	143,396	845,865	726,244	184,987	911,231
Equity of Canada as reported .....			65,770			72,809
Inter-organizational adjustments .....			(15,919)			(18,079)
Equity of Canada .....			49,851			54,730
Revenues .....	32,500	8,759	41,259	30,555	8,437	38,992
Expenses.....	36,737	2,949	39,686	26,144	1,979	28,123
Profit as reported.....			1,573			10,869
Adjustments and others .....			2,305			666
Profit.....			3,878			11,535
Other changes in equity						
Equity adjustments and other.....			27			(2)
Other comprehensive income .....			1,628			4,465
Dividends <sup>1</sup> .....			(1,695)			(6,049)
Capital <sup>2</sup> .....			(8,717)			435
			(4,879)			10,384
Equity of Canada at beginning of year .....			54,730			44,346
Equity of Canada at end of year .....			49,851			54,730
Contingent liabilities .....			8,134			8,098
Contractual obligations .....			52,200			

Details can be found in Section 9 (unaudited) of this volume.

<sup>1</sup> Amounts reported as dividends include \$1,580 million (\$2,180 million in 2022) from Canada Mortgage and Housing Corporation, \$471 million (\$560 million in 2022) from Farm Credit Canada, nil (\$735 million in 2022) from Business Development Bank of Canada and a reversal of prior year dividend of \$520 million (\$2,390 million dividend declared in 2022) from the Bank of Canada. Of these amounts, dividends declared but not yet paid as of March 31, 2023, include \$395 million (\$995 million in 2022) from Canada Mortgage and Housing Corporation, and nil (\$520 million in 2022) from the Bank of Canada.

<sup>2</sup> Amounts reported as capital include a sale of common shares of \$5,000 million net of a purchase of \$343 million for total capital inflow of \$4,657 million (\$435 million purchase in 2022) to Business Development Bank of Canada, and a sale of common shares of \$3,810 million (nil in 2022) to Export Development Canada.

#### (b) Non-public property

Non-public property (NPP), as defined under the *National Defence Act*, consists of money and property contributed to or by Canadian Forces members and is administered for their benefit and welfare by the Canadian Forces Morale and Welfare Services (CFMWS). The CFMWS is responsible for delivering selected morale and welfare programs, services and activities through three operational divisions, Canadian Forces Exchange System (CANEX), Personnel Support Programs and Service Income Security Insurance Plan (SISIP) Financial Services. Under the *National Defence Act*, NPP is explicitly excluded from the *Financial Administration Act*. The government provides some services related to NPP activities such as accommodation and security for which no amount is charged. The cost of providing these services is included in the consolidated financial statements of the Government of Canada. In 2023, CFMWS administered estimated revenues and expenses of \$352 million (\$402 million in 2022) and \$372 million (\$382 million in 2022) respectively and had net equity of \$851 million at March 31, 2023 (\$868 million at March 31, 2022). These amounts are excluded from the consolidated financial statements of the Government of Canada.

## 19. Other loans, investments and advances

Other loans, investments and advances are financial claims through debt instruments held by others that are owing to the government and ownership interests acquired through the use of parliamentary appropriations, excluding investments in enterprise Crown corporations and other government business enterprises.

Significant accounting policies
<p>Other loans, investments and advances are initially recorded at cost, and where applicable, are discounted to reflect any concessionary terms. Concessionary terms include cases where loans are made on a long-term, low interest or interest-free basis, or include forgiveness clauses, and are recorded as a transfer payment expense at the time of initial recognition. Other loans and advances are subsequently measured at amortized cost.</p> <p>When necessary, an allowance for valuation is recorded to reduce the carrying amount of other loans, investments and advances to amounts that approximate their net recoverable value. The valuation allowance for other loans, investments and advances reflects the collectability and risk of loss based on past events, current conditions, known circumstances and if applicable a provision for forgiveness. The determination of the valuation allowance considers the credit risk of borrowers, collateral provided, as well as previous repayment history. When they are determined to be uncollectible, with no realistic prospect of recovery, other loans, investments and advances are written off. Subsequent recoveries are recorded as revenue when received.</p> <p>Portfolio investments are measured at amortized cost unless quoted in an active market then they are measured at fair value.</p>
Measurement uncertainty
<p>Other loans, investments and advances are subject to measurement uncertainty due to the use of estimates relating to the valuation allowance that reflects the possibility of losses associated with potential defaults, as well as for determining whether investments are concessionary in nature and the valuation of the concession.</p> <p>The estimate of the provision for other loans, investments and advances is regularly reviewed and refined in light of several factors, including: historical loan loss rates, residual values, expert judgment, management assumptions, and model-based approaches that consider current economic conditions. Similarly, any changes to the terms of Canada's investments (such as changes to the interest rate, forgiveness terms, the expected return on investment, and how much of the initial capital is expected to be returned) would result in a review of the estimates used to determine any associated concessions.</p> <p>Measurement uncertainties exist at March 31, 2023 as a result of higher than expected inflation rates, increasing interest rates, and the Russia-Ukraine conflict. The current economic uncertainties heighten the measurement uncertainty related to the valuation of other loans, investments and advances. In particular, given the unique nature of the COVID-19 pandemic there is limited historical experience to assess the expected recoveries of the Canada Emergency Business Account (CEBA) loans which may lead to a material variance in the valuation of the loans receivable. The full potential impact of current economic uncertainties on the assumptions such as credit quality and probability of default used to measure the allowance for valuation is unknown as it will depend on future developments that are uncertain.</p>

The following table presents a summary of the balances of other loans, investments and advances by category:

(in millions of dollars)

	2023			2022 <sup>1</sup>		
	Carrying Amount	Valuation allowance	Net Carrying Amount	Carrying Amount	Valuation allowance	Net Carrying Amount
Portfolio Investments <sup>2</sup> .....	2,142	65	2,077	1,976	65	1,911
Capital Subscriptions - international organizations .....	17,893	17,893	–	16,757	16,757	–
Loans and Advances						
Canada Emergency Business Account.....	40,153	15,572	24,581	44,666	16,221	28,445
Canada Student Loans and Canada Apprentice Loans .....	24,311	4,740	19,571	23,952	4,891	19,061
Unconditionally repayable contributions .....	8,483	1,046	7,437	7,449	960	6,489
Other loans and advances .....	22,334	13,941	8,393	16,691	9,283	7,408
Total Loans and Advances.....	95,281	35,299	59,982	92,758	31,355	61,403
Total other loans, investments and advances.....	115,316	53,257	62,059	111,491	48,177	63,314

Details can be found in Section 9 (unaudited) of this volume.

<sup>1</sup> Certain comparative figures have been reclassified to conform to the current year's presentation.

<sup>2</sup> Of the \$2,077 million included in portfolio investments, \$1,196 million is measured at fair value. The remaining balance is measured at amortized cost, including valuation allowances to reflect a loss in value.

The following table presents a summary of the balances of other loans, investments and advances by currency:

(in millions of dollars)

	2023		2022	
	Loans, investments and advances in base currency	Foreign exchange rate	Loans, investments and advances in CAD	Loans, investments and advances in CAD
Canadian dollar.....	106,331		106,331	103,976
US dollar.....	5,693	1.3516	7,694	6,232
Special drawing rights.....	710	1.8181	1,291	1,270
Various other currencies.....	—		—	13
Total.....			115,316	111,491

Portfolio investments include investments such as bonds, equity investments, money market funds and fixed income securities.

Capital subscriptions are composed of both paid-in and callable capital of international banks. These investments are treated as concessionary as they do not provide a return on investment, but are repayable on termination of the organization or withdrawal from it.

Loans under the CEBA program are provided interest free until December 31, 2023, with repayment incentives of a loan forgiveness of up to a maximum of \$20,000 on loans of \$60,000 where loan repayment has been made in full by December 31, 2023. Amounts eligible to be forgiven, if repaid by December 31, 2023, of \$12,870 million (\$13,778 million in 2022) are included in the valuation allowance, and associated expenses have been reported in other transfer payments expenses on the Consolidated Statement of Operations and Accumulated Operating Deficit. Loans not repaid by December 31, 2023, are subject to a one-time extension of two years and 5% interest per annum commencing on January 1, 2024. No principal repayments are required until December 31, 2025, at which time the entire loan and all accrued and unpaid interest becomes due and payable. There are no loans which are past due.

Loans under the Canada Student Financial Assistance Program are provided interest-free to students while they are studying and during the 6-month grace period after completing their studies or apprentice program. Afterwards, they bear interest at either prime rate or prime rate plus 2.0%. The repayment period is generally 10 years, with a maximum of 15 years. To further support borrowers during the COVID-19 pandemic, the Government of Canada extended the waiver of interest accrual on Canada Student Loans and Canada Apprentice Loans until March 31, 2023. Effective April 1, 2023, these loans will no longer bear interest. The following table provides an aging analysis of Canada Student Loans and Canada Apprentice Loans:

	2023	2022
Canada Student Loans and Canada Apprentice Loans		
Not past due.....	20,939	20,736
Number of days past due		
1 to 90.....	726	639
91 to 365.....	127	127
Impaired.....	2,519	2,453
Sub-total.....	24,311	23,955
Less: Allowance.....	4,740	4,891
Total.....	19,571	19,064

Unconditionally repayable contributions are administered under a transfer payment program to achieve objectives such as stimulating economic development and providing international assistance in support of sustainable development goals. The recipients are expected to repay all or part of the amounts advanced, as there is an expected financial return, they are in substance loans. Certain contributions are non-interest bearing and others bear interest at rates varying from 0.3% to 7.0%. Generally, unconditionally repayable contributions have concessional terms, with final instalments due within 1 to 30 years of initial disbursement. There are no loans which are past due.

Other loans and advances consist primarily of loans to international organizations and loans to national governments. Loans and advances to international organizations are primarily made to banks and associations that use these funds to make loans to developing countries at significantly concessional terms. Loans to national governments consist mainly of loans to national governments to support economic resilience, development assistance, or development of export trade. Certain loans are non-interest bearing and others bear interest at rates varying from 0.5% to 10.3%. These loans are repayable over 1 to 55 years, with final instalments due in 2048.

## 20. Tangible capital assets and inventories

Tangible capital assets consist of acquired, built, developed or improved tangible assets whose useful lives extend beyond the fiscal year and which are intended to be used on an ongoing basis for producing goods or delivering services, including military activities. Tangible capital assets include land; buildings; works and infrastructure; machinery and equipment including computer hardware and software; vehicles including ships, aircraft and others; leasehold improvements; and assets under construction. Tangible capital assets also include assets under capital lease. Renewal options for assets under capital leases are typically for periods of 3 to 5 years and are exercisable at the discretion of the lessee. Detailed information on tangible capital assets is provided in Section 10 (unaudited) of this volume.

Inventories are comprised of spare parts and supplies held for future program delivery and are not primarily intended for resale.

Significant accounting policies
<p>The costs of acquiring land, buildings, equipment and other capital property are capitalized as tangible capital assets and, except for land, are amortized to expense over the estimated useful lives of the assets. For certain tangible capital assets where the costs were not readily available, such as older buildings, estimated current costs have been extrapolated retroactively in a systematic and rational manner to approximate original costs. When significant parts of a tangible capital asset have different useful lives, they may be accounted for as separate items (major components) of capital assets with amortization being recognized over the useful life of each major component. Estimated useful lives of assets are included in the table below.</p> <p>Assets acquired under capital leases are recorded at the present value of the minimum lease payments using the appropriate discount rate, which is generally the lower of the interest rate implicit in the lease and government's rate of incremental borrowing at the inception of the lease. These assets are amortized over the lease term or the estimated useful life of the asset in accordance with the asset type when terms allow ownership to pass to the government. The corresponding lease obligations are recorded under unmatured debt on the Consolidated Statement of Financial Position.</p> <p>When conditions indicate that a tangible capital asset no longer contributes to the government's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value.</p> <p>Tangible capital assets do not include immovable assets located on reserves as defined in the <i>Indian Act</i>; works of art, museum collections and Crown land to which no acquisition cost is attributable; and intangible assets. Acquisitions of works of art and museum collections consisting mainly of paintings, sculptures, drawings, prints, photographs, monuments, films and videos are expensed in the fiscal year in which they are acquired.</p> <p>Inventories are valued at cost. Inventories that no longer have service potential are valued at the lower of cost or net realizable value. Items for which the costs are not readily available are valued using management's best estimate of original cost, based on available information.</p>
Measurement uncertainty
<p>Tangible capital assets are subject to measurement uncertainty due to the estimation of the expected useful lives of the assets. In determining the expected useful lives, factors taken into account include experience, industry trends, changing technologies and expectations for the in-service period of these assets.</p> <p>The appropriateness of useful lives of assets and amortization methods is assessed periodically, with the effect of any changes in estimate accounted for on a prospective basis. Changes to useful life estimates would affect future amortization expenses and future carrying values of tangible capital assets.</p> <p>Judgment is used in determining the appropriate level of componentization when a tangible capital asset comprises individual components for which different amortization rates are appropriate.</p> <p>Inventory is subject to measurement uncertainty due to the estimation of the net realizable value at year-end which considers the estimated value of obsolete inventory.</p>

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Except for land, the cost of tangible capital assets used in government operations is generally amortized on a straight-line basis over the estimated useful life of the asset as follows:

Buildings .....	10 to 125 years
Works and infrastructure .....	10 to 100 years
Machinery and equipment .....	2 to 30 years
Vehicles .....	2 to 50 years
Leasehold improvements .....	lesser of useful life of improvement or lease term
Assets under construction .....	once in service, in accordance with asset type
Assets under capital leases .....	in accordance with asset type or over the lease term

The following table presents a summary of the transactions and balances for the main categories of tangible capital assets:

(in millions of dollars)

	Cost					Accumulated amortization					Net book value 2023 <sup>2</sup>	Net book value 2022
	Opening balance	Acquisitions	Disposals	Adjustments <sup>1</sup>	Closing balance	Opening balance	Amortization expense	Disposals	Adjustments	Closing balance		
	Restated Note 2(a)					Restated Note 2(a)						
Land.....	2,287	23	(2)	8	2,316	–	–	–	–	–	2,316	2,287
Buildings .....	40,026	35	(141)	1,436	41,356	21,329	1,082	(112)	6	22,305	19,051	18,697
Works and infrastructure .....	24,004	107	(62)	578	24,627	11,364	644	(51)	29	11,986	12,641	12,640
Machinery and equipment.....	43,761	1,130	(726)	1,040	45,205	30,532	2,164	(695)	1	32,002	13,203	13,229
Vehicles .....	48,532	293	(300)	2,016	50,541	31,775	1,333	(267)	(79)	32,762	17,779	16,757
Leasehold improvements.....	4,448	25	(315)	226	4,384	2,845	223	(312)	7	2,763	1,621	1,603
Assets under construction.....	24,855	9,037	<sup>3</sup> (131)	(5,614)	28,147	–	–	–	–	–	28,147	24,855
Assets under capital leases .....	4,341	53	<sup>3</sup> (78)	3	4,319	1,624	198	(78)	(4)	1,740	2,579	2,717
<b>Total .....</b>	<b>192,254</b>	<b>10,703</b>	<b>(1,755)</b>	<b>(307)</b>	<b>200,895</b>	<b>99,469</b>	<b>5,644</b>	<b>(1,515)</b>	<b>(40)</b>	<b>103,558</b>	<b>97,337</b>	<b>92,785</b>

<sup>1</sup> Adjustments include assets under construction of \$4,708 million (\$5,399 million in 2022) that were transferred to other categories upon completion of the assets.

<sup>2</sup> The government has \$90 million (\$119 million in 2022) in net book value of capital assets with an original acquisition cost of \$1,562 million (\$1,504 million in 2022) that have been declared surplus. Upon physical disposal, the government's investment in the tangible capital asset will be removed.

<sup>3</sup> Acquisitions of \$45 million (\$72 million in 2022) in assets under construction through public-private partnership arrangements, including \$17 million (\$21 million in 2022) in interest, and \$53 million (\$336 million in 2022) in assets under capital leases do not involve the use of cash and are therefore excluded from the Consolidated Statement of Cash Flow.

## 21. Financial instruments

The government uses various financial instruments to manage financial risks associated with its financial assets and liabilities. The government does not hold or use derivative instruments for trading or speculative purposes.

### (a) Classification and risks overview

The government's financial instruments, the classification, and the nature of certain risks to which they may be exposed are as set out in the following table:

(in millions of dollars)

	\$ millions	Note	Credit	Liquidity	Currency	Interest
<b>Financial liabilities by class</b>						
<i>Measured at amortized cost</i>						
Other accounts payable and accrued liabilities.....	57,771	7		X		
Market debt						
Domestic debt <sup>1</sup> .....	1,243,896	10		X		X
Foreign debt .....	16,034	10		X	X	X
Swap collateral deposit .....	1,044	13		X		
Loan guarantees .....	601,915	8	X			
<i>Measured at fair value</i>						
Derivative liabilities.....	4,689	12		X	X	X
<b>Financial assets by class</b>						
<i>Measured at cost or amortized cost</i>						
Cash and cash equivalents .....	49,006	14	X			
Other accounts receivable, net of allowance .....	13,532	16	X			
Cash collateral pledged.....	2,401	16	X		X	X
Foreign Exchange Accounts						
Exchange Fund Account						
Deposits and accounts receivable.....	9,327		X		X	
Marketable securities .....	107,771		X		X	X
Other loans, investments and advances:						
Unconditionally repayable contributions .....	7,437	19	X		X	
Loans receivable:						
Student loans .....	19,571		X			
CEBA loans.....	24,581		X			
Capital Subscriptions—International .....	–		X			
Other .....	8,393		X		X	
<i>Measured at fair value</i>						
Derivative assets .....	3,260	12	X		X	X
Portfolio investments <sup>2</sup> .....	1,196	19	X		X	X

<sup>1</sup> Real return bonds, which are a component of domestic debt, are subject to other price risk. Refer to section (d)iii of this note for more information.

<sup>2</sup> Of the \$2,077 million included in portfolio investments in Note 19, \$1,196 million is measured at fair value. The remaining balance is measured at amortized cost.

### (b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss.

Except for loan guarantees, the government's maximum exposure to credit risk is the carrying amount of its financial assets. The maximum exposure to credit risk related to guarantees is the principal amount outstanding as outlined in Note 8(b).

#### *Cash and cash equivalents*

The government has deposited cash with the Bank of Canada, from which management believes the risk of loss to be remote. The prudential liquidity balance is held by the Bank of Canada.

## Exchange Fund Account

As specified in the Statement of Investment Policy (SIP) for the Government of Canada that governs the Exchange Fund Account (EFA), to help achieve the objective of preserving capital value, an entity must be deemed to have a credit rating of A- or higher to be eligible for investment in the EFA. As of March 31, 2023, the majority of these investments were given a rating of AA+ or higher by external credit rating agencies. The external ratings are based on the second highest rating among those provided by Moody's Investors Service, Standard & Poor's, Fitch Ratings and Dominion Bond Rating Service.

(in millions of dollars)

	Maximum exposure to credit risk
AAA .....	36,101
AA- to AA+ .....	62,454
A- to A+ .....	9,216
Total .....	107,771

## Concentration of credit risk

Concentrations of credit risk occur when a significant proportion of the portfolio is invested in securities subject to credit risk with similar characteristics or subject to similar economic, political or other conditions. The EFA may hold fixed income securities of highly rated sovereigns, central banks, government-supported entities and supranational organizations. The SIP ensures that the EFA's asset portfolio is prudently diversified with respect to credit risk by placing limits on holdings by class of issuer (sovereign, agency, supranational, corporation or commercial financial institution), by individual issuer or counterparty, and by type of instrument. It also specifies the treatment of holdings that do not meet eligibility criteria or limits due to exceptional circumstances such as ratings downgrades. The following table provides the fair value of the investments held in the EFA as at March 31, 2023, by currency and class of issuer:

(in millions of dollars)

	EUR		GBP		JPY		USD		Total	
	\$	%	\$	%	\$	%	\$	%	\$	%
Securities issued by:										
Sovereigns .....	4,149	30	3,393	36	8,863	100	44,498	64	60,903	60
Sub-sovereign entities .....	1,037	7	588	6	–	–	3,479	5	5,104	5
Supranational entities .....	4,522	32	3,985	43	–	–	12,162	18	20,669	20
Implicit agencies .....	4,361	31	1,363	15	–	–	8,876	13	14,600	15
Fair value of securities										
held by the EFA .....	14,069	100	9,329	100	8,863	100	69,015	100	101,276	100
Carrying value of securities										
held by the EFA .....	15,780		10,034		8,883		73,074		107,771	

## Other accounts receivable

There is no significant concentration of credit risk related to billed and accrued financial claims. An analysis of the age of these financial assets and the associated valuation allowances used to reflect these accounts at their net recoverable value is disclosed in Note 16.

Other accounts receivable also includes cash collateral pledged to counterparties on swap agreements. Credit risk related to these agreements is discussed with respect to derivative below.

## Other loans, investments and advances

The government intentionally takes on counterparty risk related to other loans, investments and advances with concessionary terms in order to support various policy aims. Other loans are issued pursuant to legislation or based on the established criteria set out under various loan programs. These loans have been provided to different borrowers such as small businesses and not-for-profit organizations, students, national governments, and international organizations.

Loans under the CEBA program to small businesses and not-for-profit organizations were provided to help these entities navigate the COVID-19 pandemic and remain resilient. Loans to students under the Canada Student Financial Assistance Program are provided to help students pay for their post-secondary education. Other loans and unconditionally repayable contributions are provided to various recipients including international organizations, banks, associations and national governments under various acts or programs, these instruments can include concessionary terms. These instruments are not provided based on a credit risk assessment of the borrower, but based on individual program criteria. Under these programs, various levels of credit risk are assumed.

Valuation allowances are applied accordingly to reflect these accounts at their net recoverable amount. The valuation allowances take into consideration the borrower's or group of borrowers' credit risk rating, recent collection history, economic situation in the country or industry of operation and any other known circumstances impacting collectability. These accounts are described in detail in Note 19.

#### Derivatives

For cross-currency swaps and foreign exchange forward contracts, the government manages its exposure to credit risk by dealing with counterparties having acceptable credit ratings.

The credit risk associated with cross-currency swaps is mitigated through netting provisions in the ISDA Master Agreements, which govern cross-currency swaps entered into by the government and which give the government the right, upon default of a counterparty, to settle all contracts with that counterparty under the particular ISDA Master Agreement on a net basis. This reduces the maximum exposure to credit risk from cross-currency swaps in the event of a counterparty's default, in that the government may offset the amounts due from that counterparty with the obligations due to that counterparty under all derivative contracts covered by the particular ISDA Master Agreement.

Credit risk is also managed through collateral provisions in swap and foreign exchange forward agreements. The government enters into two-way Credit Support Annex (CSA) agreements for cross-currency swaps with certain counterparties pursuant to ISDA Master Agreements. Under the terms of those agreements, the government may be required to pledge and/or receive eligible collateral. In the normal course of business, these pledged collateral amounts (which may include cash and/or securities) will be returned to the pledgor when there are no longer any outstanding obligations. Collateral held in securities from counterparties has not been recognized in the Consolidated Statement of Financial Position as the government does not obtain economic ownership unless the pledgor defaults. Collateral pledged by counterparties to the government may be liquidated in the event of default to mitigate credit losses.

Collateral pledged by counterparties under two-way CSA agreements as at March 31, 2023, is presented in the following table:

(in millions of dollars)

	Nominal amount	Fair value
Cash.....	1,044	1,044
Securities.....	3,292	3,220
Total.....	4,336	4,264

The collateral posted by counterparties is sufficient to cover the government's entire net exposure to credit loss under derivative contracts. The government does not have a significant concentration of credit risk with any individual institution and does not anticipate any counterparty credit loss with respect to its swap and foreign exchange forward agreements.

The following table presents the contractual or notional principal amounts of the swap and foreign exchange forward agreements organized by credit ratings based on published Standard & Poor's credit ratings and stand-alone credit profiles at year end:

(in millions of dollars)

Credit ratings	2023	2022
A+.....	36,578	27,246
A.....	63,096	56,271
A-.....	15,705	10,769
Total.....	115,379	94,286

#### (c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities.

The fundamental objective of the government's debt management strategy is to provide stable, low-cost funding to meet the government's financial obligations and liquidity needs. The government has access to multiple active borrowing programs, including those in the domestic Canadian market and those in foreign currency markets. Through the *Borrowing Authority Act* ("BAA") and the *Financial Administration Act* ("FAA"), parliament authorizes the Minister of Finance to borrow money on behalf of His Majesty in right of Canada. Details of these programs are provided in Note 3(c) Borrowing Authorities.

The government's overall liquidity is maintained at a level sufficient to cover at least one month of net projected cash flows, including coupon payments and debt refinancing needs. The government holds liquid financial assets in the form of domestic cash deposits and foreign exchange reserves to safeguard its ability to meet payment obligations in situations where normal access to funding markets may be disrupted or delayed. Part of the government's liquid financial assets includes \$20 billion in cash designated by the government for its prudential liquidity plan.

Proceeds of the government's foreign currency borrowings are held in the Exchange Fund Account to provide liquidity and provide funds needed to promote orderly conditions for the Canadian dollar in foreign exchange markets.

The following table details the contractual maturities for the government's significant financial liabilities. The amounts represent undiscounted cash flows of financial liabilities based on the earliest date the government can be required to pay. The table includes both principal and interest cash flows:

(in millions of dollars)

Undiscounted cash flows of financial liabilities	Less than one year or on demand	Later than one year and less than five years	Later than 5 years	Total
Market debt (Note 10).....	375,576	475,417	590,426	1,441,419
Derivatives <sup>1</sup> (Note 12).....	16,957	41,901	70,408	129,266
Other financial liabilities <sup>2</sup> (Note 7).....	57,261	776	905	58,942
Total.....	449,794	518,094	661,739	1,629,627

<sup>1</sup> Maturities for undiscounted cash flows of derivative receivables consist of \$15,789 million in less than one year, \$42,020 million in later than one year and less than five years, \$67,505 million in later than five years for a total of \$125,313 million.

<sup>2</sup> Consists of undiscounted other accounts payable and accrued liabilities of \$57,771 million, and the swap collateral deposit liability of \$1,044 million.

#### (d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

##### i. Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The government is exposed to currency risk through fluctuations in foreign-denominated future cash flows, namely those related to investments in the Exchange Fund Account, foreign debt, loans to international organizations and derivatives including collateral.

#### Exchange Fund Account

Currency risk is managed using a strategy of matching the currency and the duration of the Exchange Fund Account assets and the related foreign currency borrowings of the government. As at March 31, 2023, the impact of exchange rate changes affecting the Exchange Fund Account assets and the liabilities funding the assets naturally offset each other, resulting in no significant impacts to the government's net debt.

The majority of the Exchange Fund Account foreign currency assets and liabilities are held in 4 currency portfolios: US dollar, Euro, British pound sterling, and Japanese yen. The following table presents the net impact to the Exchange Fund Account, and the related foreign-denominated debt, cross-currency swaps and foreign exchange forward contracts of a 1% appreciation in the Canadian dollar as at March 31, as compared to the US dollar, euro, British pound sterling and the Japanese yen.

(in millions of dollars)

	2023	2022
Foreign currency		
US dollar.....	(8)	(11)
Euro.....	4	–
British pound sterling.....	(4)	(4)
Japanese yen.....	(1)	–
(Loss) gain net impact of 1% appreciation in Canadian dollar against foreign currencies.....	(9)	(15)

The net foreign exchange gain included in net foreign exchange revenues, other revenues and other expenses on the Consolidated Statement of Operations and Accumulated Operating Deficit amounts to \$414 million (net foreign exchange loss of \$12 million in 2022).

## ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The government's exposure to interest rate risk principally arises from possible fluctuations in the future cash flows related to variable-rate cross-currency swaps due to changes in market interest rates.

The table below shows the sensitivity analysis of the possible net impact of an increase in interest rates of 100 basis points as at March 31 on cross-currency swaps.

(in millions of dollars)

	2023
Derivatives <sup>1</sup> .....	(11)
Interest revenue.....	10

<sup>1</sup> The net impact of a 100bps increase in interest rates on cross-currency swaps is the net impact on the fair value of derivative assets and liabilities as at the reporting date.

Interest rate risk for the Exchange Fund Account is managed using a strategy of matching the duration of the assets with the related borrowings of the government, the foreign debt and cross-currency swaps, under the asset-liability matching strategy. By matching the duration of the assets with that of the liabilities, a change in interest rates has a similar effect on the fair value of both assets and liabilities.

The government's domestic debt, cash equivalents and certain other loans, investments and advances generally bear fixed interest rates. Although subject to interest rate risk because the fair value of these instruments will be affected by changes in market interest rates, there is no impact on the consolidated financial statements as these financial instruments are measured at cost or amortized cost.

## iii. Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

In 2022, the government stopped issuing new real-return bonds. However, the government is exposed to inflation risk through its existing real return bonds, as interest and principal payments are adjusted for changes in the consumer price index (CPI). If the CPI applicable to real return bonds were to increase by 5% at March 31, 2023, the carrying amount of the bonds as at that date would increase by \$3,671 million, with the adjustment recognized immediately as an expense charge. Such a change would also increase annual interest expense by \$76 million. A decrease in the CPI would have the opposite effect, by decreasing the carrying amount of the bonds, with the adjustment recognized immediately as income, and by decreasing annual interest expense.

Other than inflation risk, the government is not exposed to significant other price risk.

## 22. Contractual obligations and contractual rights

### (a) Contractual obligations

The nature of government activities results in large multi-year contracts and agreements, including international treaties, protocols and agreements of various size and importance. Detailed information on contractual obligations is provided in Section 11 (unaudited) of this volume.

<b>Significant accounting policies</b>
Contractual obligations are financial obligations of the government to others that will become liabilities when the terms of those contracts or agreements for the acquisition of goods and services or the provision of transfer payments are met. Major outstanding contractual obligations are disclosed when terms allow for a reasonable estimate. Contractual obligations do not include the government's obligations related to ongoing programs such as health, welfare, education and major transfers to provinces and persons. In these cases, the government does not have a contractual obligation to others and maintains complete discretion as to whether to modify the delivery of these programs.
<b>Measurement uncertainty</b>
While there are no significant measurement uncertainties related to contractual obligations, some measurement uncertainty is inherent in all estimates. Contractual obligations for transfer payment agreements and international organizations are subject to some measurement uncertainty due to the terms and conditions of certain agreements resulting in contractual obligations. Certain obligations are dependent upon a future activity of the other party to the agreement, requiring the use of estimates in the disclosure of future expenses. These estimates also include factors such as experience or general economic conditions.

Major contractual obligations that will generate expenditures in future years and that can be reasonably estimated are summarized as follows:

(in millions of dollars)

Minimum payments expected to be made in:	Transfer payment agreements <sup>1</sup>	Capital assets and purchases	Operating leases	International organizations <sup>2</sup>	Total
2024.....	49,212	22,527	515	2,398	74,652
2025.....	33,126	11,145	526	1,854	46,651
2026.....	26,589	7,742	502	614	35,447
2027.....	13,337	5,430	457	255	19,479
2028.....	12,039	3,706	441	194	16,380
2029 and subsequent.....	25,764	15,449	1,736	919	43,868
Total.....	160,067	65,999	4,177	6,234	236,477

<sup>1</sup> Includes future expenditures of \$3,335 million that the government has committed to as part of legal settlements.

<sup>2</sup> Includes transfer payments, undisbursed loans and advances to international organizations as well as loans for the development of export trade (administered by Export Development Canada), if any, which Canada has agreed to disburse in the future. Future paid-in share capital commitments made by Canada for future purchases of non-budgetary share capital in international organizations are also included.

(b) Contractual rights

The activities of government sometimes involve the negotiation of contracts or agreements with outside parties that result in the government having rights to both assets and revenues in the future. They principally involve sales of goods and services, leases of property, and royalties and revenue/profit-sharing arrangements while all other contractual rights are combined for reporting purposes. The government has agreements that provide contractual rights to future revenue based on a percentage of revenue or profits of the other party to the agreement or based on receiving an amount for each unit of goods sold. The terms of these contracts or agreements may not allow for a reasonable estimate of future revenues.

Significant accounting policies
Major contractual rights to economic resources arising from contracts and agreements that will result in both an asset and revenue in the future are disclosed when terms allow for a reasonable estimate.
Measurement uncertainty
Contractual rights are subject to measurement uncertainty due to the terms and conditions of certain agreements resulting in contractual rights. Certain rights are dependent on the sales or other future activity of the other party to the agreement, requiring the use of estimates in the disclosure of future revenue. Estimates may be based on factors such as experience or general economic conditions.

Where the terms of contracts and agreements allow for a reasonable estimate, the major contractual rights are summarized in the table presented below. Detailed information on contractual rights is provided in Section 11 (unaudited) of this volume.

(in millions of dollars)

Revenue expected to be received in:	Sales of goods and services	Leases of property	Royalties and revenue/profit-sharing arrangements	Other	Contractual rights subject to non-disclosure clauses	Total
2024.....	2,869	444	3	544	2	3,862
2025.....	2,875	475	3	39	2	3,394
2026.....	2,911	487	3	32	3	3,436
2027.....	2,939	496	2	29	3	3,469
2028.....	2,963	505	2	27	3	3,500
2029 and subsequent.....	12,225	679	16	141	162	13,223
Total.....	26,782	3,086	29	812	175	30,884

### 23. Segmented information

The government segmented information is based on the ministry structure, which groups the activities of departments, agencies and consolidated Crown corporations and other entities for which a Minister is responsible, and the enterprise Crown corporations and other government business enterprises as described in Note 1 and Note 18.

<b>Significant accounting policies</b>
The presentation by segment is prepared in accordance with the accounting policies adopted for preparing and presenting the consolidated financial statements of the government. Inter-segment transfers are measured at the exchange amount.
<b>Measurement uncertainty</b>
There are no significant measurement uncertainties related to segmented information.

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In the table below, the five main ministries are reported separately, and the Other ministries column includes amounts for all other ministries as well as the provision for valuation and other items. The following tables present the segmented information by Ministry and enterprise Crown corporations and other government business enterprises before the elimination of internal transactions that are eliminated in the adjustments column before arriving at the total for the year ended March 31:

(in millions of dollars)

	2023								
	Employment, Workforce Development and Disability Inclusion	Finance	National Defence	National Revenue	Public Safety	Other ministries	Enterprise Crown corporations and other government business enterprises	Adjustments <sup>1</sup>	Total
<b>Revenues</b>									
<b>Tax revenues</b>									
Income tax revenues .....	–	–	–	315,004	–	–	–	–	315,004
Other taxes and duties .....	–	–	–	24,066	40,158	–	–	–	64,224
<b>Total tax revenues .....</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>339,070</b>	<b>40,158</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>379,228</b>
Employment insurance premiums .....	27,422	–	–	–	–	–	–	(508)	26,914
Proceeds from the pollution pricing framework .....	–	–	–	7,740	–	301	–	–	8,041
<b>Other revenues</b>									
Enterprise Crown corporations and other government business enterprises .....	–	–	–	–	–	–	6,452	–	6,452
Net foreign exchange revenues .....	–	1,261	–	–	–	–	–	–	1,261
Other .....	3,080	1,569	401	11,680	3,176	24,340	–	(18,327)	25,919
<b>Total other revenues .....</b>	<b>3,080</b>	<b>2,830</b>	<b>401</b>	<b>11,680</b>	<b>3,176</b>	<b>24,340</b>	<b>6,452</b>	<b>(18,327)</b>	<b>33,632</b>
<b>Total revenues .....</b>	<b>30,502</b>	<b>2,830</b>	<b>401</b>	<b>358,490</b>	<b>43,334</b>	<b>24,641</b>	<b>6,452</b>	<b>(18,835)</b>	<b>447,815</b>
<b>Expenses</b>									
<b>Program expenses</b>									
<b>Transfer payments</b>									
Old age security benefits, guaranteed income supplement and spouse's allowance .....	69,392	–	–	–	–	–	–	–	69,392
Major transfer payments to other levels of government .....	4,489	82,826	–	–	–	3,469	–	–	90,784
Employment insurance and support measures .....	21,836	–	–	–	–	–	–	–	21,836
Children's benefits .....	2	–	–	24,551	–	–	–	–	24,553
COVID-19 income support for workers ...	(3,544)	–	–	–	–	–	–	–	(3,544)
Canada emergency wage subsidy .....	–	–	–	(257)	–	–	–	–	(257)
Proceeds from the pollution pricing framework returned .....	–	–	–	6,994	–	2	–	–	6,996
Other transfer payments .....	11,851	6,118	1,332	7,892	477	72,122	–	(593)	99,199
<b>Total transfer payments .....</b>	<b>104,026</b>	<b>88,944</b>	<b>1,332</b>	<b>39,180</b>	<b>477</b>	<b>75,593</b>	<b>–</b>	<b>(593)</b>	<b>308,959</b>
<b>Other expenses, excluding net actuarial losses .....</b>	<b>8,402</b>	<b>1,322</b>	<b>31,590</b>	<b>11,511</b>	<b>14,729</b>	<b>80,273</b>	<b>–</b>	<b>(18,231)</b>	<b>129,596</b>
<b>Total program expenses, excluding net actuarial losses .....</b>	<b>112,428</b>	<b>90,266</b>	<b>32,922</b>	<b>50,691</b>	<b>15,206</b>	<b>155,866</b>	<b>–</b>	<b>(18,824)</b>	<b>438,555</b>
Public debt charges .....	–	34,678	66	–	1	222	–	(12)	34,955
<b>Total expenses, excluding net actuarial losses .....</b>	<b>112,428</b>	<b>124,944</b>	<b>32,988</b>	<b>50,691</b>	<b>15,207</b>	<b>156,088</b>	<b>–</b>	<b>(18,836)</b>	<b>473,510</b>
Net actuarial losses .....	–	–	8,040	–	1,813	(226)	–	–	9,627
<b>Total expenses .....</b>	<b>112,428</b>	<b>124,944</b>	<b>41,028</b>	<b>50,691</b>	<b>17,020</b>	<b>155,862</b>	<b>–</b>	<b>(18,836)</b>	<b>483,137</b>

Details providing total expenses by segment and type can be found in Section 3 (unaudited) of this volume.

<sup>1</sup> Represents consolidation adjustments to eliminate internal transactions.

(in millions of dollars)

	2022 Restated Note 2(a)								
	Employment, Workforce Development and Disability Inclusion	Finance	National Defence	National Revenue	Public Safety	Other ministries	Enterprise Crown corporations and other government business enterprises	Adjust- ments <sup>1</sup>	Total
<b>Revenues</b>									
<b>Tax revenues</b>									
Income tax revenues .....	–	–	–	287,989	–	–	–	–	287,989
Other taxes and duties .....	–	–	–	28,449	34,231	–	–	–	62,680
<b>Total tax revenues .....</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>316,438</b>	<b>34,231</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>350,669</b>
Employment insurance premiums .....	24,305	–	–	–	–	(1)	–	(448)	23,856
Proceeds from the pollution pricing framework .....	–	–	–	6,106	–	235	–	–	6,341
<b>Other revenues</b>									
Enterprise Crown corporations and other government business enterprises .....	–	–	–	–	–	–	12,804	–	12,804
Net foreign exchange revenues .....	–	873	–	–	–	–	–	–	873
Other .....	3,107	1,112	402	6,846	3,497	20,989	–	(17,219)	18,734
<b>Total other revenues .....</b>	<b>3,107</b>	<b>1,985</b>	<b>402</b>	<b>6,846</b>	<b>3,497</b>	<b>20,989</b>	<b>12,804</b>	<b>(17,219)</b>	<b>32,411</b>
<b>Total revenues .....</b>	<b>27,412</b>	<b>1,985</b>	<b>402</b>	<b>329,390</b>	<b>37,728</b>	<b>21,223</b>	<b>12,804</b>	<b>(17,667)</b>	<b>413,277</b>
<b>Expenses</b>									
<b>Program expenses</b>									
<b>Transfer payments</b>									
Old age security benefits, guaranteed income supplement and spouse's allowance .....	60,774	–	–	–	–	–	–	–	60,774
Major transfer payments to other levels of government .....	2,948	80,619	–	–	–	4,819	–	–	88,386
Employment insurance and support measures .....	38,923	–	–	–	–	–	–	–	38,923
Children's benefits .....	3	–	–	26,223	–	–	–	–	26,226
COVID-19 income support for workers ...	15,582	–	–	–	–	–	–	–	15,582
Canada emergency wage subsidy .....	–	–	–	22,291	–	–	–	–	22,291
Proceeds from the pollution pricing framework returned .....	–	–	–	3,814	–	–	–	–	3,814
Other transfer payments .....	12,257	785	314	12,808	5,557	57,193	–	(436)	88,478
<b>Total transfer payments .....</b>	<b>130,487</b>	<b>81,404</b>	<b>314</b>	<b>65,136</b>	<b>5,557</b>	<b>62,012</b>	<b>–</b>	<b>(436)</b>	<b>344,474</b>
<b>Other expenses, excluding net actuarial losses<sup>2</sup> .....</b>	<b>7,827</b>	<b>872</b>	<b>29,119</b>	<b>11,107</b>	<b>14,994</b>	<b>77,806</b>	<b>(54)</b>	<b>(17,226)</b>	<b>124,445</b>
<b>Total program expenses, excluding net actuarial losses .....</b>	<b>138,314</b>	<b>82,276</b>	<b>29,433</b>	<b>76,243</b>	<b>20,551</b>	<b>139,818</b>	<b>(54)</b>	<b>(17,662)</b>	<b>468,919</b>
Public debt charges .....	–	24,204	67	–	1	220	–	(5)	24,487
<b>Total expenses, excluding net actuarial losses .....</b>	<b>138,314</b>	<b>106,480</b>	<b>29,500</b>	<b>76,243</b>	<b>20,552</b>	<b>140,038</b>	<b>(54)</b>	<b>(17,667)</b>	<b>493,406</b>
Net actuarial losses <sup>2</sup> .....	–	–	6,719	–	1,686	1,781	–	–	10,186
<b>Total expenses</b>	<b>138,314</b>	<b>106,480</b>	<b>36,219</b>	<b>76,243</b>	<b>22,238</b>	<b>141,819</b>	<b>(54)</b>	<b>(17,667)</b>	<b>503,592</b>

Details providing total expenses by segment and type can be found in Section 3 (unaudited) of this volume.

<sup>1</sup> Represents consolidation adjustments to eliminate internal transactions.<sup>2</sup> Comparative figures have been reclassified to conform to the current year's presentation.

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# Section 3

*Public Accounts of Canada*  
*2022–2023*

## **Revenues, expenses and accumulated deficit for the year ended March 31**

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## Revenues, expenses and accumulated operating deficit

**Table 3.1**  
**Revenues, expenses and accumulated operating deficit**

(in millions of dollars)

	2023	2022
		Restated
<b>Revenues</b>		
Tax revenues, Table 3.2.....	379,228	350,669
Employment insurance premiums.....	26,914	23,856
Proceeds from the pollution pricing framework.....	8,041	6,341
Other revenues, Table 3.4.....	33,632	32,411
<b>Total revenues.....</b>	<b>447,815</b>	<b>413,277</b>
<b>Expenses</b>		
Transfer payments.....	308,959	344,474
Other expenses, excluding net actuarial losses.....	129,596	124,445
<b>Total program expenses, excluding net actuarial losses.....</b>	<b>438,555</b>	<b>468,919</b>
Public debt charges, Table 3.8.....	34,955	24,487
<b>Total expenses, excluding net actuarial losses, Table 3.6.....</b>	<b>473,510</b>	<b>493,406</b>
<b>Annual deficit before net actuarial losses.....</b>	<b>(25,695)</b>	<b>(80,129)</b>
Net actuarial losses.....	(9,627)	(10,186)
<b>Annual operating deficit.....</b>	<b>(35,322)</b>	<b>(90,315)</b>
<b>Accumulated operating deficit at beginning of year.....</b>	<b>(1,148,296)</b>	<b>(1,054,125)</b>
<b>Other comprehensive income.....</b>	<b>–</b>	<b>4,465</b>
<b>Accumulated operating deficit at end of year.....</b>	<b>(1,183,618)</b>	<b>(1,139,975)</b>

## Revenues

Revenues consist of all tax and other amounts which enter into the calculation of the annual surplus or deficit of the government.

### Tax revenues

**Table 3.2**  
**Tax revenues**

(in millions of dollars)

	2023	2022
<b>Tax revenues</b>		
Income tax revenues		
Personal.....	207,872	198,385
Corporate.....	93,945	78,815
Non-resident.....	13,187	10,789
<b>Total income tax revenues.....</b>	<b>315,004</b>	<b>287,989</b>
Other taxes and duties		
Goods and services tax, Table 3.3.....	45,962	46,165
Energy taxes		
Excise tax—Gasoline.....	4,335	4,087
Excise tax—Aviation gasoline and diesel fuel.....	1,322	1,268
<b>Total energy taxes.....</b>	<b>5,657</b>	<b>5,355</b>
Customs import duties.....	6,057	5,237
Other excise taxes and duties		
Excise duties.....	5,419	5,329
Air travellers security charge.....	758	413
Other miscellaneous excise taxes and duties.....	371	181
<b>Total other excise taxes and duties.....</b>	<b>6,548</b>	<b>5,923</b>
<b>Total other taxes and duties.....</b>	<b>64,224</b>	<b>62,680</b>
<b>Total tax revenues<sup>1</sup>.....</b>	<b>379,228</b>	<b>350,669</b>

<sup>1</sup> Additional details are provided in Table 4a in Section 1 of Volume II of the Public Accounts of Canada.

*Personal income tax*

Personal income tax is levied on personal income under the provisions of the *Income Tax Act*.

*Corporate income tax*

Corporate income tax is levied on corporate income under the provisions of the *Income Tax Act*.

*Non-resident income tax*

Non-resident income tax is levied on income earned in Canada by non-residents under the provisions of the *Income Tax Act*. This tax is derived from tax withheld from dividends, interest, rents, royalties, alimony, and income from estates and trusts paid to non-residents.

Non-resident income tax revenues also include withholding taxes on income earned in Canada by non-resident life insurance companies and income from trusts.

**Other taxes and duties**

Other taxes and duties are collected under the *Excise Act*, the *Excise Act, 2001*, the *Excise Tax Act*, *Customs Tariff (Act)* and other acts. They include the goods and services tax, energy taxes, customs import duties, as well as other excise taxes and duties.

*Goods and services tax*

The goods and services tax (GST) became effective January 1, 1991. It is applied at a rate of 5% on most goods and services consumed in Canada, with only a limited set of exclusions that consists of certain medical devices, prescription drugs, basic groceries, residential rents as well as most health and dental care services.

**Table 3.3**  
**Goods and services tax**

(in millions of dollars)

	2023	2022
GST .....	58,763	54,187
Less: remission order for the GST paid and accrued by ministries on or for goods and services purchased from outside parties .....	3,063	2,949
Gross GST from outside parties .....	55,700	51,238
Less: quarterly tax credits .....	9,738	5,073
Net GST from outside parties.....	45,962	46,165

*Energy taxes*

Energy taxes primarily include the excise tax on gasoline, aviation gas and diesel fuel.

*Customs import duties*

Revenues from customs import duties consist mainly of ad valorem taxes on the importation of goods levied under the *Customs Tariff (Act)*.

*Other excise taxes and duties*

Excise taxes and duties are levied on alcoholic beverages, tobacco, vaping and cannabis products. In addition, excise taxes are imposed on other items such as passenger vehicle air conditioners and a luxury tax applies on select luxury goods. The Air Travellers Security Charge is collected by air carriers at the time of payment for the air travel by the purchaser of an air transportation service.

## Employment insurance premiums

Premiums from employees and employers are levied under the provisions of the *Employment Insurance Act* and are classified as part of revenues. Additional details on employment insurance premiums are provided in Section 4 of this volume.

## Other revenues

**Table 3.4**

**Other revenues**

(in millions of dollars)

	2023	2022
<b>Other revenues</b>		
Enterprise Crown corporations and other government business enterprises		
Share of annual profit (loss).....	3,878	11,535
Interest and other .....	2,574	1,269
<i>Total enterprise Crown corporations and other government business enterprises</i> .....	<i>6,452</i>	<i>12,804</i>
Other programs		
Return on investments, Table 3.5.....	1,113	398
Sales of goods and services		
Rights and privileges.....	2,957	2,162
Lease and use of public property .....	789	496
Services of a regulatory nature .....	2,414	2,014
Services of a non-regulatory nature .....	5,106	4,696
Sales of goods and information products .....	1,092	1,207
Other fees and charges .....	931	865
<i>Total sales of goods and services</i> .....	<i>13,289</i>	<i>11,440</i>
Miscellaneous		
Interest and penalties.....	10,656	5,787
Other .....	861	1,109
<i>Total miscellaneous</i> .....	<i>11,517</i>	<i>6,896</i>
<i>Total other programs</i> .....	<i>25,919</i>	<i>18,734</i>
Net foreign exchange revenues		
Exchange Fund Account .....	836	709
International Monetary Fund .....	366	169
Other.....	59	(5)
<i>Total net foreign exchange revenue</i> .....	<i>1,261</i>	<i>873</i>
Total other revenues <sup>1</sup> .....	33,632	32,411

<sup>1</sup> Additional details are provided in Table 4a in Section 1 of Volume II of the Public Accounts of Canada.

## Enterprise Crown corporations and other government business enterprises

Revenues include interest earned on loans to enterprise Crown corporations and other government business enterprises as well as the government's share of the accumulated profits or losses of enterprise Crown corporations and other government business enterprises.

## Other programs

Other program revenues include sales of goods and services, return on investments, and miscellaneous revenues. Details are reported by individual ministries in Volume II of the Public Accounts of Canada.

## Net foreign exchange revenues

Net foreign exchange revenues include the revenues from investments held in the Exchange Fund Account and the International Monetary Fund, as well as the net gains or losses resulting from the translation of these investments to Canadian dollars as at March 31. Net foreign exchange revenues also include the net gains or losses resulting from foreign debt and currency swap revaluations.

**Return on investments****Table 3.5**  
**Return on investments<sup>1</sup>**

(in millions of dollars)

	2023	2022
Cash and accounts receivable		
Interest on bank deposits .....	417	271
Other loans, investments and advances <sup>2</sup> .....	204	135
Other accounts .....	1	3
<b>Total ministerial return on investments .....</b>	<b>622</b>	<b>409</b>
Net loss on exchange .....	382	(15)
Accrual of other revenues .....	111	4
<b>Total return on investments .....</b>	<b>1,115</b>	<b>398</b>
Elimination of return on investments internal to the government .....	(2)	– <sup>3</sup>
<b>Total external return on investments .....</b>	<b>1,113</b>	<b>398</b>

<sup>1</sup> Additional details are provided in Table 4a in Section 1 of Volume II and in Section 10 of Volume III of the Public Accounts of Canada.<sup>2</sup> Comparative figures have been reclassified to conform to the current year's presentation.<sup>3</sup> Less than \$500,000.

## Expenses

Expenses consist of all charges which enter the calculation of the annual deficit or surplus of the government.

### Accounting for expenses

The government reports all expenses on an accrual basis.

Expenses for government operations are recorded when goods are received or services are rendered. Transfer payments are recorded as expenses in the year the transfer is authorized and all eligibility criteria have been met by the recipient. Public debt charges include effective interest calculated on market debt, as well as interest on public sector pensions and other employee and veteran future benefits.

**Table 3.6**  
**External expenses by segment and by type**

(in millions of dollars)

	Major transfer payments <sup>1</sup>		Other transfer payments <sup>2</sup>	
	2023	2022	2023	2022
<b>Ministries</b>				
Agriculture and Agri-Food.....	–	–	2,300	2,223
Canadian Heritage.....	–	–	1,999	1,735
Crown-Indigenous Relations and Northern Affairs.....	–	–	17,001	7,766
Economic Development Agency of Canada for the Regions of Québec.....	–	–	343	225
Employment, Workforce Development and Disability Inclusion.....	92,174	118,230	11,851	12,257
Environment and Climate Change.....	–	–	736	648
Finance.....	82,826	80,619	6,118	785
Fisheries, Oceans and the Canadian Coast Guard.....	–	–	393	618
Global Affairs.....	–	–	7,090	6,185
Health.....	1,200	2,500	2,762	2,588
Immigration, Refugees and Citizenship.....	–	–	2,795	1,770
Indigenous Services.....	–	–	17,695	15,916
Innovation, Science and Industry.....	–	–	6,747	5,635
Intergovernmental Affairs, Infrastructure and Communities.....	2,270	2,319	8,295	8,610
Justice.....	–	–	595	518
National Defence.....	–	–	1,332	314
National Revenue.....	24,294	48,514	14,886	16,622
Natural Resources.....	–	–	1,606	1,306
Office of the Governor General's Secretary.....	–	–	–	–
Parliament.....	–	–	2	2
Privy Council.....	–	–	3	1
Public Safety <sup>3</sup> .....	–	–	477	5,557
Public Services and Procurement.....	–	–	(4)	5
Transport.....	–	–	1,066	1,010
Treasury Board.....	–	–	1	1
Veterans Affairs.....	–	–	48	43
Women, Gender Equality and Youth.....	–	–	259	177
Provision for valuation and other items <sup>3</sup> .....	–	–	(201)	(225)
<b>Total expenses, excluding net actuarial losses.....</b>	<b>202,764</b>	<b>252,182</b>	<b>106,195</b>	<b>92,292</b>
Net actuarial losses.....	–	–	–	–
<b>Total expenses<sup>4</sup>.....</b>	<b>202,764</b>	<b>252,182</b>	<b>106,195</b>	<b>92,292</b>

<sup>1</sup> Includes transfer payments of \$69,392 million (\$60,774 million in 2022) for old age security benefits, the guaranteed income supplement and the spouse's allowance; \$90,784 million (\$88,386 million in 2022) to other levels of government; \$21,836 million (\$38,923 million in 2022) for employment insurance and support measures, \$24,553 million (\$26,226 million in 2022) for children's benefits; benefit overpayment to be recovered of \$3,544 million (\$15,582 million of expenses in 2022) for COVID-19 income support for workers; and, benefit overpayment to be recovered of \$257 million (\$22,291 million of expenses in 2022) for the Canada emergency wage subsidy. Additional information is provided in Table 3.7 of this section.

<sup>2</sup> Includes transfer payments of \$6,996 million (\$3,814 million in 2022) for the proceeds for the pollution pricing framework returned, many of the other COVID-19 support measures, such as nil for the Canada Emergency Rent Subsidy and Lockdown Support (\$3,702 million in 2022); \$494 million for the Tourism and Hospitality Recovery Program (\$2,214 million in 2022); nil for the one-time payment for seniors (\$1,679 million in 2022); and \$441 million for the Canada Emergency Business Account loan incentive (\$1,515 million in 2022).

<sup>3</sup> Comparative figures have been reclassified to conform to the current year's presentation.

<sup>4</sup> Additional information is provided in Table 2a in Section 1 of Volume II of the Public Accounts of Canada.

<sup>5</sup> Additional information is provided in Table 3.8 of this section.

Expenses include provisions to reflect changes in the value of assets or liabilities, including provisions for bad debts, for loans, investments and advances, as well as for inventory obsolescence. Expenses also include amortization of tangible capital assets, utilization of inventories, as well as prepaid expenses and other.

Organizations within the government's reporting entity transact with each other on a day-to-day basis and thus contribute to the revenues and expenses recorded in the accounts. In preparing the consolidated financial statements, these "internal transactions" are eliminated so as to report on the basis of transactions with outside parties only.

Table 3.6 presents a comparative summary of external expenses by type. The table also discloses the external expenses by segment.

Total transfer payments		Other expenses		Public debt charges <sup>5</sup>		Total expenses	
2023	2022	2023	2022	2023	2022	2023	2022
			Restated				Restated
2,300	2,223	1,052	1,061	–	–	3,352	3,284
1,999	1,735	3,986	4,031	12	8	5,997	5,774
17,001	7,766	9,700	6,415	–	–	26,701	14,181
343	225	67	68	–	–	410	293
104,025	130,487	5,908	5,387	–	–	109,933	135,874
736	648	2,471	2,085	–	–	3,207	2,733
88,944	81,404	927	945	34,678	24,204	124,549	106,553
393	618	2,693	2,178	–	–	3,086	2,796
7,090	6,185	3,180	2,943	–	–	10,270	9,128
3,962	5,088	8,184	13,050	–	–	12,146	18,138
2,795	1,770	2,906	2,003	–	–	5,701	3,773
17,695	15,916	6,141	6,811	–	–	23,836	22,727
6,747	5,635	3,591	3,518	–	–	10,338	9,153
10,565	10,929	1,125	898	43	43	11,733	11,870
595	518	1,621	1,548	–	–	2,216	2,066
1,332	314	31,255	28,829	66	67	32,653	29,210
39,180	65,136	10,927	10,523	–	–	50,107	75,659
1,606	1,306	1,510	2,716	1	1	3,117	4,023
–	–	26	24	–	–	26	24
2	2	811	748	–	–	813	750
3	1	393	326	–	–	396	327
477	5,557	14,289	14,625	1	1	14,767	20,183
(4)	5	6,279	6,045	119	124	6,394	6,174
1,066	1,010	3,649	2,860	47	44	4,762	3,914
1	1	4,897	11,698	–	–	4,898	11,699
48	43	408	391	–	–	456	434
259	177	63	52	–	–	322	229
(201)	(225)	1,537	(7,333)	(12)	(5)	1,324	(7,563)
308,959	344,474	129,596	124,445	34,955	24,487	473,510	493,406
–	–	9,627	10,186	–	–	9,627	10,186
308,959	344,474	139,223	134,631	34,955	24,487	483,137	503,592

## **Expenses by segment**

The government's segmented information is based on the ministerial portfolio structure. It groups the activities of departments, agencies and consolidated Crown corporations and other entities for which a minister is responsible, as described in Note 1 to the consolidated financial statements in Section 2 of this volume.

## **Government's cost of operations**

Government's cost of operations consists of three major types: transfer payments, other expenses, and public debt charges.

### **Transfer payments**

The major transfer payments include payments to persons and payments to provinces and territories.

Payments to persons include payments for income support or income supplement. Assistance is based on age, family status, income, and employment criteria.

Payments to provinces and territories are made under the following major programs:

- The fiscal arrangements allow for unconditional fiscal transfer payments to lower income provinces including subsidies under the Constitution Acts; and,
- The Canada Health Transfer and the Canada Social Transfer allow for the provision of the federal share in support of social programs administered by the provinces.

The other transfer payments include various subsidies paid through federal programs to stabilize market prices for commodities, to develop new technologies, to conduct research, to establish new jobs through support for training and to promote educational and cultural activities. Expenses of other consolidated entities and other miscellaneous payments are also included.

**Other expenses**

Other expenses include 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, prepaid expenses, and other are also included in other expenses. Public sector pensions and other employee and veteran future benefits are included in personnel expenses.

**Public debt charges**

Public debt charges include effective interest calculated on market debt including amounts arising on the extinguishment of debt, as well as interest on public sector pensions and other employee and veteran future benefits.

**Table 3.7**  
**Major transfer payments by province and territory**

(in millions of dollars)

	Fiscal year	Old Age Security benefits <sup>1</sup>	Canada Health Transfer <sup>2</sup>	Canada Social Transfer	Fiscal arrangements	Quebec Abatement <sup>3</sup>
Newfoundland and Labrador.....	2023	1,377	639	216	10	–
	2022	1,223	641	210	10	–
Prince Edward Island .....	2023	343	207	70	503	–
	2022	303	203	67	485	–
Nova Scotia .....	2023	2,242	1,233	417	2,508	–
	2022	1,976	1,222	401	2,448	–
New Brunswick .....	2023	1,926	984	332	2,362	–
	2022	1,704	972	319	2,276	–
Quebec.....	2023	18,970	10,517	3,564	13,672	(6,834)
	2022	16,692	10,602	3,480	13,124	(6,832)
Ontario.....	2023	26,343	18,310	6,182	9	–
	2022	23,135	18,272	6,000	9	–
Manitoba.....	2023	2,301	1,719	580	2,936	–
	2022	2,043	1,707	561	2,722	–
Saskatchewan.....	2023	1,975	1,450	490	2	–
	2022	1,756	1,455	478	2	–
Alberta.....	2023	6,235	5,491	1,859	5	–
	2022	5,441	5,470	1,796	5	–
British Columbia.....	2023	9,951	6,432	2,174	4	–
	2022	8,773	6,430	2,110	4	–
Total provinces .....	2023	71,663	46,982	15,884	22,011	(6,834)
	2022	63,046	46,974	15,422	21,085	(6,832)
Northwest Territories .....	2023	45	56	19	1,519	–
	2022	39	56	19	1,480	–
Nunavut .....	2023	14	50	17	1,859	–
	2022	11	49	16	1,782	–
Yukon Territory.....	2023	41	53	18	1,174	–
	2022	37	54	17	1,118	–
International.....	2023	307	–	–	–	–
	2022	300	–	–	–	–
Total expenses for provinces and territories.....	2023	72,070	47,141	15,938	26,563	(6,834)
	2022	63,433	47,133	15,474	25,465	(6,832)
Accrual and other adjustments .....	2023	(2,678)	–	–	578	(576)
	2022	(2,659)	(2,000)	–	(87)	575
Subtotal.....	2023	69,392	47,141	15,938	27,141	(7,410)
	2022	60,774	45,133	15,474	25,378	(6,257)
Transfers made through the tax system .....	2023	–	–	–	–	–
	2022	–	–	–	–	–
Total major transfer payments.....	2023	69,392	47,141	15,938	27,141	(7,410)
	2022	60,774	45,133	15,474	25,378	(6,257)

<sup>1</sup> Includes the guaranteed income supplement and the spouse's allowance.

<sup>2</sup> Includes nil additional top-up payments(\$2,000 million in 2022) in response to the COVID-19.

<sup>3</sup> The Quebec Abatement is comprised of federal tax abated under the Alternative Payments for Standing Programs and the Youth Allowance Program of that province.

<sup>4</sup> Includes Employment Insurance Emergency Response Benefit overpayments to be recovered of \$69 million (\$40 million in 2022).

<sup>5</sup> Includes the contributions under the federal Canada Community-Building Fund program of \$2,269 million (\$2,320 million in 2022).

Fiscal year	Employment insurance and support measures <sup>4</sup>	Children's benefits	COVID-19 income support for workers	Canada emergency wage subsidy	Canada-wide Early Learning and Child Care	Other major transfers <sup>5</sup>	Total
2023	1,252	–	–	–	–	156	3,650
2022	1,715	–	–	–	–	215	4,014
2023	305	–	–	–	–	24	1,452
2022	407	–	–	–	–	101	1,566
2023	993	–	–	–	–	103	7,496
2022	1,589	–	–	–	–	206	7,842
2023	1,121	–	–	–	–	81	6,806
2022	1,672	–	–	–	–	166	7,109
2023	4,267	–	–	–	–	1,004	45,160
2022	7,800	–	–	–	–	1,798	46,664
2023	7,186	–	–	–	–	1,672	59,702
2022	13,808	–	–	–	–	3,019	64,243
2023	787	–	–	–	–	144	8,467
2022	1,337	–	–	–	–	276	8,646
2023	674	–	–	–	–	118	4,709
2022	1,090	–	–	–	–	237	5,018
2023	2,555	–	–	–	–	488	16,633
2022	4,812	–	–	–	–	905	18,429
2023	2,590	–	–	–	–	571	21,722
2022	4,533	–	–	–	–	1,048	22,898
2023	21,730	–	–	–	–	4,361	175,797
2022	38,763	–	–	–	–	7,971	186,429
2023	34	–	–	–	–	20	1,693
2022	57	–	–	–	–	40	1,691
2023	30	–	–	–	–	20	1,990
2022	43	–	–	–	–	39	1,940
2023	33	–	–	–	–	19	1,338
2022	50	–	–	–	–	40	1,316
2023	9	–	–	–	–	–	316
2022	10	–	–	–	–	–	310
2023	21,836	–	–	–	–	4,420	181,134
2022	38,923	–	–	–	–	8,090	191,686
2023	–	–	(3,544)	(257)	4,489	(935)	(2,923)
2022	–	–	15,582	22,291	2,948	(2,380)	34,270
2023	21,836	–	(3,544)	(257)	4,489	3,485	178,211
2022	38,923	–	15,582	22,291	2,948	5,710	225,956
2023	–	24,553	–	–	–	–	24,553
2022	–	26,226	–	–	–	–	26,226
2023	21,836	24,553	(3,544)	(257)	4,489	3,485	202,764
2022	38,923	26,226	15,582	22,291	2,948	5,710	252,182

**Public debt charges**

Public debt charges include the interest on unmatured debt and on pensions, other future benefits and other liabilities.

Table 3.8 discloses the reconciling items between the total public debt charges, as reported in the ministerial section of the Department of Finance in Section 8 of Volume II of the Public Accounts of Canada, and the total expenses of the public debt indicated in Table 3.6 of this volume. The reconciling items include the interest expenses on capital leases as well as accrual and other adjustments.

**Table 3.8**  
**Public debt charges<sup>1</sup>**

(in millions of dollars)

	2023	2022
Unmatured debt		
Interest on:		
Interest on marketable bonds <sup>3</sup> .....	26,322	18,468
Net interest on cross-currency swaps .....	(331)	(601)
Interest on capital lease obligations .....	161	163
Interest on obligations under public-private partnerships .....	127	124
Total public debt charges related to unmatured debt .....	<u>26,279</u>	<u>18,154</u>
Pensions and other future benefits		
Interest on:		
Public sector pensions—Superannuation accounts .....	4,823	4,941
Allowance for pension adjustments .....	(2,242)	(2,623)
Consolidated Crown corporations and other entities pensions .....	(238)	(208)
Total interest on public sector pensions .....	<u>2,343</u>	<u>2,110</u>
Other employee and veteran future benefits		
Public Service Health Care Plan and Pensioners' Dental Service Plan .....	856	761
Severance and other benefits .....	47	34
Accumulated sick leave entitlements .....	47	28
Worker's compensation .....	49	32
Veterans' disability and other future benefits .....	3,740	2,613
Royal Canadian Mounted Police disability and other future benefits .....	824	573
Consolidated Crown corporations and other entities .....	7	6
Total interest on other employee and veteran future benefits .....	<u>5,570</u>	<u>4,047</u>
Total public debt charges related to pensions and other future benefits .....	<u>7,913</u>	<u>6,157</u>
Other liabilities		
Canada Pension Plan .....	11	1
Government Annuities Account .....	5	5
Deposit and trust accounts .....	22	12
Other specified purpose accounts .....	133	139
Other liabilities .....	592	19
Total public debt charges related to other liabilities .....	<u>763</u>	<u>176</u>
Consolidated specified purpose accounts		
Interest .....	12	5
Total public debt charges related to consolidated specified purpose accounts .....	<u>12</u>	<u>5</u>
Total public debt charges before consolidation adjustments .....	<u>34,967</u>	<u>24,492</u>
Less: consolidation adjustments .....	12	5
Total public debt charges <sup>1 2</sup> .....	<u><u>34,955</u></u>	<u><u>24,487</u></u>
Comprised of:		
Total public debt charges under statutory authorities before accrual and other adjustments and consolidation adjustments .....	31,589	22,989
Accrual and other adjustments .....	3,378	1,503
Consolidation adjustments .....	(12)	(5)
Total public debt charges .....	<u>34,955</u>	<u>24,487</u>

<sup>1</sup> A summary is provided in Table 2a in Section 1 of Volume II of the Public Accounts of Canada.

<sup>2</sup> Additional details are provided in Section 7 of Volume III of the Public Accounts of Canada.

<sup>3</sup> Comparative figures have been reclassified to conform to the current year's presentation.

## Expenses by object

Table 3.9 reconciles the total net expenditures by object initially recorded by departments under the partial accrual method of accounting to the total expenses which is based on the full accrual method of accounting. Reconciliation items represent the effect of consolidation and full accrual accounting.

**Table 3.9**  
**Total expenses by object<sup>1</sup>**

(in millions of dollars)

	Total net expenditures	Reconciliation	Total expenses
Transfer payments .....	249,493	59,466	308,959
Other expenses			
Personnel, excluding net actuarial losses .....	56,468	10,888	67,356
Transportation and communications .....	3,228	(88)	3,140
Information .....	596	(117)	479
Professional and special services .....	18,591	(2,927)	15,664
Rentals .....	4,485	(928)	3,557
Repair and maintenance .....	4,341	(160)	4,181
Utilities, materials and supplies .....	8,555	462	9,017
Acquisition of land, buildings and works .....	2,087	(2,087)	–
Acquisition of machinery and equipment .....	5,961	(5,961)	–
Other subsidies and expenses .....	18,951	1,539	20,490
Amortization of tangible capital assets .....	–	5,644	5,644
Net loss on disposal of assets.....	–	68	68
Total other expenses, excluding net actuarial losses.....	123,263	6,333	129,596
Public debt charges .....	31,821	3,134	34,955
Total gross expenses .....	404,577	68,933	473,510
Revenues netted against expenditures .....	(13,674)	13,674	–
Total expenses, excluding net actuarial losses.....	390,903	82,607	473,510
Net actuarial losses .....	–	–	9,627
Total expenses .....	390,903	82,607	483,137

<sup>1</sup> Additional details are provided in Table 3a in Section 1 of Volume II of the Public Accounts of Canada.

## Expenditures under statutory authorities

Spending authorities provided by statutory authorities are for specified purposes and for such amounts and such time periods as the acts prescribe. These spending authorities do not generally lapse at the end of the year during which they were granted. Expenditures under such authorities account for approximately half of the total program expenses each year.

**Table 3.10**  
**Expenditures under statutory authorities**

(in millions of dollars)

	2023	2022
Old Age Security payments ( <i>Old Age Security Act</i> ) .....	52,737	46,221
Canada Health Transfer (Part V.1— <i>Federal-Provincial Fiscal Arrangements Act</i> ) .....	47,141	47,133
Public debt charges .....	31,588	22,988
Fiscal Equalization (Part I— <i>Federal-Provincial Fiscal Arrangements Act</i> ) .....	21,920	20,911
Guaranteed Income Supplement payments ( <i>Old Age Security Act</i> ) .....	16,101	14,005
Canada Social Transfer (Part V.1— <i>Federal-Provincial Fiscal Arrangements Act</i> ) .....	15,938	15,474
Climate action incentive payments .....	6,824	3,762
Territorial Financing (Part I.1— <i>Federal-Provincial Fiscal Arrangements Act</i> ) .....	4,553	4,380
Canada Student Grants to qualifying full and part-time students pursuant to the <i>Canada Student Financial Assistance Act</i> .....	3,368	3,155
Gas Tax Fund .....	2,300	4,551
Discharge of obligations and forgiveness of non-budgetary loans pursuant to section 23 of the <i>Export Development Act</i> .....	1,353	1,016
Payments related to the direct financing arrangement under the <i>Canada Student Financial Assistance Act</i> .....	1,282	1,224
Contribution payments for the AgriInsurance program .....	1,052	720
Canada Education Savings Grant payments to Registered Education Savings Plan (RESP) trustees on behalf of RESP beneficiaries to encourage Canadians to save for post-secondary education for their children .....	1,032	1,090
Payments for expenses in relation to COVID-19 tests pursuant to <i>An Act respecting certain measures related to COVID-19, SC 2022, c. 2 (Bill C-10)</i> .....	1,000	711
Payments to International Development Association .....	911	423
Payments in Relation to Transit and Housing pursuant to the <i>Budget Implementation Act, 2022, No. 1 Part 5, division 4</i> .....	750	–
Judges' salaries, allowances and annuities, annuities to spouses and children of judges and lump sum payments to spouses of judges who die while in office .....	697	656
Court awards pursuant to section 30(1) of <i>Crown Liability and Proceedings Act</i> .....	662	2
Payments related to the Canadian Rental Housing Benefit (Section 12(1) of the <i>Rental Housing Benefit Act</i> ) .....	587	–
Allowance payments ( <i>Old Age Security Act</i> ) .....	575	529
Spending of revenue received pursuant to section 60 of the <i>Canada Revenue Agency Act</i> .....	514	584
Canada disability savings grants .....	467	469
Grants in support of the Farm Income payment .....	459	460
Payments to the Newfoundland offshore petroleum resource revenue fund pursuant to the <i>Canada-Newfoundland and Labrador Atlantic Accord Implementation Act, Part IV</i> .....	455	438
Spending of revenues obtained pursuant to section 5.2(2) of the <i>Department of Employment and Social Development Act</i> .....	403	2
Payments related to <i>Canada Recovery Benefits Act</i> .....	187	16,582
Electoral expenditures ( <i>Canada Elections Act</i> and the <i>Referendum Act</i> ) .....	138	558
Grant and contribution payments for the Agricultural Disaster Relief Program ( <i>Farm Income Protection Act</i> ) .....	50	444
Canada Worker Lockdown Benefit (Section 29 of the <i>Canada Worker Lockdown Benefit Act</i> ) .....	19	946
Transfer payments in connection with the <i>Budget Implementation Act</i> .....	10	1,836
Payments to the provinces for Early Learning and Child Care (Part 4, Division 33 of the <i>Budget Implementation Act, 2021, No. 1</i> ) .....	–	2,648
Payments to the provinces and territories in respect of Canada's COVID-19 immunization plan pursuant to ( <i>Budget Implementation Act, 2021, No. 1, Part 4, division 12</i> ) .....	–	1,000
Youth Allowances Recovery ( <i>Federal-Provincial Fiscal Revision Act, 1964</i> ) .....	(753)	(1,699)
Alternative Payments for Standing Programs (Part VI— <i>Federal-Provincial Fiscal Arrangements Act</i> ) .....	(6,081)	(5,133)
Total <sup>2</sup> .....	208,239	208,086
Superannuation, supplementary retirement benefits, death benefits and other pensions <sup>1</sup>		
Public Service		
Government's contribution to the Public Service Pension Plan and the Retirement Compensation Arrangements Account .....	2,984	10,690
Government's contribution to the Canada and the Quebec pension plans .....	1,277	1,061
Government's contribution to the Employment Insurance Operating Account .....	411	348
Government's contribution to the Supplementary Death Benefit Account .....	17	16
Total .....	4,689	12,115

**Table 3.10**  
**Expenditures under statutory authorities—concluded**

(in millions of dollars)

	2023	2022
Canadian Forces		
Government's contribution to the Canadian Forces Pension Plan and the Retirement Compensation Arrangements Account.....	1,014	1,031
Government's contribution to the Canada and the Quebec pension plans.....	261	212
Government's contribution as employer to the Employment Insurance Operating Account.....	81	67
Statutory payments under the <i>Supplementary Retirement Benefits Act</i> .....	1	1
Government's contribution to the Death Benefit Account.....	3	3
Total.....	1,360	1,314
Royal Canadian Mounted Police		
Government's contribution to the Royal Canadian Mounted Police Pension Plan and the Retirement Compensation Arrangements Account.....	1,547	401
Government's contribution to the Canada and the Quebec pension plans.....	52	110
Government's contribution as employer to the Employment Insurance Operating Account.....	16	34
Statutory payments under the <i>Supplementary Retirement Benefits Act</i> .....	4	4
Total.....	1,619	549
Shared Services Canada		
Government's contribution to the Canada and the Quebec pension plans.....	1	1
Government's contribution to the Royal Canadian Mounted Police Pension Plan and the Retirement Compensation Arrangements Account.....	3	4
Total.....	4	5
All other statutory expenditures <sup>2</sup> .....	4,741	4,262
Total ministerial expenditures under statutory authorities <sup>3</sup> .....	220,652	226,331

<sup>1</sup> Details related to other pension accounts, such as the Members of Parliament Retiring Allowances Account, are not included.

<sup>2</sup> Comparative figures have been reclassified to conform to the current year's presentation.

<sup>3</sup> Additional information on the ministerial expenditures under statutory authorities are provided in Table 7 in Section 1 of Volume II of the Public Accounts of Canada.

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# Section 4

## *Public Accounts of Canada 2022–2023*

### **Consolidated accounts as at March 31**

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## Consolidated Crown corporations and other entities

This section provides all related information on consolidated Crown corporations and other entities. Consolidated entities rely on government funding as their principal source of revenue and are controlled by the government.

Consolidation involves the combination of the accounts of these corporations and other entities on a line-by-line and uniform basis of accounting and the elimination of inter-organizational balances and transactions. Consequently, the corporations and other entities' accounts must be adjusted to the government's basis of accounting. All corporations and other entities follow either Canadian Public Sector Accounting Standards or International Financial Reporting Standards. The financial information reported by all of the consolidated Crown corporations and other entities in the following summary tables has been prepared and reported based upon Canadian Public Sector Accounting Standards.

Consolidated Crown corporations are also categorized as being either agents or non-agents of the Crown. Agency status may be expressly stated in the incorporating legislation or conferred under the provisions of the *Government Corporations Operation Act*.

### Summary financial statements of consolidated Crown corporations and other entities

These tables present financial information on consolidated parent Crown corporations and other entities, as well as financial information on wholly-owned subsidiaries that are considered "deemed parent Crown corporations" and thus consolidated directly in the consolidated financial statements of the government and excluded from the consolidated financial statements of their parent Crown corporations. The annual *Inventory of Federal Organizations and Interests* includes a complete list of federal organizations and interests.

For those corporations and other entities having year ends other than March 31, the data are based on unaudited interim financial statements which have been prepared on a basis consistent with the most recent audited financial statements.

Table 4.1 and Table 4.2 present summarized financial information of the consolidated Crown corporations and other entities. Balances reported under government, Crown corporations and other entities represent those between related parties. Of note, borrowings from third parties represent long-term debts payable of the corporations and other entities. Revenues are broken down to identify revenues arising from normal operations and financial assistance from the government in respect of the current year's operations. Equity adjustments include prior period adjustments and other miscellaneous items recorded by the corporations and other entities. Remeasurement gains and losses comprise certain unrealized gains and losses on financial instruments excluded from the annual surplus (deficit). Upon realization, these gains and losses are included in the annual surplus (deficit). Equity transactions with the government include dividends declared or transfers of profits to the government, as well as capital transactions with the government. The line "Conversion to the government accounting basis for consolidation purposes" represents the adjustments required to bring the corporations and other entities' accounting policies in line with those of the government.

**Table 4.1**  
**Financial position of consolidated Crown corporations and other entities**  
**Assets, liabilities and equity as at March 31, 2023**

(in thousands of dollars)

Consolidated Crown corporations and other entities	Assets			Total assets
	Financial		Non-financial	
	Third parties	Government, Crown corporations and other entities		
<b>Crown corporations<sup>1</sup></b>				
Atomic Energy of Canada Limited.....	369,462	176,873	1,035,328	1,581,663
Canada Council for the Arts.....	600,526	1,101	28,228	629,855
Canada Development Investment Corporation				
Canada Enterprise Emergency Funding Corporation <sup>2</sup> .....	3,250,545	–	–	3,250,545
Canada Infrastructure Bank.....	1,879,194	7,552,006	2,295	9,433,495
Canadian Air Transport Security Authority.....	128,891	127,860	399,340	656,091
Canadian Broadcasting Corporation.....	1,699,173	85,017	1,305,243	3,089,433
Canadian Commercial Corporation.....	262,379	830	2,410	265,619
Canadian Dairy Commission.....	20,694	3,425	38,263	62,382
Canadian Museum for Human Rights.....	32,101	120	241,366	273,587
Canadian Museum of History.....	118,724	14,871	184,429	318,024
Canadian Museum of Immigration at Pier 21.....	16,512	150	6,573	23,235
Canadian Museum of Nature.....	37,675	–	153,101	190,776
Canadian Race Relations Foundation.....	25,548	2,209	161	27,918
Canadian Tourism Commission.....	21,018	1,273	6,456	28,747
Defence Construction (1951) Limited.....	56,487	33,027	3,308	92,822
International Development Research Centre.....	93,994	9,005	6,600	109,599
Marine Atlantic Inc. ....	147,315	15,566	405,613	568,494
National Arts Centre Corporation.....	40,947	518	198,937	240,402
National Capital Commission.....	394,116	6,190	827,239	1,227,545
National Gallery of Canada.....	36,320	672	65,327	102,319
National Museum of Science and Technology.....	31,084	720	243,828	275,632
Standards Council of Canada.....	7,891	2,778	2,801	13,470
Telefilm Canada.....	6,863	77,570	7,687	92,120
The Federal Bridge Corporation Limited.....	15,847	291	353,098	369,236
The Jacques Cartier and Champlain Bridges Inc. ....	32,399	36,663	677,118	746,180
VIA Rail Canada Inc. ....	546,828	108,112	1,707,308	2,362,248
Windsor-Detroit Bridge Authority.....	114,428	1,938	3,218,526	3,334,892
<b>Total—Crown corporations.....</b>	<b>9,986,961</b>	<b>8,258,785</b>	<b>11,120,583</b>	<b>29,366,329</b>
Conversion to the government accounting basis for consolidation purposes.....	(4,551)	(7,546,298)	(99,840)	(7,650,689)
<b>Net Crown corporations on the government accounting basis.....</b>	<b>9,982,410</b>	<b>712,487</b>	<b>11,020,743</b>	<b>21,715,640</b>
<b>Other entities<sup>3</sup></b>				
Canada Foundation for Innovation.....	204,466	269	1,874	206,609
Canada Foundation for Sustainable Development Technology.....	14,485	–	1,395	15,880
First Nations Market Housing Fund.....	326,007	45,518	370	371,895
St. Lawrence Seaway Management Corporation.....	211,469	11,615	13,611	236,695
Capital Fund Trust.....	2,594	–	–	2,594
Employee Termination Benefits Trust Fund.....	320	10	–	330
<b>Total—Other entities.....</b>	<b>759,341</b>	<b>57,412</b>	<b>17,250</b>	<b>834,003</b>
Conversion to the government accounting basis for consolidation purposes.....	–	–	(22)	(22)
<b>Net other entities on the government accounting basis.....</b>	<b>759,341</b>	<b>57,412</b>	<b>17,228</b>	<b>833,981</b>
<b>Total.....</b>	<b>10,741,751</b>	<b>769,899</b>	<b>11,037,971</b>	<b>22,549,621</b>

<sup>1</sup> All Crown corporations listed at the margin in this table are parent Crown corporations.

<sup>2</sup> Canada Enterprise Emergency Funding Corporation (CEEFC) is a federal Crown corporation, incorporated in May 2020 and is wholly owned by Canada Development Investment Corporation (CDEV), a parent Crown corporation. CEEFC is responsible for administering the Large Employer Emergency Funding Facility (LEEFF).

<sup>3</sup> These entities, which are not Crown corporations or agents of the Crown, are considered other consolidated entities.

Liabilities								
Third parties		Government, Crown corporations and other entities	Total liabilities	Accumulated profits (losses)	Contributed surplus	Capital stock	Equity of Canada	Total liabilities and equity
Borrowings	Other							
–	10,345,131	457	10,345,588	(9,228,637)	449,712	15,000	(8,763,925)	1,581,663
–	229,973	842	230,815	399,040	–	–	399,040	629,855
–	7,736	281	8,017	3,242,528	–	–	3,242,528	3,250,545
–	21,907	–	21,907	9,411,588	–	–	9,411,588	9,433,495
–	176,244	528	176,772	479,319	–	–	479,319	656,091
174,822	768,992	7,764	951,578	2,137,855	–	–	2,137,855	3,089,433
–	97,110	123,371	220,481	35,138	10,000	–	45,138	265,619
11,013	51,420	–	62,433	(51)	–	–	(51)	62,382
–	131,799	128,421	260,220	13,367	–	–	13,367	273,587
–	42,737	208,090	250,827	67,197	–	–	67,197	318,024
–	10,170	6,310	16,480	6,755	–	–	6,755	23,235
–	32,445	142,415	174,860	15,916	–	–	15,916	190,776
–	1,078	1,120	2,198	25,720	–	–	25,720	27,918
–	11,441	1	11,442	17,305	–	–	17,305	28,747
–	54,972	2,743	57,715	35,107	–	–	35,107	92,822
–	69,308	22,278	91,586	18,013	–	–	18,013	109,599
–	200,144	–	200,144	368,350	–	–	368,350	568,494
–	17,801	198,959	216,760	23,642	–	–	23,642	240,402
–	199,774	51,268	251,042	976,503	–	–	976,503	1,227,545
–	7,893	83,089	90,982	11,337	–	–	11,337	102,319
–	10,995	247,930	258,925	16,707	–	–	16,707	275,632
–	4,454	–	4,454	9,016	–	–	9,016	13,470
–	51,699	–	51,699	40,421	–	–	40,421	92,120
43,661	13,539	–	57,200	312,036	–	–	312,036	369,236
–	222,480	–	222,480	523,700	–	–	523,700	746,180
–	366,946	1,625,706	1,992,652	360,296	–	9,300	369,596	2,362,248
–	1,126,409	–	1,126,409	2,208,483	–	–	2,208,483	3,334,892
229,496	14,274,597	2,851,573	17,355,666	11,526,651	459,712	24,300	12,010,663	29,366,329
–	(2,385)	450,061	447,676	(7,614,353)	(459,712)	(24,300)	(8,098,365)	(7,650,689)
229,496	14,272,212	3,301,634	17,803,342	3,912,298	–	–	3,912,298	21,715,640
–	1,334	205,275	206,609	–	–	–	–	206,609
–	5,067	10,813	15,880	–	–	–	–	15,880
–	69,126	302,769	371,895	–	–	–	–	371,895
–	106,933	8,701	115,634	121,061	–	–	121,061	236,695
–	7	2,587	2,594	–	–	–	–	2,594
–	7	323	330	–	–	–	–	330
–	182,474	530,468	712,942	121,061	–	–	121,061	834,003
–	(505)	(528,948)	(529,453)	529,431	–	–	529,431	(22)
–	181,969	1,520	183,489	650,492	–	–	650,492	833,981
229,496	14,454,181	3,303,154	17,986,831	4,562,790	–	–	4,562,790	22,549,621

**Table 4.2**  
**Revenues, expenses and other changes in equity of consolidated Crown corporations**  
**and other entities for the year ended March 31, 2023**

(in thousands of dollars)

Consolidated Crown corporations and other entities	Revenues			Total
	Third parties	Government, Crown corporations and other entities		
		Financial assistance	Other	
<b>Crown corporations</b>				
Atomic Energy of Canada Limited .....	157,886	1,083,200	2,273	1,243,359
Canada Council for the Arts .....	27,307	423,423	1,442	452,172
Canada Development Investment Corporation				
Canada Enterprise Emergency Funding Corporation .....	136,059	–	–	136,059
Canada Infrastructure Bank .....	29,712	4,500,426	–	4,530,138
Canadian Air Transport Security Authority .....	3,817	865,464	–	869,281
Canadian Broadcasting Corporation .....	510,079	1,287,297	4,158	1,801,534
Canadian Commercial Corporation .....	31,722	13,000	3,590	48,312
Canadian Dairy Commission .....	173,053	4,544	815	178,412
Canadian Museum for Human Rights .....	9,755	32,931	–	42,686
Canadian Museum of History .....	15,061	89,945	668	105,674
Canadian Museum of Immigration at Pier 21 .....	2,310	10,110	94	12,514
Canadian Museum of Nature .....	11,000	39,831	–	50,831
Canadian Race Relations Foundation .....	315	6,960	(69)	7,206
Canadian Tourism Commission .....	3,060	144,729	–	147,789
Defence Construction (1951) Limited .....	1,738	–	163,955	165,693
International Development Research Centre .....	64,362	158,291	9,147	231,800
Marine Atlantic Inc. ....	132,387	131,829	–	264,216
National Arts Centre Corporation .....	31,335	73,572	3,250	108,157
National Capital Commission .....	76,382	191,595	29,254	297,231
National Gallery of Canada .....	21,858	55,480	76	77,414
National Museum of Science and Technology .....	9,313	47,491	1,211	58,015
Standards Council of Canada .....	11,094	17,968	4,378	33,440
Telefilm Canada .....	21,484	171,050	202	192,736
The Federal Bridge Corporation Limited .....	41,079	4,423	–	45,502
The Jacques Cartier and Champlain Bridges Inc. ....	18,202	202,701	–	220,903
VIA Rail Canada Inc. ....	382,563	462,562	2,471	847,596
Windsor-Detroit Bridge Authority .....	12,715	745,000	(15,712)	742,003
<b>Total—Crown corporations .....</b>	<b>1,935,648</b>	<b>10,763,822</b>	<b>211,203</b>	<b>12,910,673</b>
Conversion to the government accounting basis for consolidation purposes .....	(62,711)	(3,866,912)	(470)	(3,930,093)
<b>Total on the government accounting basis .....</b>	<b>1,872,937</b>	<b>6,896,910</b>	<b>210,733</b>	<b>8,980,580</b>
Consolidation adjustments .....	539	(6,896,910)	(210,733)	(7,107,104)
<b>Net amount—Crown corporations .....</b>	<b>1,873,476</b>	<b>–</b>	<b>–</b>	<b>1,873,476</b>
<b>Other entities</b>				
Canada Foundation for Innovation .....	8,525	392,828	–	401,353
Canada Foundation for Sustainable Development Technology .....	1,194	149,664	–	150,858
First Nations Market Housing Fund .....	8,228	–	(889)	7,339
St. Lawrence Seaway Management Corporation .....	83,873	1,650	56,630	142,153
Capital Fund Trust .....	94	62,000	(3,941)	58,153
Employee Termination Benefits Trust Fund .....	14	–	–	14
<b>Total—Other entities .....</b>	<b>101,928</b>	<b>606,142</b>	<b>51,800</b>	<b>759,870</b>
Conversion to the government accounting basis for consolidation purposes .....	(8,925)	60,591	(41)	51,625
<b>Total on the government accounting basis .....</b>	<b>93,003</b>	<b>666,733</b>	<b>51,759</b>	<b>811,495</b>
Consolidation adjustments .....	(1,263)	(666,733)	(51,759)	(719,755)
<b>Net amount—Other entities .....</b>	<b>91,740</b>	<b>–</b>	<b>–</b>	<b>91,740</b>
<b>Total .....</b>	<b>1,965,216</b>	<b>–</b>	<b>–</b>	<b>1,965,216</b>

The accompanying notes to Table 4.1 are an integral part of this table.

Third parties	Expenses		Net income (loss)	Equity beginning of year	Equity adjustments and other	Remeasurement gains (losses)	Equity transactions with the Government		Equity end of year
	Government, Crown corporations and other entities	Total					Dividends	Capital	
378,567	3,171	381,738	861,621	(9,625,365)	–	(181)	–	–	(8,763,925)
441,528	491	442,019	10,153	396,971	–	(8,084)	–	–	399,040
1,964	734	2,698	133,361	3,207,881	1,496	(100,210)	–	–	3,242,528
42,804	–	42,804	4,487,334	4,924,254	–	–	–	–	9,411,588
887,853	668	888,521	(19,240)	498,559	–	–	–	–	479,319
2,079,521	(1,301)	2,078,220	(276,686)	2,414,541	–	–	–	–	2,137,855
23,698	4,010	27,708	20,604	25,534	–	–	(1,000)	–	45,138
172,358	2,350	174,708	3,704	–	(3,704)	(51)	–	–	(51)
36,372	4,956	41,328	1,358	12,009	–	–	–	–	13,367
93,127	11,983	105,110	564	66,764	–	(131)	–	–	67,197
9,630	2,733	12,363	151	6,787	–	(183)	–	–	6,755
39,422	2,918	42,340	8,491	7,424	1	–	–	–	15,916
562	6,937	7,499	(293)	26,310	223	(520)	–	–	25,720
151,086	1,353	152,439	(4,650)	21,887	–	68	–	–	17,305
156,997	919	157,916	7,777	26,952	–	378	–	–	35,107
242,076	2,878	244,954	(13,154)	31,167	–	–	–	–	18,013
335,220	–	335,220	(71,004)	444,107	(2)	(4,751)	–	–	368,350
100,636	1,930	102,566	5,591	18,051	–	–	–	–	23,642
137,023	14,824	151,847	145,384	831,119	–	–	–	–	976,503
68,544	7,269	75,813	1,601	10,275	(539)	–	–	–	11,337
47,950	8,145	56,095	1,920	14,787	–	–	–	–	16,707
32,403	78	32,481	959	8,057	–	–	–	–	9,016
190,408	2,915	193,323	(587)	41,008	–	–	–	–	40,421
48,849	–	48,849	(3,347)	315,882	(499)	–	–	–	312,036
329,531	–	329,531	(108,628)	632,328	–	–	–	–	523,700
971,241	9,756	980,997	(133,401)	502,998	(1)	–	–	–	369,596
245,891	–	245,891	496,112	1,705,334	–	7,037	–	–	2,208,483
7,265,261	89,717	7,354,978	5,555,695	6,565,621	(3,025)	(106,628)	(1,000)	–	12,010,663
(15,749)	(113,283)	(129,032)	(3,801,061)	(4,337,270)	7,885	31,081	1,000	470	(8,097,895)
7,249,512	(23,566)	7,225,946	1,754,634	2,228,351	4,860	(75,547)	–	470	3,912,768
3,635	23,566	27,201	(7,134,305)	–	7,134,305	–	–	(470)	(470)
7,253,147	–	7,253,147	(5,379,671)	2,228,351	7,139,165	(75,547)	–	–	3,912,298
401,319	34	401,353	–	–	–	–	–	–	–
150,858	–	150,858	–	–	–	–	–	–	–
8,228	(889)	7,339	–	–	–	–	–	–	–
174,070	203	174,273	(32,120)	153,181	–	–	–	–	121,061
12	58,141	58,153	–	–	–	–	–	–	–
14	–	14	–	–	–	–	–	–	–
734,501	57,489	791,990	(32,120)	153,181	–	–	–	–	121,061
1,517	(4,668)	(3,151)	54,776	474,655	–	–	–	–	529,431
736,018	52,821	788,839	22,656	627,836	–	–	–	–	650,492
(1,247)	(52,821)	(54,068)	(665,687)	–	665,687	–	–	–	–
734,771	–	734,771	(643,031)	627,836	665,687	–	–	–	650,492
7,987,918	–	7,987,918	(6,022,702)	2,856,187	7,804,852	(75,547)	–	–	4,562,790

**Borrowings by consolidated agent Crown corporations****Table 4.3****Borrowings by consolidated agent Crown corporations**

(in thousands of dollars)

	April 1, 2022	Borrowings and other credits	Repayments and other charges	March 31, 2023
Canadian Broadcasting Corporation.....	207,047	12,708	44,933	174,822
Canadian Dairy Commission .....	10,016	128,706	127,709	11,013
The Federal Bridge Corporation Limited .....	50,373	–	6,712	43,661
Total .....	267,436	141,414	179,354	229,496

This information is published to satisfy section 49 of the *Financial Administration Act* (FAA) which requires that an annual statement be included in the Public Accounts of Canada. The borrowings are from lenders other than the government. In accordance with section 54 of the FAA, the payment of all money borrowed by agent Crown corporations and interest thereon is a charge on and payable out of the Consolidated Revenue Fund.

**Contingent liabilities of consolidated Crown corporations and other entities**

Contingent liabilities of consolidated Crown corporations are included in the Government of Canada's financial statements as follows, refer to section 2 for further details.

**Table 4.4****Contingent liabilities of consolidated Crown corporations and other entities**

(in thousands of dollars)

	2023
Pending and threatened litigation and other claims—Provision accrued.....	20,818
Pending and threatened litigation and other claims—Disclosure only .....	1,520

## Financial assistance under budgetary appropriations to consolidated Crown corporations

Table 4.5 presents charges to appropriations or authorities approved by Parliament. It should be read in conjunction with Table 4.2. Differences in figures reported in Table 4.2 and those reported in Table 4.5 result from the use of different accounting policies and from items in transit.

**Table 4.5**

### Financial assistance under budgetary appropriations to consolidated Crown corporations for the year ended March 31, 2023

(in thousands of dollars)

	Program expenditures vote	Operating expenditures vote	Capital expenditures vote	Financial assistance under budgetary appropriations <sup>1</sup>
<b>Agent Crown corporations</b>				
Atomic Energy of Canada Limited .....	1,083,200	–	–	1,083,200
Canadian Air Transport Security Authority .....	865,964	–	–	865,964
Canadian Broadcasting Corporation .....	–	1,174,971	112,326	1,287,297
Canadian Commercial Corporation .....	13,000	–	–	13,000
Canadian Dairy Commission .....	4,544	–	–	4,544
Canadian Museum for Human Rights .....	30,817	–	–	30,817
Canadian Museum of History .....	77,559	–	–	77,559
Canadian Museum of Immigration at Pier 21 .....	8,957	–	–	8,957
Canadian Museum of Nature .....	33,006	–	–	33,006
Canadian Race Relations Foundation .....	5,116	–	–	5,116
Canadian Tourism Commission .....	156,225	–	–	156,225
National Capital Commission .....	–	82,887	111,341	194,228
National Gallery of Canada .....	–	42,373	8,000	50,373
National Museum of Science and Technology .....	39,737	–	–	39,737
Telefilm Canada .....	171,050	–	–	171,050
The Federal Bridge Corporation Limited .....	4,423	–	–	4,423
The Jacques Cartier and Champlain Bridges Inc. ....	205,277	–	–	205,277
<b>Total—Agent Crown corporations .....</b>	<b>2,698,875</b>	<b>1,300,231</b>	<b>231,667</b>	<b>4,230,773</b>
<b>Non-agent Crown corporations</b>				
Canada Council for the Arts .....	423,423	–	–	423,423
Canada Infrastructure Bank .....	384,450	–	–	384,450
International Development Research Centre .....	159,037	–	–	159,037
Marine Atlantic Inc. ....	132,121	–	–	132,121
National Arts Centre Corporation .....	66,219	–	–	66,219
Standards Council of Canada .....	17,968	–	–	17,968
VIA Rail Canada Inc. ....	689,628	–	–	689,628
Windsor-Detroit Bridge Authority .....	793,291	–	–	793,291
<b>Total—Non-agent Crown corporations .....</b>	<b>2,666,137</b>	<b>–</b>	<b>–</b>	<b>2,666,137</b>
<b>Total .....</b>	<b>5,365,012</b>	<b>1,300,231</b>	<b>231,667</b>	<b>6,896,910</b>

<sup>1</sup> Excludes grants and contributions paid to consolidated Crown corporations where they qualify as members of a general class of recipients.

## Consolidated specified purpose accounts

Consolidated specified purpose accounts are particular categories of revenues and expenses whereby legislation requires that revenues received for purposes specified in the legislation be credited to these accounts and that related payments be charged to the accounts. They are principally used where the activities are similar in nature to departmental activities and the transactions do not represent future liabilities to third parties but in essence constitute government revenues and expenses.

Enabling legislation requires that the transactions in each of these accounts be accounted for separately. Table 4.6 presents a summary of the balances and transactions of these accounts, in the manner required by legislation.

The financial statements of the Employment Insurance Operating Account, together with the Independent auditor's Report, are presented at the end of this section.

**Table 4.6**  
**Consolidated specified purpose accounts**

(in dollars)

	April 1, 2022	Revenues and other credits		Expenses and other debits		March 31, 2023
		External transactions	Internal transactions	External transactions	Internal transactions	
<b>Insurance accounts</b>						
Agriculture and Agri-Food						
Department of Agriculture and Agri-Food						
Crop Reinsurance Fund .....	578,505,043	70,080	–	–	–	578,575,123
Less: Interest-bearing loans .....	277,514,751	–	–	–	–	277,514,751
	<u>300,990,292</u>	<u>70,080</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>301,060,372</u>
Agricultural Commodities Stabilization						
Accounts .....	646,510	–	–	–	–	646,510
	<u>301,636,802</u>	<u>70,080</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>301,706,882</u>
Employment, Workforce Development and Disability Inclusion						
Department of Employment and Social Development						
Employment Insurance Operating Account, Table 4.7 .....	(24,971,704,897)	26,964,508,525	25,082,305	21,666,693,745	2,528,177,478	(22,176,985,290)
Finance						
Department of Finance						
Investors' Indemnity Account .....	45,303	–	–	–	–	45,303
Health						
Department of Health						
Health Insurance Supplementary Account .....	28,386	–	–	–	–	28,386
Natural Resources						
Department of Natural Resources						
Nuclear Liability Account .....	4,879,402	161,908	–	–	–	5,041,310
Transport						
Department of Transport						
Fund for railway accidents involving designated goods .....						
	92,478,667	6,427,525	2,867,865	1,083,153	8,809	100,682,095
Ship-Source Oil Pollution Fund .....	411,674,041	(355,131)	12,052,974	2,061,548	602,653	420,707,683
	<u>504,152,708</u>	<u>6,072,394</u>	<u>14,920,839</u>	<u>3,144,701</u>	<u>611,462</u>	<u>521,389,778</u>
Total insurance accounts .....	<u>(24,160,962,296)</u>	<u>26,970,812,907</u>	<u>40,003,144</u>	<u>21,669,838,446</u>	<u>2,528,788,940</u>	<u>(21,348,773,631)</u>

**Table 4.6**  
**Consolidated specified purpose accounts—concluded**

(in dollars)

	Revenues and other credits		Expenses and other debits		March 31, 2023	
	April 1, 2022	External transactions	Internal transactions	External transactions		Internal transactions
<b>Other consolidated specified purpose accounts</b>						
Canadian Heritage						
The National Battlefields Commission						
Trust Fund.....	1,464,597	18,000	11,618	860	–	1,493,355
Crown-Indigenous Relations and Northern Affairs						
Department of Crown-Indigenous Relations and Northern Affairs						
Environmental Studies Research Fund .....	51,187	–	51,187	–	51,187	51,187
Environment and Climate Change						
Department of the Environment						
Court Award Deposits—Other than						
Environmental Damages Fund.....	543,289	105,037,215	40,300	–	–	105,620,804
Environmental Damages Fund .....	281,973,832	6,536,478	881,955	25,146,945	447,165	263,798,155
	282,517,121	111,573,693	922,255	25,146,945	447,165	369,418,959
Parks Canada Agency						
New Parks and Historic Sites Account .....	128,782,207	1,545	55,336,398	25,709,832	1,086,401	157,323,917
	411,299,328	111,575,238	56,258,653	50,856,777	1,533,566	526,742,876
Finance						
Department of Finance						
Canadian Commercial Bank and						
Northland Bank Holdback Account .....	246,223,464	–	–	–	–	246,223,464
Fisheries, Oceans and the Canadian Coast Guard						
Department of Fisheries and Oceans						
Supplementary Fines Account						
Species at Risk Act.....	35,000	–	–	–	–	35,000
Supplementary Fish Fines Account .....	2,347,764	18,450	–	11,960	–	2,354,254
	2,382,764	18,450	–	11,960	–	2,389,254
Natural Resources						
Department of Natural Resources						
Environmental Studies Research Fund .....	4,120,450	5,654,000	–	339,956	4,032,957	5,401,537
Public Services and Procurement						
Department of Public Works and Government Services						
Seized Property Proceeds Account .....	44,952,514	26,392,826	–	34,215,365	–	37,129,975
Transport						
Department of Transport						
Fines for the Transportation of						
Dangerous Goods .....	4,221,129	45,000	–	484,699	65,000	3,716,430
Total other consolidated specified purpose accounts .....	714,715,433	143,703,514	56,321,458	85,909,617	5,682,710	823,148,078
<b>Endowment principal</b>						
Environment and Climate Change						
Parks Canada Agency						
Mackenzie King Trust Account.....	225,000	–	–	–	–	225,000
Health						
Canadian Institutes of Health Research						
Endowments for Health Research .....	75,000	–	–	–	–	75,000
Innovation, Science and Industry						
National Research Council of Canada						
H.L. Holmes Fund.....	5,574,699	37,961	–	–	–	5,612,660
W.G. Schneider Fund .....	30,000	–	–	–	–	30,000
	5,604,699	37,961	–	–	–	5,642,660
Social Sciences and Humanities						
Research Council						
Queen's Fellowship Fund .....	250,000	–	–	–	–	250,000
	5,854,699	37,961	–	–	–	5,892,660
Total endowment principal .....	6,154,699	37,961	–	–	–	6,192,660
Total .....	(23,440,092,164)	27,114,554,382	96,324,602	21,755,748,063	2,534,471,650	(20,519,432,893)

## Insurance accounts

### Crop Reinsurance Fund

This Fund, continued in the accounts of Canada pursuant to subsection 13(1) of the *Farm Income Protection Act*, provides insurance to participating provinces for deficits they might incur in their agriculture insurance funds. The Crop Reinsurance Fund currently operates under the authority of the *Farm Income Protection Act*.

The revenues of the Fund come from a percentage of total premiums collected by provinces for the purpose of insurance of agricultural production. Both the amount of revenue collected and expenditures from the Crop Reinsurance Fund paid to provinces are subject to the terms of reinsurance agreements. When there are insufficient revenues in the Crop Reinsurance Fund to make payments, the Minister of Finance may authorize an advance of additional funds to cover these obligations. These advances are recovered from future revenues. Currently, the interest rate earned on surpluses in the Crop Reinsurance Fund and the interest rate charged to advances to the Fund have been set by the Department of Finance at zero percent.

### Agricultural Commodities Stabilization Accounts

The purpose of these accounts was to reduce income loss to producers from market risks through stabilizing prices. Premiums were shared equally by the Government of Canada, the governments of participating provinces and participating producers.

These accounts are continued in the accounts of Canada pursuant to subsection 16(2) of the *Farm Income Protection Act*. Current activities are limited to collection of accounts receivable. The *Agricultural Stabilization Act*, under which the commodity accounts formerly operated, has been repealed and replaced by the *Farm Income Protection Act* effective April 1, 1991.

### Employment Insurance Operating Account

The Canada Employment Insurance Commission (the Commission), a departmental corporation named in Schedule II to the *Financial Administration Act*, administers the *Employment Insurance Act* (the Act). The Commission is co-managed by Commissioners representative of the government, workers and employers. The objective of the Act is to provide employment insurance benefits, employment programs and services to eligible workers. The financial transactions relating to this objective are reported through the Employment Insurance Operating Account (the Account).

The Account was established in the accounts of Canada by the Act. All amounts received under the Act are deposited in the Consolidated Revenue Fund and credited to the Account. The benefits and the costs of administration of the Act are paid out of the Consolidated Revenue Fund and charged to the Account.

Employee premium rate for each \$100 of insurable earnings was \$1.58 from January 1, 2022, to December 31, 2022, for employees without a Provincial Parental Insurance Plan and \$1.20 for the others. From January 1, 2023, to March 31, 2023, the rate was \$1.63 for employees without a Provincial Parental Insurance Plan and \$1.27 for the others. Employer premium rate is calculated at the rate of 1.4 times the amount of the employee's premiums. The annual maximum insurable earnings for the 2023 calendar year is \$61,500 (\$60,300 in 2022).

**Table 4.7**  
**Transactions in the Employment Insurance Operating Account**

(in millions of dollars)

	2023	2022
<b>Revenues</b>		
Premiums		
Employers and employees <sup>1</sup> .....	27,422	24,305
Funding from the Government of Canada—Employment Insurance Emergency Response Benefit.....	(483)	(95)
Penalties and interest revenue.....	51	29
	<u>26,990</u>	<u>24,239</u>
<b>Expenses</b>		
Benefits .....	19,561	36,589
Transfers to the provinces—Part II.....	2,344	2,375
Employment Insurance Emergency Response Benefit.....	(70)	(41)
Administration costs.....	2,521	2,448
Administration cost transferred to provinces .....	189	192
Bad debts.....	(350)	(58)
	<u>24,195</u>	<u>41,505</u>
Net change.....	2,795	(17,266)
Balance at beginning of year.....	(24,972)	(7,706)
Balance at end of year.....	<u>(22,177)</u>	<u>(24,972)</u>

<sup>1</sup> The difference between premium revenue presented here and the amount presented in the Government of Canada consolidated financial statements is due to the elimination on consolidation of premiums incurred by the Government of Canada, for an amount of \$508 million (\$448 million in 2022).

### **Investors' Indemnity Account**

Section 57 of the *Financial Administration Act* provides for this account, and for the crediting thereto of the sum of \$25,000, such further amounts as are appropriated by Parliament for the purposes of this section, and any recoveries of the losses referred to in section 58 of the Act. This sum was increased to \$50,000 by Treasury Board Submission No. 817667 dated December 12, 1991.

Section 58 of the Act states that the Minister may, in accordance with and subject to regulations, pay out of the account, any losses sustained by subscribers for securities who have paid all or part of the purchase price for those securities but have not received the security or repayment of the amount so paid, and losses sustained by any person in the redemption of securities.

### **Health Insurance Supplementary Account**

This account was established pursuant to *Vote L16b, Appropriation Act No. 2, 1973*, to record payments in respect of persons who, through no fault of their own, have lost or been unable to obtain coverage for the insured health services under the *Canada Health Act*, and in accordance with the Federal/Provincial Agreement on Eligibility and Portability. Contributions are made by all provinces to the account in proportion to population and are matched by the federal government.

### **Nuclear Liability Account—Department of Natural Resources**

This account is established pursuant to sub-section 32(1) of the *Nuclear Liability and Compensation Act*, to record indemnity fees paid by operators and to provide for payment of any claims arising under the indemnity agreements entered into between the government and nuclear installation operators. This account is a continuation of the Nuclear Liability Reinsurance Account under the previous *Nuclear Liability Act*, now repealed.

### **Fund for railway accidents involving designated goods**

This account was established pursuant to the *Safe and Accountable Rail Act* to establish a compensation fund to cover the losses, damages, costs and expenses resulting from a railway accident involving crude oil or other designated goods that exceed the minimum liability insurance coverage. This account is financed by a levy on shipments of crude oil by rail.

### **Ship-Source Oil Pollution Fund**

This account was established pursuant to subsection 2001, c.6 of the *Marine Liability Act* (previously the *Canada Shipping Act*), to record levy tonnage payments for oil carried by ships in Canadian waters. Maritime pollution claims, the fee of the Fund Administrator, and related oil pollution control expenses, are to be financed out of the Fund.

## **Other consolidated specified purpose accounts**

### **Trust Fund—The National Battlefields Commission**

This account was established at the creation of The National Battlefields Commission for the purpose of acquiring various properties for the development of the park. The funds are received by way of private contributions, from municipal corporations, provincial governments and others, and deposited for the purposes of the Commission, as prescribed for in its incorporation Act.

### **Environmental Studies Research Fund—Department of Crown-Indigenous Relations and Northern Affairs**

This account was established pursuant to subsection 76(1) of the *Canada Petroleum Resources Act*. The purpose of the Fund is to finance environmental and social studies pertaining to the manner in which, and the terms and conditions under which, exploration, development and production activities on frontier lands, authorized under this Act or any other act of Parliament, should be conducted. Funding for the Environmental Studies Research Fund is collected annually through levies paid by lease-holding oil and gas companies active in Canada's frontier lands. In accordance with the legislation, levies are recommended by a Management Board to the Ministers of Natural Resources and Northern Affairs for approval. The levies are calculated by multiplying the levy rate of a region by the number of hectares of land under lease.

### **Deposits—Other than Environmental Damages Fund**

This account was established for the management of court orders/awards or other financial compensation to the Department of the Environment that are not under the legal authority of the Environmental Damages Fund.

### **Environmental Damages Fund**

This account was established for the management of court orders/awards or other financial compensation to the Department of the Environment for damages to the environment.

### **New Parks and Historic Sites Account**

This specified purpose account was established pursuant to the *Parks Canada Agency Act* in order to provide the Agency with the ability to set aside funds for new or expanded national historic sites, national parks, national marine conservation areas and other protected areas. Funds are deposited into this account in order to protect the funding required to honour the Agency's commitment, today and in the future, for the establishment, enlargement, or designation of national historic sites, national parks, national marine conservation areas or other protected heritage areas as well as to develop and maintain them.

### **Canadian Commercial Bank and Northland Bank Holdback Account**

This account was established to record the amount held from the recovery of monies received from the winding up of Canadian Commercial Bank and Northland Bank.

### **Supplementary Fines Account—*Species at Risk Act***

The account was established to record the deposit of funds received from persons declared guilty of offences under the *Species at Risk Act*, under paragraph 105(h) of the Act.

### **Supplementary Fish Fines Account**

The account was established to record the deposit of funds received from persons declared guilty of offences under the *Fisheries Act*, under paragraph 79(2)(f) of the Act.

### **Environmental Studies Research Fund—Department of Natural Resources**

This account was established pursuant to subsection 76(1) of the *Canada Petroleum Resources Act*. The purpose of the Fund is to finance environmental and social studies pertaining to the manner in which, and the terms and conditions under which, exploration, development and production activities on frontier lands, authorized under this Act or any other act of Parliament, should be conducted.

### **Seized Property Proceeds Account**

This account was established, pursuant to section 13 of the *Seized Property Management Act*, to record the net proceeds received from the disposition of seized and forfeited properties to His Majesty or fines imposed and also funds received from the government of foreign states pursuant to agreements for the purpose of the Act. The Act also provides that the following be charged to the Account: operating expenses incurred in carrying out the purpose of the Act, amounts paid as a result of claims and repayments of advances from the Minister of Finance, interest on drawdown from Seized Property Working Capital Account and distribution of the proceeds to the relevant jurisdictions and the Consolidated Revenue Fund.

### **Fines for the Transportation of Dangerous Goods**

This account was established, pursuant to the *Transportation of Dangerous Goods Act, 1992* and related regulations, to record fines levied by courts.

## **Endowment principal**

### **Mackenzie King Trust Account**

The late The Right Hon W L Mackenzie King bequeathed Laurier House, Ottawa, and the sum of \$225,000, to the Government of Canada. This amount was credited to the account and earns interest, in accordance with the terms of section 3 of the *Laurier House Act*. The interest is to be used to assist in the maintenance of the Laurier House, which is to be preserved as a place of historic interest, and also to provide accommodation for study and research.

### **Endowments for Health Research**

This account was established pursuant to section 29 of the *Canadian Institutes of Health Research Act* to record various endowments received from donors for the purpose of health research. The interest received is used for the payment of research grants.

### **H.L. Holmes Fund**

This account was established, pursuant to paragraph 5(1)(f) of the *National Research Council Act*, to record the residue of the estate of H.L. Holmes. Up to two thirds of the yearly net income from the fund shall be used to finance the H.L. Holmes Award on an annual basis. These awards will provide the opportunity to post-doctoral students to study at world famous graduate schools or research institutes under outstanding research persons.

**W.G. Schneider Fund**

This account was established pursuant to paragraph 5(1)(f) of the *National Research Council Act*, to record a testamentary bequest received from the estate of W.G. Schneider. The yearly net income from the fund shall be used to finance the Schneider Medal. This award recognizes employees who have made outstanding contributions to the National Research Council of Canada.

**Queen’s Fellowship Fund**

This fund is an endowment of \$250,000 that was established by Vote 45a, *Appropriation Act No. 5, 1973-74*. The interest earned is used for the payment of fellowships to graduate students in certain fields of Canadian studies.

## Supplementary statement

### Employment Insurance Operating Account

#### Management’s responsibility for financial statements

The financial statements of the Employment Insurance Operating Account (the Account) are prepared in accordance with Canadian public sector accounting standards by the management of Employment and Social Development Canada (ESDC). The Canada Employment Insurance Commission, through the officers and employees of ESDC, is responsible for the delivery of the Employment Insurance program and the day-to-day administration of the Account. The Chairperson, as the Accounting Officer, and the Chief Financial Officer of ESDC are responsible for the preparation of these financial statements and the integrity and objectivity of the information contained within, including the amounts which must, of necessity, be based on best estimates and judgement. The significant accounting policies are identified in Note 2 to the financial statements.

To fulfill their accounting and reporting responsibilities, the management of ESDC has developed and maintains books of account, financial and management controls, information systems and management practices. These systems are designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Employment Insurance Act* and regulations, the *Canada Emergency Response Benefit Act* as well as the *Financial Administration Act* and regulations.

The Auditor General of Canada, the external auditor of the Account, conducts an independent audit of the financial statements in accordance with Canadian generally accepted auditing standards and provides a report to the Minister of Employment, Workforce Development and Official Languages.

The financial statements of the Account are an integral part of the Public Accounts of Canada, which are tabled in the House of Commons and are referred to the Standing Committee on Public Accounts for examination purposes.

Jean-François Tremblay  
*Deputy Minister*  
*Employment and Social Development Canada*  
*and Chairperson of the Canada Employment Insurance Commission*

Karen Robertson, CPA  
*Chief Financial Officer*  
*Employment and Social Development Canada*

Gatineau, Canada  
August 28, 2023

## Employment Insurance Operating Account—*continued*

### Independent Auditor's Report

To the Minister of Employment, Workforce Development and Official Languages

#### *Opinion*

We have audited the financial statements of the Employment Insurance Operating Account (the Account), which comprise the statement of financial position as at 31 March 2023, and the statement of operations and accumulated deficit, statement of change in net debt and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Account as at 31 March 2023, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Account in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Account's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Account or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Account's financial reporting process.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Employment Insurance Operating Account—continued**

**Independent Auditor’s Report—concluded**

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Account’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Account’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Account to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Original signed by

Nathalie Chartrand, CPA, CA  
Principal  
for the Auditor General of Canada

Ottawa, Canada  
28 August 2023

**Employment Insurance Operating Account—continued****Statement of financial position  
as at March 31**

(in thousands of dollars)

	2023	2022
<b>Financial assets</b>		
Premiums receivable (Note 8) .....	2,952,231	1,975,369
Employment Insurance Emergency Response Benefit overpayments receivable (Note 4) .....	943,084	2,110,348
Benefit repayments receivable from higher income claimants .....	450,827	635,054
Benefit overpayments and penalties receivable (Note 3) .....	506,455	494,005
	<u>4,852,597</u>	<u>5,214,776</u>
<b>Liabilities</b>		
Balance of the account with Receiver General for Canada .....	26,215,440	29,238,644
Benefits payable .....	767,355	852,820
Other accounts payable (Note 5) .....	46,787	95,016
	<u>27,029,582</u>	<u>30,186,480</u>
<b>Net debt and accumulated deficit</b> .....	<b>(22,176,985)</b>	<b>(24,971,704)</b>

Contractual obligations (Note 11)

Contingent liabilities (Note 13)

The accompanying notes and schedules are an integral part of these financial statements.

Approved by:

Jean-François Tremblay  
*Deputy Minister*  
*Employment and Social Development Canada*  
*and Chairperson of the Canada Employment Insurance Commission*

Karen Robertson, CPA  
*Chief Financial Officer*  
*Employment and Social Development Canada*

**Employment Insurance Operating Account—continued****Statement of operations and accumulated deficit  
for the year ended March 31**

(in thousands of dollars)

	Budget 2023	Actual 2023	Actual 2022
	(Note 7)		
<b>Revenues</b>			
Premiums (Note 8) .....	24,662,700	27,422,130	24,304,685
Interest (Note 3) .....	23,000	29,485	19,056
Penalties (Note 3) .....	103,000	21,325	9,974
	24,788,700	27,472,940	24,333,715
<b>Expenses</b>			
Benefits and support measures (Schedule I)			
Unemployment and self-employment benefits .....	22,581,450	19,677,774	36,964,549
Transfers to provinces and territories related to Labour			
Market Development Agreements (LMDA) .....	2,375,000	2,344,229	2,375,000
Support measures .....	156,960	145,542	137,309
Employment Insurance Emergency Response Benefit .....	–	(69,530)	(40,542)
Benefit repayments from higher income claimants .....	(345,000)	(262,572)	(513,289)
	24,768,410	21,835,443	38,923,027
Administration costs (Note 10) .....	1,997,830	2,709,913	2,640,234
Bad debts .....	40,000	(350,485)	(58,387)
	26,806,240	24,194,871	41,504,874
Net surplus (deficit) for the year before funding from the Government of Canada .....	(2,017,540)	3,278,069	(17,171,159)
<b>Funding from the Government of Canada</b>			
Employment Insurance Emergency Response Benefit (Note 9) .....	–	(483,350)	(94,724)
Net surplus (deficit) for the year .....	(2,017,540)	2,794,719	(17,265,883)
<b>Accumulated deficit—beginning of year .....</b>	<b>(24,971,704)</b>	<b>(24,971,704)</b>	<b>(7,705,821)</b>
<b>Accumulated deficit—end of year .....</b>	<b>(26,989,244)</b>	<b>(22,176,985)</b>	<b>(24,971,704)</b>

The accompanying notes and schedules are an integral part of these financial statements.

**Statement of change in net debt  
for the year ended March 31**

(in thousands of dollars)

	Budget 2023	Actual 2023	Actual 2022
	(Note 7)		
Net surplus (deficit) for the year .....	(2,017,540)	2,794,719	(17,265,883)
Net debt—beginning of year .....	(24,971,704)	(24,971,704)	(7,705,821)
<b>Net debt—end of year .....</b>	<b>(26,989,244)</b>	<b>(22,176,985)</b>	<b>(24,971,704)</b>

The accompanying notes and schedules are an integral part of these financial statements.

**Employment Insurance Operating Account—continued****Statement of cash flow  
for the year ended March 31**

(in thousands of dollars)

	2023	2022
<b>Operating activities</b>		
<b>Cash receipts</b>		
Premiums.....	26,445,268	24,454,866
Recoveries of Employment Insurance Emergency Response Benefit overpayments .....	1,659,513	293,649
Benefit repayments received from higher income claimants .....	446,800	259,707
Recoveries of benefit overpayments, penalties and interest.....	265,979	189,599
	<u>28,817,560</u>	<u>25,197,821</u>
<b>Cash payments</b>		
Unemployment and self-employment benefits .....	(20,023,723)	(37,812,794)
Administration costs .....	(2,760,436)	(2,662,138)
Transfers to provinces and territories related to LMDA .....	(2,373,006)	(2,346,223)
Funding from the Government of Canada—Employment Insurance Emergency Response Benefit.....	(483,350)	(94,724)
Support measures.....	(145,730)	(137,765)
Employment Insurance Emergency Response Benefit .....	(8,111)	(4,314)
	<u>(25,794,356)</u>	<u>(43,057,958)</u>
<b>Net change in balance of the account with Receiver General for Canada.....</b>	<b>3,023,204</b>	<b>(17,860,137)</b>
<b>Balance of the account with Receiver General for Canada</b>		
Beginning of year.....	(29,238,644)	(11,378,507)
<b>End of year .....</b>	<b>(26,215,440)</b>	<b>(29,238,644)</b>

The accompanying notes and schedules are an integral part of these financial statements.

## Employment Insurance Operating Account—*continued*

### Notes to the financial statements for the year ended March 31, 2023

#### 1. Authority, objective and responsibilities

The Canada Employment Insurance Commission (the Commission), a departmental corporation named in Schedule II to the *Financial Administration Act*, administers the *Employment Insurance Act* (the Act). The Commission is co-managed by Commissioners representative of the Government of Canada, workers and employers. The objective of the Act is to provide employment insurance (EI) benefits, employment programs and services to eligible workers. The financial transactions relating to this objective are reported through the Employment Insurance Operating Account (the Account).

The Account was established in the accounts of Canada by the Act. All amounts received under the Act are deposited in the Consolidated Revenue Fund and credited to the Account. The benefits and the costs of administration of the Act are paid out of the Consolidated Revenue Fund and charged to the Account. In the financial statements of the Account, the Consolidated Revenue Fund is represented by the Balance of the account with the Receiver General for Canada.

The Commission, through the officers and employees of the Department of Employment and Social Development Canada (ESDC), is responsible for the delivery of the Employment Insurance program and the day-to-day administration of the Account. The Commission sets the EI premium rate, the annual maximum insurable earnings and the employer's premium reduction in respect of wage-loss plans, subject to the legislated parameters in the Act.

Starting with the 2017 EI premium rate, the Commission assumed responsibility for setting the EI premium rate for each year no higher than needed to cover the projected costs of the EI program over a seven-year period and eliminate any cumulative surplus/deficit in the Account. Annual changes to the premium rate are subject to a legislated limit of 5 cents. As a result of the economic impact of the COVID-19 pandemic, on September 14, 2020, the Government of Canada used its authority under the Act to temporarily limit the change in the premium rate to zero for 2021 and 2022 in order to freeze the EI premium rate at the 2020 level.

The Minister of National Revenue is responsible for collecting premiums from employers and employees and for administering and enforcing the provisions of the Act relating to benefit repayments receivable from higher income claimants.

The Act authorizes the Commission, with the approval of the Minister responsible for ESDC, to enter into Labour Market Development Agreements (LMDA) with each province and territory. Under these agreements, the Government of Canada provides contributions to provincial and territorial governments to be used to pay for all or a portion of the costs of their benefits and measures provided they are similar to the unemployment and self-employment benefits and support measures established under the Act. The contributions can also be used to pay for any administration costs incurred in providing these similar benefits and measures.

The Act also requires the Commission to make regulations to provide a system to reduce employers' and employees' premiums when payments under a provincial law would have the effect of reducing or eliminating the special benefits payable under the Act.

The *COVID-19 Emergency Response Act*, Part 2, enacted the *Canada Emergency Response Benefit Act* to authorize the income support payments to workers who suffer a loss of income for reasons related to COVID-19. Part 18 of the *COVID-19 Emergency Response Act* was used to create the EI emergency response benefit (EI-ERB). The EI-ERB was available from March 15, 2020 to October 3, 2020 with a deadline of December 2, 2020 to apply.

The Government of Canada introduced legislation under the Act to put in place a set of temporary measures in order to facilitate access to EI benefits for claimants seeking to establish a claim on or after September 27, 2020. These measures include: a one-time hours credit, a minimum benefit rate of \$500 per week, an extension of the qualifying period by 28 weeks for those who have claimed EI-ERB, a waiver of the waiting period until October 25, 2020 and a minimum unemployment rate of 13.1% set for all EI regions. On March 17, 2021, Bill C-24, which provides for additional weeks of regular benefits, received Royal Assent. This enactment amended the Act in order to increase the maximum number of weeks for which regular benefits may be paid to 50 weeks during the period beginning on September 27, 2020 and ending on September 25, 2021.

Bill C-30, an Act to implement certain provision of the Budget 2021 amended the Act to reduce the number of hours of insurable employment required to qualify for unemployment benefits to a national threshold of 420 hours beginning September 26, 2021 until September 24, 2022. The minimum weekly benefit rate for claims established between September 26, 2021 and November 20, 2021 was set at \$300. The maximum number of weeks for which sickness benefits may be paid was increased from 15 to 26 for claims established on or after December 18, 2022.

**Employment Insurance Operating Account—continued**

Notes to the financial statements for the year ended March 31, 2023—continued

**2. Significant accounting policies**

The Account is a component of the Government of Canada reporting entity. In this context, its operations are consolidated with those of the Government of Canada and are presented in the financial statements of the Government of Canada.

## a) Basis of accounting

These financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS).

## b) Premiums

Premiums are recognized as revenue in the period in which they are earned, when workers, through their employment, generate these premiums and the related employer's contribution. Premiums earned in the fiscal year are measured from amounts assessed by the Canada Revenue Agency (CRA) and from estimates of amounts not yet assessed. Premium revenue also includes adjustments between actual and estimated premiums of previous years.

## c) Funding from the Government of Canada—Employment Insurance Emergency Response Benefit

Pursuant to section 153.111 of the Act, the Account shall be credited an amount determined by the Minister of Finance that corresponds to the total cost of the EI-ERB, including all costs related to the benefit and its administration. Provision for this section came into force in September 2020. The funding from the Government of Canada is recognized in the period in which the transfer is authorized. Funding recognized is comprised of EI-ERB benefits established, incremental costs related to the administration of the EI-ERB, overpayments established and bad debts related expense.

## d) Benefits and support measures

*Unemployment and self-employment benefits*

Unemployment and self-employment benefits are recorded when the recipients become entitled to the benefits. An estimate of the benefits earned by the recipients related to the current fiscal year but not yet paid are recorded as benefits payable. This estimate is based on actual payments made subsequent to year-end.

Unemployment and self-employment benefits provide temporary income support to claimants while they look for work. These benefits include self-employed fishers and work-sharing agreements for temporary work shortages. They also include special benefits such as maternity, parental, sickness, family caregiver and compassionate care benefits. Unemployment and self-employment benefit expenses represent the amounts paid and payable to claimants for the period relating to the fiscal year, for the weeks the claimants were entitled to the payments.

The rates for unemployment benefits are set on a calendar year basis. Effective January 1, 2023, the maximum rate is \$650 per week, and \$638 per week for January to December 2022 (\$595 per week for 2021). Benefits are paid at the lesser of 55% of average insurable earnings and the maximum rate. For claimants who qualify as a low-income family with children, the rate may be increased up to the lesser of 80% of average insurable earnings and the maximum rate. The Government of Canada transitioned to a simplified EI program, effective September 27, 2020. As a result of these temporary measures, eligible claimants could be entitled for regular income support of at least \$500 per week for up to 50 weeks for the period of September 27, 2020 to September 25, 2021 and \$300 per week for claims established between September 26, 2021 and November 20, 2021.

The verification of unemployment and self-employment benefit claims is conducted both prior to and after claimants have begun to receive benefits, using a combination of up front and automated control measures and post payment verification activities. Overpayments on unemployment and self-employment benefit claims established during the fiscal year are recognized as benefit overpayments receivable.

In order to measure the accuracy of unemployment and self-employment benefit payments, ESDC has a program in place to verify annually a sample of benefit payouts. This verification results in an estimated annual payment accuracy rate, through statistical extrapolation of incorrect payouts identified through the sampling exercise. For benefits paid during the fiscal year, the estimated annual payment accuracy rate was 94.5% (94.0% in 2022).

The majority of estimated undetected incorrect payouts were related to overpayments but are not directly linked to the actual overpayments recorded and reported in Note 3. The annual verification is used by ESDC to assess the quality of decisions and the need, if any, to improve its systems and practices of processing claims.

## Employment Insurance Operating Account—continued

### Notes to the financial statements for the year ended March 31, 2023—continued

#### *Employment Insurance Emergency Response Benefit*

A flat rate income support payment of \$500 per week was provided to claimants who self identified as workers who suffered a loss of income for reasons related to COVID-19 for EI claims received within the period beginning on March 15, 2020 and ending on October 3, 2020. EI-ERB payments may be increased by an amount for family supplement for claimants who qualify as a low-income family with one or more children. Retroactive applications for the EI-ERB were to be made by claimants no later than December 2, 2020. Overpayments established during the fiscal year are recognized as EI-ERB benefit overpayments receivable.

#### *Transfer to provinces and territories related to Labour Market Development Agreements (LMDA)*

Transfer payments to the provinces and territories under the LMDA are made pursuant to the Act. Similar to the unemployment and self-employment benefits, these transfer payments are recorded as expenses in the year in which the provinces/territories met the eligibility criteria and the transfers are authorized. Overpayments to provinces and territories are recovered when established.

#### *Support measures*

Support measures provide financial assistance, through government transfers, to eligible persons to help them re-integrate into the labour market and to third parties to help them provide employment assistance services to unemployed workers and employed persons if they are facing a loss of their employment. These expenses include the direct costs of financial and employment assistance programs and related measures provided to eligible persons and third parties. Government transfers are recognized in the fiscal year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement and the transfer is authorized.

#### *Benefit repayments from higher income claimants*

Claimants with income levels higher than those stated in the Act have to repay a portion of the benefits they receive other than special benefits and benefits for self-employed persons. Benefit repayments received and the estimated benefit repayments receivable are assessed by the CRA based on tax returns assessed and an estimate of tax returns not yet assessed. These benefit repayments are disclosed in the Statement of Operations and Accumulated Deficit and Schedule I as benefit repayments from higher income claimants. EI-ERB is not subject to these repayments.

#### e) Administration costs

Administration costs are charged to the Account in accordance with various memoranda of understanding. The Account does not have employees and ESDC administers the Act. In addition to ESDC, other federal government departments also provide services to the Account. Under all the various memoranda of understanding, the Account is charged at cost and transactions are measured at the exchange value.

Also, the administration costs paid to provinces and territories to administer the LMDA are included in the administration costs for the year according to the provisions of those agreements and are also measured at the exchange value.

#### f) Balance of the account with Receiver General for Canada

The Account operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by and credited to the Account is deposited to the CRF, and all cash disbursements made by and charged to the Account are paid from the CRF. The balance of the account with Receiver General for Canada is the difference between all cash receipts and all cash disbursements, including transactions with departments of the Government of Canada and those related to the funding of the Employment Insurance Emergency Response Benefit.

#### g) Employment Insurance Emergency Response Benefit overpayments receivable

A person who has received or obtained an EI-ERB payment is liable to repay benefit for which the person is not eligible, or in excess of the amount for which the person is eligible. EI-ERB overpayments receivable are recorded when established and when management has an appropriate basis of measurement. EI-ERB claims are subject to integrity measures post payment. Any detected overpayments are recognized as integrity measures are completed. An allowance for doubtful accounts is recorded for receivables where recovery is considered uncertain. The allowance for doubtful accounts represents management's best estimate of uncollectable amount receivable. The allowance is determined based on an analysis of unemployment and self-employment benefits historic loss experience and an assessment of current economic conditions. Overpayments receivable balances are written off upon management's determination that such overpayments are uncollectable.

**Employment Insurance Operating Account—continued****Notes to the financial statements for the year ended March 31, 2023—continued**

## h) Related party transactions

*Inter-entity transactions*

Inter-entity transactions are transactions between commonly controlled entities. The Account is a component of the Government of Canada reporting entity and is therefore related to all federal departments, agencies and Crown corporations. Inter-entity transactions are recorded on a gross basis and are measured at the carrying amount, except for the following:

- i. Inter-entity transactions are measured at the exchange value when undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length, or where cost provided are recovered.
- ii. Goods or services received without charge between commonly controlled entities are not recorded.

*Other related party transactions*

Related parties include individuals who are members of key management personnel (KMP) or close family members of those individuals, and entities controlled by, or under shared control of, a member of KMP or a close family member of that individual. KMP are individuals having the authority and responsibility for planning, directing and controlling the activities of the Account. Related party transactions, other than inter-entity transactions, are recorded at the exchange value.

## i) Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires that management makes estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and revenues and expenses during the reporting period. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant estimates are related to premium revenues and receivable, administration costs, benefits payable, benefit repayments from higher income claimants, allowance for doubtful accounts, estimated annual payment accuracy rate related to unemployment and self-employment benefits, contingent liabilities and the amounts presented in Schedule II. Actual results could differ significantly from those estimates. Management's estimates are reviewed periodically and, as changes in estimates become necessary, they are recorded in the financial statements in the year they become known.

**3. Benefit overpayments and penalties receivable**

(in thousands of dollars)

	2023	2022
Benefit overpayments receivable .....	808,414	807,850
Penalties receivable.....	164,556	181,508
	972,970	989,358
Less: allowance for doubtful accounts .....	466,515	495,353
	506,455	494,005

An allowance for doubtful accounts is recorded for benefit overpayments and penalties receivable. The allowance is estimated by aging the balance of the accounts receivable outstanding and applying varying percentages based on past recovery experience to the aging categories with an adjustment for current economic conditions.

Penalties may be imposed on a claimant or an employer that provided false or misleading information. The Act sets the maximum amounts that may be imposed in these cases. Interest is charged on outstanding debts caused through misrepresentation. This includes overpayments and penalties. As per the Employment Insurance Regulations, the rate of interest charged to claimants, employers or third parties on outstanding debts is equal to 3% above the average bank rate.

**Employment Insurance Operating Account—continued****Notes to the financial statements for the year ended March 31, 2023—continued**

(in thousands of dollars)

	2023	2022
<b>Benefit overpayments receivable—beginning of year</b> .....	<b>807,850</b>	<b>754,373</b>
Benefit overpayments established.....	334,108	311,813
Adjustments to overpayments established .....	(42,022)	(69,768)
Interest accrued .....	20,606	13,083
Reimbursement .....	(242,074)	(180,236)
Uncollectible benefit overpayments receivable written off .....	(70,054)	(21,415)
<b>Benefit overpayments receivable—end of year</b> .....	<b>808,414</b>	<b>807,850</b>
<b>Penalties receivable—beginning of year</b> .....	<b>181,508</b>	<b>183,592</b>
Penalties imposed.....	22,515	11,376
Adjustments to penalties imposed .....	(1,190)	(1,402)
Interest accrued .....	8,879	5,973
Reimbursement .....	(23,905)	(9,363)
Uncollectible penalties written off.....	(23,251)	(8,668)
<b>Penalties receivable—end of year</b> .....	<b>164,556</b>	<b>181,508</b>

Adjustments are reducing the benefit overpayments established and penalties imposed as result of a reconsideration or reassessment of the original establishment of a receivable.

**4. Employment Insurance Emergency Response Benefit overpayments receivable**

(in thousands of dollars)

	2023	2022
<b>EI-ERB Overpayments receivable—beginning of year</b> .....	<b>2,797,747</b>	<b>3,048,164</b>
Benefit overpayments established.....	82,179	54,445
Adjustments to overpayments established .....	(4,867)	(11,138)
Reimbursement .....	(1,659,513)	(293,649)
Uncollectible benefit overpayments receivable written off .....	(39)	(75)
<b>EI-ERB Overpayments receivable—end of year</b> .....	<b>1,215,507</b>	<b>2,797,747</b>
Less: allowance for doubtful accounts .....	272,423	687,399
	943,084	2,110,348

No penalty or interest may be imposed on any amount owing as result of an EI-ERB overpayment.

Adjustments are reducing the benefit overpayments established as result of a reconsideration or reassessment of the original establishment of a receivable.

**5. Other accounts payable**

(in thousands of dollars)

	2023	2022
<b>Related parties</b>		
Administration costs payable to federal government departments .....	23,460	74,763
Amounts payable to ESDC related to LMDA.....	14,903	14,123
Tax deductions on benefits due to CRA .....	5,930	4,394
Other deductions .....	264	224
	44,557	93,504
<b>External parties</b>		
Tax deductions on benefits due to Quebec.....	1,692	1,011
Assignments of benefits due to social services organizations .....	538	501
	2,230	1,512
	46,787	95,016

**Employment Insurance Operating Account—continued**

Notes to the financial statements for the year ended March 31, 2023—continued

**6. Financial assets and liabilities**

The fair values of the premiums receivable, benefit repayments receivable from higher income claimants, benefits payable and other accounts payable are considered by management to be comparable to their carrying values because of their short term maturity. These financial assets and liabilities should either be received or paid in the next fiscal year.

Benefit overpayments and penalties receivable and the EI -ERB overpayments receivable are usually recovered or expected to be recovered over a period longer than one year. As interest is only applicable to unemployment and self-employment benefit overpayments caused through misrepresentation and on penalties, and as the allowance for doubtful accounts reduces the carrying value, the benefit overpayments and penalties receivable and the EI-ERB overpayments receivable are assumed to approximate their fair values.

All financial assets and liabilities arose in the normal course of business.

**7. Comparison of results against budget**

The budget amounts included in the Statement of Operations and Accumulated Deficit and Schedule I—Benefits and Support Measures are part of the amounts reported in Employment and Social Development Canada’s Consolidated Future-Oriented Statement of Operations, which is included in the 2022-2023 Departmental Plan.

**8. Premiums receivable and revenues**

Premiums for the fiscal year are collected and measured by the Canada Revenue Agency (CRA) based on amounts assessed and reassessed at the time of preparation of its financial statements and an estimate of premiums earned in the period but not yet assessed or reassessed. The Account holds a significant balance of premiums receivable which are due from CRA. CRA collects premiums from employers and employees on behalf of the Account. The premiums receivable are cashed on a monthly basis based on the forecasted premium revenue and are adjusted when actual amounts are known.

Premium revenue of \$27,422 million (\$24,305 million in 2022) includes an estimate of premiums earned in the fiscal year but not yet assessed or reassessed at the time of preparation of the financial statements. Fiscal year 2023 includes \$9,345 million in forecasted premium revenue for the 3-month period from January to March 2023 (\$8,667 million in 2022), or approximately 33.10% (33.41% in 2022) of the total forecast premium revenue of \$28,236 million for calendar year 2023 (\$25,942 million for 2022), net of reductions and refunds. This estimate is based on the forecasted total insurable earnings of \$802,781 million in calendar year 2023 (\$757,616 million in 2022). The total insurable earnings forecasts are mainly dependent upon the projected growth in both employment (0.58% in 2023 and 2.35% in 2022) and average wages (2.73% in 2023 and 2.53% in 2022).

A variation in these assumptions would have an impact on the total insurable earnings forecasted and consequently, forecasted premium revenue. The sensitivity analysis below was determined based on changes to the respective assumptions while holding all other assumptions constant:

Variable	Variation	Forecasted premium revenue
		January – March 2023
Employment growth .....	+/- 1%	+97 million of dollars / -97 million of dollars
Average wages growth.....	+/- 1%	+40 million of dollars/ -41 million of dollars

Actual premium revenue for calendar years 2022 and 2023 will only be known once the CRA has processed all employer declarations of premiums for these years. An adjustment for the difference between actual and estimated premiums will be recorded in the fiscal year in which the actual assessment or reassessment results are known. The difference between estimated and actual premium revenue for calendar year 2021, as known and recorded at the time of the preparation of these financial statements is a decrease in revenue of \$130.7 million (\$113.9 million increase for calendar year 2020 in the 2022 financial statements).

For the 2023 calendar year, premium rate for each \$100 of insurable earnings was set under the Act at 1.63 (1.58 in 2022 and 2021) for the employees who were residents of provinces without a provincial plan. For employees who were residents of provinces with a provincial plan, the premium rate was set at 1.27 for 2023 (1.20 in 2022 and 1.18 in 2021). The employers must pay 1.4 times the amount of the employee’s premiums. The annual maximum insurable earnings for 2023 is \$61,500 (\$60,300 in 2022 and \$56,300 in 2021).

Employment Insurance premiums include the employer’s share of premiums paid by the federal government of \$508.4 million. (\$448.5 million in 2022).

**Employment Insurance Operating Account—continued**

Notes to the financial statements for the year ended March 31, 2023—continued

**9. Funding from the Government of Canada—Employment Insurance Emergency Response Benefit**

The following table summarizes the total amount of Funding from the Government of Canada in relation to EI-ERB which was recognized on the Statement of Operations and Accumulated Deficit:

(in thousands of dollars)

	2023	2022	2021	Total
Benefit expenses				
Benefits established .....	7,782	2,765	29,586,454	29,597,001
Overpayments established and adjustments .....	(77,312)	(43,307)	(3,180,771)	(3,301,390)
	(69,530)	(40,542)	26,405,683	26,295,611
Bad debts expense				
Uncollectible benefit written-off .....	40	75	9,694	9,809
Allowance for doubtful account .....	(414,977)	(54,911)	742,294	272,406
	(414,937)	(54,836)	751,988	282,215
Administration costs .....	1,117	654	173,761	175,532
	(483,350)	(94,724)	27,331,432	26,753,358

**10. Administration costs**

(in thousands of dollars)

	2023	2022
<b>Related parties</b>		
Employment and Social Development Canada		
Personnel related costs .....	1,509,476	1,462,112
Non-personnel related costs .....	625,810	601,486
Canada Revenue Agency		
Collection of premiums and rulings .....	244,928	260,520
Treasury Board Secretariat		
Health Insurance Plan and Public Service Insurance .....	129,875	117,774
Administrative Tribunals Support Service of Canada		
Social Security Tribunal .....	16,422	13,632
Courts Administration Services		
Courts Administration Services .....	1,667	838
	2,528,178	2,456,362
Deduct: Recovery of costs from the Canadian Pension Plan for maintaining the social insurance number registry .....	7,237	7,884
	2,520,941	2,448,478
<b>External parties</b>		
Administration costs incurred by provinces and territories under the LMDA .....	188,972	191,756
	2,709,913	2,640,234

**Employment Insurance Operating Account—continued**

Notes to the financial statements for the year ended March 31, 2023—concluded

**11. Contractual obligations**

The nature of the Account activities can result in some large multi-year agreements whereby the Account will be obligated to make future payments. Significant contractual obligations that can be reasonably estimated are summarized as follows:

(in thousands of dollars)

	2024	2025	2026	2027	2028 and thereafter	Total
<b>Related parties</b>						
Administration costs.....	2,480,192	–	–	–	–	2,480,192
<b>External parties</b>						
Transfers to provinces and territories, including administration costs, related to LMDA.....	2,141,756	–	–	–	–	2,141,756
Other transfer payments .....	143,617	135,394	122,655	122,110	244,220	767,996
	4,765,565	135,394	122,655	122,110	244,220	5,389,944

Administration costs are charged to the Account in accordance with various memoranda of understanding (MOU) with related parties. The MOUs require written notification for cancellation and one of the more significant MOUs require one-year advanced notification. Therefore, the administration costs disclosed are an estimation of the costs that will be charged to the Account in the next fiscal year. Administration costs are expected to continue to be charged to the Account in the upcoming fiscal years, but cannot be reasonably estimated at this time.

LMDA with seven of the provinces and one territory require a two-year notice for cancellation of the agreements, other provinces and territories require a one-year notice. The obligations for 2025 cannot be reasonably estimated.

**12. Related party transactions**

The Account enters into transactions with federal government departments and entities in the normal course of business. Details of these transactions are provided in Note 5, Note 8, Note 9, Note 10 and Note 11.

There have not been any significant transactions with key management personnel and their close family members occurring at a value different from that at which the transaction would have taken place had the parties not been related.

The Account receives audit services without charge from the Office of the Auditor General of Canada. The value of these audit services is not material for the purpose of the Account's financial statements and have not been recorded.

**13. Contingent liabilities**

In the normal course of the operations, numerous appeals against or by the Commission are presently outstanding. The outcome of these appeals is not presently determinable. Any claims resulting from the resolution of these appeals will be accounted for as an expense in the period in which the outcome of the claim will be determinable. However, in the opinion of management, the result of these appeals should not have a significant impact on the operations of the Account as the total contingent liability amount, including claims related to the EI-ERB, is estimated at \$59.5 million as at March 31, 2023 (\$23.6 million as at March 31, 2022).

**14. Comparative information**

Certain comparative figures have been reclassified to conform to the current year's presentation.

Employment Insurance Operating Account—*continued*Schedule I—Benefits and support measures  
for the year ended March 31

(in thousands of dollars)

	Budget 2023	Actual 2023	Actual 2022
	(Note 7)		
<b>Employment Insurance benefits to individuals</b>			
<b>Unemployment benefits</b>			
<b>Income support</b>			
Regular .....	14,760,000	12,090,543	28,689,847
Work-sharing .....	304,550	31,097	89,346
<b>Special benefits</b>			
Parental .....	3,249,900	3,536,908	3,626,200
Sickness .....	2,383,800	2,047,100	2,468,952
Maternity .....	1,437,800	1,386,201	1,503,473
Family caregiver .....	105,800	114,440	125,930
Compassionate care .....	57,000	53,093	58,771
Adoption .....	18,000	18,384	19,151
	22,316,850	19,277,766	36,581,670
<b>Self-employment</b>			
Fishing .....	252,000	384,946	366,205
Self-employed persons .....	12,600	15,062	16,674
	264,600	400,008	382,879
<b>Total unemployment and self-employment benefits .....</b>	<b>22,581,450</b>	<b>19,677,774</b>	<b>36,964,549</b>
Less: benefit repayments from higher income claimants .....	345,000	262,572	513,289
<b>Total Employment Insurance benefits to individuals .....</b>	<b>22,236,450</b>	<b>19,415,202</b>	<b>36,451,260</b>
<b>Employment benefits and support measures</b>			
<b>Employment benefits</b>			
Transfer payments to provinces and territories related to LMDA .....	2,375,000	2,344,229	2,375,000
<b>Support measures</b>			
Labour market partnerships .....	155,727	143,882	135,399
Research and innovation .....	1,233	1,660	1,910
	156,960	145,542	137,309
<b>Total Employment benefits and support measures .....</b>	<b>2,531,960</b>	<b>2,489,771</b>	<b>2,512,309</b>
<b>Employment Insurance Emergency Response Benefit</b>			
Employment Insurance Emergency Response Benefit .....	–	(69,530)	(40,542)
<b>Total benefits and support measures .....</b>	<b>24,768,410</b>	<b>21,835,443</b>	<b>38,923,027</b>

**Employment Insurance Operating Account—concluded****Schedule II—Statement of operations and accumulated deficit  
for the period of January 1st to December 31st**

(in thousands of dollars)

	2022	2021
<b>Revenues</b>		
Premiums .....	26,798,159	23,744,225
Penalties .....	19,946	6,861
Interest .....	23,862	17,435
	<u>26,841,967</u>	<u>23,768,521</u>
<b>Expenses</b>		
Unemployment and self-employment Benefits .....	20,817,973	43,750,796
Transfers to provinces and territories related to LMDA.....	2,344,229	2,356,250
Support measures .....	143,794	133,285
Employment Insurance Emergency Response Benefit.....	7,470	(65,861)
Benefit repayments from higher income claimants .....	(405,883)	(428,479)
	<u>22,907,583</u>	<u>45,745,991</u>
Administration costs.....	2,691,878	2,568,491
Bad debts.....	(277,460)	9,878
	<u>25,322,001</u>	<u>48,324,360</u>
Net surplus (deficit) for the period before funding from the Government of Canada.....	<u>1,519,966</u>	<u>(24,555,839)</u>
<b>Funding from the Government of Canada</b>		
Employment Insurance Emergency Response Benefit.....	(316,441)	(54,968)
Net surplus (deficit) for the period .....	<u>1,203,525</u>	<u>(24,610,807)</u>
<b>Accumulated deficit—beginning of period .....</b>	<b>(25,864,738)</b>	<b>(1,253,931)</b>
<b>Accumulated deficit—end of period .....</b>	<b>(24,661,213)</b>	<b>(25,864,738)</b>

The estimates provided in this Schedule for calendar year 2022 which is prepared in accordance with Canadian public sector accounting standards are used by the Commission to establish the Employment Insurance premium rate for the following calendar year.

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# Section 5

*Public Accounts of Canada  
2022–2023*

## **Accounts payable and accrued liabilities as at March 31**

### **Table of contents**

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## Accounts payable and accrued liabilities

This section contains information on accounts reported on the Consolidated Statement of Financial Position under Accounts payable and accrued liabilities. The establishment and operation of these accounts are authorized by Parliament in annual appropriation acts and other legislation. In many cases, these accounts represent accounts payable, accruals and allowances set up at year-end under the authority granted to the President of the Treasury Board under the *Financial Administration Act*.

Most tables in this section present the continuity of accounts, by showing the opening and closing balances. A narrative description is provided for accounts reported in some tables. Such descriptions follow the same presentation order as their respective tables.

**Table 5.1**  
**Accounts payable and accrued liabilities**

(in dollars)

	2023	2022 <sup>1</sup>
		Restated
Other accounts payable and accrued liabilities, Table 5.2 .....	57,770,559,551	87,852,348,979
Deferred revenues, Table 5.5 .....	17,789,343,139	18,891,729,573
Amounts payable related to tax, Table 5.6 .....	84,747,230,428	78,462,688,864
Provision for contingent liabilities .....	75,999,345,666	53,435,767,876
Environmental liabilities, Table 5.7 .....	10,253,826,308	10,163,951,188
Asset retirement obligations, Table 5.9 .....	12,879,623,188	13,721,668,018
<b>Total .....</b>	<b>259,439,928,280</b>	<b>262,528,154,498</b>

<sup>1</sup> Certain comparative figures have been reclassified to conform to the current year's presentation.

## Other accounts payable and accrued liabilities

**Table 5.2**  
**Other accounts payable and accrued liabilities**

(in dollars)

	2023	2022 <sup>2</sup>
		Restated
Accounts payable.....	41,047,370,169	52,164,187,455
Add: consolidation adjustment <sup>1</sup> .....	1,955,076,377	1,832,163,332
	<b>43,002,446,546</b>	<b>53,996,350,787</b>
Accrued salaries and benefits .....	7,737,503,150	5,958,786,509
Matured debt.....	720,171,017	817,695,007
Notes payable to international organizations, Table 5.3 .....	90,567,804	83,773,804
Provincial, Territorial and Indigenous Tax Agreements Account, Table 5.4 .....	5,247,478,657	26,189,035,272
Miscellaneous payroll deductions .....	178,867,941	158,353,662
Other .....	793,524,436	648,353,938
<b>Total .....</b>	<b>57,770,559,551</b>	<b>87,852,348,979</b>

<sup>1</sup> Additional information on the consolidated Crown corporations and other entities is provided in Section 4 of this volume.

<sup>2</sup> Certain comparative figures have been reclassified to conform to the current year's presentation.

### Accounts payable

This account records amounts owing at year-end pursuant to contractual arrangements, or for work performed, goods received, or services rendered, accrued amounts to be paid from appropriations and statutory authorities, and accrued financial obligations of consolidated Crown corporations and other entities.

### Accrued salaries and benefits

This account records salaries and wages owing at year-end, amounts owing for earned and unpaid annual vacation leave and compensation time, and other accrued amounts relating to unpaid or retroactive salaries.

### Matured debt

This account records financial obligations represented by certificates of indebtedness issued by the government that have become due but that have not been presented for redemption. Unclaimed matured bonds are transferred to other revenues if they remain unredeemed 15 years after the date of call or maturity, whichever is earlier.

## Notes payable to international organizations

Share capital subscriptions, loans and advances are made to international organizations using cash, notes payable, or both, that are later presented for encashment according to terms of agreements. These demand notes are non-interest bearing and are non-negotiable. The subscriptions, loans and advances are recorded as assets and details are reported in Table 9.12 in Section 9 of this volume.

**Table 5.3**  
**Notes payable to international organizations**

(in dollars)

	April 1, 2022	Receipts and other credits		Payments and other charges		March 31, 2023
		Note issuances	Revaluation <sup>1</sup>	Note encashment	Revaluation <sup>1</sup>	
Department of Finance						
Asian Infrastructure Investment Bank .....	49,780,973	–	4,037,000	–	–	53,817,973
International Bank for Reconstruction and Development (World Bank) .....	29,982,187	–	2,432,000	–	–	32,414,187
Multilateral Investment Guarantee Agency .....	4,010,644	–	325,000	–	–	4,335,644
Total .....	83,773,804	–	6,794,000	–	–	90,567,804

<sup>1</sup> Notes denominated in foreign currencies are translated into Canadian dollars at the year-end closing rates of exchange.

## Provincial, Territorial and Indigenous Tax Agreements Account

This account records taxes administered by the Government of Canada on behalf of provinces, territories, and Indigenous governments, in accordance with agreements entered into by the Minister of Finance pursuant to the *Federal-Provincial Fiscal Arrangements Act* and, in the case of First Nations Goods and Services Tax, pursuant to the *First Nations Goods and Services Tax Act*.

The Government of Canada, as represented by the Minister of Finance, has entered into agreements with all provinces and territories (except Quebec) to collect and administer personal income tax, and with all provinces and territories (except Quebec and Alberta) to collect and administer corporate tax, and to pay amounts assessed in respect thereof in accordance with the agreements.

Agreements have also been entered into with certain Indigenous governments, to collect First Nations Personal Income Tax as well as First Nations Sales Tax levied on motive fuels, tobacco, and alcohol and First Nations Goods and Services Tax levied on the same range of goods and services as the federal goods and services tax, and to make payments to the respective governments in accordance with the agreements.

This account also records transactions relating to agreements that the Government of Canada has entered into with the provinces of New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario and Prince Edward Island regarding the Harmonized Sales Tax, and payments made to those provinces in accordance with the Comprehensive Integrated Tax Coordination Agreements between the Government of Canada and the provinces.

In addition, the account records transactions related to the Coordinated Cannabis Taxation Agreements reached with all provinces and territories (except Manitoba). Provinces and territories receive revenues from the cannabis excise duty imposed under the *Excise Act, 2001*. The Government of Canada pays provinces monthly based on the duties assessed, in accordance with the agreements.

The Public Accounts of Canada reports information on an April to March fiscal year basis, while tax information is generally calculated on a calendar year basis. Transactions related to several tax years can occur during a given fiscal year. For example, during a given fiscal year, payments are made, based on estimates, in respect of two calendar years (April to December and January to March). During this period, it is also necessary to make payments or adjustments related to tax revenues, rebates and credits for previous calendar years.

**Table 5.4**  
**Provincial, Territorial and Indigenous Tax Agreements Account**

(in dollars)

	April 1, 2022	Receipts and other credits	Payments and other charges	March 31, 2023
Total personal income tax administered by the Government of Canada .....	12,628,770,641	96,858,513,614		109,487,284,255
Less: payments to provinces, territories and Indigenous governments				
Newfoundland and Labrador .....			1,991,882,878	1,991,882,878
Prince Edward Island .....			582,968,738	582,968,738
Nova Scotia .....			3,748,624,030	3,748,624,030
New Brunswick .....			2,405,203,391	2,405,203,391
Ontario .....			58,843,122,960	58,843,122,960
Manitoba .....			4,344,961,555	4,344,961,555
Saskatchewan .....			3,147,659,778	3,147,659,778
Alberta .....			13,574,626,551	13,574,626,551
British Columbia .....			17,043,883,680	17,043,883,680
Yukon .....			105,630,917	105,630,917
Northwest Territories .....			101,254,833	101,254,833
Nunavut .....			27,662,080	27,662,080
Indigenous governments .....			35,964,684	35,964,684
			<i>105,953,446,075</i>	<i>105,953,446,075</i>
<b>Total personal income tax on hand .....</b>	<b>12,628,770,641</b>	<b>96,858,513,614</b>	<b>105,953,446,075</b>	<b>3,533,838,180</b>
Total corporate income tax administered by the Government of Canada .....	14,507,855,854	36,278,975,149		50,786,831,003
Less: payments to provinces and territories				
Newfoundland and Labrador .....			1,324,507,467	1,324,507,467
Prince Edward Island .....			176,950,159	176,950,159
Nova Scotia .....			1,137,125,099	1,137,125,099
New Brunswick .....			954,899,643	954,899,643
Ontario .....			33,319,644,934	33,319,644,934
Quebec .....			75,651,460	75,651,460
Manitoba .....			1,290,429,447	1,290,429,447
Saskatchewan .....			1,988,999,194	1,988,999,194
Alberta .....			90,408,282	90,408,282
British Columbia .....			9,381,610,442	9,381,610,442
Yukon .....			20,890,305	20,890,305
Northwest Territories .....			6,464,961	6,464,961
Nunavut .....			22,835,079	22,835,079
			<i>49,790,416,472</i>	<i>49,790,416,472</i>
<b>Total corporate income tax on hand .....</b>	<b>14,507,855,854</b>	<b>36,278,975,149</b>	<b>49,790,416,472</b>	<b>996,414,531</b>
Total harmonized sales tax administered by the Government of Canada .....	(1,216,770,741)	40,837,646,544		39,620,875,803
Less: payments to provinces and territories				
Newfoundland and Labrador .....			1,461,570,112	1,461,570,112
Prince Edward Island .....			437,805,622	437,805,622
Nova Scotia .....			2,657,222,906	2,657,222,906
New Brunswick .....			2,075,098,315	2,075,098,315
Ontario .....			32,609,647,901	32,609,647,901
			<i>39,241,344,856</i>	<i>39,241,344,856</i>
<b>Total harmonized sales tax on hand .....</b>	<b>(1,216,770,741)</b>	<b>40,837,646,544</b>	<b>39,241,344,856</b>	<b>379,530,947</b>

**Table 5.4**  
**Provincial, Territorial and Indigenous Tax Agreements Account—concluded**

(in dollars)

	April 1, 2022	Receipts and other credits	Payments and other charges	March 31, 2023
Total cannabis tax administered by the Government of Canada .....	269,179,518	736,102,823		1,005,282,341
Less: payments to provinces and territories				
Newfoundland and Labrador .....			9,192,264	9,192,264
Prince Edward Island .....			3,163,122	3,163,122
Nova Scotia .....			14,840,138	14,840,138
New Brunswick .....			12,305,040	12,305,040
Ontario .....			270,678,087	270,678,087
Quebec .....			77,803,161	77,803,161
Saskatchewan .....			23,960,543	23,960,543
Alberta .....			176,730,827	176,730,827
British Columbia .....			76,823,846	76,823,846
Yukon .....			952,639	952,639
Northwest Territories .....			862,034	862,034
Nunavut .....			275,641	275,641
			<i>667,587,342</i>	<i>667,587,342</i>
<b>Total cannabis tax on hand .....</b>	<b>269,179,518</b>	<b>736,102,823</b>	<b>667,587,342</b>	<b>337,694,999</b>
Total First Nations sales tax administered by the Government of Canada .....	–	6,421,946	–	6,421,946
Less: payments to Indigenous governments .....	–	–	6,421,946	6,421,946
<b>Total First Nations sales tax on hand .....</b>	<b>–</b>	<b>6,421,946</b>	<b>6,421,946</b>	<b>–</b>
Total First Nations goods and services sales tax administered by the Government of Canada .....	–	26,577,724	–	26,577,724
Less: payments to Indigenous governments .....	–	–	26,577,724	26,577,724
<b>Total First Nations goods and services sales tax on hand .....</b>	<b>–</b>	<b>26,577,724</b>	<b>26,577,724</b>	<b>–</b>
<b>Total .....</b>	<b>26,189,035,272</b>	<b>174,744,237,800</b>	<b>195,685,794,415</b>	<b>5,247,478,657</b>

### Miscellaneous payroll deductions

Deductions from the salaries and wages of certain employees are credited to this account pending transmittal to related outside organizations.

### Other

Miscellaneous accounts payable and accrued liabilities such as provincial sales tax collected on sales are recorded in this account.

## Deferred revenues

This account records revenues received before the end of the current fiscal year for which the goods or services are to be delivered or rendered in a subsequent fiscal year. It includes licence fees received for which access to the radio spectrum is being provided in subsequent years. The major deferred revenues of \$50 million or more are reported individually. It also presents separately revenues received which have been recorded in a specified purpose account.

**Table 5.5**  
**Deferred revenues**

(in dollars)

	April 1, 2022	Receipts and other credits	Payments and other charges	March 31, 2023
<b>Deferred revenues</b>				
Immigration, Refugees and Citizenship				
Department of Citizenship and Immigration				
Service fees for immigration and citizenship.....	1,052,582,307	1,346,838,253	1,586,865,388	812,555,172
Innovation, Science and Industry				
Department of Industry				
Canadian Intellectual Property Office Revolving Fund .....	137,204,927	84,153,837	57,292,754	164,066,010
Spectrum licence fees.....	17,119,766,354	313,401,621	1,278,231,378	16,154,936,597
	<i>17,256,971,281</i>	<i>397,555,458</i>	<i>1,335,524,132</i>	<i>16,319,002,607</i>
Other deferred revenues .....	501,054,744	1,071,795,813	999,314,120	573,536,437
<b>Total .....</b>	<b>18,810,608,332</b>	<b>2,816,189,524</b>	<b>3,921,703,640</b>	<b>17,705,094,216</b>
<b>Other deferred revenues—Specified purpose accounts</b>				
<b>Donation and bequest accounts</b>				
Agriculture and Agri-Food				
Department of Agriculture and Agri-Food				
Shared-cost agreements—Research .....	22,329,188	12,385,988	12,168,973	22,546,204
Canadian Heritage				
Library and Archives of Canada				
Special Operating Account .....	1,723,408	746,833	894,781	1,575,460
National Film Board				
Gift to the Crown .....	15,200	–	–	15,200
	<i>1,738,608</i>	<i>746,833</i>	<i>894,781</i>	<i>1,590,660</i>
Employment, Workforce and Disability Inclusion				
Canadian Centre for Occupational Health and Safety				
Donations .....	118,986	5,000	10,000	113,986
Environment and Climate Change				
Department of the Environment				
Endangered species—Donations.....	13,453	1,387	1,395	13,445
Miscellaneous projects deposits.....	45,270,283	6,255,373	5,426,044	46,099,612
	<i>45,283,736</i>	<i>6,256,760</i>	<i>5,427,439</i>	<i>46,113,057</i>
Fisheries, Oceans and the Canadian Coast Guard				
Department of Fisheries and Oceans				
Restricted donations.....	1,247	–	–	1,247
Health				
Canadian Institutes of Health Research				
Donations for research.....	1,750,398	665,293	648,605	1,767,086
Innovation, Science and Industry				
Department of Industry				
Deposits from non-government organizations.....	3,919,799	4,186,540	1,141,532	6,964,807
Prime Minister's Awards .....	680	–	680	–
	<i>3,920,479</i>	<i>4,186,540</i>	<i>1,142,212</i>	<i>6,964,807</i>
Canadian Space Agency				
RADARSAT-2 .....	2,198	–	–	2,198
RADARSAT-2—Data satellite .....	42,223	1,207,232	1,161,699	87,756
	<i>44,421</i>	<i>1,207,232</i>	<i>1,161,699</i>	<i>89,954</i>
Social Sciences and Humanities Research Council				
Trust Fund—Social Sciences and Humanities Research Council .....	182,423	4,831	10,000	177,254
	<i>4,147,323</i>	<i>5,398,603</i>	<i>2,313,912</i>	<i>7,232,014</i>
National Defence				
Department of National Defence				
Corporate sponsorships and donations .....	25,344	188,900	180,138	34,106

**Table 5.5**  
**Deferred revenues—concluded**

(in dollars)

	April 1, 2022	Receipts and other credits	Payments and other charges	March 31, 2023
Office of the Governor General's Secretary				
Cost-sharing agreements and other collaborative agreements .....	145,182	–	143,672	1,510
Donations—Rideau Hall .....	19,821	–	–	19,821
	<i>165,003</i>	–	<i>143,672</i>	<i>21,331</i>
Public Safety				
Royal Canadian Mounted Police				
Mounted Police Foundation .....	606,595	–	10,110	596,485
Royal Canadian Mounted Police Pipe Band (NCR) .....	7,163	–	5,572	1,591
Sponsorship Agreement—Contributions.....	168,453	1	–	168,454
	<i>782,211</i>	<i>1</i>	<i>15,682</i>	<i>766,530</i>
Transport				
Department of Transport				
Shared-cost agreements—Transportation research and development .....	693,381	383,000	901,912	174,469
Veterans Affairs				
Department of Veterans Affairs				
Restricted donations				
Visitor Education Centre, Vimy Memorial .....	4,002,232	1	198,498	3,803,735
Wounded Warrior Fund .....	700	–	1	699
	<i>4,002,932</i>	<i>1</i>	<i>198,499</i>	<i>3,804,434</i>
Total—Donation and bequest accounts .....	81,038,357	26,030,380	22,903,613	84,165,124
<b>Endowment interest accounts</b>				
Environment and Climate Change				
Parks Canada Agency				
Laurier House—Interest (Mackenzie King Trust Account).....	–	6,885	6,885	–
Health				
Canadian Institutes of Health Research				
Endowments for health research .....	5,496	2,167	–	7,663
Innovation, Science and Industry				
National Research Council of Canada				
H.L. Holmes Fund .....	–	75,000	75,000	–
Social Sciences and Humanities Research Council				
Queen's Fellowship Fund .....	77,388	8,748	10,000	76,136
	<i>77,388</i>	<i>83,748</i>	<i>85,000</i>	<i>76,136</i>
Total—Endowment interest accounts.....	82,884	92,800	91,885	83,799
Total—Other deferred revenues—Specified purpose accounts .....	81,121,241	26,123,180	22,995,498	84,248,923
Total—Deferred revenues .....	18,891,729,573	2,842,312,704	3,944,699,138	17,789,343,139

### Service fees for immigration and citizenship

This account was established to record immigration and citizenship service fees, and rights and privileges derived from the *Immigration and Refugee Protection Act* and regulations and the *Citizenship Act* and regulations for services that have yet to be rendered by Immigration, Refugees and Citizenship Canada.

### Canadian Intellectual Property Office Revolving Fund

This account was established to record funds reserved from sources such as patents, trademarks examination and registration fees which are recognized as revenue in subsequent years.

### Spectrum licence fees

This account was established to record: (a) funds received from spectrum auctions, which are recognized as revenues over the period of the licences; and (b) funds received from spectrum licence fees that are received in the latter part of the fiscal year, but which are applicable to the following fiscal year.

### **Shared-cost agreements-Research**

This account was established to record amounts deposited by external parties for shared-cost projects, and any related future provincial program payments to be made on a province's behalf by the Department of Agriculture and Agri-Food as part of a related project. Funds are disbursed on behalf of depositors as specific projects are undertaken.

### **Special Operating Account**

This account was established, pursuant to section 18 of the *Library and Archives of Canada Act*, to record funds received by way of gifts for the purposes of Library and Archives of Canada. Amounts required for the purposes of the Act may be paid out of this account, or out of funds appropriated by Parliament for such purposes.

### **Gift to the Crown**

This account was established to record donations for the production of cinematographic works.

### **Endangered species—Donations**

This account was established to record donations, gifts or bequests received from individuals and organizations to finance various studies related to endangered species.

### **Miscellaneous projects deposits**

This account was established to record contributions received from organizations and individuals, for the advancement of research work and clean-up efforts.

### **Restricted donations—Department of Fisheries and Oceans**

This account was established to record directed donations to be used for research, development, management and promotion of fisheries and oceans related issues.

### **Donations for research**

This account was established, pursuant to section 29 of the *Canadian Institutes of Health Research Act*, to record donations and contributions received from organizations and individuals for health research.

### **Deposits from non-government organizations**

This account was established to record amounts deposited by customers to be used for payments of services provided by the department.

### **Prime Minister's Awards**

This account was established to record amounts deposited by external parties to be used in support of the Prime Minister's Awards for teaching excellence.

### **RADARSAT-2**

This account was established to record funds received for the configuration and layout of relocated MacDonald, Dettwiler and Associates personnel.

### **RADARSAT-2—Data satellite**

This account was established to record funds received from MacDonald, Dettwiler and Associates for the reception, archiving, cataloguing and satellite acquisition services.

### **Trust Fund—Social Sciences and Humanities Research Council**

This account was established to record funds available for social sciences and humanities research activities. The account is also used to record receipts of private donations for the purpose of special projects.

### **Corporate sponsorships and donations**

This account was established by the Department of National Defence to administer funds received from various private companies, not for profit corporations, associations, other levels of government, or individuals for the purpose of holding events, conducting operations and constructing capital assets consistent with the department's mandate but not funded from its appropriations.

### **Cost sharing collaborate agreements and other collaborate agreements**

This account was established to record amounts deposited by external parties for shared-cost projects.

### **Donations—Rideau Hall**

This account was established to record gifts, donations or bequests to Rideau Hall from private organizations and individuals to fund specific initiatives.

### **Mounted Police Foundation**

The account is used to record funds received from the Mounted Police Foundation for the sale of surplus Royal Canadian Mounted Police horses. Proceeds from the sale are used to cover expenses related to the enhancement of the Royal Canadian Mounted Police Musical Ride's Breeding Program.

### **Royal Canadian Mounted Police Pipe Band (National Capital Region)**

This account was established to administer sponsorship funds to support the Royal Canadian Mounted Police Pipe Band.

### **Sponsorship agreement—Contributions**

This account was established to record funds contributed to the Royal Canadian Mounted Police pursuant to sponsorship agreements for use in community policing programs.

### **Shared-cost agreements—Transportation research and development**

This account was established to record, on a temporary basis; (a) funds received from cost-sharing agreements intended to strengthen and improve the safety, security and efficiency of the Canadian transportation system; and (b) funds received from private sector and provincial governments to directly support the departmental strategic objectives.

### **Restricted donations—Visitor Education Centre, Vimy Memorial**

This account was established to record directed donations for the purpose of providing assistance to the construction of a visitor education centre at the Canadian National Vimy Memorial.

### **Restricted donations—Wounded Warrior Fund**

This account was established to record directed donations for the purpose of providing assistance to support the pilot project designed to assist disenfranchised Veterans in crisis.

### **Donations—Canadian Centre for Occupational Health and Safety**

This account was established, pursuant to subsection 6(3) of the *Canadian Centre for Occupational Health and Safety Act*, to record funds, securities or other property received by way of gift, bequest or otherwise, and to disburse such donations at the discretion of the Centre.

### **Laurier House—Interest (Mackenzie King Trust Account)**

The late The Right Hon W.L. Mackenzie King bequeathed Laurier House, Ottawa, and the sum of \$225,000, to the Government of Canada. This amount was credited to the account and earns interest, in accordance with the terms of section 3 of the *Laurier House Act*. The interest is to be used to assist in the maintenance of the Laurier House, which is to be preserved as a place of historic interest, and also to provide accommodation for study and research.

### **Endowments for health research**

This account was established, pursuant to section 29 of the *Canadian Institutes of Health Research Act*, to record various endowments received from donors for the purpose of health research. The interest received is used for the payment of research grants.

### **H.L. Holmes Fund**

This account was established, pursuant to paragraph 5(1)(f) of the *National Research Council Act*, to record the residue of the estate of H.L. Holmes. Up to two thirds of the yearly net income from the fund shall be used to finance the H.L. Holmes Award on an annual basis. These awards will provide the opportunity to post-doctoral students to study at world famous graduate schools or research institutes under outstanding research persons.

### **Queen's Fellowship Fund**

This fund is an endowment of \$250,000 that was established by Vote 45a, *Appropriation Act No. 5, 1973-74*. The interest earned is used for the payment of fellowships to graduate students in certain fields of Canadian studies.

## Amounts payable related to tax

Amounts payable related to tax are based on assessments as well as estimates of refunds owing for assessments not completed by year-end.

**Table 5.6**

### Amounts payable related to tax

(in dollars)

	2023	2022
Personal and non-resident income tax .....	48,596,841,739	44,231,287,827
Corporate income tax .....	14,653,347,429	17,757,917,104
Goods and services tax .....	21,400,935,978	16,405,832,932
Customs import duties and excise taxes and duties .....	96,105,282	67,651,001
Total .....	84,747,230,428	78,462,688,864

#### Personal and non-resident income tax

This account records tax refunds payable to individual taxpayers as well as amounts payable to employers and other withholders of personal income tax. This account also includes any interest owing on the balances.

#### Corporate income tax

This account records tax refunds payable and any interest owing to corporate taxpayers.

#### Goods and services tax

This account records refunds, rebates and any interest owing related to the goods and services tax.

#### Customs and excise

This account records refunds of customs import duties, excise taxes and duties, energy taxes and any interest owing on the balances.

## Environmental liabilities and asset retirement obligation

Environmental liabilities are based on the government's best estimate of the amount required to remediate the site to current minimum environmental standards. Asset retirement obligations are the government's estimated costs related to obligations associated with the retirement of tangible capital assets. These costs are normally capitalized and amortized over the asset's estimated useful life. The liability reflects the present value of estimated future cash flows required to retire the asset.

**Table 5.7**  
**Environmental liabilities**

(in dollars)

	2023	2022 <sup>1</sup>
<b>Remediation liabilities for contaminated sites</b>		
Agriculture and Agri-Food		
Department of Agriculture and Agri-Food .....	16,648,377	9,421,429
Canadian Heritage		
Canadian Broadcasting Corporation.....	119,000	119,000
Crown-Indigenous Relations and Northern Affairs		
Department of Crown-Indigenous Relations and Northern Affairs.....	6,328,147,878	6,333,064,884
Environment and Climate Change		
Department of the Environment.....	185,587,573	178,440,532
Parks Canada Agency .....	156,637,953	98,427,647
	342,225,526	276,868,179
Fisheries, Oceans and the Canadian Coast Guard		
Department of Fisheries and Oceans.....	285,371,236	265,504,686
Global Affairs		
Department of Foreign Affairs, Trade and Development .....	17,250	16,909
Indigenous Services		
Department of Indigenous Services .....	488,207,913	447,719,258
Innovation, Science and Industry		
Department of Industry.....	1,507,989	1,726,448
National Research Council of Canada.....	3,434,851	3,983,800
	4,942,840	5,710,248
Intergovernmental Affairs, Infrastructure and Communities		
The Jacques Cartier and Champlain Bridges Inc. ....	143,645,000	25,211,000
Windsor-Detroit Bridge Authority .....	8,381,000	8,856,000
	152,026,000	34,067,000
National Defence		
Department of National Defence.....	614,814,783	589,636,694
Natural Resources		
Department of Natural Resources .....	592,943	3,364,705
Atomic Energy of Canada Limited .....	1,333,856,000	1,531,318,000
	1,334,448,943	1,534,682,705
Public Safety		
Canada Border Services Agency.....	699,575	375,824
Correctional Service of Canada.....	2,007,807	2,352,830
Royal Canadian Mounted Police.....	5,946,075	9,483,390
	8,653,457	12,212,044
Public Services and Procurement		
Department of Public Works and Government Services.....	193,150,064	203,678,890
National Capital Commission .....	73,693,000	74,003,000
	266,843,064	277,681,890
Transport		
Department of Transport.....	269,815,201	231,894,570
VIA Rail Canada Inc.....	5,920,000	5,390,000
	275,735,201	237,284,570
Total remediation liability for contaminated sites.....	10,118,201,468	10,023,989,496
<b>Other environmental liabilities</b>		
National Defence		
Department of National Defence (unexploded explosive ordnance affected sites) .....	135,624,840	139,961,692
Total environmental liabilities.....	10,253,826,308	10,163,951,188

<sup>1</sup> Certain comparative figures have been reclassified to conform to the current year's presentation.

**Changes in liability for remediation of contaminated sites****Table 5.8**  
**Changes in liability for remediation of contaminated sites**

(in dollars)

	2023	2022 <sup>1</sup>
Opening balance .....	10,023,989,496	7,050,777,950
Less: Expenditures reducing opening liabilities .....	689,216,567	594,334,210
Add:		
Changes in estimated remediation costs .....	738,890,631	3,495,678,926
New liability for sites not previously recorded .....	44,537,908	71,866,830
Closing balance .....	10,118,201,468	10,023,989,496

<sup>1</sup> Certain comparative figures have been reclassified to conform to the current year's presentation.

In addition to expenditures reducing liabilities previously recorded, the government spent another \$30,289,938 (\$25,541,125 in 2022) in remediation costs on its contaminated sites when these costs became known in the year.

**Asset retirement obligations****Table 5.9**  
**Asset retirement obligations**

(in dollars)

	2023	2022
		Restated
Agriculture and Agri-Food		
Department of Agriculture and Agri-Food .....	33,778,209	32,982,223
Canadian Heritage		
Canadian Broadcasting Corporation .....	4,907,000	–
Canadian Museum of History .....	5,164,000	5,164,000
Canadian Museum of Nature .....	845,000	1,013,000
National Gallery of Canada .....	581,000	–
	<i>11,497,000</i>	<i>6,177,000</i>
Environment and Climate Change		
Department of the Environment .....	11,879,413	11,944,861
Parks Canada Agency .....	182,727,085	179,025,118
	<i>194,606,498</i>	<i>190,969,979</i>
Fisheries, Oceans and the Canadian Coast Guard		
Department of Fisheries and Oceans .....	575,433,241	587,585,543
Health		
Department of Health .....	1,560,770	1,678,152
Canadian Food Inspection Agency .....	7,280,522	6,930,869
Public Health Agency of Canada .....	289,781	295,893
	<i>9,131,073</i>	<i>8,904,914</i>
Indigenous Services		
Department of Indigenous Services .....	679,236	677,543
Innovation, Science and Industry		
Department of Industry .....	785,372	682,472
Canadian Space Agency .....	574,218	560,591
National Research Council of Canada .....	15,770,634	11,255,555
	<i>17,130,224</i>	<i>12,498,618</i>
Intergovernmental Affairs, Infrastructure and Communities		
Jacques Cartier and Champlain Bridges Incorporated .....	6,795,000	6,833,000
Justice		
Courts Administration Service .....	20,000	20,000
National Defence		
Department of National Defence .....	2,610,861,088	2,842,931,199
Natural Resources		
Department of Natural Resources .....	25,702,368	24,938,790
Canada Nuclear Safety Commission .....	537,104	334,769
Atomic Energy of Canada Limited .....	8,723,480,000	9,304,857,000
	<i>8,749,719,472</i>	<i>9,330,130,559</i>

**Table 5.9**  
**Deferred revenues—concluded**

(in dollars)

	2023	2022
		Restated
Public Safety		
Correctional Service of Canada .....	124,725,637	121,747,629
Royal Canadian Mounted Police .....	18,933,724	18,762,197
	<i>143,659,361</i>	<i>140,509,826</i>
Public Services and Procurement		
Department of Public Works and Government Services .....	395,519,690	429,695,544
National Capital Commission.....	28,912,000	32,728,000
	<i>424,431,690</i>	<i>462,423,544</i>
Transport		
Department of Transport .....	22,393,096	21,294,070
Marine Atlantic Inc .....	75,340,000	73,656,000
VIA Rail Canada Inc .....	4,148,000	4,074,000
	<i>101,881,096</i>	<i>99,024,070</i>
Total asset retirement obligations.....	12,879,623,188	13,721,668,018

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# Section 6

## *Public Accounts of Canada 2022–2023*

### **Interest-bearing debt as at March 31**

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## Interest-bearing debt

This section contains information on the interest-bearing debt of the government. Interest-bearing debt includes the unmatured debt and pensions, other future benefits and other liabilities.

Some tables in this section present the continuity of accounts, by showing the opening and closing balances, as well as receipts and other credits, and payments and other charges.

The financial statements of the Canada Pension Plan, the Government Annuities Account and the Royal Canadian Mounted Police (Dependants) Pension Fund, together with the Independent Auditor's Reports thereon, are presented at the end of this section.

**Table 6.1**  
**Interest-bearing debt**

(in dollars)

	April 1, 2022	Receipts and other credits	Payments and other charges	March 31, 2023
	Restated			
Unmatured debt <sup>1</sup>				
Payable in Canadian currency				
Marketable bonds, Table 6.2.....	1,043,240,785,570	220,234,843,798	218,479,528,008	1,044,996,101,360
Treasury bills, Table 6.3.....	186,876,918,167	421,041,193,280	409,018,637,200	198,899,474,247
	<i>1,230,117,703,737</i>	<i>641,276,037,078</i>	<i>627,498,165,208</i>	<i>1,243,895,575,607</i>
Payable in foreign currencies				
Marketable bonds, Table 6.2.....	11,900,226,514	5,755,629,265	4,080,436,280	13,575,419,499
Canada bills, Table 6.4.....	2,572,756,501	19,422,404,750	19,536,279,387	2,458,881,864
	<i>14,472,983,015</i>	<i>25,178,034,015</i>	<i>23,616,715,667</i>	<i>16,034,301,363</i>
Total—Market debt.....	1,244,590,686,752	666,454,071,093	651,114,880,875	1,259,929,876,970
Obligation related to capital leases, Table 6.8.....	2,785,411,036	41,983,213	281,625,137	2,545,769,112
Obligation under public-private partnerships.....	2,581,276,890	49,079,342	66,190,998	2,564,165,234
Total—Unmatured debt.....	1,249,957,374,678	666,545,133,648	651,462,697,010	1,265,039,811,316
Pensions, other future benefits and other liabilities				
Public sector pensions, Table 6.11.....	167,665,765,654	23,155,836,701	24,396,044,626	166,425,557,729
Other employee and veteran future benefits, Table 6.24.....	159,705,267,000	26,677,929,000	8,434,296,000	177,948,900,000
Other liabilities				
Canada Pension Plan Accounts, Table 6.25.....	101,265,756	4,662,910,805	4,458,450,374	305,726,187
Government Annuities Account.....	81,557,159	4,265,045	17,801,228	68,020,976
Deposit and trust accounts, Table 6.26.....	2,949,207,501	7,057,756,224	7,668,120,582	2,338,843,143
Other specified purpose accounts, Table 6.29.....	4,575,431,537	2,349,751,669	2,298,825,548	4,626,357,658
	<i>7,707,461,953</i>	<i>14,074,683,743</i>	<i>14,443,197,732</i>	<i>7,338,947,964</i>
Total—Pensions, other future benefits and other liabilities.....	335,078,494,607	63,908,449,444	47,273,538,358	351,713,405,693
Total.....	1,585,035,869,285	730,453,583,092	698,736,235,368	1,616,753,217,009

<sup>1</sup> This table includes unmatured debt issued by the Government of Canada. Borrowings of agent enterprise Crown corporations which are unconditional obligations of the government, but not included in unmatured debt, were \$317,834 million (\$304,871 million in 2022) with receipts and other credits of \$121,064 million, and payments and other charges of \$108,101 million.

## **Marketable bonds**

Market debt is measured at amortized cost. At initial recognition, amortized cost is calculated by taking into account transaction costs, including debt issuance costs, and any discount or premium arising on issuance of the debt when the face value of the instrument issued differs from the proceeds received. Subsequently, the effective interest method is applied to determine the amortized cost of the instrument and allocate the unamortized portion and interest to public debt charges over the term to maturity of the instrument, or a shorter period when appropriate.

Marketable bonds are interest-bearing certificates of indebtedness issued by the Government of Canada, and have the following characteristics:

- bought and sold on the open market;
- payable in Canadian or foreign currency;
- subject to redemption before maturity;
- fixed dates of maturity;
- interest payable either in coupon or registered form;
- face value guaranteed at maturity.

Registered marketable bonds are transferable by endorsement and delivery by one holder to another. Bearer marketable bonds need not be endorsed. The totals for marketable bonds include amounts for real return bonds (RRBs). For RRBs, the interest payable is indexed to the Consumer Price Index (CPI), while it is not for other marketable bonds. Additionally, the face value of RRBs is adjusted for inflation at maturity (indexed to CPI).

The year-end balances of marketable bonds payable in foreign currencies were translated into Canadian dollars using the closing rates of exchange at March 31, 2023.

**Table 6.2**  
**Marketable bonds**

(in dollars)

	April 1, 2022	Receipts and other credits <sup>1</sup>	Payments and other charges <sup>1</sup>	March 31, 2023
	Restated			
Payable in Canadian currency				
Matured 2022–2023 .....	181,706,022,000	–	181,706,022,000	–
Maturing				
2023–2024 .....	152,966,232,000	–	350,000,000	152,616,232,000
2024–2025 .....	105,065,381,000	56,500,000,000	220,000,000	161,345,381,000
2025–2026 .....	102,733,858,000	26,500,000,000	–	129,233,858,000
2026–2027 .....	62,155,185,000	4,515,025,000	–	66,670,210,000
2027–2028 .....	18,360,841,000	31,500,000,000	–	49,860,841,000
2028–2029 .....	13,500,000,000	–	–	13,500,000,000
2029–2030 .....	27,898,959,000	–	–	27,898,959,000
2030–2031 .....	84,200,000,000	–	–	84,200,000,000
2031–2032 .....	83,219,448,000	546,882,000	–	83,766,330,000
2032–2033 .....	5,000,000,000	40,000,000,000	–	45,000,000,000
2033–2034 .....	11,988,905,000	12,000,000,000	–	23,988,905,000
2036–2037 .....	8,250,781,500	489,411,000	–	8,740,192,500
2037–2038 .....	11,730,774,000	–	–	11,730,774,000
2041–2042 .....	22,393,134,000	507,428,500	–	22,900,562,500
2044–2045 .....	9,675,512,000	573,881,000	–	10,249,393,000
2045–2046 .....	16,300,000,000	–	–	16,300,000,000
2047–2048 .....	9,071,986,000	538,076,000	–	9,610,062,000
2048–2049 .....	14,900,000,000	–	–	14,900,000,000
2050–2051 .....	8,494,216,000	503,804,000	–	8,998,020,000
2051–2052 .....	51,816,529,000	–	–	51,816,529,000
2053–2054 .....	19,000,000,000	13,000,000,000	–	32,000,000,000
2054–2055 .....	1,456,014,000	857,556,000	–	2,313,570,000
2055–2056 .....	–	1,500,000,000	–	1,500,000,000
2064–2065 .....	8,750,000,000	–	–	8,750,000,000
	1,030,633,777,500	189,532,063,500	182,276,022,000	1,037,889,819,000
Unamortized (discounts) and premiums .....	7,976,865,272	–	7,976,865,272	–
Accrued interest payable .....	4,367,907,798	–	4,367,907,798	–
Less:				
Adjustment to amortized cost <sup>2</sup> .....	–	(30,561,366,298)	(23,670,683,938)	(6,890,682,360)
Government holdings of unmatured debt .....	–	–	–	–
Consolidation adjustment <sup>3</sup> .....	(262,235,000)	(141,414,000)	(188,049,000)	(215,600,000)
	(262,235,000)	(30,702,780,298)	(23,858,732,938)	(7,106,282,360)
Total marketable bonds payable in Canadian currency .....	1,043,240,785,570	220,234,843,798	218,479,528,008	1,044,996,101,360
Payable in foreign currencies				
Matured 2022–2023 .....	3,750,450,000	–	3,750,450,000	–
Maturing				
2024–2025 .....	3,750,450,000	304,200,000	–	4,054,650,000
2025–2026 .....	–	4,730,425,000	–	4,730,425,000
2026–2027 .....	4,375,525,000	354,900,000	–	4,730,425,000
	11,876,425,000	5,389,525,000	3,750,450,000	13,515,500,000
Unamortized (discounts) and premiums .....	(27,780,196)	27,780,196	–	–
Accrued interest payable .....	51,581,710	–	51,581,710	–
Less: Adjustment to amortized cost <sup>2</sup> .....	–	(338,324,069)	(278,404,570)	(59,919,499)
Total marketable bonds payable in foreign currencies .....	11,900,226,514	5,755,629,265	4,080,436,280	13,575,419,499
Total future principal repayments at contractual maturity .....	1,055,141,012,084	225,990,473,063	222,559,964,288	1,058,571,520,859
Total market debt .....	1,055,141,012,084	225,990,473,063	222,559,964,288	1,058,571,520,859

<sup>1</sup> These columns include the translation of marketable bonds payable in foreign currencies to Canadian dollars using the closing rates of exchange at March 31.

<sup>2</sup> The adjustment to amortized cost represents the difference between the carrying amount of debt measured at amortized cost and the principal payable at maturity.

<sup>3</sup> Includes \$13,896,000 of securities held by consolidated Crown corporations and other entities and \$229,496,000 of borrowings by consolidated agent Crown corporations. Additional information on consolidated Crown corporations and other entities is provided in Section 4 of this volume.

## Treasury bills

Treasury bills are short-term certificates of indebtedness issued by the Government of Canada to pay sums of money on given dates, and have the following characteristics:

- issued at a discount in lieu of interest payments;
- issued in Canadian currency only;
- issued every 2 weeks;
- common terms: 3 months, 6 months and 12 months;
- transferable;
- bought and sold on the open market.

**Table 6.3**  
**Treasury bills**

(in dollars)

	April 1, 2022	Receipts and other credits	Payments and other charges	March 31, 2023
	Restated			
Three-month bills.....	59,000,000,000	239,200,000,000	227,800,000,000	70,400,000,000
Six-month bills .....	40,600,000,000	88,400,000,000	82,800,000,000	46,200,000,000
Other bills .....	87,800,000,000	88,400,000,000	91,000,000,000	85,200,000,000
	187,400,000,000	416,000,000,000	401,600,000,000	201,800,000,000
Unamortized (discounts) and premiums .....	(503,723,833)	503,723,833	–	–
Less:				
Adjustment to amortized cost <sup>1</sup> .....	–	(4,534,320,447)	(7,418,637,200)	2,884,316,753
Consolidation adjustment <sup>2</sup> .....	19,358,000	(3,149,000)	–	16,209,000
	19,358,000	(4,537,469,447)	(7,418,637,200)	2,900,525,753
<b>Total .....</b>	<b>186,876,918,167</b>	<b>421,041,193,280</b>	<b>409,018,637,200</b>	<b>198,899,474,247</b>

<sup>1</sup> The adjustment to amortized cost represents the difference between the carrying amount of debt measured at amortized cost and the principal payable at maturity.

<sup>2</sup> Represents securities held by consolidated Crown corporations and other entities. Additional information is provided in Section 4 of this volume.

## Canada bills

Canada bills are short-term certificates of indebtedness issued by the Government of Canada in the United States money market under the government's foreign currency borrowing program. Canada bills provide Canada with an additional source of short-term US funds and have the following characteristics:

- issued at a discount in lieu of interest payments;
- term to maturity of not more than 270 days;
- transferable;
- bought and sold on the open market.

The year-end balance of Canada bills payable in US dollars was translated into Canadian dollars using the closing rate of exchange at March 31, 2023.

**Table 6.4**  
**Canada bills**

(in dollars)

	April 1, 2022	Receipts and other credits	Payments and other charges	March 31, 2023
	Restated			
Canada bills before revaluation.....	2,377,946,499	19,358,613,155	19,455,834,078	2,280,725,576
Exchange valuation adjustment.....	196,777,431	–	4,117,851	192,659,580
Unamortized (discounts) and premiums .....	(1,967,429)	1,967,429	–	–
Less: Adjustment to amortized cost <sup>1</sup> .....	–	(61,824,166)	(76,327,458)	14,503,292
Total .....	2,572,756,501	19,422,404,750	19,536,279,387	2,458,881,864

<sup>1</sup> The adjustment to amortized cost represents the difference between the carrying amount of debt measured at amortized cost and the principal payable at maturity.

## Interest rates

Table 6.5 sets out market debt as at March 31, for each of the years 2019 to 2023 inclusively, with the average rate of interest thereon. For purposes of comparison, market debt is classified as marketable bonds, treasury bills and Canada bills.

**Table 6.5**  
**Market debt as at March 31, from 2019 to 2023, with the average rate of interest thereon**

(in millions of dollars)

	Marketable bonds		Treasury bills		Canada bills		Total market debt	
	Amount outstanding	Average interest rate %	Amount outstanding	Average interest rate %	Amount outstanding	Average interest rate %	Amount outstanding	Average interest rate %
	Restated		Restated		Restated		Restated	
2023.....	1,058,572	1.90	198,899	4.28	2,459	4.64	1,259,930	2.28
2022.....	1,055,141	1.49	186,877	0.60	2,573	0.33	1,244,591	1.37
2021.....	886,616	1.63	218,775	0.21	4,054	0.07	1,109,445	1.35
2020.....	609,532	2.19	151,867	1.39	2,160	1.56	763,559	2.03
2019.....	580,542	2.28	134,300	1.79	2,699	2.44	717,541	2.18

The interest rate in effect at March 31 is used where various rates of interest are applicable.

**Table 6.6**  
**Treasury bills average yields at tender**

(in percentage)

Year ended March 31	High	Low	Last issue
<b>Three-month bills</b>			
2023 .....	4.57	1.02	4.41
2022 .....	0.77	0.04	0.77
2021 .....	0.73	0.06	0.12
2020 .....	1.69	0.38	0.38
2019 .....	1.73	1.12	1.65
<b>Six-month bills</b>			
2023 .....	4.69	1.48	4.44
2022 .....	1.36	0.09	1.36
2021 .....	0.43	0.10	0.17
2020 .....	1.75	0.38	0.38
2019 .....	1.93	1.33	1.68
<b>364-day bills</b>			
2023 .....	4.79	2.10	4.35
2022 .....	1.99	0.13	1.99
2021 .....	0.50	0.13	0.21
2020 .....	1.76	0.38	0.38
2019 .....	2.17	1.64	1.70
<b>Other bills</b>			
2023 .....	–	–	–
2022 .....	0.12	0.06	0.06
2021 .....	0.23	0.19	0.19
2020 .....	1.77	0.30	0.30
2019 .....	1.76	1.10	1.71

## Maturity of government debt

**Table 6.7**  
**Maturity of government debt**

(in millions of dollars)

	Marketable bonds		Treasury bills		Canada bills		Total market debt	
	Amount	Average interest rate %	Amount	Average interest rate %	Amount	Average interest rate %	Amount	Average interest rate %
	Restated		Restated		Restated		Restated	
2024.....	152,616	0.99	201,800	4.28	2,473	4.64	356,889	2.86
2025.....	165,400	1.94	–	–	–	–	165,400	1.94
2026.....	133,964	1.54	–	–	–	–	133,964	1.54
2027.....	71,400	1.78	–	–	–	–	71,400	1.78
2028.....	49,861	3.07	–	–	–	–	49,861	3.07
2029–2033.....	254,365	1.92	–	–	–	–	254,365	1.92
2034–2038.....	44,460	4.17	–	–	–	–	44,460	4.17
2039–2043.....	22,901	3.23	–	–	–	–	22,901	3.23
2044–2048.....	36,159	1.79	–	–	–	–	36,159	1.79
2049–2053.....	75,715	1.67	–	–	–	–	75,715	1.67
2054–2058.....	35,814	2.21	–	–	–	–	35,814	2.21
2064–2068.....	8,750	2.45	–	–	–	–	8,750	2.45
	1,051,405	1.90	201,800	4.28	2,473	4.64	1,255,678	2.28
Less:								
Government's holdings and consolidation adjustment.....	(216)		16		–		(200)	
Adjustment to amortized cost <sup>1</sup> .....	(6,951)		2,885		14		(4,052)	
Total.....	1,058,572	1.90	198,899	4.28	2,459	4.64	1,259,930	2.28

<sup>1</sup> The adjustment to amortized cost represents the difference between the carrying amount of debt measured at amortized cost and the principal payable at maturity.

## Obligation related to capital leases

A capital lease is a lease that transfers substantially all the benefits and risks inherent in ownership of the asset to the lessee. The net obligation related to capital leases represents the present values of the remaining minimum lease payments under the capital lease arrangements.

**Table 6.8**  
**Obligation related to capital leases**

(in dollars)

	April 1, 2022	Net changes	March 31, 2023
Buildings.....	2,225,876,807	(139,158,481)	2,086,718,326
Works and infrastructure.....	361,074,777	(28,735,354)	332,339,423
Machinery and equipment.....	198,459,452	(71,748,089)	126,711,363
Total.....	2,785,411,036	(239,641,924)	2,545,769,112

## Capital leases

**Table 6.9**  
**Details of obligation related to capital leases**

(in thousands of dollars)

	Inception date	Lease term in years	Discount rate % <sup>1</sup>	Total estimated remaining minimum lease payments	Less: imputed interest using the discount rate	Net obligations under capital lease arrangements
<b>Canadian Heritage</b>						
Canadian Broadcasting Corporation						
Maison de Radio-Canada, Montréal.....	Feb 2020	30	2.95	251,742	76,770	174,972
Canadian Museum of Nature						
Natural Heritage Building, Gatineau.....	Sep 1996	35	9.88	29,750	9,710	20,040
National Film Board						
Capital leases less than \$10,000,000.....				135	2	133
<b>National Defence</b>						
Department of National Defence						
Energy Performance Contract, Esquimalt.....	Apr 2021	12	1.05	1,000	3	997
Energy Performance Contract, Greenwood.....	Apr 2021	13	1.11	1,236	5	1,231
Energy Performance Contract, Petawawa.....	Apr 2021	9	0.86	2,414	17	2,397
Longue Pointe Supply Depot, Montréal.....	Nov 1994	35	11.89	26,485	8,177	18,308
Montfort Hospital, Ottawa—Health Services.....	Feb 2009	17	5.26	11,338	126	11,212
				42,473	8,328	34,145
<b>Natural Resources</b>						
Department of Natural Resources						
183 Longwood Drive, Hamilton.....	Nov 2010	25	1.65	55,159	5,394	49,765
<b>Public Safety</b>						
Royal Canadian Mounted Police						
RCMP Detachment, Cornwall.....	Aug 2009	25	5.54	13,084	3,403	9,681
Capital leases less than \$10,000,000.....				687	179	508
				13,771	3,582	10,189
<b>Public Services and Procurement</b>						
Department of Public Works and Government Services						
111 Lombard Avenue, Winnipeg.....	Nov 2014	20	2.69	13,398	1,897	11,501
1501 Bleury Street, Montréal.....	Oct 2019	20	4.50	53,873	15,901	37,972
1550 d'Estimauville Avenue, Québec.....	Nov 2011	20	8.24	37,454	10,671	26,783
181 Queen Street, Ottawa.....	Mar 2004	20	10.65	3,519	180	3,339
191 Laurier Avenue West, Ottawa.....	Jul 2022	10	3.20	29,544	3,856	25,688
2 Victoria Avenue, Miramichi.....	Jan 2018	20	3.46	45,035	9,807	35,228
200 Promenade du Portage, Gatineau.....	Nov 2019	10	4.36	10,005	1,321	8,684
22 Eddy Street, Gatineau.....	May 2013	25	7.89	181,740	75,693	106,047
2575 Sainte-Anne Boulevard, Québec.....	Apr 2015	20	10.32	26,416	11,300	15,116
30 Victoria Street, Gatineau.....	Jun 2013	25	7.89	182,715	76,392	106,323
351 Saint-Joseph Boulevard, Gatineau (Lease 1 of 3).....	Jul 2011	25	5.28	48,022	13,596	34,426
351 Saint-Joseph Boulevard, Gatineau (Lease 2 of 3).....	Dec 2011	25	7.33	12,500	4,561	7,939
351 Saint-Joseph Boulevard, Gatineau (Lease 3 of 3).....	Aug 2014	12	2.45	3,328	135	3,193
395 Terminal Avenue, Ottawa.....	Jan 2013	15	2.67	21,159	1,309	19,850
455 de la Carrière Boulevard, Gatineau.....	Nov 2012	25	6.86	137,321	50,698	86,623
550 de la Cité Boulevard, Gatineau.....	Dec 2021	15	2.34	57,995	8,551	49,444
40 Elgin Street, Ottawa.....	Oct 2021	20	3.81	51,179	14,248	36,931
90 Elgin Street, Ottawa.....	Nov 2014	25	7.23	323,985	135,561	188,424
Canada Place Building, Edmonton.....	Oct 2007	25	4.44	196,971	37,585	159,386

**Table 6.9**  
**Details of obligation related to capital leases—concluded**

(in thousands of dollars)

	Inception date	Lease term in years	Discount rate % <sup>1</sup>	Total estimated remaining minimum lease payments	Less: imputed interest using the discount rate	Net obligations under capital lease arrangements
Guy Favreau Complex, Montréal.....	Jan 2004	30	3.17	27,041	4,150	22,891
Harry Hays Building, Calgary.....	Oct 2007	25	4.44	195,074	37,226	157,848
Joseph Shepard Building, Toronto.....	Oct 2007	25	4.44	134,896	25,743	109,153
Judicial Complex, Toronto.....	Apr 2006	20	11.40	20,002	3,137	16,865
Maritime Centre, Halifax.....	Jan 2010	15	6.26	2,891	160	2,731
Mercury Centre, Ottawa.....	Jan 2007	25	4.50	56,886	9,943	46,943
Montcalm Place, Tower II, Gatineau.....	Apr 2012	15	2.64	7,208	375	6,833
RCMP Building, Montréal.....	Oct 2007	25	4.44	34,050	6,507	27,543
Revenue Canada Building, Montréal.....	Oct 2007	25	4.44	69,012	13,172	55,840
Skyline Complex, Ottawa.....	Oct 2007	25	4.44	152,889	29,194	123,695
Thomas D'Arcy McGee Building, Ottawa.....	Oct 2007	25	4.44	118,895	22,683	96,212
Trusco Building, Ottawa.....	Sep 2006	20	4.28	23,734	1,690	22,044
Capital leases less than \$10,000,000.....				170,978	31,161	139,817
				2,449,715	658,403	1,791,312
Shared Services Canada						
IBM—Mainframes.....	Jul 2021	4	3.07	82,797	2,668	80,129
Supercomputer—Meteorological Service of Canada, Dorval...	Jul 2017	8	1.44	46,999	615	46,384
				129,796	3,283	126,513
Transport						
Department of Transport						
Confederation Bridge, Borden-Carleton.....	May 1997	35	6.16	661,873	329,534	332,339
Other ministries						
Capital leases less than \$10,000,000.....				8,867	2,506	6,361
Total.....				3,643,281	1,097,512	2,545,769

<sup>1</sup> For lessors and lessees, the financing rate of a lease agreement is subject to change over the term of lease.

## Minimum lease payments related to capital leases

**Table 6.10**  
**Minimum lease payments related to capital leases**

(in thousands of dollars)

	Payments due by March 31						Total
	2024	2025	2026	2027	2028	2029 and subsequent	
<b>Canadian Heritage</b>							
Canadian Broadcasting Corporation							
Remaining payments .....	9,382	9,382	9,382	9,382	9,382	204,832	251,742
Imputed interest .....	5,015	4,886	4,753	4,617	4,476	53,023	76,770
	4,367	4,496	4,629	4,765	4,906	151,809	174,972
Canadian Museum of Nature							
Remaining payments .....	3,500	3,500	3,500	3,500	3,500	12,250	29,750
Imputed interest .....	1,919	1,753	1,573	1,373	1,152	1,940	9,710
	1,581	1,747	1,927	2,127	2,348	10,310	20,040
National Film Board							
Remaining payments .....	92	43	–	–	–	–	135
Imputed interest .....	2	–	–	–	–	–	2
	90	43	–	–	–	–	133
<b>National Defence</b>							
Department of National Defence							
Remaining payments .....	11,268	9,197	7,592	4,023	4,023	6,370	42,473
Imputed interest .....	2,162	1,876	1,565	1,242	893	590	8,328
	9,106	7,321	6,027	2,781	3,130	5,780	34,145
<b>Natural Resources</b>							
Department of Natural Resources							
Remaining payments .....	4,372	4,372	4,372	4,372	4,372	33,299	55,159
Imputed interest .....	794	735	674	613	550	2,028	5,394
	3,578	3,637	3,698	3,759	3,822	31,271	49,765
<b>Public Safety</b>							
Royal Canadian Mounted Police							
Remaining payments .....	1,206	1,206	1,206	1,206	1,206	7,741	13,771
Imputed interest .....	548	510	470	429	385	1,240	3,582
	658	696	736	777	821	6,501	10,189
<b>Public Services and Procurement</b>							
Department of Public Works and Government Services							
Remaining payments .....	233,578	228,650	225,578	211,931	207,324	1,342,654	2,449,715
Imputed interest .....	91,815	84,912	77,538	70,247	63,349	270,542	658,403
	141,763	143,738	148,040	141,684	143,975	1,072,112	1,791,312
Shared Services Canada							
Remaining payments .....	70,435	51,517	7,844	–	–	–	129,796
Imputed interest .....	2,371	872	40	–	–	–	3,283
	68,064	50,645	7,804	–	–	–	126,513
<b>Transport</b>							
Department of Transport							
Remaining payments .....	77,179	67,819	68,844	69,884	70,940	307,207	661,873
Imputed interest .....	47,135	36,408	36,002	35,547	35,040	139,402	329,534
	30,044	31,411	32,842	34,337	35,900	167,805	332,339
<b>Other ministries</b>							
Remaining payments .....	2,043	1,864	1,576	1,551	272	1,561	8,867
Imputed interest .....	440	354	285	219	173	1,035	2,506
	1,603	1,510	1,291	1,332	99	526	6,361
<b>Total .....</b>	<b>260,854</b>	<b>245,244</b>	<b>206,994</b>	<b>191,562</b>	<b>195,001</b>	<b>1,446,114</b>	<b>2,545,769</b>
<b>Summary</b>							
Remaining payments .....	413,055	377,550	329,894	305,849	301,019	1,915,914	3,643,281
Imputed interest .....	152,201	132,306	122,900	114,287	106,018	469,800	1,097,512
<b>Net obligation .....</b>	<b>260,854</b>	<b>245,244</b>	<b>206,994</b>	<b>191,562</b>	<b>195,001</b>	<b>1,446,114</b>	<b>2,545,769</b>

## Pensions and other future benefits

The obligations arising from public sector pensions and other employee and veteran future benefits, sponsored by the government or some of the consolidated Crown corporations and other entities, are measured on an actuarial basis and are presented net of pension assets, unrecognized net actuarial gain or loss and valuation allowance, as well as contributions and benefits paid by some of the consolidated Crown corporations and other entities after their measurement date of December 31 up to March 31.

### Public sector pensions

The government sponsors a number of defined benefit pension plans covering substantially all its employees, principally members of the federal public service, the Canadian Forces (including the Reserve Force) and the Royal Canadian Mounted Police, as well as employees of certain Public Service corporations and territorial governments. The government also sponsors several other pension plans; the two most significant ones being for Members of Parliament and federally appointed judges. The government has a statutory obligation to pay the pension benefits it sponsors.

The liabilities for public sector pension plans sponsored by the government are initially recorded through pension accounts, which are generally established pursuant to legislation. The pension accounts track transactions such as contributions, interest credits, benefit payments, transfers and administrative expenses. Any adjustments required under the government's accounting policies are then recorded through allowance for pension adjustment accounts. The allowance accounts reflect the differential between accrual and cash accounting recognized through the years. They also reflect the accumulated difference in interest calculations and consolidation adjustments related to refundable tax amounts remitted to or refunded from the Canada Revenue Agency.

The government's pension plans are generally financed from employer and employee contributions or from government and member contributions. The contributions are either part of general funds or transferred to the Public Sector Pension Investment Board (PSPIB) for investment. Since April 1, 2000, amounts equal to contributions less benefit payments and other charges related to the public service, Canadian Forces—Regular Force and Royal Canadian Mounted Police pension plans, and since 2007 for the Canadian Forces—Reserve Force pension plan, that fall within the *Income Tax Act* limits are transferred to the PSPIB. The goal of the PSPIB is to maximize returns on investments without undue risk of loss, while having regard to the funding, policies and requirements and financial obligations of each of the pension plans. The PSPIB, a Canadian Crown corporation established under the *Public Sector Pension Investment Board Act*, reports the results of the investments it holds in its annual report tabled in Parliament. Contributions for all the other pension plans sponsored by the government are part of general funds.

More information on the above-mentioned pension plans can be found in the respective annual report on the administration of the plans tabled in Parliament.

In addition, some of the consolidated Crown corporations and other entities maintain their own defined benefit pension plans covering substantially all of their employees. The majority of the defined benefit pension plans are contributory plans. Employer and employee contributions are made in accordance with the provisions of the plans. Pension plans' funds are held in external trusts that are legally separate from Crown corporations and other entities.

#### i. Pension plans

*Public Service Pension Plan, Canadian Forces Pension Plan including the Reserve Force Pension Plan and Royal Canadian Mounted Police Pension Plan*

The pension plans for the public service, Canadian Forces—Regular Force and the Royal Canadian Mounted Police provide for the payment of a lifetime pension and a temporary bridge benefit payable normally until age 65, the age at which members generally become eligible for the Canada Pension Plan (CPP) or Quebec Pension Plan (QPP). The annual lifetime pension is based on the average salary of five consecutive years of highest-paid service and the years of pensionable service. For the Canadian Forces—Reserve Force pension plan, the annual lifetime pension is based on a percentage of indexed pensionable earnings with a temporary bridge benefit payable normally until age 65, the age at which members generally become eligible for the CPP or QPP. Pension benefits are indexed annually on January 1 to take into account the cost of living.

Pension benefits accrue at a rate of 2% per year of pensionable service up to a maximum of 35 years, the exception being those offered under the Canadian Forces—Reserve Force pension plan. These benefits accrue at a rate of 1.5% up to a maximum of 35 years. Pension benefits are coordinated with those of the CPP or the QPP. Pension benefits for the public service pension plan members will accrue under either Group 1 for employees who were plan members prior to January 1, 2013, or Group 2 for employees joining the public service pension plan on or after that date. The normal retirement age for Group 1 members is 60. For Group 2 members, the normal retirement age is 65 and other age-related thresholds were increased by 5 years.

Public service Group 1, Canadian Forces—Regular Force and Royal Canadian Mounted Police members contribute at different rates than public service Group 2 members. The member contribution rates are as follows:

Public service Group 1, Canadian Forces—Regular Force and Royal Canadian Mounted Police pension plan members contributed:

- for the first nine months of fiscal year (FY) 2023: 9.4% (9.8% in 2022) of salary up to the Yearly Maximum Pensionable Earnings (YMPE) for the CPP or QPP and 12.5% (12.3% in 2022) of salary above the YMPE;
- for the last three months of FY 2023: 9.4% (9.4% in 2022) of salary up to the YMPE and 12.4% (12.5% in 2022) of salary above the YMPE.

Public service Group 2 pension plan members contributed:

- for the first nine months of FY 2023: 8.0% (8.9% in 2022) of salary up to the YMPE for the CPP or QPP and 11.8% (10.6% in 2022) of salary above the YMPE;
- for the last three months of FY 2023: 7.9% (8.0% in 2022) of salary up to the YMPE and 11.7% (11.8% in 2022) of salary above the YMPE.

Contribution rates for Group 2 members were lower than for Group 1 members due to the lower cost of the benefits associated with a higher normal age of retirement for Group 2 members of 65 compared to 60 for Group 1 members.

Members of the Canadian Forces—Reserve Force contribute 5.2% on pensionable earnings up to 66 2/3 times the defined benefit limit as determined under the *Income Tax Regulations*.

Employer contributions are made monthly to provide for the cost (net of employee contributions) of the benefits that have accrued in respect of that month at a rate determined by the President of the Treasury Board. For 2023, the employer contribution rates were about 1.0, 1.6, 2.5 and 1.2 (1.0, 1.6, 2.5 and 1.2 respectively in 2022) times the current year's employee contribution for the plans under the *Public Service Superannuation Act*, the *Canadian Forces Superannuation Act* (Regular Force and Reserve Force pension plans) and the *Royal Canadian Mounted Police Superannuation Act*, respectively.

The superannuation accounts, which record the transactions that pertain to pre-April 1, 2000 service, are credited with interest at rates that are based on the Government of Canada long-term bond rate. The average interest rate credited to the superannuation accounts was 3.2% (3.3% in 2022).

The pension fund accounts, which record the transactions that pertain to service since April 1, 2000, are flow-through accounts used to transfer funds to the PSPIB. The balance in the pension fund accounts at year-end represents the amounts awaiting transfer to the PSPIB.

The retirement compensation arrangements (RCA) accounts record transactions for those pension benefits above the pension limits set under the *Income Tax Act*. The RCA accounts No. 1 and No. 2 are registered with the Canada Revenue Agency (CRA) and a transfer is made annually between these RCA accounts and the CRA, either to remit a 50% refundable tax in respect of the net contributions and interest credits or to receive a refund based on the net benefit payments.

*Members of Parliament retiring allowances*

Members of Parliament are eligible at a certain age to receive a basic allowance upon termination of membership and after having contributed to the plan for at least six years. Retirement age is set at 55 for pensionable service accrued before January 1, 2016 and at 65 for pensionable service accrued on or after January 1, 2016, with the option of reduced benefits for early retirement at age 55. The basic allowance accrues at a rate of 3% per year of pensionable service for both Members of the House of Commons and for Senators. For service accrued before January 1, 2016, the accrual rate is multiplied by the average of the best five consecutive years of sessional indemnity up to a maximum of 75% of the plan member’s average sessional indemnity. For service accrued after December 31, 2015, the accrual rate is multiplied by the average of the best five consecutive years of pensionable earnings up to a maximum of 75% of the plan member’s average pensionable earnings. Basic allowances are indexed annually on January 1 to the cost of living once recipients reach age 60. Pensionable service accrued on or after January 1, 2016, under the Members of Parliament pension plan, is coordinated with the CPP or QPP at age 60.

The contribution rates have increased over time to bring the plan members’ share to 50% as at January 1, 2018. For the 2023 fiscal year, plan members contributed at a rate of 23.3% (23.3% in 2022) of their salary for the first nine months and a rate of approximately 23.3% (23.3% in 2022) for the last three months.

The government contributions are made monthly to provide for the cost (net of plan member contributions) of the benefits that have accrued in respect of that month at a rate determined by the President of the Treasury Board. The government contributions, expressed as a multiple of plan member contributions, are on average as follows:

	2023	2022
Members of Parliament		
Retiring Allowances Account .....	1.0	1.0
Compensation Arrangements Account .....	1.0	1.0

Contributions are credited to the appropriate pension account, either the Members of Parliament Retiring Allowances Account or the Members of Parliament Retirement Compensation Arrangements Account. The pension accounts are also credited with interest at a rate determined by the Chief Actuary of Canada. The average interest rate credited to the pension accounts in 2023 was 1.7% (1.6% in 2022).

*Pension plan for federally appointed judges*

This plan provides fully indexed annuities to judges and to all eligible survivors providing they meet minimum age and service requirements. The full benefit amount is generally payable when the member has completed 15 years of pensionable service and the sum of the member’s age and years of service equals 80.

Judges appointed to the bench before February 17, 1975, make required contributions of 1.5% of salary. All other judges contribute 7% of salary.

Legislation does not require a specific pension account to be maintained to record the transactions pertaining to this plan. Therefore, except for the portion recorded in the Supplementary Retirement Benefit Account, the liability pertaining to this plan is recorded through an allowance account. During the year, benefits paid are recorded as expenditures against the statutory payment authority. The expense is adjusted at year-end through an allowance account, to bring the current year expense from cash to an accrual accounting basis, similar to that of the other pension plans. During the year, the benefit payments charged to the expenditure authority amounted to \$211 million (\$200 million in 2022). At March 31, 2023, the portion of the pension liability recorded through an allowance account for the judges’ pension plan amounted to \$4,872 million (\$4,453 million in 2022).

*Consolidated Crown corporations and other entities pension plans*

Pension benefits provided under consolidated Crown corporations and other entities defined benefit pension plans accrue depending on the terms of the plans. Generally, they are based on a combination of an accrual rate per years of pensionable service and some type of pensionable earnings average. Some of the consolidated Crown corporations and other entities’ defined benefit pension plans are closed to new participants.

## ii. Actuarial valuations

As required under the *Public Pensions Reporting Act*, actuarial valuations of the pension plans sponsored by the government are performed at least every three years for funding purposes. The actuarial valuations are performed by the Office of the Chief Actuary, submitted to the President of the Treasury Board, and tabled in Parliament.

The most recent date of the actuarial valuation for funding purposes of each pension plan sponsored by the government is as follows:

- Royal Canadian Mounted Police — March 31, 2021;
- Public Service — March 31, 2020;
- Canadian Forces — Regular Force and Reserve Force — March 31, 2019;
- Members of Parliament — March 31, 2019;
- Federally appointed judges — March 31, 2019.

The actuarial valuations for the public service, Canadian Forces, Royal Canadian Mounted Police and Members of Parliament pension plans include the valuation of the Retirement Compensation Arrangements (RCA) component related to each plan.

Where applicable, the funding valuations provide the government with recommendations for setting both employer and employee contribution rates, as well as any actuarial adjustment to amortize deficiencies or excesses. These actuarial adjustments are made in equal instalments over a period not exceeding 15 years commencing in the year in which the actuarial report is laid before Parliament. The actuarial adjustments made during the year are as follows:

- no adjustment (\$7,805 million in 2022) to the Public Service Superannuation Account;
- \$17.4 million (\$17.4 million in 2022) to the Reserve Force Pension Fund Account; and
- \$1,222 million (no adjustment in 2022) to the Royal Canadian Mounted Police Superannuation Account.

The actuarial adjustments recorded in pension fund accounts are transferred to the PSPIB for investment. To address actuarial deficiencies, the consolidated Crown corporations and other entities made special funding payments of \$3 million (\$5 million in 2022).

Table 6.11 presents a summary of the balances and transactions for public sector pension plan liabilities. In particular, receipts and other credits for the government's pension accounts consist of contributions from plan members, the Government of Canada, participating Public Service corporations and territorial governments, as well as transfers from other pension funds, actuarial adjustments to amortize deficiencies, refunds of refundable tax and interest. Payments and other charges for the government's pension accounts consist of annuity payments, minimum benefits, cash termination allowances (lump sum payments to employees suffering a disability), returns of contributions, pension division payments, transfer value payments, transfers to other funds, remittances of refundable tax, payments of administrative expenses, actuarial adjustments to amortize excesses, and transfers to PSPIB. Adjustments to the government's allowance accounts result from the differential with annual actuarial valuations performed for accounting purposes. These include differences between benefits earned and contributions and interest calculations, as well as from other adjustments required under the government's accounting policies such as recognition of actuarial gains and losses and consolidation adjustments related to refundable tax amounts.

Pension benefits funded by the government relate to post-March 2000 service that falls within the *Income Tax Act* limits for the three main public sector pension plans and all service for the Canadian Force—Reserve Force pension plan, as funds are invested through the PSPIB. Funded pension benefits also relate to consolidated Crown corporations and other entities where pension plans' funds are held in external trusts that are legally separate from Crown corporations and other entities. For unfunded pension plans, separate invested funds are not maintained. These relate to all pre-April 2000 service and only to post-March 2000 service that falls above the *Income Tax Act* limits for the three main public sector pension plans, all service periods for the pension plans of the federally appointed judges and Members of Parliament, and some of the consolidated Crown corporations and other entities pension plans.

**Table 6.11**  
**Public sector pensions**

(in millions of dollars)

	April 1, 2022	Receipts and other credits	Payments and other charges	March 31, 2023
<b>Funded pension benefits</b>				
Public Service Pension Fund Account, Table 6.14 .....	23	6,364	6,375	12
Allowance for pension adjustments .....	(6,325)	3,661	7,311	(9,975)
<i>Subtotal</i> .....	(6,302)	10,025	13,686	(9,963)
Canadian Forces Pension Fund Account, Table 6.16 .....	(44)	1,542	1,473	25
Allowance for pension adjustments .....	(114)	397	825	(542)
<i>Subtotal</i> .....	(158)	1,939	2,298	(517)
Reserve Force Pension Fund Account, Table 6.17 .....	(99)	97	108	(110)
Allowance for pension adjustments .....	59	40	60	39
<i>Subtotal</i> .....	(40)	137	168	(71)
Royal Canadian Mounted Police Pension Fund Account, Table 6.19 .....	122	606	723	5
Allowance for pension adjustments .....	(62)	171	262	(153)
<i>Subtotal</i> .....	60	777	985	(148)
Total pension fund accounts .....	2	8,609	8,679	(68)
Total allowance for pension adjustments .....	(6,442)	4,269	8,458	(10,631)
Net pension benefit liabilities related to government-sponsored funded plans .....	(6,440)	12,878	17,137	(10,699)
Pension benefit assets related to funded plans sponsored by consolidated Crown corporations and other entities .....	(2,703)	840	434	(2,297)
Net pension benefit liabilities related to funded plans .....	(9,143)	13,718	17,571	(12,996)
<b>Unfunded pension benefits</b>				
Public Service Superannuation Account, Table 6.13 .....	94,113	2,918	5,688	91,343
Allowance for pension adjustments .....	206	1,846	562	1,490
<i>Subtotal</i> .....	94,319	4,764	6,250	92,833
Canadian Forces Superannuation Account, Table 6.15 .....	45,303	1,409	2,554	44,158
Allowance for pension adjustments .....	3,434	1,177	237	4,374
<i>Subtotal</i> .....	48,737	2,586	2,791	48,532
Royal Canadian Mounted Police Superannuation Account, Table 6.18 .....	13,052	1,625	756	13,921
Allowance for pension adjustments .....	608	341	1,267	(318)
<i>Subtotal</i> .....	13,660	1,966	2,023	13,603
Members of Parliament Retiring Allowances Account, Table 6.20 .....	628	33	31	630
Allowance for pension adjustments .....	152	27	–	179
<i>Subtotal</i> .....	780	60	31	809
Members of Parliament Retirement Compensation Arrangements Account, Table 6.21 .....	239	22	21	240
Allowance for pension adjustments .....	381	21	–	402
<i>Subtotal</i> .....	620	43	21	642
Retirement Compensation Arrangements Accounts, Table 6.22 .....	2,446	269	232	2,483
Allowance for pension adjustments .....	2,198	141	103	2,236
<i>Subtotal</i> .....	4,644	410	335	4,719
Supplementary Retirement Benefits Account (Judges), Table 6.23 .....	279	17	–	296
Allowance for pension adjustments .....	4,453	419	–	4,872
<i>Subtotal</i> .....	4,732	436	–	5,168
Supplementary Retirement Benefits Account (Others), Table 6.23 .....	1	–	–	1
Total superannuation accounts .....	156,061	6,293	9,282	153,072
Total allowance for pension adjustments .....	11,432	3,972	2,169	13,235
Pension benefit liabilities related to government-sponsored unfunded plans .....	167,493	10,265	11,451	166,307
Pension benefit liabilities related to unfunded plans sponsored by consolidated Crown corporations and other entities .....	113	11	6	118
Pension benefit liabilities related to unfunded plans .....	167,606	10,276	11,457	166,425
Net pension benefit liabilities .....	158,463	23,994	29,028	153,429
The net pension benefit liabilities were recognized and presented in the Consolidated Statement of Financial Position as follows:				
Public sector pension liabilities <sup>1</sup> .....	167,666	23,154	24,395	166,425
Public sector pension assets <sup>2</sup> .....	(9,203)	840	4,633	(12,996)
Net pension benefit liabilities .....	158,463	23,994	29,028	153,429

<sup>1</sup> The portion corresponding to "other credits" includes the reclassification of public sector pension assets at year-end related to government-sponsored funded plans.

<sup>2</sup> The portion corresponding to "other charges" includes the reclassification of public sector pension assets at year-end related to government-sponsored funded plans.

Table 6.12 presents a summary of transactions in public sector pensions that resulted in charges to expenses. Interest is calculated based on the accrued pension obligations under the various plans. The net interest expense represents interest of \$4,823 million (\$4,941 million in 2022) credited to the superannuation accounts in accordance with the pension legislation, a provision of \$9,341 million (\$7,255 million in 2022) and interest of \$460 million (\$443 million in 2022) on the consolidated Crown corporations and other entities' obligations, shown net of \$12,281 million (\$10,529 million in 2022) in expected return on pension investments.

**Table 6.12**  
**Summary of transactions in public sector pensions that resulted in charges to expenses**

(in millions of dollars)

	2023							2022				
	Government contributions and other <sup>1</sup>	Adjustment	Net benefits earned	Actuarial adjustments <sup>2</sup>	Costs recorded in previous years <sup>3</sup>	Valuation allowance	Pension expense included in personnel expenses	Actuarial losses (gains) recognized	Total pension expense	Net interest expense	Total pension expense	Net interest expense
Funded pension benefits												
Public Service												
Pension Fund												
Account .....	2,890	(283)	2,607	–	–	–	2,607	(1,997)	610	(1,370)	1,208	(989)
Canadian Forces												
Pension Fund												
Account .....	911	26	937	–	–	–	937	(303)	634	(163)	756	(95)
Reserve Force												
Pension Fund												
Account .....	56	8	64	17	(17)	–	64	–	64	1	54	1
Royal Canadian Mounted Police												
Pension Fund												
Account .....	328	23	351	–	–	–	351	(64)	287	(50)	237	(23)
Consolidated Crown corporations and other entities .....												
	6	80	86	3	(3)	754	840	(182)	658	(243)	386	(212)
Total funded pension benefits.....	4,191	(146)	4,045	20	(20)	754	4,799	(2,546)	2,253	(1,825)	2,641	(1,318)

**Table 6.12**  
**Summary of transactions in public sector pensions that resulted in charges to expenses—continued**

(in millions of dollars)

	2023										2022	
	Government contributions and other <sup>1</sup>	Adjustment	Net benefits earned	Actuarial adjustments <sup>2</sup>	Costs recorded in previous years <sup>3</sup>	Valuation allowance	Pension expense included in personnel expenses	Actuarial losses (gains) recognized	Total pension expense	Net interest expense	Total pension expense	Net interest expense
Unfunded pension benefits												
Public Service												
Superannuation Account <sup>4</sup> .....	2	(4)	(2)	–	–	–	(2)	1,846	1,844	2,356	2,546	1,927
Canadian Forces												
Superannuation Account <sup>4</sup> .....	2	(4)	(2)	–	–	–	(2)	1,177	1,175	1,172	1,347	981
Defence Services												
Pension Continuation Act .....	1	–	1	–	–	–	1	–	1	–	1	–
Royal Canadian Mounted Police												
Superannuation Account .....	–	(1)	(1)	1,220	(1,220)	–	(1)	341	340	358	426	295
Royal Canadian Mounted Police Continuation Act .....	4	–	4	–	–	–	4	–	4	–	4	–
Members of Parliament												
Retiring Allowances Account .....	11	11	22	–	–	–	22	9	31	18	40	15
Members of Parliament												
Retirement Compensation Arrangements Account .....	9	6	15	–	–	–	15	5	20	14	29	12
Retirement Compensation Arrangement Accounts .....	122	(58)	64	–	–	–	64	41	105	108	206	87
Supplementary Retirement Benefits Account ....	5	–	5	–	–	–	5	–	5	–	5	–
Judges Act .....	211	90	301	–	–	–	301	200	501	137	565	107
Other (diplomatic services, lieutenant governors, etc.) .....	3	–	3	–	–	–	3	–	3	–	3	–
Consolidated Crown corporations and other entities .....	–	2	2	–	–	–	2	4	6	5	7	4
Subtotal .....	370	42	412	1,220	(1,220)	–	412	3,623	4,035	4,168	5,179	3,428

**Table 6.12**  
**Summary of transactions in public sector pensions that resulted in charges to expenses—concluded**

(in millions of dollars)

	2023										2022	
	Government contributions and other <sup>1</sup>	Adjustment	Net benefits earned	Actuarial adjustments <sup>2</sup>	Costs recorded in previous years <sup>3</sup>	Valuation allowance	Pension expense included in personnel expenses	Actuarial losses (gains) recognized	Total pension expense	Net interest expense	Total pension expense	Net interest expense
Contributions from the Judges' plan recorded to revenues.....	(19)	—	(19)	—	—	—	(19)	—	(19)	—	(19)	—
Total unfunded pension benefits.....	351	42	393	1,220	(1,220)	—	393	3,623	4,016	4,168	5,160	3,428
Total reported in the Consolidated Statement of and Accumulated Operating Deficit.....	4,542	(104)	4,438	1,240	(1,240)	754	5,192	1,077	6,269	2,343	7,801	2,110

<sup>1</sup> "Other" includes consolidated Crown corporations and other entities' contributions to their pension plans, as well as statutory payments made to beneficiaries under the *Defence Services Pension Continuation Act*, the *Royal Canadian Mounted Police Continuation Act*, the *Judges Act*, and other acts regarding diplomatic services, lieutenant governors, etc.

<sup>2</sup> Represents actuarial adjustments to amortize deficiencies and excesses.

<sup>3</sup> Represents the reversal of costs already recorded in the allowance for pension adjustments of previous years.

<sup>4</sup> Includes payments under the *Supplementary Retirement Benefits Act* and various acts.

**Public Service Superannuation Account**

This account, established by the *Public Service Superannuation Act*, is used to record all transactions (contributions, benefit payments, transfers and interest credits) in respect of service accrued by public service members up to March 31, 2000.

**Table 6.13**  
**Public Service Superannuation Account**

(in dollars)

	2023	2022
Opening balance .....	94,112,622,979	89,010,828,958
<b>Receipts and other credits</b>		
Employee contributions		
Government employees .....	299,353	566,844
Retired employees .....	1,939,369	2,117,869
Public Service corporation employees .....	35,621	50,786
Employer contributions		
Government .....	1,872,161	2,155,567
Public Service corporations .....	35,071	23,039
Actuarial adjustment .....	–	7,805,000,000
Transfers from other pension funds .....	(138,196)	162,820
Interest .....	2,914,448,351	2,895,436,635
Total receipts and other credits .....	2,918,491,730	10,705,513,560
Subtotal .....	97,031,114,709	99,716,342,518
<b>Payments and other charges</b>		
Benefit payments		
Annuities .....	5,595,899,247	5,512,809,453
Minimum benefits .....	28,879,352	19,624,270
Pension division payments .....	7,294,462	10,025,072
Pension transfer value payments .....	2,949,589	6,284,208
Return of contributions		
Government employees .....	503,739	46,264
Public Service corporation employees .....	–	54,992
Transfers to other pension funds .....	836,161	1,964,739
Administrative expenses .....	51,086,105	52,910,541
Total payments and other charges .....	5,687,448,655	5,603,719,539
Closing balance .....	91,343,666,054	94,112,622,979

**Public Service Pension Fund Account**

This account is used to record the transactions in respect of service accrued on or after April 1, 2000, under the *Public Service Superannuation Act*. An amount equal to contributions less benefit payments and other charges is transferred to the PSPIB for investment. The closing balance in this account represents the net cash position prior to the transfer to the PSPIB.

**Table 6.14**  
**Public Service Pension Fund Account**

(in dollars)

	2023	2022
Opening balance .....	23,128,960	234,405,099
<b>Receipts and other credits</b>		
Employee contributions		
Government employees .....	2,891,111,879	2,861,654,535
Retired employees .....	54,626,066	53,967,780
Public Service corporation employees .....	221,930,600	218,360,857
Employer contributions		
Government .....	2,889,533,037	2,843,128,369
Public Service corporations .....	200,246,626	203,364,391
Transfers from other pension funds .....	106,085,491	81,011,976
Total receipts and other credits .....	6,363,533,699	6,261,487,908
<b>Payments and other charges</b>		
Benefit payments		
Annuities .....	3,484,339,990	3,091,256,692
Minimum benefits .....	41,775,933	27,666,967
Pension division payments .....	41,026,726	49,647,574
Pension transfer value payments .....	236,407,055	374,226,040
Return of contributions		
Government employees .....	30,992,567	18,500,045
Public Service corporation employees .....	6,896,627	4,585,090
Transfers to other pension funds .....	25,451,301	40,533,872
Administrative expenses .....	79,937,505	75,802,927
Total payments and other charges .....	3,946,827,704	3,682,219,207
Receipts and other credits less payments and other charges .....	2,416,705,995	2,579,268,701
Transfers to PSPIB .....	2,428,175,722	2,790,544,840
Closing balance .....	11,659,233	23,128,960

**Canadian Forces Superannuation Account**

This account, established by the *Canadian Forces Superannuation Act*, is used to record all transactions (contributions, benefit payments, transfers and interest credits) in respect of service accrued by Canadian Armed Forces members up to March 31, 2000.

**Table 6.15**  
**Canadian Forces Superannuation Account**

(in dollars)

	2023	2022
Opening balance .....	45,302,621,656	46,321,977,943
<b>Receipts and other credits</b>		
Contributions from personnel .....	1,943,694	2,116,496
Contributions by the government .....	1,943,693	2,116,496
Transfers from other pension funds .....	(27,041)	21,452
Interest .....	1,404,822,449	1,512,113,040
Other <sup>1</sup> .....	416,243	525,044
Total receipts and other credits .....	1,409,099,038	1,516,892,528
Subtotal .....	46,711,720,694	47,838,870,471
<b>Payments and other charges</b>		
Benefit payments		
Pensions and retiring allowances .....	2,524,569,574	2,504,068,229
Minimum benefits .....	381,733	156,893
Pension division payments .....	12,291,166	14,517,262
Pension transfer value payments .....	387,588	693,956
Return of contributions .....	5,988	592
Administrative expenses .....	16,262,087	16,811,883
Total payments and other charges .....	2,553,898,136	2,536,248,815
Closing balance .....	44,157,822,558	45,302,621,656

<sup>1</sup> Includes returned annuity payments upon joining a government pension plan.

**Canadian Forces Pension Fund Account**

This account is used to record the transactions in respect of service accrued on or after April 1, 2000, in accordance with Part I of the *Canadian Forces Superannuation Act*. An amount equal to contributions less benefit payments and other charges is transferred to the PSPIB for investment. The closing balance in this account represents the net cash position prior to the transfer to the PSPIB.

**Table 6.16**  
**Canadian Forces Pension Fund Account**

(in dollars)

	2023	2022
Opening balance .....	(44,282,772)	202,664,075
<b>Receipts and other credits</b>		
Contributions from personnel .....	556,570,764	565,444,635
Contributions by the government .....	911,477,803	922,997,821
Transfers from other pension funds .....	73,663,006	34,136,086
Other <sup>1</sup> .....	487,013	472,573
Total receipts and other credits .....	1,542,198,586	1,523,051,115
<b>Payments and other charges</b>		
Benefit payments		
Pensions and retiring allowances .....	1,070,377,219	955,609,276
Minimum benefits .....	1,898,253	2,021,317
Pension division payments .....	37,227,798	35,881,627
Pension transfer value payments .....	201,579,270	266,726,797
Return of contributions .....	1,873,549	2,139,781
Transfers to other pension funds .....	981,337	522,696
Administrative expenses .....	23,950,789	21,632,853
Total payments and other charges .....	1,337,888,215	1,284,534,347
Receipts and other credits less payments and other charges .....	204,310,371	238,516,768
Transfers to PSPIB .....	135,000,000	485,463,615
Closing balance .....	25,027,599	(44,282,772)

<sup>1</sup> Includes unclaimed cheques.

**Reserve Force Pension Fund Account**

This account is used to record the transactions in respect of service accrued on or after March 1, 2007, in accordance with Part I 1 of the *Canadian Forces Superannuation Act*. When the closing balance of this account is in a positive net cash position, an amount equal to contributions less benefit payments and other charges is usually transferred to the PSPIB for investment.

**Table 6.17****Reserve Force Pension Fund Account**

(in dollars)

	2023	2022
Opening balance .....	(98,754,921)	(132,883,745)
<b>Receipts and other credits</b>		
Contributions from personnel .....	23,859,917	25,584,971
Contributions by the government .....	55,791,150	59,771,984
Actuarial adjustment .....	17,400,000	17,400,000
Total receipts and other credits .....	97,051,067	102,756,955
<b>Payments and other charges</b>		
Benefit payments		
Pensions and retiring allowances .....	13,203,923	11,806,722
Minimum benefits .....	86,482	37,233
Pension transfer value payments .....	15,499,112	17,222,067
Return of contributions .....	263,045	179,148
Transfers to other pension funds .....	73,433,781	33,835,552
Administrative expenses .....	6,308,267	5,547,409
Total payments and other charges .....	108,794,610	68,628,131
Receipts and other credits less payments and other charges .....	(11,743,543)	34,128,824
Closing balance .....	(110,498,464)	(98,754,921)

**Royal Canadian Mounted Police Superannuation Account**

This account, established by the *Royal Canadian Mounted Police Superannuation Act*, is used to record all transactions (contributions, benefit payments, transfers and interest credits) in respect of service accrued by Royal Canadian Mounted Police members up to March 31, 2000.

**Table 6.18**  
**Royal Canadian Mounted Police Superannuation Account**

(in dollars)

	2023	2022
Opening balance .....	13,051,955,194	13,352,626,005
<b>Receipts and other credits</b>		
Contributions from personnel (current services and arrears).....	359,874	473,302
Contributions by the government .....	274,262	297,430
Actuarial adjustment .....	1,220,000,000	–
Interest .....	404,408,117	435,719,598
Total receipts and other credits .....	1,625,042,253	436,490,330
Subtotal.....	14,676,997,447	13,789,116,335
<b>Payments and other charges</b>		
Benefit payments		
Annuities and allowances .....	745,331,576	725,984,836
Cash termination allowance and gratuities .....	123,129	–
Pension division payments .....	4,137,853	4,932,630
Pension transfer value payments.....	5,378	133,289
Return of contributions.....	246	50,961
Transfers to other pension funds.....	29,677	86,371
Administrative expenses.....	6,486,682	5,973,054
Total payments and other charges.....	756,114,541	737,161,141
Closing balance.....	13,920,882,906	13,051,955,194

**Royal Canadian Mounted Police Pension Fund Account**

This account is used to record the transactions in respect of service accrued on or after April 1, 2000, under the *Royal Canadian Mounted Police Superannuation Act*. An amount equal to contributions less benefit payments and other charges is transferred to the PSPIB for investment. The closing balance in this account represents the net cash position prior to the transfer to the PSPIB.

**Table 6.19**  
**Royal Canadian Mounted Police Pension Fund Account**

(in dollars)

	2023	2022
Opening balance .....	121,717,797	2,765,418
<b>Receipts and other credits</b>		
Contributions from personnel (current services and arrears).....	267,825,074	328,761,563
Contributions by the government .....	328,072,288	404,646,790
Transfers from other pension funds .....	10,844,995	9,419,205
Total receipts and other credits .....	606,742,357	742,827,558
<b>Payments and other charges</b>		
Benefit payments		
Annuities and allowances .....	345,649,604	301,342,381
Minimum benefits.....	638,353	–
Pension division payments .....	16,177,594	16,837,656
Pension transfer value payments.....	44,731,041	60,200,710
Return of contributions		
Personnel .....	107,617	741,272
Interest.....	20,415	494,328
Transfers to other pension funds.....	13,028,813	13,065,152
Administrative expenses.....	5,724,693	5,043,276
Total payments and other charges.....	426,078,130	397,724,775
Receipts and other credits less payments and other charges .....	180,664,227	345,102,783
Transfers to PSPIB.....	296,898,548	226,150,404
Closing balance.....	5,483,476	121,717,797

**Members of Parliament Retiring Allowances Account**

This account was established by the *Members of Parliament Retiring Allowances Act* to provide pension benefits to eligible Members of Parliament who contributed to the plan. “Member of Parliament” means a member of the Senate or the House of Commons. Benefits are also available to eligible survivors or eligible dependent children of Members who served on or after a certain date and contributed under the Act.

**Table 6.20**  
**Members of Parliament Retiring Allowances Account**

(in dollars)

	2023	2022
Opening balance .....	628,748,189	631,361,854
<b>Receipts and other credits</b>		
Members' contributions		
Current services .....	10,931,317	10,444,519
Arrears of principal, interest and mortality insurance .....	14,906	69,405
Government contributions (current services) .....	10,931,317	10,444,519
Interest .....	10,468,217	10,102,772
Total receipts and other credits .....	32,345,757	31,061,215
Subtotal .....	661,093,946	662,423,069
<b>Payments and other charges</b>		
Benefit payments		
Annual allowances .....	30,805,062	30,254,151
Pension division payments .....	–	243,744
Return of contributions		
Withdrawals .....	122,289	3,002,264
Interest .....	9,962	174,721
Total payments and other charges .....	30,937,313	33,674,880
Closing balance .....	630,156,633	628,748,189

**Members of Parliament Retirement Compensation Arrangements Account**

This account was established by the *Members of Parliament Retiring Allowances Act* to provide for benefits in respect of pension credits accrued by Members of Parliament which are not payable out of the Members of Parliament Retiring Allowances Account. Benefits are also available to eligible survivors or eligible dependent children of Members.

**Table 6.21****Members of Parliament Retirement Compensation Arrangements Account**

(in dollars)

	2023	2022
Opening balance .....	239,363,634	277,868,777
<b>Receipts and other credits</b>		
Members' contributions		
Current services .....	8,690,417	8,533,165
Arrears of principal, interest and mortality insurance.....	69,957	62,241
Government contributions (current services).....	8,690,417	8,533,165
Interest .....	4,107,648	4,446,815
Total receipts and other credits .....	21,558,439	21,575,386
Subtotal.....	260,922,073	299,444,163
<b>Payments and other charges</b>		
Benefit payments		
Annual allowances.....	20,520,817	19,656,511
Pension division payments .....	–	242,612
Return of contributions		
Withdrawals.....	326,422	2,904,952
Interest .....	17,620	196,365
Refundable tax .....	181,935	37,080,089
Total payments and other charges.....	21,046,794	60,080,529
Closing balance.....	239,875,279	239,363,634

## Retirement Compensation Arrangements Accounts

The Retirement Compensation Arrangements (RCA) Accounts were established by the *Special Retirement Arrangements Act* to provide supplementary pension benefits to certain federal employees.

The RCA Regulations, No. 1 (RCA No. 1) provides for pension benefits in excess of those permitted under the *Income Tax Act* for the pensions paid under the *Public Service Superannuation Act*, the *Canadian Forces Superannuation Act* and the *Royal Canadian Mounted Police Superannuation Act*. The RCA No. 1 was created effective December 15, 1994.

The RCA Regulations, No. 2 (RCA No. 2) provides for pension benefits to public service employees who were declared surplus as a result of a three-year early retirement incentive program that ended on March 31, 1998. It pays the difference between an unreduced pension and the reduced pension for early retirement payable from the Public Service Superannuation Account. The RCA No. 2 was created effective April 1, 1995, and is funded entirely by the government.

**Table 6.22**  
**Retirement Compensation Arrangements Accounts**

(in dollars)

	RCA No. 1						RCA No. 2		Total	
	Public Service		Canadian Forces		Royal Canadian Mounted Police		Public Service			
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance .....	1,349,219,396	1,331,554,712	498,611,345	486,814,679	35,361,112	35,512,715	562,871,488	595,698,929	2,446,063,341	2,449,581,035
<b>Receipts and other credits</b>										
Employee contributions										
Government										
employees.....	15,987,965	10,986,103	4,520,201	4,481,562	718,877	102,071	–	–	21,227,043	15,569,736
Retired employees.	555,684	487,902	–	–	2,953	977	–	–	558,637	488,879
Public Service corporation										
employees.....	2,220,308	2,153,245	–	–	–	–	–	–	2,220,308	2,153,245
Employer contributions										
Government .....	92,585,584	40,056,159	28,091,137	29,051,609	2,140,796	242,780	–	–	122,817,517	69,350,548
Public Service corporations....	12,581,099	8,098,371	–	–	–	–	–	–	12,581,099	8,098,371
Refundable tax.....	–	–	–	–	–	81,959	33,383,033	32,385,245	33,383,033	32,467,204
Interest .....	43,055,196	44,233,230	16,036,172	16,577,376	1,127,650	1,166,955	16,830,187	18,803,171	77,049,205	80,780,732
	166,985,836	106,015,010	48,647,510	50,110,547	3,990,276	1,594,742	50,213,220	51,188,416	269,836,842	208,908,715
	1,516,205,232	1,437,569,722	547,258,855	536,925,226	39,351,388	37,107,457	613,084,708	646,887,345	2,715,900,183	2,658,489,750
<b>Payments and other charges</b>										
Benefit payments										
Annuities.....	72,433,738	66,805,739	13,967,341	12,240,779	2,050,216	1,741,539	84,789,306	84,015,857	173,240,601	164,803,914
Minimum benefits.	110,302	25,273	–	–	–	–	–	–	110,302	25,273
Pension division										
payments.....	268,788	481,737	435,173	335,341	–	–	–	–	703,961	817,078
Pension transfer										
value payments .....	597,323	924,605	809,238	3,184,663	465	3,834	–	–	1,407,026	4,113,102
Return of contributions										
Government										
employees.....	23,056	17,504	–	20	–	–	–	–	23,056	17,524
Public Service corporation										
employees.....	14,484	788	–	–	–	–	–	–	14,484	788
Transfers to other										
pension funds .....	9,589	486,672	–	–	282	972	–	–	9,871	487,644
Refundable tax.....	38,670,222	19,608,008	17,246,825	22,553,078	969,022	–	–	–	56,886,069	42,161,086
	112,127,502	88,350,326	32,458,577	38,313,881	3,019,985	1,746,345	84,789,306	84,015,857	232,395,370	212,426,409
Closing balance.....	1,404,077,730	1,349,219,396	514,800,278	498,611,345	36,331,403	35,361,112	528,295,402	562,871,488	2,483,504,813	2,446,063,341

## Supplementary Retirement Benefits Account

This account was established by the *Supplementary Retirement Benefits Act* to provide for pension benefit increases resulting from changes in the Consumer Price Index. The account continues to provide for increased pension benefits resulting from indexation for pensions of federally appointed judges, and recipients of pensions under various continuation acts and other related acts.

**Table 6.23**  
**Supplementary Retirement Benefits Account**

(in dollars)

	Judges		Others <sup>1</sup>		Total	
	2023	2022	2023	2022	2023	2022
Opening balance .....	278,587,467	267,128,543	1,077,396	1,042,044	279,664,863	268,170,587
<b>Receipts and other credits</b>						
Employee contributions						
Government .....	4,457,830	4,384,393	59,847	26,435	4,517,677	4,410,828
Employer contributions						
Government .....	4,457,830	4,384,393	59,847	26,435	4,517,677	4,410,828
Interest .....	8,259,713	2,690,138	34,444	10,905	8,294,157	2,701,043
Total receipts and other credits ...	17,175,373	11,458,924	154,138	63,775	17,329,511	11,522,699
Subtotal .....	295,762,840	278,587,467	1,231,534	1,105,819	296,994,374	279,693,286
<b>Payments and other charges</b>						
Return of contributions .....	–	–	44,313	–	44,313	–
Annuities .....	–	–	35,575	28,423	35,575	28,423
Closing balance .....	295,762,840	278,587,467	1,151,646	1,077,396	296,914,486	279,664,863

<sup>1</sup> Includes lieutenant governors and other Governor in Council appointees.

## Allowance for pension adjustments

This account records the accounting adjustments resulting from annual actuarial valuations of public sector pension plans sponsored by the government.

Actuarial losses of \$1,255 million (\$3,230 million in 2022), due to plan experience and changes in actuarial assumptions, were recognized in this account and increased pension expenses for the year.

An amount of \$1,237 million (\$7,822 million in 2022) was recorded in this account to offset the amortization of deficiencies charged to the pension fund accounts and superannuation accounts during the year but already accounted for in previous years' expenses or in actuarial gains and losses.

An amount of \$186 million (\$339 million in 2022) was debited from this account and decreased pension costs to adjust for the difference between the government contributions and the net cost of benefits earned.

An amount of \$9,341 million (\$7,255 million in 2022) was credited to this account to adjust for the difference between interest based on the accrued pension obligations and interest credited to the superannuation accounts. Also, an amount of \$11,583 million (\$9,878 million in 2022) was debited from this account to record the expected return on the pension investments.

As well, a consolidation adjustment of \$24 million (\$47 million in 2022) was credited to this account and debited against personal tax revenues to eliminate the effect of internal transactions resulting from tax amounts debited from the RCA accounts that were previously recorded as tax revenues.

The unrecognized net actuarial gains of \$27,187 million (\$11,910 million gains in 2022) will be recognized in this account and will affect expenses in future years.

Due to annual actuarial valuations for accounting purposes, the accrued pension obligations of \$358,243 million (\$358,739 million in 2022) minus the pension assets of \$229,822 million (\$209,596 million in 2022) were \$24,583 million lower (\$6,920 million lower in 2022) than the balance of the pension fund accounts of \$(68) million (\$2 million in 2022) and the superannuation accounts of \$153,072 million (\$156,061 million in 2022). The excess or shortfall is made up of the following:

(in millions of dollars)

	(Shortfall) excess	
	2023	2022
<b>Public Service Pension Plan</b>		
Public Service Superannuation Account.....	(3,473)	(6,913)
Public Service Pension Fund.....	31,913	25,088
Retirement Compensation Arrangements.....	(1,472)	(1,522)
<b>Total allowance for Public Service Pension Plan.....</b>	<b>26,968</b>	<b>16,653</b>
<b>Canadian Forces Pension Plan</b>		
Canadian Forces Superannuation Account.....	(2,680)	(5,013)
Canadian Forces Pension Fund.....	5,005	3,147
Reserve Force Pension Fund.....	(438)	(192)
Retirement Compensation Arrangements.....	(175)	(508)
<b>Total allowance for Canadian Forces Pension Plan.....</b>	<b>1,712</b>	<b>(2,566)</b>
<b>Royal Canadian Mounted Police Pension Plan</b>		
Royal Canadian Mounted Police Superannuation Account.....	(324)	(2,232)
Royal Canadian Mounted Police Pension Fund.....	1,925	996
Retirement Compensation Arrangements.....	(37)	(42)
<b>Total allowance for Canadian Mounted Police Pension Plan.....</b>	<b>1,564</b>	<b>(1,278)</b>
<b>Members of Parliament Pension Plan</b>		
Members of Parliament Retiring Allowances.....	(99)	(134)
Retirement Compensation Arrangements.....	(330)	(355)
<b>Total allowance for Members of Parliament Pension Plan.....</b>	<b>(429)</b>	<b>(489)</b>
Pension plan for federally appointed judges.....	(5,232)	(5,400)
<b>Total.....</b>	<b>24,583</b>	<b>6,920</b>

## Other employee and veteran future benefits

The government and the consolidated Crown corporations and other entities sponsor different types of future benefit plans with varying terms and conditions. The benefits are available to employees and former employees (including military or Royal Canadian Mounted Police members) during or after employment, or upon retirement. Some are considered retirement benefits, whereby benefits are expected to be provided after retirement to employees and their beneficiaries or dependants. Others are considered post-employment benefits, whereby benefits are expected to be paid after employment but before retirement. Benefits for veterans are paid to war veterans, as well as to Canadian Forces retired veterans and Canadian Forces still-serving members. Benefits for members of the Royal Canadian Mounted Police are paid to both current and former members. These are primarily post-employment benefits, but some benefits are also paid during employment to still-serving members. They include disability and associated benefits paid to veterans or Royal Canadian Mounted Police members, or to their beneficiaries and dependants.

The other major future benefits include health care and dental benefits available to retired employees and retired military and Royal Canadian Mounted Police members, accumulated sick leave entitlements and post-employment benefits such as workers' compensation benefits and severance benefits that accumulate.

**Table 6.24**  
**Other employee and veteran future benefits**

(in millions of dollars)

	April 1, 2022	Receipts and other credits	Payments and other charges	March 31, 2023
	Veterans' disability and other future benefits .....	94,482	18,587	4,942
Royal Canadian Mounted Police disability and other future benefits .....	18,480	4,491	559	22,412
Public Service Health Care Plan .....	35,168	2,087	2,040	35,215
Pensioners' Dental Services Plan .....	5,471	368	129	5,710
Severance and other benefits .....	1,752	219	181	1,790
Accumulated sick leave entitlements .....	2,120	424	333	2,211
Workers' compensation .....	1,899	477	216	2,160
Consolidated Crown corporations and other entities .....	333	24	33	324
<b>Total .....</b>	<b>159,705</b>	<b>26,677</b>	<b>8,433</b>	<b>177,949</b>

All the government and most of the consolidated Crown corporations and other entities' sponsored plans are unfunded. The health care and the dental plans are contributory plans. Retired plan members contribute to the plans to obtain coverage. Therefore the liabilities and costs are shown net of members' contributions. The accrued benefit obligations amount related to these plans is determined actuarially for accounting purposes. As at March 31, the recorded liabilities included the following components:

(in millions of dollars)

	2023			2022	
	Accrued benefit obligations	Unrecognized net actuarial (losses) gains	Benefits paid after measurement date up to March 31	Future benefit liabilities	Future benefit liabilities
Veterans' disability and other future benefits .....	152,871	(44,744)	–	108,127	94,482
Royal Canadian Mounted Police disability and other future benefits .....	33,841	(11,429)	–	22,412	18,480
Public Service Health Care Plan .....	25,205	10,010	–	35,215	35,168
Pensioners' Dental Services Plan .....	5,008	702	–	5,710	5,471
Severance and other benefits .....	1,938	(148)	–	1,790	1,752
Accumulated sick leave entitlements .....	2,004	207	–	2,211	2,120
Workers' compensation .....	2,105	55	–	2,160	1,899
Consolidated Crown corporations and other entities .....	234	92	(2)	324	333
<b>Total .....</b>	<b>223,206</b>	<b>(45,255)</b>	<b>(2)</b>	<b>177,949</b>	<b>159,705</b>

The cost of these benefits can accrue either during the service life of employees or upon occurrence of an event generating the liability under the terms of the plans. An interest component is charged to expense based on the average accrued benefit obligation.

During the year, expenses relating to these benefits were as follows:

(in millions of dollars)

	2023							2022
	Benefits earned	Amendment costs reductions	Total benefit expense included in personnel expenses	Actuarial losses (gains) recognized	Total benefit expense	Interest expense	Total	Total
Veterans' disability and other future benefits .....	7,666	–	7,666	7,181	14,847	3,740	18,587	14,747
Royal Canadian Mounted Police disability and other future benefits .....	2,134	–	2,134	1,533	3,667	824	4,491	3,783
Public Service Health Care Plan .....	1,360	(1,322)	38	(228)	(190)	727	537	2,209
Pensioners' Dental Services Plan .....	205	–	205	34	239	129	368	420
Severance and other benefits .....	134	–	134	38	172	47	219	225
Accumulated sick leave entitlements .....	377	–	377	(13)	364	47	411	381
Workers' compensation .....	417	–	417	11	428	49	477	432
Consolidated Crown corporations and other entities .....	17	–	17	(6)	11	7	18	19
<b>Total .....</b>	<b>12,310</b>	<b>(1,322)</b>	<b>10,988</b>	<b>8,550</b>	<b>19,538</b>	<b>5,570</b>	<b>25,108</b>	<b>22,216</b>

## Other liabilities

Other liabilities include general liabilities established under section 64 of the *Financial Administration Act* as well as specified purpose accounts opened under section 21 of the *Financial Administration Act* or of other legislation. Specified purpose accounts are an accounting classification used to record transactions and expenditures in respect of money payable out of the Consolidated Revenue Fund under statutory authorities, pursuant to legislation, trusts, treaties, undertakings, or contracts. Legislation relating to some of these accounts permits investments to be made and, in certain cases, the balances of the accounts earn interest.

## Canada Pension Plan

The Canada Pension Plan (CPP) is a federal/provincial social insurance program established by an Act of Parliament in 1965. The CPP began operations in 1966. It is compulsory and in operation in all parts of Canada, except for the Province of Quebec. The objective of the program is to provide a measure of protection to workers and their families against the loss of earnings due to retirement, disability, or death. The CPP is financed from employee, employer and self-employed worker contributions, as well as investment earnings. The CPP's investments are held and managed by the Canada Pension Plan Investment Board (CPPIB).

The CPP is administered by the Government of Canada and the provinces. As such, CPP's financial activities are not part of the Government of Canada's reporting entity because changes to the CPP require the agreement of at least two thirds of the provinces, representing at least two thirds of the population of all the provinces and it is therefore not controlled by the government.

The Minister of Employment, Workforce Development and Official Languages is responsible for the administration of the CPP under the *Canada Pension Plan Act*; the Minister of National Revenue is responsible for collecting contributions. The Minister of Finance and her provincial counterparts are responsible for setting CPP contribution rates, pension and benefit levels and funding policy. The CPPIB is responsible for managing the amounts that are being transferred under Sections 108.1 and 108.3 of the *Canada Pension Plan Act*. It acts in the best interests of the beneficiaries and contributors under the Act.

Legislation to implement the CPP Enhancement came into force on March 3, 2017, amending the Canada Pension Plan, and took effect on January 1, 2019. The CPP Enhancement will increase the amount of pensions and post-retirement benefits that will be paid on CPP contributions made after 2018, with a corresponding increase to the contribution rate. Effectively, the CPP Enhancement will serve as a "top-up" of the benefits calculated under the existing CPP. Unlike the existing CPP, the CPP Enhancement will be fully funded per the legislative requirement.

The existing CPP Account and the Additional CPP Account for the CPP Enhancement, collectively referred to as the CPP Accounts, were established in the accounts of Canada pursuant to the *Canada Pension Plan Act*. The transactions of each component of the CPP are recorded in the Account to which they relate. CPP's revenues and expenses such as contributions, interests, investment income or loss from CPPIB, pension benefits and operating expenses, are reported as increases and decreases to this liability. The CPP Accounts also record the amounts transferred to or received from the CPPIB. The CPPIB operates at arm's length from the government and invests in a diversified portfolio of securities.

As administrator of the CPP, the government's authority to provide benefits is limited to the consolidated assets available for benefit payments of the CPP. At March 31, 2023, the fair value of the CPP's consolidated assets available for benefit payments is \$549,500 million (\$534,480 million in 2022) for the CPP Account and \$24,443 million (\$13,598 million in 2022) for the Additional CPP Account.

The detailed revenues, expenses, assets and liabilities of the CPP financial activities are reported separately in the CPP consolidated financial statements. The CPP's deposit with the Receiver General for Canada of \$306 million (\$101 million in 2022) corresponds to the balance in the CPP Accounts and is reported as the government's liability to the CPP at March 31, 2023. The CPP's deposit with the Receiver General for Canada is comprised of the CPP Account balance of \$276 million (\$78 million in 2022) and the Additional CPP Account balance of \$30 million (\$23 million in 2022).

Table 6.25 presents a reconciliation between the assets available for benefit payments shown in the CPP's consolidated financial statements and the CPP Accounts, as well as a summary of the balances and transactions in the CPP Accounts which result in the deposit with the Receiver General for Canada.

**Table 6.25**  
**Canada Pension Plan Accounts**

(in dollars)

	April 1, 2022	Receipts and other credits	Payments and other charges	March 31, 2023
<b>Canada Pension Plan balance per audited consolidated financial statements</b>				
Assets available for benefit payments.....	534,480,447,348	75,536,033,981	60,518,708,754	549,497,772,575
Less:				
Receivables, net of liabilities .....	7,708,748,140	3,025,780,107	7,708,748,140	3,025,780,107
Accumulated net income from Canada Pension Plan				
Investment Board's operations .....	377,510,000,000	11,518,000,000	4,018,000,000	385,010,000,000
	<i>149,261,699,208</i>	<i>60,992,253,874</i>	<i>48,791,960,614</i>	<i>161,461,992,468</i>
Less: transfers to Canada Pension Plan Investment Board .....	149,183,703,564	55,701,668,429	43,698,693,292	161,186,678,701
Total Canada Pension Plan.....	<u>77,995,644</u>	<u>5,290,585,445</u>	<u>5,093,267,322</u>	<u>275,313,767</u>
<b>Additional Canada Pension Plan balance per audited consolidated financial statements</b>				
Assets available for benefit payments.....	13,597,803,742	11,269,185,233	422,254,940	24,444,734,035
Less:				
Receivables, net of liabilities .....	957,071,888	569,033,853	957,071,888	569,033,853
Accumulated net income from Canada Pension Plan				
Investment Board's operations .....	570,000,000	431,000,000	100,000,000	901,000,000
	<i>12,070,731,854</i>	<i>10,269,151,380</i>	<i>(634,816,948)</i>	<i>22,974,700,182</i>
Less: transfers to Canada Pension Plan Investment Board .....	12,047,461,742	10,896,826,020	-	22,944,287,762
Total Additional Canada Pension Plan .....	<u>23,270,112</u>	<u>(627,674,640)</u>	<u>(634,816,948)</u>	<u>30,412,420</u>
Deposit with the Receiver General for Canada.....	<u>101,265,756</u>	<u>4,662,910,805</u>	<u>4,458,450,374</u>	<u>305,726,187</u>

Certain figures may not match amounts in the CPP financial statement in this section due to rounding.

Receipts and other credits include:

- contributions from employees, employers and those who are self-employed;
- income from the average daily operating balance deposited with the Receiver General for Canada;
- funds received from the CPPIB;
- gains on investments held by the CPPIB;
- payments received on overpayments established.

Payments and other charges include:

- pensions and benefits paid under the CPP as retirement pensions and post-retirement benefit, survivors' pensions and benefits paid to spouse or common-law partner and orphans, or as lump sum death benefits, disability pensions and benefits to eligible contributors and their children, and post-retirement disability benefits;
- pensions and benefits paid and recovered from the CPP, in accordance with an agreement with a province providing a comprehensive pension plan;
- payments that are required to be charged to the CPP, in accordance with reciprocal agreements with other countries;
- costs of administration of the CPP;
- funds transferred to the CPPIB;
- losses on investments held by the CPPIB.

For additional information, the consolidated financial statements of the CPP are included with the supplementary statements at the end of this section. Additional information on the funding of CPP may also be obtained from the *31st Actuarial Report on the Canada Pension Plan* prepared by the Chief Actuary of the Office of the Superintendent of Financial Institutions.

## Government Annuities Account

The purpose of the *Government Annuities Act* was to assist individuals and groups of Canadians to prepare financially for their retirement by purchasing government annuities. In 1975, the *Government Annuities Improvement Act* discontinued future sales of government annuity contracts. Annuities are deferred until their maturity date, at which time payments to annuitants begin.

The pension obligations are initially recorded through the Government Annuities Account, which was established by the *Government Annuities Act*. The account is valued on an actuarial basis each year, using prescribed mortality and interest rates, with the deficit or surplus charged or credited to the Consolidated Revenue Fund. Any adjustments required under the government's accounting policies are then recorded through an allowance adjustment account. The allowance account reflects the adjustment to the obligations due to the differential between prescribed rates and best estimates of experience-adjusted mortality tables and discount rates. The discount rates used to measure the present value are based on the government's cost of borrowing derived from the yields on the actual zero-coupon yield curve for Government of Canada bonds which reflect the timing of the expected future cash flows.

Receipts and other credits recorded in the account consist of premiums received, funds reclaimed from the Consolidated Revenue Fund for previously untraceable annuitants, prescribed interest of 7% calculated on the accrued benefits and any credit needed to cover the actuarial deficit. Payments and other charges recorded in the account represent payment of matured annuities, the commuted value of death benefits, premium refunds and withdrawals, and actuarial surpluses and unclaimed annuities, related to untraceable annuitants, transferred to non-tax revenues and allowance for adjustments to the pension obligations.

At the end of the year, an actuarial surplus of \$1,105,092 was transferred to the government's revenues to reduce the balance of the account to \$58.9 million and the allowance account was adjusted to \$9.1 million to increase the pension obligations to \$68.0 million as at March 31, 2023.

As of March 31, 2023, the annuitants held 15,115 active contracts, representing a decrease of 2,112 annuities compared to the previous year, as a direct result of annuitant deaths and Consolidated Revenue Fund transfers.

## Deposit and trust accounts

Deposit and trust accounts are a group of liabilities representing the government's financial obligations in its role as administrator of certain funds that it has received or collected for specified purposes and that it will pay out accordingly. To the extent that the funds received are represented by negotiable securities, these are deducted from the corresponding accounts to show the net liability. Certain accounts earn interest which is charged to interest on the public debt.

**Table 6.26**  
**Deposit and trust accounts**

(in dollars)

	April 1, 2022	Receipts and other credits	Payments and other charges	March 31, 2023
<b>Deposit accounts</b>				
Agriculture and Agri-Food				
Canadian Dairy Commission				
Canadian Dairy Commission Account.....	–	4,627,099	1,827,641	2,799,458
Crown-Indigenous Relations and Northern Affairs				
Department of Crown-Indigenous Relations and Northern Affairs				
Field British Columbia and Yukon Operations of the				
Northern Canada Power Commission .....	992,587	–	–	992,587
Guarantee deposits .....	11,292,348	142,536	66,564	11,368,320
	12,284,935	142,536	66,564	12,360,907
Employment, Workforce Development and Disability Inclusion				
Department of Employment and Social Development				
Canada Labour Code—Other .....				
Canada Labour Code—Wage recovery request	173,143	1,678,536	740,719	1,110,960
for review or appeal.....	1,056,926	504,607	448,104	1,113,429
	1,230,069	2,183,143	1,188,823	2,224,389
Environment and Climate Change				
Parks Canada Agency				
Contractor security deposits—Cash.....	519,524	2,378,813	352,508	2,545,829
Finance				
Department of Finance				
Canada Development Investment Corporation				
Holdback—Privatization .....	9,308,847	248,480	–	9,557,327
Canada Hibernia Holding Corporation				
Abandonment Reserve Fund.....	102,254,908	2,729,478	–	104,984,386
Swap collateral guarantee deposits .....	1,771,409,427	6,617,989,033	7,345,859,904	1,043,538,556
	1,882,973,182	6,620,966,991	7,345,859,904	1,158,080,269
Fisheries, Oceans and the Canadian Coast Guard				
Department of Fisheries and Oceans				
Contractor security deposits—Cash.....	315,300	221,711	335,400	201,611
Guarantee deposits—Fish habitat preservation.....	370,106	–	–	370,106
	685,406	221,711	335,400	571,717
Health				
Canadian Food Inspection Agency				
Contractor security deposits—Cash.....	73,672	–	–	73,672
Indigenous Services				
Department of Indigenous Services				
Guarantee deposits .....	2,535,210	84,200	71,000	2,548,410
Innovation, Science and Industry				
Department of Industry				
Deposits from spectrum auctions.....	–	567,000	567,000	–
Justice				
Courts Administration Service				
Security for costs.....	46,242	15,013	37,479	23,776
Registrar of the Supreme Court of Canada				
Security for costs.....	392,593	1,614	–	394,207
	438,835	16,627	37,479	417,983
National Defence				
Department of National Defence				
Contractor security deposits—Cash.....	3,056,326	3,964,415	3,257,550	3,763,191

**Table 6.26**  
**Deposit and trust accounts—continued**

(in dollars)

	April 1, 2022	Receipts and other credits	Payments and other charges	March 31, 2023
National Revenue				
Canada Revenue Agency				
Guarantee deposits .....	339,880,644	75,620,160	41,361,470	374,139,334
Less: securities held in trust .....	35,000	–	–	35,000
	<i>339,845,644</i>	<i>75,620,160</i>	<i>41,361,470</i>	<i>374,104,334</i>
Natural Resources				
Department of Natural Resources				
Contractor security deposits—Cash .....	20,435	–	3,500	16,935
Guarantee deposits—Oil and gas .....	15,567,420	2,422,648	180,710	17,809,358
Canadian Energy Regulator				
Guarantee deposits .....	532,559	–	–	532,559
	<i>16,120,414</i>	<i>2,422,648</i>	<i>184,210</i>	<i>18,358,852</i>
Privy Council				
Office of the Chief Electoral Officer				
Contractor security deposits—Cash .....	2,500,000	–	–	2,500,000
Public Safety and Emergency Preparedness				
Canada Border Services Agency				
General security deposits .....	8,176,552	–	150,701	8,025,851
Guarantee deposits .....	10,086,610	1,036,561	548,726	10,574,445
Immigration Guarantee Fund .....	25,545,410	6,298,908	6,785,479	25,058,839
Temporary deposits received from importers .....	1,171,195	197,157	266,119	1,102,233
	<i>44,979,767</i>	<i>7,532,626</i>	<i>7,751,025</i>	<i>44,761,368</i>
Royal Canadian Mounted Police				
Contractor security deposits—Cash .....	104,584	261,521	41,732	324,373
	<i>45,084,351</i>	<i>7,794,147</i>	<i>7,792,757</i>	<i>45,085,741</i>
Public Services and Procurement				
Department of Public Works and Government Services				
Contractor security deposits—Cash .....	2,837,737	550,291	1,244,953	2,143,075
Deposits on disposals and rent security deposits .....	6,420,287	24,214,008	23,158,866	7,475,429
Seized property—Cash .....	35,411,071	25,753,448	22,494,652	38,669,867
	<i>44,669,095</i>	<i>50,517,747</i>	<i>46,898,471</i>	<i>48,288,371</i>
Transport				
Department of Transport				
Contractor security deposits—Bonds .....	52,500	–	–	52,500
Less: securities held in trust .....	52,500	–	–	52,500
	–	–	–	–
Contractor security deposits—Cash .....	147,505	26,521	2,494	171,532
	<i>147,505</i>	<i>26,521</i>	<i>2,494</i>	<i>171,532</i>
Total—Deposits accounts .....	<i>2,352,164,168</i>	<i>6,771,533,758</i>	<i>7,449,803,271</i>	<i>1,673,894,655</i>

**Table 6.26**  
**Deposit and trust accounts—concluded**

(in dollars)

	April 1, 2022	Receipts and other credits	Payments and other charges	March 31, 2023
<b>Trust accounts</b>				
Employment, Workforce Development and Disability Inclusion				
Department of Employment and Social Development				
Indian Residential Schools Settlement Agreement				
Common experience payments .....	1,916,124	106,479	105,113	1,917,490
Indigenous Services				
Department of Indigenous Services				
Indian band funds				
Capital accounts, Table 6.27 .....	323,939,695	139,290,564	105,883,644	357,346,615
Revenue accounts, Table 6.28 .....	181,569,501	73,694,264	51,907,009	203,356,756
	505,509,196	212,984,828	157,790,653	560,703,371
Indian estate accounts .....	37,271,650	10,697,828	8,197,432	39,772,046
Indian savings accounts .....	23,906,298	2,015,220	2,064,462	23,857,056
	566,687,144	225,697,876	168,052,547	624,332,473
Innovation, Science and Industry				
Department of Industry				
Restitutions under the <i>Competition Act</i> .....	3,579	–	–	3,579
National Defence				
Department of National Defence				
Estates—Armed services .....	523,553	1,812,313	1,774,909	560,957
Public Safety and Emergency Preparedness				
Canadian Security Intelligence Service				
Scholastic awards .....	26,077	705	–	26,782
Correctional Service of Canada				
Inmate Trust Fund .....	23,943,098	58,166,271	48,126,849	33,982,520
Royal Canadian Mounted Police				
Benefit Trust Fund .....	2,724,336	287,414	114,491	2,897,259
	26,693,511	58,454,390	48,241,340	36,906,561
Veterans Affairs				
Department of Veterans Affairs				
Administered accounts .....	102,348	2,087	104,435	–
Veterans Administration and Welfare Trust Fund .....	1,117,074	149,321	38,967	1,227,428
	1,219,422	151,408	143,402	1,227,428
Total—Trust accounts .....	597,043,333	286,222,466	218,317,311	664,948,488
Total—Deposit and trust accounts .....	2,949,207,501	7,057,756,224	7,668,120,582	2,338,843,143

### **Canadian Dairy Commission Account**

The Canadian Dairy Commission is a Crown corporation listed in Part I of Schedule III of the *Financial Administration Act*. This account was established for banking purposes using the Consolidated Revenue Fund pursuant to section 15 of the *Canadian Dairy Commission Act*.

### **Field British Columbia and Yukon Operations of the Northern Canada Power Commission**

This account was established to record amounts deposited by the Northern Canada Power Commission to reimburse liabilities pertaining to Field, British Columbia and Yukon Operations of the Northern Canada Power Commission.

### **Guarantee deposits—Department of Crown-Indigenous Relations and Northern Affairs**

This account was established to record cash and securities deposited as guarantees for performance as required by permits, leases, authorizations and water licences, pursuant to section 8 of the *Arctic Waters Pollution Prevention Act*, the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* as well as various regulations under the *Territorial Lands Act* and the *Mackenzie Valley Resource Management Act*. Interest is not allowed on cash deposits.

### **Canada Labour Code—Other**

This account was established to record amounts received under the provisions of section 251.01 of the *Canada Labour Code* Part III. The receipts are payment of wages or other amounts prescribed under the Code that a labour affairs officer determined to be owed following a complaint or an inspection. Employers can pay the amount owed to the Head of Compliance and Enforcement instead of paying them directly to the employee. These amounts are then paid out to the employees.

### **Canada Labour Code—Wage recovery request for review or appeal**

This account was established to record amounts following the issuance of a payment order under section 251.1 of the *Canada Labour Code* Part III. This account contains amounts that were remitted by an employer or a director who request a review or an appeal of a payment order issued by a labour affairs officer regarding wages or amounts that are owed to employees. This account also includes, in the case of an employer, the administrative fees specified in the payment order. One of the conditions to allow for a review or an appeal is that the employer or director must pay the amounts indicated in the payment order, and in the case of an employer, the administrative fees specified, or the amount indicated in the Head of Compliance and Enforcement's (the Head) review decision, to the Head for deposit. This amount is held until the review or the appeal is completed after which it will be remitted to the employee, the employer, the director or both where applicable, less any administrative fees as they are a debt due to His Majesty in right of Canada. However, if the review or appeal is overturned in favour of the employer, the administrative fees may be refunded in whole or in part, to the employer, depending on the appeal decision. The deposits in this account, with the exception of the administrative fees, are interest-bearing at the rate set by the Minister of Finance for contractor's deposits.

### **Contractor security deposits—Cash—Parks Canada Agency**

This account was established to record contractor security deposits that are required for the satisfactory performance of work in accordance with Government Contracts Regulations.

### **Holdback—Privatization—Canada Development Investment Corporation**

This account was established pursuant to subsection 129(1) of the *Financial Administration Act*. This special purpose money is to be used to meet costs incurred on the sale of Crown corporations and demand for payment by purchasers pursuant to the acquisition agreement and costs incurred by the Canada Development Investment Corporation in connection with their sale. No transaction occurred during fiscal year 2023.

### **Abandonment Reserve Fund—Canada Hibernia Holding Corporation**

This account was established to record funds which will be used to defray the future abandonment costs that will occur at the closure of the Hibernia field.

### **Swap collateral guarantee deposits**

This account was established to record cash received as credit support under a collateral agreement with financial institutions.

Included in the balance is an amount of \$82 million US held at year-end.

### **Contractor security deposits—Cash—Department of Fisheries and Oceans**

This account was established to record contractor security deposits that are required for the satisfactory performance of work in accordance with Government Contracts Regulations.

**Guarantee deposits—Fish habitat preservation**

This account was established to record cash and securities deposited as guarantees for preservation of fish habitat as required by permits, leases or authorizations issued pursuant to paragraph 34.4(2)(b) and 35(2)(b) of the *Fisheries Act*. Interest is not allowed on cash deposits.

**Contractor security deposits—Cash—Canadian Food Inspection Agency**

This account was established to record contractor security deposits that are required for the satisfactory performance of work in accordance with Government Contracts Regulations.

**Guarantee deposits—Department of Indigenous Services**

This account was established to record cash and securities deposited as guarantees for performance as required by permits, leases, authorizations and water licences, pursuant to the *Indian Act* and its regulation: *Indian Mining Regulations*, *Indian Timber Regulations*, *Indian Timber Harvesting Regulations* and *Indian Reserve Waste Disposal Regulations*.

Interest is not allowed on cash deposits. Contracts entered into under the *Indian Act* that involves Indian moneys are exempt from the *Government Contracts Regulations*, Section 3(1)(c).

**Deposits from spectrum auctions**

This account was established to record amounts deposited by external parties to be eligible to participate in an auction of spectrum licences.

**Security for costs—Courts Administration Service**

This account was established to maintain accounts on behalf of litigants before the Tax Court of Canada. These accounts record the funds paid into the Tax Court of Canada, pursuant to an order of the Court, rules of the Court or statutes, to be held pending payment of such funds, in accordance with an order/judgment of the Court.

**Security for costs—Registrar of the Supreme Court of Canada**

This account was established to record security to the value of \$500 deposited by an appellant with the Registrar of the Supreme Court of Canada in accordance with paragraph 60(1)(b) of the *Supreme Court Act*. As per section 87 of the Rules of the Supreme Court of Canada, interest is paid on money deposited as security.

**Contractor security deposits—Cash—Department of National Defence**

This account was established to record contractor security deposits that are required for the satisfactory performance of work in accordance with Government Contracts Regulations.

**Guarantee deposits—Canada Revenue Agency**

This account was established to record cash securities required to guarantee payment of goods and services tax/harmonized sales tax (GST/HST) as it relates to non-resident registrants and, certain licensees as it relates to excise taxes, which are both payable pursuant to the *Excise Tax Act*.

Securities held in trust by the Canada Revenue Agency are made up of cash deposited to the Consolidated Revenue Fund.

**Contractor security deposits—Cash—Department of Natural Resources**

This account was established to record contractor security deposits that are required for the satisfactory performance of work in accordance with Government Contracts Regulations.

**Guarantee deposits—Oil and gas—Department of Natural Resources**

This account was established to record securities in the form of cash, which are required to be issued to, and held by the Government of Canada pursuant to an Exploration Licence in accordance with section 24 of the *Canada Petroleum Resources Act*. These securities are a performance guarantee that the agreed exploration will be performed in the manner and time frame specified. Interest is not paid on these deposits.

**Guarantee deposits—Canadian Energy Regulator**

Under Bill 46 of the *Pipeline Safety Act*, the Canadian Energy Regulator requested to set up a specified purpose account to maintain funds or security that it considered necessary for pipeline abandonment costs and expenses.

**Contractor security deposits—Cash—Office of the Chief Electoral Officer**

This account was established to record contractor security deposits that are required for the satisfactory performance of work in accordance with Government Contracts Regulations.

### **General security deposits**

This account was established to record general security deposits from transportation companies in accordance with section 148 of the *Immigration and Refugee Protection Act*.

### **Guarantee deposits—Canada Border Services Agency**

This account was established to record cash required to guarantee payment of customs duties on imported goods pursuant to the *Customs Act*.

### **Immigration Guarantee Fund**

This account was established to record amounts collected and held pending a final disposition, either by refund to the original depositor, or forfeiture to the Crown pursuant to sections 14, 26, 44, 56, 58 and 148 of the *Immigration and Refugee Protection Act*.

### **Temporary deposits received from importers**

This account was established to record temporary security deposits received from importers to ensure compliance with various (Customs) regulations regarding temporary entry of goods.

### **Contractor security deposits—Cash—Royal Canadian Mounted Police**

This account was established to record contractor security deposits that are required for the satisfactory performance of work in accordance with Government Contracts Regulations.

### **Contractor security deposits—Cash—Department of Public Works and Government Services**

This account was established to record contractor security deposits that are required for the satisfactory performance of work in accordance with Government Contracts Regulations.

### **Deposits on disposals and rent security deposits**

This account was established to report transactions associated to deposits on disposals and rent security deposits for the Department of Public Works and Government Services.

### **Seized property—Cash**

This account was established pursuant to the *Seized Property Management Act*, to record seized cash. These funds will be deposited to the Consolidated Revenue Fund and credited to the account until returned to the owner or forfeited.

### **Contractor security deposits—Bonds—Department of Transport**

This account was established to record contractor security deposits that are required for the satisfactory performance of work in accordance with Government Contracts Regulations.

### **Contractor security deposits—Cash—Department of Transport**

This account was established to record contractor security deposits that are required for the satisfactory performance of work in accordance with Government Contracts Regulations.

### **Indian Residential Schools Settlement Agreement—Common experience payments**

This account was established pursuant to section 21 of the *Financial Administration Act*, to record amounts received and paid under article 5 of the Indian Residential Schools Settlement Agreement. It was established on September 19, 2007, and provides for the payment of Common Experience Payments (CEP) to eligible former students of recognized Indian Residential Schools and personal credits for educational programs and services to CEP recipients or to certain family members. The account is credited with interest pursuant to section 21(2) of the *Financial Administration Act*. The Designated Amount Fund is co-administered by the Trustee, the Government of Canada, represented jointly by the Minister of Employment, Workforce Development and Official Languages and the Minister of Crown-Indigenous Relations.

**Indian band funds**

This account was established to record funds belonging to Indian bands throughout Canada pursuant to sections 61 to 69 of the *Indian Act*.

**Table 6.27****Indian band funds—Capital accounts**

(in dollars)

	2023	2022
Opening balance .....	323,939,695	356,887,654
<b>Receipts and other credits</b>		
Gas royalties.....	92,182,871	51,378,551
Oil royalties.....	43,382,874	15,608,957
Sundries .....	3,724,819	5,990,044
	139,290,564	72,977,552
	463,230,259	429,865,206
<b>Payments and other charges</b>		
Per capita cash distribution.....	7,852,900	1,278,500
Transfer pursuant to section 64 of the <i>Indian Act</i> .....	97,421,973	101,041,990
Sundries .....	608,771	3,605,021
	105,883,644	105,925,511
Closing balance.....	357,346,615	323,939,695

**Table 6.28****Indian band funds—Revenue accounts**

(in dollars)

	2023	2022
Opening balance .....	181,569,501	168,770,064
<b>Receipts and other credits</b>		
Government interest .....	16,533,015	11,825,156
Land and other claim settlements .....	575,000	–
Sundries .....	56,586,249	123,285,123
	73,694,264	135,110,279
	255,263,765	303,880,343
<b>Payments and other charges</b>		
Transfer pursuant to section 69 of the <i>Indian Act</i> .....	44,163,387	104,080,993
Sundries .....	7,743,622	18,229,849
	51,907,009	122,310,842
Closing balance.....	203,356,756	181,569,501

**Indian estate accounts**

These accounts were established to record funds received and disbursed for estates of deceased Indians and dependent adult Indians pursuant to sections 42 to 51 of the *Indian Act* and for absent or missing heirs pursuant to the *Indian Estates Regulations*.

**Indian savings accounts**

These accounts were established to record funds received and disbursed for individual Indians pursuant to sections 52 to 52.5 of the *Indian Act*.

**Restitutions under the *Competition Act***

This account was established to facilitate judgements rendered under section 52 of the *Competition Act*, and account for funds received in trust for restitution and for subsequent payment.

### **Estates—Armed services**

This account was established to record payments made to settle the service estates of officers and non-commissioned members who die during their service in the Canadian Armed Forces in accordance with section 42 of the *National Defence Act*. Under the administration of the Judge Advocate General, in her capacity as Director of Estates, the net assets of a deceased member's service estate are distributed to the legal representative of the member's estate.

### **Scholastic awards**

This account was established to record donations of \$26,000 to be used for the presentation of scholarship awards to children of employees of the Canadian Security Intelligence Service to encourage university studies.

### **Inmate Trust Fund**

Pursuant to section 111 of the Corrections and Conditional Release Regulations, this account is credited with all moneys brought into the institution by an inmate on admission or readmission, and all moneys that are received on the inmate's behalf while in custody, including, monetary gifts from a third party, payments for program participation, pay earned while on work release or conditional release in the community, moneys received from a third party for work performed in an institution or a Correctional Service of Canada approved inmate operated business enterprise, sale of hobby craft or custom work, a payment, allowance or income paid by either a private or government source. Deductions may be made from this account for issues such as debts to the Crown, the Inmate Welfare Fund, canteen expenditures, telephone calls, payments to assist in the rehabilitation of the inmate, and any other payments for which the inmate is liable.

### **Benefit Trust Fund**

This account was established by section 23 of the *Royal Canadian Mounted Police Act*, to record funds received by personnel of the Royal Canadian Mounted Police (RCMP), in connection with the performance of duties, over and above their pay and allowances, including forfeitures of pay. The money paid to the Benefit Trust Fund is used for the benefit of RCMP members, former members and their dependants; use of the funds is governed by the Royal Canadian Mounted Police Regulations, 2014.

### **Administered accounts**

Pursuant to section 41 of the *Pension Act*, section 15 of the *War Veterans Allowance Act*, section 55 of the Veterans Treatment Regulations and section 8 of the Guardianship of Veterans Property Regulations, these accounts are under the jurisdiction of the Department of Veterans Affairs. Funds held in these accounts include: (a) pensions, war veterans allowances and treatment allowances placed under the administration of the Department of Veterans Affairs; and (b) benefits from other sources such as Old Age Security, Guaranteed Income Supplement or Canada Pension Plan, placed under administration with the consent of the client. These persons have demonstrated their inability to manage their own affairs.

Payments are made out of the accounts to provide food, shelter, clothing, comforts and other necessities.

### **Veterans Administration and Welfare Trust Fund**

This account was established to record donations, legacies, gifts, bequests, etc., received, to be disbursed for the benefit of veterans or their dependants under certain conditions, and for the benefit of patients in institutions, in accordance with section 9 of the Guardianship of Veterans' Property Regulations.

## Other specified purpose accounts

There are a number of other specified purpose accounts operated by the government, such as insurance, death benefit and pension accounts. Certain accounts earn interest which is charged to interest on the public debt.

**Table 6.29**  
**Other specified purpose accounts**

(in dollars)

	April 1, 2022	Receipts and other credits	Payments and other charges	March 31, 2023
<b>Insurance and death benefit accounts</b>				
Employment, Workforce Development and Disability Inclusion				
Department of Employment and Social Development				
Civil Service Insurance Fund .....	876,171	–	114,252	761,919
National Defence				
Department of National Defence				
Regular Force Death Benefit Account, Table 6.30 .....	169,611,141	28,185,017	31,154,650	166,641,508
Treasury Board				
Treasury Board Secretariat				
Public Service Death Benefit Account, Table 6.31 .....	4,063,495,118	286,582,743	218,942,000	4,131,135,861
Veterans Affairs				
Department of Veterans Affairs				
Returned Soldiers' Insurance Fund .....	3,785	99	504	3,380
Veterans' Insurance Fund .....	749,945	–	106,710	643,235
	<u>753,730</u>	<u>99</u>	<u>107,214</u>	<u>646,615</u>
Total—Insurance and death benefit accounts .....	<u>4,234,736,160</u>	<u>314,767,859</u>	<u>250,318,116</u>	<u>4,299,185,903</u>
<b>Pension accounts</b>				
Global Affairs				
Department of Foreign Affairs, Trade and Development				
Contributory Pension Account—Locally engaged staff .....	51,482	–	–	51,482
Public Safety and Emergency Preparedness				
Royal Canadian Mounted Police				
Royal Canadian Mounted Police (Dependants) Pension Fund .....	7,496,371	222,927	1,243,923	6,475,375
Total—Pension accounts .....	<u>7,547,853</u>	<u>222,927</u>	<u>1,243,923</u>	<u>6,526,857</u>
<b>Other accounts</b>				
Agriculture and Agri-Food				
Department of Agriculture and Agri-Food				
AgriInvest Program .....	3,898,294	244,329,982	238,206,579	10,021,697
AgriStability Program .....	56,942,713	26,315,820	23,686,350	59,572,183
Collaborative Institution .....	525,446	1,112,223	1,499,584	138,085
Foreign missions to advance Canadian agriculture .....	–	178,828	178,828	–
	<u>61,366,453</u>	<u>271,936,853</u>	<u>263,571,341</u>	<u>69,731,965</u>
Canadian Heritage				
Department of Canadian Heritage				
Miscellaneous projects deposits .....	1,301,915	1,297,557	1,257,670	1,341,802
Shared-cost/joint project agreements .....	899,155	755,000	1,492,235	161,920
Telefilm Canada				
Advance Account .....	70,872,669	10,707,006	4,011,823	77,567,852
	<u>73,073,739</u>	<u>12,759,563</u>	<u>6,761,728</u>	<u>79,071,574</u>
Crown-Indigenous Relations and Northern Affairs				
Department of Crown-Indigenous Relations and Northern Affairs				
Treaty Land Entitlement (Saskatchewan) Fund .....	12,570,692	–	12,570,692	–

**Table 6.29**  
**Other specified purpose accounts—continued**

(in dollars)

	April 1, 2022	Receipts and other credits	Payments and other charges	March 31, 2023
Employment, Workforce Development and Disability Inclusion				
Department of Employment and Social Development				
Federal/provincial collaborative agreement .....	7,354,162	68,970,032	73,608,047	2,716,147
Federal/provincial shared-cost project .....	378,327	85,752	84,486	379,593
Federal/provincial/territorial shared-cost project				
Interprovincial Computerized Examination				
Management System .....	3,400,028	511,603	549,226	3,362,405
Labour Standards Suspense Account .....	1,953,988	2,456	1,816	1,954,628
	13,086,505	69,569,843	74,243,575	8,412,773
Environment and Climate Change				
Parks Canada Agency				
Miscellaneous projects deposits .....	6,444,358	3,838,085	4,552,433	5,730,010
Finance				
Department of Finance				
Common school funds—Ontario and Quebec .....	2,677,771	—	—	2,677,771
Foreign Claims Fund .....	179,020	—	—	179,020
War Claims Fund—World War II .....	4,237	—	—	4,237
	2,861,028	—	—	2,861,028
Fisheries, Oceans and the Canadian Coast Guard				
Department of Fisheries and Oceans				
Federal/provincial cost-sharing agreements .....	53,265,971	12,540,332	29,348,023	36,458,280
Miscellaneous projects deposits .....	12,865,944	6,239,536	6,561,448	12,544,032
Sales of seized assets .....	2,665,562	892,344	404,912	3,152,994
	68,797,477	19,672,212	36,314,383	52,155,306
Global Affairs				
Department of Foreign Affairs, Trade and Development				
Canada Foundation Account .....	394,183	10,873	13,623	391,433
Less:				
Deposits in a special bank account .....	20,338	(8,067)	(5,873)	18,144
Securities held in trust .....	373,845	(5,556)	(5,000)	373,289
	—	24,496	24,496	—
Financial assistance to Canadians abroad .....	94,934	348,815	274,246	169,503
Funds from non-governmental organizations .....	957,397	7,877,464	6,838,777	1,996,084
Shared-cost projects .....	8,899,033	6,739,659	6,749,269	8,889,423
Shared-cost projects—Support to various programs .....	230,505	—	—	230,505
	10,181,869	14,990,434	13,886,788	11,285,515
Health				
Department of Health				
Collaborative research projects .....	4,099,533	1,472,743	551,521	5,020,755
Miscellaneous federal/provincial projects .....	1,598,289	312,078	175,185	1,735,182
World Health Organization .....	105,908	1	—	105,909
Canadian Food Inspection Agency				
Shared-cost agreements .....	2,485,041	1,277,031	1,501,996	2,260,076
Public Health Agency of Canada				
Collaborative research projects .....	730,679	1,482,164	585,311	1,627,532
Miscellaneous federal/provincial projects .....	972,870	—	—	972,870
	9,992,320	4,544,017	2,814,013	11,722,324
Immigration, Refugees and Citizenship				
Department of Citizenship and Immigration				
Immigrant Investor Program .....	2,318,124	1,227,876	2,800,000	746,000

**Table 6.29**  
**Other specified purpose accounts—continued**

(in dollars)

	April 1, 2022	Receipts and other credits	Payments and other charges	March 31, 2023
<b>Indigenous Services</b>				
Department of Indigenous Services				
Fines— <i>Indian Act</i> .....	426,169	1,885	–	428,054
Indian band funds—Shares and certificates .....	20,000	–	–	20,000
Less: securities held in trust .....	20,000	–	–	20,000
	–	–	–	–
Indian Moneys Suspense Account .....	59,322,409	26,145,104	19,021,606	66,445,907
Indian special accounts .....	3,202	–	–	3,202
Miscellaneous federal/provincial projects .....	20,599,251	6,250,000	–	26,849,251
Less: securities held in trust .....	20,499,995	–	6,250,000	26,749,995
	99,256	6,250,000	6,250,000	99,256
	59,851,036	32,396,989	25,271,606	66,976,419
<b>Innovation, Science and Industry</b>				
Department of Industry				
Income from securities in trust— <i>Bankruptcy and Insolvency Act</i> .....	52,031	–	–	52,031
Petro-Canada Enterprises Inc.—Unclaimed shares .....	686,867	–	–	686,867
Shared-cost projects .....	2,243,339	569,978	1,054,578	1,758,739
Unclaimed dividends and undistributed assets				
<i>Bankruptcy and Insolvency Act</i> .....	36,305,676	1,951,286	235,381	38,021,581
<i>Canada Business Corporations Act</i> .....	10,478,685	1,765,195	66,525	12,177,355
<i>Winding-up and Restructuring Act</i> .....	5,018,318	1	–	5,018,319
Atlantic Canada Opportunities Agency				
Federal/Provincial agreement—Advance account .....	1,314,962	2,000,000	2,199,146	1,115,816
Statistics Canada				
Project deposits .....	66,706	–	66,706	–
	56,166,584	6,286,460	3,622,336	58,830,708
<b>Justice</b>				
Administrative Tribunals Support Service of Canada				
Yukon Public Service Labour Relations Board .....	16,350	33,650	42,524	7,476
Yukon Teachers Labour Relations Board .....	16,155	3,845	16,064	3,936
Courts Administration Service				
Special Account .....	6,966,450	1,303,894	2,205,177	6,065,167
	6,998,955	1,341,389	2,263,765	6,076,579
<b>National Defence</b>				
Department of National Defence				
Joint research and development projects .....	1,786,519	–	29,891	1,756,628
Non-government agencies .....	2,101,284	984,699	1,122,101	1,963,882
Communications Security Establishment				
Foreign partners—Security .....	–	1,084,638	1,084,638	–
	3,887,803	2,069,337	2,236,630	3,720,510
<b>National Revenue</b>				
Canada Revenue Agency				
CMHC Rental Housing Benefit .....	–	503,747,515	503,747,515	–
Deposits/Disbursements—Workers' Compensation Board .....	223,473	364,454,975	364,537,936	140,512
	223,473	868,202,490	868,285,451	140,512
<b>Natural Resources</b>				
Department of Natural Resources				
Newfoundland and Labrador Offshore Petroleum Resource				
Revenue Fund .....	–	426,534,671	426,534,641	30
Nova Scotia Offshore Revenue Account .....	–	19,597,921	19,597,921	–
Shared-cost agreements—Research .....	7,751,265	1,862,453	3,555,288	6,058,430
Shared-cost projects .....	4,016,224	9,921,711	2,342,424	11,595,511
Canadian Nuclear Safety Commission				
Security equipment .....	–	4,805	–	4,805
	11,767,489	457,921,561	452,030,274	17,658,776
Office of the Governor General's Secretary				
Cost-sharing collaborate agreements .....	977	7,225	7,065	1,137
<b>Privy Council</b>				
Privy Council Office				
Shared-cost projects—Media travel expenses .....	1,180,876	470,315	934,400	716,791
<b>Public Safety and Emergency Preparedness</b>				
Royal Canadian Mounted Police				
Joint research and development projects .....	1,567,373	223,417	–	1,790,790

**Table 6.29**  
**Other specified purpose accounts—concluded**

(in dollars)

	April 1, 2022	Receipts and other credits	Payments and other charges	March 31, 2023
Public Services and Procurement				
Department of Public Works and Government Services				
Military purchases excess funds deposit.....	138,442,581	277,991,234	–	416,433,815
Less: securities held in trust.....	138,442,581	–	277,991,234	416,433,815
	–	277,991,234	277,991,234	–
The Workplace Network .....	1,242	–	714	528
	1,242	277,991,234	277,991,948	528
Transport				
Department of Transport				
Shared-cost agreements—Security projects.....	1,286,187	–	1,103,194	182,993
Treasury Board				
Treasury Board Secretariat				
Association of Canadian Financial Officers shared-cost agreement..	395,633	18,589	13,710	400,512
Total .....	404,020,193	2,045,467,889	2,051,275,332	398,212,749
Less: consolidation adjustment <sup>1</sup> .....	70,872,669	10,707,006	4,011,823	77,567,852
Total—Other accounts .....	333,147,524	2,034,760,883	2,047,263,509	320,644,897
Total—Other specified purpose accounts.....	4,575,431,537	2,349,751,669	2,298,825,548	4,626,357,657

<sup>1</sup> Additional information on consolidated Crown corporations and other entities is provided in Section 4 of this volume.

## Civil Service Insurance Fund

This account was established by the *Civil Service Insurance Act*, introduced to enable the Minister of Finance to contract with a person appointed to a permanent position in any branch of the Public Service, for the payment of certain death benefits. No new contracts have been entered into since 1954, when the Supplementary Death Benefit Plan for the Public Service and Canadian Forces was introduced as part of the *Public Service Superannuation Act and the Canadian Forces Superannuation Act*, respectively.

The number of policies in force as at March 31, 2023, was 42 and the average age of the policyholders was 95.1 years. Death benefits, settlement annuities and premium refunds of \$52,619 were paid during 2023. There are no more premiums to be collected.

According to the actuarial valuation and with the prescribed actuarial assumptions, the liabilities in respect of the benefits provided under the Act are estimated at \$761,919 as at March 31, 2023. The surplus as at March 31, 2023, is \$61,634. Pursuant to subsection 16(4) of the Civil Service Insurance Regulations, an amount of \$61,634 has therefore been debited from the account in 2023.

## Regular Force Death Benefit Account

This account was established by the *Canadian Forces Superannuation Act* to provide life insurance to contributing members and former members of the Canadian Forces.

Receipts and other credits consist of: (a) contributions by participants; (b) government's contribution paid in respect of participants; (c) single premiums payable by the government in respect of participants who became entitled to a basic benefit of \$5,000 without contribution; and (d) interest.

Payments and other charges consist of: (a) benefits paid in respect of participants; (b) benefits paid in respect of elective participants; and (c) the portion of benefits payable for which the government has paid a single premium.

**Table 6.30**  
**Regular Force Death Benefit Account**

(in dollars)

	2023	2022
Opening balance .....	169,611,141	170,898,034
<b>Receipts and other credits</b>		
Employee contributions .....	19,925,899	20,044,886
Employer contributions		
Government		
General .....	2,114,696	1,920,444
Single premiums payable by the government in respect of Regular Force participants who became entitled to a basic benefit of \$5,000 without contribution .....	835,506	717,246
Interest .....	5,308,916	5,590,743
Total receipts and other credits .....	28,185,017	28,273,319
Subtotal .....	197,796,158	199,171,353
<b>Payments and other charges</b>		
Benefit payments		
Benefits paid in respect of participants who, at the time of death, were members of the Regular Force, or who were elective Regular Force participants .....	31,154,650	29,560,212
Closing balance .....	166,641,508	169,611,141

## Public Service Death Benefit Account

This account was established under the *Public Service Superannuation Act* to provide life insurance to contributing members of the Public Service.

The account is credited with: (a) contributions by employees; (b) contributions by the government and Public Service corporations; and (c) interest. Payments and other charges represent: (a) benefits paid in respect of participants who, at the time of death, were employed in the Public Service, or were in receipt of an annuity under Part I of the *Public Service Superannuation Act*; and (b) benefits of \$10,000 paid in respect of participants who, at the time of death, were employed in the Public Service, or were in receipt of an annuity under Part I of the *Public Service Superannuation Act*, and on whose behalf, a single premium for \$10,000 death benefit coverage for life has been made.

**Table 6.31**  
**Public Service Death Benefit Account**

(in dollars)

	2023	2022
Opening balance .....	4,063,495,118	3,976,887,276
<b>Receipts and other credits</b>		
Employee contributions		
Active members		
Public Service employees .....	104,185,982	97,286,852
Public Service corporations .....	6,713,181	6,827,478
Retired employees .....	28,656,290	28,002,821
Employer contributions		
Public Service corporations .....	1,770,449	1,804,060
Death benefit—general .....	13,793,616	12,802,795
Death benefit—single premium for \$10,000 .....	3,394,865	3,253,062
Interest .....	128,068,360	131,914,313
Total receipts and other credits .....	286,582,743	281,891,381
Subtotal .....	4,350,077,861	4,258,778,657
<b>Payments and other charges</b>		
Benefit payments		
General .....	165,462,217	153,601,695
Life coverage for \$10,000 .....	53,418,607	41,650,000
Other death benefit payments .....	61,176	31,844
Total payments and other charges .....	218,942,000	195,283,539
Closing balance .....	4,131,135,861	4,063,495,118

## Returned Soldiers' Insurance Fund

This fund was established by the *Returned Soldiers' Insurance Act* to provide life insurance to contributing veterans of World War I. The account is credited with premiums and is charged with disbursements for death benefits and cash surrender values. The account is actuarially maintained and an actuarial liability adjustment as at March 31, 2022, of \$99 was credited to the account during the year and was charged to expenditures. The final date on which application for this insurance could have been received was August 31, 1933.

## Veterans' Insurance Fund

This fund was established by the *Veterans Insurance Act* to provide life insurance to contributing veterans of World War II. The account is credited with premiums and is charged with disbursements for death benefits and cash surrender values. The account is actuarially maintained and an actuarial liability adjustment as at March 31, 2022, of \$13,135 was charged to the account during the year and was credited to revenues. The final date on which application for this insurance could have been received was October 31, 1968.

## Contributory Pension Account—Locally engaged staff

This account was established to record benefits paid to locally engaged staff hired prior to March 1, 2009, at the Canadian High Commission in Guyana upon termination of their employment. The specified purpose account was established following the liquidation of CLICO Life and General Insurance Company (South America) Limited.

## Royal Canadian Mounted Police (Dependants) Pension Fund

This fund, which pertains to Part IV of the *Royal Canadian Mounted Police Pension Continuation Act*, provides pension benefits to certain widows and other dependants of Constables of the Royal Canadian Mounted Police, who purchased pension benefits between October 1, 1934, and March 1, 1949. There are no longer any active members amongst the contributors.

### **AgriInvest Program**

The AgriInvest Program is a savings account designed to help producers cover small margin declines.

The AgriInvest Program is cost-shared with provinces and territories on a 60/40 basis. The provinces and territories are invoiced for their share of the contributions, which are held in the specified purpose accounts until they are applied and transferred to the producer accounts. The funds in the producer's specified purpose accounts are then drawn down as the funds are transferred to a financial institution of the producer's choice.

### **AgriStability Program**

The AgriStability Program is designed to cover larger margin declines caused by circumstances such as low prices, production losses, and rising input costs.

The AgriStability Program is cost-shared with provinces and territories on a 60/40 basis. Producers are charged a fee in order to participate in the program, which covers a portion of the program expenditure. The provinces and territories as well as producers are invoiced for their share of the contributions, which are held in the specified purpose accounts. These funds are drawn down as applications are processed and benefits are paid out.

### **Collaborative Institution**

The Department of Agriculture and Agri-Food often relies on collaborative work with external parties to achieve its strategic Science and Technology objectives and to maximize its impact on the agricultural continuum. Funding organizations provide financial support towards agricultural initiatives by funding approved projects led by the department science teams. Third-party support and expertise are relied on to deliver portions of a work plan as presented in the department of led research proposals to funding entities. This account is used to transfer industry funds to third parties pursuant to Investment Agreements and Collaborative Institution Agreements.

### **Foreign missions to advance Canadian agriculture**

This account records deposits made by Canadian agri-food industry organizations towards the costs of hosting incoming government-to-government foreign missions that advance Canadian agri-food commercial interests, or for costs related to outgoing foreign missions in support of incremental agri-food market development activities, for which there is a collaborative agreement with the federal government. The costs incurred by the federal government to undertake these missions are charged to this account and any unspent deposits are returned to the relevant Canadian agri-food industry organizations at the completion of each mission.

### **Miscellaneous projects deposits—Department of Canadian Heritage**

This account was established to record contributions received from organizations and individuals for various projects.

### **Shared-cost/joint project agreements—Department of Canadian Heritage**

This account was established to record moneys received from other governments and organizations in order to cover expenditures incurred under various shared-cost/joint project agreements.

### **Advance Account—Telefilm Canada**

This account was established pursuant to section 19 of the *Telefilm Canada Act* to reserve for use in future years the revenues and recoveries generated from projects funded by Telefilm Canada.

### **Treaty Land Entitlement (Saskatchewan) Fund**

This account was established as per Article 5.08 (a) (ii) of the Saskatchewan Treaty Land Entitlement Framework Agreement to collect Provincial Mineral Revenues on behalf of the Province of Saskatchewan and remit the same in the manner as described in an agreement between the two parties.

### **Federal/provincial collaborative agreement**

This account was established to record amounts received by the Department of Employment and Social Development from a province as funding under the provisions of a collaborative agreement with the province.

### **Federal/provincial shared-cost project—Department of Employment and Social Development**

This account was established to record the deposit of advance payments made by provinces towards the costs of projects and programs for which there is a cost-sharing agreement with the federal government. Disbursements are made to pay the provinces' share of costs as per official agreements or to refund unused amounts.

### **Federal/provincial/territorial shared-cost project—Interprovincial Computerized Examination Management System**

This account was established to record advance payments received from provinces and territories to pay for the development and annual operating costs of the Interprovincial Computerized Examination Management System (ICEMS). Advance payments are made pursuant to the Agreement on the Joint Project for the ongoing operations of the ICEMS. The costs incurred are charged to the account and any unexpended funds will be allocated according to the common will of the Parties and shall be in accordance with applicable legislation.

### **Labour Standards Suspense Account**

This account was established under the authority of section 23 of the *Canada Labour Standards Regulations* to record wages received by the Head of Compliance and Enforcement from employers or directors who cannot locate employees. Efforts are then made to locate employees. Wages are paid out when employees are located or when employees contact the department for payment.

### **Miscellaneous projects deposits—Parks Canada Agency**

This account was established to record contributions received from organizations and individuals for various projects.

### **Common school funds—Ontario and Quebec**

This account was established under *12 Victoria 1849*, Chapter 200, to record the proceeds from the sale of lands set apart for the support and maintenance of common schools in Upper and Lower Canada, now Ontario and Quebec. Interest of \$133,889, apportioned on the basis of population, is paid directly to these provinces on a semi-annual basis, at the rate of 5% per annum, and is charged to interest on the public debt.

### **Foreign Claims Fund**

This account was established by *Vote 22a, Appropriation Act No. 9, 1966*, to record: (a) such part of the money received from the Custodian of Enemy Property, proceeds of the sale of property and the earnings of property, and (b) all amounts received from governments of other countries pursuant to agreements entered into after April 1, 1966, relating to the settlement of Canadian claims, and also records payment of claims submitted, including payment of the expenses incurred in investigating and reporting on such claims.

### **War Claims Fund—World War II**

This account was established by *Vote 696, Appropriation Act No. 4, 1952*, to record funds received from the Custodian of Enemy Property or from other sources, and payments: (a) to eligible claimants for compensation in respect of World War II; (b) of a supplementary award amounting to 50% of the original award (PC 1958-1467, October 23, 1958); and (c) of expenses incurred in investigating and reporting on claims.

A War Claims Commission was established to enquire into and report on claims made by Canadians arising out of World War II for which compensation may be paid from this or any other fund established for the purpose. The expenses of the Commission are chargeable hereto.

### **Federal/provincial cost-sharing agreements**

This account was established to record the deposit of funds received from the provinces for cost-shared programs according to official signed agreements.

### **Miscellaneous projects deposits—Department of Fisheries and Oceans**

This account was established to record contributions received from organizations and individuals for the advancement of research work.

### **Sales of seized assets**

The account was established to record the proceeds of the sale of seized items by the Department of Fisheries and Oceans from a person contravening the *Fisheries Act*. Funds so received are held in the Consolidated Revenue Fund pending final resolution of the case by the Minister of Fisheries and Oceans or the courts.

### **Canada Foundation Account**

This account was established by *Vote 6g, Appropriation Act No. 2, 1967*, to record funds received in connection with the Civilian Relief Agreement of 1950, and the Cultural Agreement of 1954 between Canada and Italy, and disbursements for the purposes of the said agreements.

### **Financial assistance to Canadians abroad**

This account was established to record funds received from families or friends as prepayment for financial assistance to distressed Canadians abroad.

### **Funds from non-governmental organizations**

This account was established to record funds received as prepayment for services to be performed by the Department of Foreign Affairs, Trade and Development on behalf of third parties.

### **Shared-cost projects—Department of Foreign Affairs, Trade and Development**

This account was established to record funds received from organizations outside the Government of Canada reporting entity for shared-cost projects.

### **Shared-cost projects—Support to various programs**

This account was established to record deposits received and payments made in accordance with authorities for shared-cost projects to support various development programs.

### **Security equipment**

Funds deposited in this account by licensees are used to provide for payment of purchases of security equipment for the licensees' facilities in accordance with security arrangements mandated pursuant to the *Nuclear Safety and Control Act*.

### **Collaborative research projects—Department of Health**

This account was established to record funds received from client groups for cost-shared and joint project research agreements.

### **Miscellaneous federal/provincial projects—Department of Health**

This account was established to record transactions relating to the provinces/territories share of costs incurred under federal/provincial cost-sharing agreements for joint federal/provincial/territorial projects which address health issues that are national in scope.

### **World Health Organization**

This account was established to record funds received from the World Health Organization for scientific projects.

### **Shared-cost agreements—Canadian Food Inspection Agency**

This account was established to record amounts deposited by external parties for shared-cost research projects. Funds are disbursed on behalf of depositors as specific projects are undertaken.

### **Collaborative research projects—Public Health Agency of Canada**

This account was established to record funds received from client groups for cost-shared and joint project research agreements.

### **Miscellaneous federal/provincial projects—Public Health Agency of Canada**

This account was established to record transactions relating to the provinces/territories share of costs incurred under federal/provincial cost-sharing agreements for joint federal/provincial/territorial projects which address health issues that are national in scope.

### **Immigrant Investor Program**

This account was established to record the receipt and disbursement of amounts received under the federal Immigrant Investor Program in accordance with section 12(2) of the *Immigration and Refugee Protection Act* and section repealed 91(d) of the Immigration and Refugee Protection Regulations. This program allowed qualified immigrants to gain permanent residence in Canada by making an investment in the Canadian economy. The investment is returned to the investor, without interest, five years and two months after initial payment.

The *Economic Action Plan 2014 Act, No. 1* (Bill C-31) has put an end to requests for applications in the federal Immigrant Investor Program for which a selection decision has not been made before February 11, 2014. While the program has been terminated, outstanding investments will continue to be returned to investors until May 2024.

### **Fines—Indian Act**

Until 2014, fines collected as defined in section 104 of the *Indian Act*, were credited to this account for the benefit of the bands. This account is non-interest bearing.

### **Indian band funds—Shares and certificates**

This account was established under the *Indian Act*, to record the historical value of TransAlta Utilities Corporation shares received as compensation for a power line right-of-way on the Blood Indian reserve. These shares are held in the name of the Receiver General for Canada for the credit of the Blood Indian Band.

### **Indian Moneys Suspense Account**

This account was established to hold moneys received for individual Indians and bands that cannot be disbursed to an Indian, or credited to an Indian Band Fund or Individual Trust Fund account, pending execution of the related lease, permit or licence, settlement of litigation, registration of the Indian or identification of the recipient.

### **Indian special accounts**

Indian special accounts represent a number of non-interest bearing accounts which are maintained for specific purpose. No activity was reported in the current year.

### **Miscellaneous federal/provincial projects—Department of Indigenous Services**

This account was established to record transactions relating to the provinces and territories share of costs incurred under cost-sharing agreements for joint federal/provincial/territorial projects which address health issues that are national in scope.

### **Income from securities in trust—*Bankruptcy and Insolvency Act***

This account was established by sections 78, 84, 154 and 194 of the *Bankruptcy and Insolvency Act*, to record dividends paid on stocks originally held by a bankrupt stockbroker but subsequently sold to clients. As the stocks were not registered in the clients' names, the dividends must be paid to the last registered owner, in this case, the stockbroker. The dividends are forwarded to the Superintendent of Bankruptcy for safekeeping.

### **Petro-Canada Enterprises Inc.—Unclaimed shares**

This account was established by Section 227 of the *Canada Business Corporations Act* to record the liability to shareholders who have not presented their shares for payment.

### **Shared-cost projects—Department of Industry**

This account was established to record funds received from other governments and organizations in order to cover expenditures incurred under various shared-cost/joint project agreements.

### **Unclaimed dividends and undistributed assets—*Bankruptcy and Insolvency Act***

This account represents amounts credited to the Receiver General in accordance with the provisions of section 154 of the *Bankruptcy and Insolvency Act*, pending distribution to creditors.

### **Unclaimed dividends and undistributed assets—*Canada Business Corporations Act***

This account was established in accordance with sections 227 and 228 of the *Canada Business Corporations Act* for the purpose of recording liabilities to creditors and shareholders who have not been located. The account is charged when funds are paid to them.

### **Unclaimed dividends and undistributed assets—*Winding-up and Restructuring Act***

This account records amounts credited to the Receiver General, in accordance with sections 138 and 139 of the *Winding-up and Restructuring Act*, pending distribution.

### **Federal/provincial agreement—Advance Account**

This account was established to record deposits from non-federal partners for their share of costs under various projects. Funds are disbursed on behalf of contributors as projects are undertaken. Unused funds are to be returned to contributors.

### **Project deposits—Statistics Canada**

This account was established to record deposits received from outside parties to secure payments for special statistical services.

### **Yukon Public Service Labour Relations Board**

This specified purpose account was created to cover expenses incurred by the Administrative Tribunals Support Service of Canada (ATSSC) for the Government of Yukon. An ATSSC tribunal provides mediation services to the Yukon Public Services Labour Relations Board and to the Yukon Teachers Labour Relations Board. There is a total of \$20,000 for each board that was advanced to the ATSSC from the Government of Yukon.

### **Yukon Teachers Labour Relations Board**

This specified purpose account was created to cover expenses incurred by the Administrative Tribunals Support Service of Canada (ATSSC) for the Government of Yukon. An ATSSC tribunal provides mediation services to the Yukon Public Services Labour Relations Board and to the Yukon Teachers Labour Relations Board. There is a total of \$20,000 for each board that was advanced to the ATSSC from the Government of Yukon.

### **Special Account—Courts Administration Service**

This account was established to maintain accounts on behalf of litigants before the Federal Court and Federal Court of Appeal. These accounts record the funds paid into the Federal Court and Federal Court of Appeal, pursuant to an order of the courts, rules of the courts or statutes, to be held pending payment of such funds, in accordance with an order/judgment of these courts.

### **Joint research and development projects—Department of National Defence**

This account was established to record funds received from other governments and organizations through collaborative relationships where the work is shared between the Government of Canada and other laboratories.

### **Non-government agencies**

This account was established to record funds received for expenditures made on behalf of non-government agencies, for which specific accounts have not been established.

### **Foreign partners—Security**

These accounts were established to record funds received from foreign partners to cover expenditures to be made on their behalf, in accordance with the provisions of agreements with the Government of Canada.

### **Deposits/Disbursements—Workers' Compensation Board**

This account was established under the authority of the *Canada Revenue Agency Act* and the *Workers' Compensation Act*, to enable the Canada Revenue Agency (CRA) to record and forward on daily basis, funds received from Nova Scotia employers to the Workers' Compensation Board of Nova Scotia (Board), as part of a partnership arrangement between the CRA and the Board.

### **Newfoundland and Labrador Offshore Petroleum Resource Revenue Fund**

This account was established pursuant to section 214 of the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Act* to facilitate the transfer of funds to the Province of Newfoundland and Labrador equal to revenues received from oil and gas activities in the Canada-Newfoundland and Labrador offshore. Through statutory provisions of the Act, an amount equal to certain offshore revenues (taxes, royalties and miscellaneous revenues) is credited to this account and subsequent payments to the Province of Newfoundland and Labrador are charged thereto.

### **Nova Scotia Offshore Revenue Account**

This account was established pursuant to section 219 of the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act* to facilitate the transfer of funds to the Province of Nova Scotia equal to revenues received from oil and gas activities in the Canada-Nova Scotia offshore. Through statutory provisions of the Act, an amount equal to certain offshore revenues (taxes, royalties and miscellaneous revenues) is credited to this account and subsequent payments to the Province of Nova Scotia are charged thereto.

### **Shared-cost agreements—Research—Department of Natural Resources**

This account was established to facilitate the retention and disbursement of funds received from private industries and other governments for joint research projects or shared-cost research agreements.

### **Shared-cost projects—Department of Natural Resources**

This account was established to facilitate the retention and disbursement of funds received from private organizations and other governments for cost-sharing scientific non-research projects.

**Cost-sharing collaborate agreement**

This account was established to record amounts deposited by external parties for shared-cost projects.

**Shared-cost projects—Media travel expenses**

This account records the media's (non-governmental organizations) reimbursements for travel arrangement services rendered to them.

**Joint research and development projects—Royal Canadian Mounted Police**

This account was established to record funds received from foreign national police agencies and other government organizations in order to share costs incurred under various research project agreements, technical requirements and system improvements.

**Military purchases excess funds deposit**

This account was established by a written agreement between Canada and the United States, to record temporarily unused funds paid to the United States government under contracts for purchases of military equipment. The funds are invested by the Federal Reserve Bank of New York to earn interest for the Government of Canada.

**The Workplace Network**

The Workplace Network (TWN) was created to provide a platform for senior executives in the worldwide public sector real estate field to spur creative thinking, connect and discuss while collectively advancing the management of public real estate portfolios and workplaces in the context of an ever-changing environment. This account was established pursuant to section 21(1) of the *Financial Administration Act*, to record the participation fees and other funds received for specific purposes from the participating members countries of TWN as well as to record the costs associated with hosting TWN's annual conference. Money received as part of TWN can only be used for the specified purposes established in the agreement. Once the duration of the mandate is completed by the presiding country, all remaining funds are to be transferred to the new president once elected.

**Shared-cost agreements—Security projects**

This account was established to record funds received from external parties in order to cover expenditures incurred under shared-cost security project.

**Association of Canadian Financial Officers shared-cost agreement**

This account was established to record funds received from the Association of Canadian Financial Officers (ACFO) as part of a cost sharing agreement between the Treasury Board of Canada Secretariat and the ACFO to cover the costs of a joint pay equity study.

## Supplementary statements

### Canada Pension Plan

#### Management's responsibility for financial statements

The consolidated financial statements of the Canada Pension Plan are prepared in accordance with the *Canada Pension Plan* by the management of Employment and Social Development Canada. Management is responsible for determining that the applicable financial reporting framework is acceptable and is responsible for the integrity and objectivity of the information in the consolidated financial statements, including the amounts which must, of necessity, be based on best estimates and judgment. The significant accounting policies are identified in Note 2 to the consolidated financial statements. The financial information presented throughout the Annual Report is consistent with the consolidated financial statements.

To fulfill its accounting and reporting responsibilities, management has developed and maintains books of account, financial and management controls, information systems and management practices. These systems are designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Canada Pension Plan*, the *Canada Pension Plan Investment Board Act* and the *Financial Administration Act* and their accompanying regulations.

The Auditor General of Canada, the external auditor of the Canada Pension Plan, conducts an independent audit of the consolidated financial statements in accordance with Canadian generally accepted auditing standards and provides a report to the Minister of Employment, Workforce Development and Official Languages.

Jean-François Tremblay  
*Deputy Minister*  
*Employment and Social Development Canada*

Karen Robertson, CPA  
*Chief Financial Officer*  
*Employment and Social Development Canada*

Gatineau, Canada  
August 28, 2023

## Canada Pension Plan—continued

### Independent Auditor’s Report

To the Minister of Employment, Workforce Development and Official Languages

#### *Opinion*

We have audited the consolidated financial statements of the Canada Pension Plan, which comprise the consolidated statement of financial position as at 31 March 2023, and the consolidated statement of operations, consolidated statement of changes in financial assets available for benefit payments and consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Canada Pension Plan for the year ended 31 March 2023 are prepared, in all material respects, in accordance with the basis of accounting described in Note 2 to the consolidated financial statements.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Canada Pension Plan in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Emphasis of Matter – Basis of Accounting*

We draw attention to Note 2 to the consolidated financial statements, which describes the basis of accounting. The consolidated financial statements are prepared to assist management of the Canada Pension Plan in complying with the financial reporting provisions of the *Canada Pension Plan* legislation. As a result, the consolidated financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation of the consolidated financial statements in accordance with the basis of accounting described in Note 2 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Canada Pension Plan’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Canada Pension Plan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Canada Pension Plan’s financial reporting process.

#### *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

**Canada Pension Plan**—*continued*

**Independent Auditor’s Report**—*concluded*

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Canada Pension Plan’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Canada Pension Plan’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Canada Pension Plan to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Canada Pension Plan to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Original signed by  
Mathieu Le Sage, CPA  
*Principal*  
*for the Auditor General of Canada*

Ottawa, Canada  
28 August 2023

**Canada Pension Plan—continued****Consolidated statement of financial position  
as at March 31**

(in millions of dollars)

	2023	2022 <sup>1</sup>
<b>Financial assets</b>		
Cash (Note 3) .....	495	404
Receivables (Note 4) .....	4,441	9,444
Investments (Note 6) .....	702,533	679,115
Pending trades receivable (Note 6) .....	2,945	7,964
Other .....	9	–
	710,423	696,927
<b>Liabilities</b>		
Payables and accrued liabilities (Note 8) .....	1,869	1,632
Investment liabilities (Note 6) .....	133,583	123,545
Pending trades payable (Note 6) .....	1,599	24,168
	137,051	149,345
<b>Financial assets available for benefit payments .....</b>	<b>573,372</b>	<b>547,582</b>
<b>Non-financial assets</b>		
Premises, equipment and others .....	571	496
<b>Assets available for benefit payments .....</b>	<b>573,943</b>	<b>548,078</b>

<sup>1</sup> Certain comparatives have been reclassified to conform to the current year's presentation.

Actuarial obligation in respect of benefits (Note 13)

Contractual obligations and commitments (Note 14)

Contingent liabilities (Note 15)

The accompanying notes are an integral part of these consolidated financial statements.

Approved by:

Jean-François Tremblay  
Deputy Minister  
Employment and Social Development Canada

Karen Robertson, CPA  
Chief Financial Officer  
Employment and Social Development Canada

## Canada Pension Plan—continued

Consolidated statement of operations  
for the year ended March 31

(in millions of dollars)

	Budget 2023	Actual 2023	Actual 2022
	(Note 9)		
<b>Revenues</b>			
Contributions.....	72,028	74,846	64,640
Net investment income			
Investment income (Note 10).....		11,960	36,319
Investment-related expenses (Note 10).....		(2,578)	(475)
	(28,943)	9,382	35,844
	43,085	84,228	100,484
<b>Expenses</b>			
Pensions and benefits			
Retirement.....	46,754	44,568	41,856
Survivor.....	5,067	5,068	4,885
Disability.....	4,433	4,305	4,355
Disabled contributor's child.....	331	301	312
Death.....	430	446	454
Orphan.....	232	228	219
Post-retirement.....	–	1,164	932
Post-retirement disability.....	–	41	40
Net overpayments (Note 4).....	–	(166)	(125)
	57,247	55,955	52,928
Operating expenses (Note 11).....	2,544	2,408	2,306
	59,791	58,363	55,234
Net increase in assets available for benefit payments.....	(16,706)	25,865	45,250
<b>Assets available for benefit payments, beginning of year.....</b>	<b>548,078</b>	<b>548,078</b>	<b>502,828</b>
<b>Assets available for benefit payments, end of year.....</b>	<b>531,372</b>	<b>573,943</b>	<b>548,078</b>

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in financial assets available for benefit payments  
for the year ended March 31

(in millions of dollars)

	Budget 2023	Actual 2023	Actual 2022
	(Note 9)		
Net (decrease) increase in assets available for benefit payments.....	(16,706)	25,865	45,250
Changes in non-financial assets.....	–	(75)	9
(Decrease) Increase in financial assets available for benefit payments.....	(16,706)	25,790	45,259
<b>Financial assets available for benefit payments, beginning of year.....</b>	<b>547,582</b>	<b>547,582</b>	<b>502,323</b>
<b>Financial assets available for benefit payments, end of year.....</b>	<b>530,876</b>	<b>573,372</b>	<b>547,582</b>

The accompanying notes are an integral part of these consolidated financial statements.

## Canada Pension Plan—continued

Consolidated statement of cash flow  
for the year ended March 31

(in millions of dollars)

	2023	2022 <sup>1</sup>
<b>Cash flows from operating activities</b>		
Net increase in assets available for benefit payments .....	25,865	45,250
Adjustments for non-cash items:		
Amortization of premises and equipment .....	72	61
(Gains) on debt financing liabilities (Note 6j) .....	(853)	(4,137)
Adjustments for net changes in operating assets and liabilities:		
(Increase) in investments .....	(23,418)	(82,935)
Decrease (Increase) in pending trades receivable .....	5,019	(5,301)
Increase in investment liabilities .....	1,944	17,480
(Decrease) Increase in pending trades payable .....	(22,569)	20,977
Decrease (Increase) in other assets and receivable.....	4,999	(3,288)
Increase in accounts payable and accrued liabilities .....	237	166
	(8,704)	(11,727)
<b>Cash flows from financing activities</b>		
Proceeds from debt financing liabilities (Note 6j).....	13,671	17,229
Repayments of debt financing liabilities (Note 6j).....	(4,724)	(5,413)
	8,947	11,816
<b>Cash flows from capital activities</b>		
Acquisitions of premises and equipment .....	(152)	(49)
	(152)	(49)
<b>Net increase in cash.....</b>	<b>91</b>	<b>40</b>
<b>Cash, beginning of year .....</b>	<b>404</b>	<b>364</b>
<b>Cash, end of year.....</b>	<b>495</b>	<b>404</b>

<sup>1</sup> Certain comparatives have been reclassified to conform to the current year's presentation.  
The accompanying notes are an integral part of these consolidated financial statements.

**Canada Pension Plan—continued****Notes to consolidated financial statements for the year ended March 31, 2023****1. Authority, objective and responsibilities**

## a) Description of the Canada Pension Plan

The Canada Pension Plan (CPP) is a federal/provincial plan established by an Act of Parliament in 1965 and its operations began in 1966. It is a compulsory and contributory social insurance program operating in all parts of Canada except Quebec, which operates the Québec Pension Plan (QPP), a comparable program.

The CPP's objective is to provide a measure of protection to workers and their families against the loss of earnings due to retirement, disability or death. The CPP is financed by contributions and investment returns. Employers and employees pay contributions equally to the CPP. Self-employed workers pay the full amount.

The CPP is administered by the Government of Canada (GoC) and the provinces. The Minister of Employment, Workforce Development and Official Languages is responsible for the administration of the CPP, under the *Canada Pension Plan*; the Minister of National Revenue is responsible for collecting contributions. The Minister of Finance and her provincial counterparts are responsible for setting CPP contribution rates, pension and benefit levels and funding policy.

The CPP Investment Board (CPPIB), known as CPP Investments in the CPPIB Annual Report, is a federal Crown corporation that was established in December 1997 pursuant to the *Canada Pension Plan Investment Board Act* (CPPIB Act) and its transactions are governed by the CPPIB Act and its accompanying regulations. CPPIB's assets are to be invested with a view to achieving a maximum rate of return without undue risk of loss, with regard to the factors that may affect the funding of the CPP and its ability to meet its financial obligations on any given business day.

Under section 108.1 and 108.3 of the *Canada Pension Plan*, CPPIB is responsible for managing the amounts that are being transferred from the CPP that are not immediately needed to pay CPP pensions, benefits and operating expenses. It acts in the best interests of the beneficiaries and contributors under the *Canada Pension Plan*.

CPPIB and its wholly-owned subsidiaries are exempt from Part I income tax under paragraph 149(1)(d) of the *Income Tax Act* (Canada) on the basis that all of the shares of CPPIB are issued to the Minister of Finance and held on behalf of His Majesty the King in right of Canada.

CPPIB is designed to operate at arm's length from the government. It is required to be accountable to the public, to Parliament (through the federal Minister of Finance) and to the provinces. It provides regular reports of its activities and the results achieved. The financial statements of CPPIB are audited annually by an external firm and are included in its annual report.

As stated in the *Canada Pension Plan*, changes to the CPPIB Act and major changes to the *Canada Pension Plan* require the agreement of at least two-thirds of the provinces, representing at least two-thirds of the population of all the provinces.

On December 15, 2016, the *Canada Pension Plan*, the CPPIB Act and the *Income Tax Act* (Canada) were amended to reflect the CPP enhancement (Additional CPP). The CPP enhancement is being implemented through a phased-in approach over a 7-year period which began on January 1, 2019. It increases the amount of CPP contributions and the corresponding pensions and post-retirement benefits that will be paid on CPP contributions made after December 31, 2018.

As a result, the CPP consists of two separate accounts, one for the base CPP (CPP Account) and one for the additional CPP (Additional CPP Account), collectively referred to as the CPP Accounts, where the financial activities are recorded in the Account to which they relate (Note 17). The financial transactions affecting the CPP Accounts are governed by the *Canada Pension Plan* and its regulations. Pursuant to subsections 112(1) and 112(2) of the *Canada Pension Plan*, one set of annual financial statements is published on a consolidated basis to include the accounts of the CPP and CPPIB.

**Canada Pension Plan—continued**

**Notes to consolidated financial statements for the year ended March 31, 2023—continued**

b) Pensions and Benefits

*Retirement pensions* – According to the provisions of the *Canada Pension Plan*, a retirement pension is payable to CPP contributors who have made at least one valid contribution to the Plan. The monthly pension consists of three components: (i) a base component equal to 25% of the contributor's average monthly pensionable earnings below the annual threshold during the pensionable period; (ii) a first additional component equal to 8.33% of the average of the contributor's 480 highest monthly pensionable earnings during the pensionable period, which began in January 2019; and (iii) a second additional component equal to 33.33% of the average of the contributor's 480 highest monthly additional pensionable earnings during the pensionable period, which begins in January 2024.

The normal age to begin collecting the retirement pension is 65. However, contributors can either elect to take an actuarially-reduced pension as early as age 60, or an actuarially-increased pension as late as age 70. The maximum monthly pension payable at age 65 in 2023 is \$1,306.57 (2022 – \$1,253.59).

*Post-retirement benefits* – According to the provisions of the *Canada Pension Plan*, a post-retirement benefit (PRB) is payable to each individual between the ages of 60 and 70 who has continued to work and has made contributions to the Plan while collecting their CPP or QPP retirement pension. Contributions are mandatory for working retirement pension recipients until the age of 65, at which point they may elect to cease contributing. Contributions are no longer allowed after reaching age 70. The PRB becomes payable the year after contributions were made. The maximum monthly PRB at age 65 in 2023 is \$40.25 (2022 – \$36.26).

*Disability pensions* – According to the provisions of the *Canada Pension Plan*, a disability pension is payable to a working-age contributor who meets both the medical and contributory requirements. The amount of the disability pension to be paid includes a flat rate portion and an amount equal to 75% of the earned retirement pension. The disability pension ends automatically at age 65, when recipients are automatically converted to receive the retirement pension. The maximum monthly disability pension in 2023 is \$1,538.67 (2022 – \$1,464.83).

*Post-retirement disability benefits* – According to the provisions of the *Canada Pension Plan*, a post-retirement disability benefit is payable to an individual under the age of 65 in receipt of a retirement pension who meets the same medical and contributory criteria as the disability pension. The post-retirement disability benefit is equal to the flat rate portion of the disability pension and is added to individual's retirement pension. Like the disability pension, the post-retirement disability benefit ends automatically at age 65, when the recipient becomes eligible for benefits under the Old Age Security program. The maximum monthly post-retirement disability benefit in 2023 is \$558.74 (2022 – \$524.64).

*Survivor's pensions* – According to the provisions of the *Canada Pension Plan*, a survivor's pension is payable to the spouse or common-law partner of a deceased contributor who made sufficient contributions to the Plan. The pension amount depends on the age of the survivor and whether the survivor also receives other CPP benefits. Survivors aged 65 or older receive a pension equal to 60% of the deceased contributor's retirement pension. Survivors under the age of 65 receive a pension equal to 37.5% of the deceased contributor's retirement pension, plus a flat rate. The maximum monthly pension payable to a survivor under the age of 65 in 2023 is \$707.95 (2022 - \$674.79) and to a survivor 65 and over in 2023 is \$783.94 (2022 – \$752.15).

*Disabled contributor's child and orphan benefits* – According to the provisions of the *Canada Pension Plan*, each child of a contributor who is receiving a disability pension or a post-retirement disability benefit or a child of a deceased contributor is entitled to a benefit as long as the child is under the age of 18, or is between the ages of 18 and 25 and attending school full-time. The flat rate monthly benefit in 2023 is \$281.72 (2022 – \$264.53).

*Death benefits* – According to the provisions of the *Canada Pension Plan*, a death benefit is a one-time payment to, or on behalf of, the estate of a contributor who made sufficient contributions to the Plan. The death benefit is a flat-rate payment of \$2,500 in 2023 (2022 – a flat-rate payment of \$2,500).

*Pensions and benefits indexation* – As required by the *Canada Pension Plan*, pensions and benefits are indexed annually to the cost of living, as determined by the Consumer Price Index for Canada. The rate of indexation for 2023 is 6.5% (2022 – 2.7%).

**Canada Pension Plan—continued****Notes to consolidated financial statements for the year ended March 31, 2023—continued****2. Significant accounting policies**

## a) Basis of accounting

These financial statements have been prepared in accordance with the significant accounting policies described below in compliance with the *Canada Pension Plan*. The financial statements are presented on a consolidated basis to include the accounts of the CPP and CPPIB and include a consolidated statement of financial position, a consolidated statement of operations, a consolidated statement of changes in financial assets available for benefit payments and a consolidated statement of cash flow.

The CPP, which is managed by both the GoC and the provinces, is not considered to be part of the reporting entity of the GoC. Accordingly, its financial activities are not consolidated with those of the GoC.

## b) International Financial Reporting Standards

CPPIB, which is a significant component of the CPP consolidated financial statements, prepares its financial statements in accordance with International Financial Reporting Standards (IFRS). CPPIB qualifies as an investment entity and reports the results of its operations in accordance with IFRS 10 - *Consolidated Financial Statements*. As a consequence, CPPIB's consolidated financial statements represent the results of operations of CPPIB and its wholly owned subsidiaries that were created to provide investment-related services to support its operations. Operating subsidiaries of this nature include those that provide investment advisory services or subsidiaries that were created to provide financing to CPPIB.

Wholly owned subsidiaries that are managed by CPPIB to hold investments are referred to herein as investment holding subsidiaries. Such subsidiaries are not consolidated in CPPIB's consolidated financial statements but instead are measured and reported at fair value through profit and loss (FVTPL) in accordance with IFRS 9, *Financial Instruments*, and reported as investments in CPPIB's Consolidated Balance Sheet.

There is no impact on financial assets available for benefit payments and net increase in assets available for benefit payments as a result of CPPIB preparing its financial statements in accordance with IFRS. Certain incremental financial statement disclosures from CPPIB financial statements related to investments and investment liabilities are included as supplementary information in these consolidated financial statements.

## c) Financial instruments

The CPP, through CPPIB, classifies its financial assets and financial liabilities, in accordance with IFRS 9, as follows:

Financial assets are either classified at FVTPL or at amortized cost. The classification depends on (a) the business model for managing the financial assets and (b) the cash flow characteristics of the financial assets. Financial assets are classified at FVTPL on the basis that they are part of a portfolio of investments which is managed to maximize returns without undue risk of loss and whose performance is evaluated on a fair value basis in accordance with investment strategies and risk management of CPPIB. Financial assets classified at FVTPL include investments in equities, fixed income, absolute return strategies, infrastructure, real estate, securities purchased under reverse repurchase agreements and derivatives. Financial assets carried at amortized cost include cash and cash equivalents, pending trades receivable, cash collateral pledged on securities borrowed, other investment receivables and other assets.

Financial liabilities are either classified at FVTPL or at amortized cost. A financial liability is classified at FVTPL if it is classified as held for trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are derivative liabilities and securities sold short. Financial liabilities designated at FVTPL include debt financing liabilities, securities and loans sold under repurchase agreements and other investment liabilities. Financial liabilities at amortized cost include pending trades payable, cash collateral received on securities lent, accounts payable and accrued liabilities and other investment liabilities.

The CPP, through CPPIB, recognizes a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the financial instrument. Investments, investment receivables, investment liabilities, pending trades receivable and pending trades payable are recorded on a trade date basis.

A financial asset is derecognized under the following situations: (a) when the contractual rights to receive the cash flows from the financial asset expire, (b) when CPP, through CPPIB, has transferred the financial asset and substantially all the risks and rewards of the asset, or (c) in cases where CPP, through CPPIB, has neither retained nor transferred substantially all risks and rewards of the asset, it no longer retains control over the asset. CPP, through CPPIB, derecognizes a financial liability when the obligation under the liability is discharged, cancelled or expires.

Upon initial recognition, financial instruments are measured at fair value. They continue to be measured at fair value or amortized cost. Subsequent changes in the fair value are recorded as realized and unrealized gains and losses on investments and included in net investment income (loss), along with the interest and dividend incomes from such financial instruments.

## Canada Pension Plan—continued

### Notes to consolidated financial statements for the year ended March 31, 2023—continued

#### d) Valuation of investments and investment liabilities

Investments and investment liabilities are recorded on a trade date basis and are stated at fair value. Fair value is an estimate of the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

In an active market, fair value is best evidenced by an independent quoted market price. In the absence of an active market, fair value is determined by valuation techniques that make maximum use of inputs observed from markets. These valuation techniques include using recent arm's length market transactions, if available, or current fair value of another investment that is substantially the same, discounted cash flow analysis, option pricing models and other accepted industry valuation methods, that may include the use of estimates made by management, appraisers or both where significant judgment is required.

#### e) Contributions

Contributions include CPP contributions earned for the year. The Canada Revenue Agency (CRA) collects contributions and measures them using the assessment of tax returns. In determining the amount of contributions earned for the year, the CRA considers cash received and contributions assessed, and makes an estimate for contributions related to tax returns not yet assessed. This estimate is subject to review. Adjustments, if any, are recorded as contributions in the year they are known.

#### f) Investment income

Income from investments includes realized and unrealized gains and losses on private, public and other investments, realized and unrealized gains and losses on investments held by investment holding subsidiaries, and interest, dividends and other income. Gains and losses on private investments are generated from private equities, infrastructure and real estate. Gains and losses on public and other investments are generated from public equities, fixed income, absolute return strategies, derivatives, securities sold short, reverse repurchase agreements, repurchase agreements and other. Interest and other income are recognized as earned. Dividend income is recognized on the ex-dividend date, which is when the right to receive the dividend has been established. Interest, dividends and other income also includes dividend income received from investment holding subsidiaries.

#### g) Investment-related expenses

Investment-related expenses include the following types of expenses:

Management fees include payments to external managers who invest and manage capital committed by CPP, through CPPIB, and are expensed as incurred.

Performance fees include payments to external managers when CPP, through CPPIB, earns a return that exceeds a set rate of return and are expensed as incurred.

Transaction-related expenses include incremental costs that are directly attributable to the acquisition, maintenance, restructuring or disposal of an investment. Such expenses include a variety of non-recurring expenses, including due diligence on potential investments, legal and tax advisory fees required to support transactions involving private market assets, or, in the case of public markets, custodial fees and commissions paid when trading securities. They are expensed as incurred.

Taxes incurred by CPP, through CPPIB, includes taxes in a number of foreign jurisdictions and also indirect taxes. Taxes consists largely of taxes on dividends, interest income and capital gains related to investments in equities, debt and investment holding subsidiaries. The majority of these taxes are collected at source.

Withholding taxes, net of deductions for refundable amounts, are recognized at the same time as the related dividend or interest income and refundable withholding tax is presented as other investment receivables.

Other income tax, which is not collected at source, is recognized in the same period as the related income or gain. Deferred tax on capital gains is recognized as other investment liabilities, based on the expected future payment when CPP, through CPPIB, is in a gain position in the applicable market. Changes in the deferred tax liability in the year are recorded as an expense or recovery within taxes. All uncertain tax positions, such as disputed withholding tax refunds, are assessed each reporting period.

Financing expenses include interest and other costs that are incurred when borrowing funds or securities. They are composed of expenses from debt financing liabilities, securities and loans sold under repurchase agreements, prime brokerage and other securities lending and borrowing transactions. Gains and losses associated with certain interest rate derivatives used as part of financing activities are also included in financing expenses. They are expensed as incurred.

All investment-related expenses borne by the investment holding subsidiaries are recognized as part of the unrealized gain or loss on investment holding subsidiaries.

**Canada Pension Plan—continued****Notes to consolidated financial statements for the year ended March 31, 2023—continued**

## h) Foreign currency translation

Transactions, including purchases and sales of investments, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Investments and monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing on the year-end date. Non-monetary items in a foreign currency are measured at historical cost and are translated using the exchange rates at the dates of the initial transactions.

Foreign currency transaction gains and losses on financial instruments classified at FVTPL are included with associated fair value gains and losses in investment income (loss).

## i) Pensions and benefits

Pensions and benefits expenses are recorded when incurred and are net of overpayments established during the year. Accruals are recorded at year-end for pensions and benefits owed to beneficiaries but not paid, based on management's best estimate.

## j) Tax deductions due to the Canada Revenue Agency

Tax deductions due to the CRA consist primarily of voluntary and non-resident taxes withheld from pensions and benefit payments to CPP beneficiaries (refer to Note 8).

## k) Net overpayments

Net overpayments comprise overpayments of pensions and benefits that were established during the year less remissions of debts granted.

## l) Operating expenses

Operating expenses are recorded as incurred.

## m) Other claims and legal actions

The CPP records an allowance for claims and legal proceedings when it is likely that there will be a future payment and a reasonable estimate can be made.

## n) Related party transactions

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions are recorded on a gross basis and are measured at the carrying amount, except for the following:

- i. Inter-entity transactions are measured at the exchange amount when undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length, or when the costs of goods or services are provided on a recovery basis.
- ii. Goods or services received without charge between commonly controlled entities are not recorded.

Related parties include key management personnel having authority and responsibility for planning, directing and controlling the activities of the CPP, including their close family members. Related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

## o) Measurement uncertainty

The preparation of the consolidated financial statements in accordance with the *Canada Pension Plan* requires management to make estimates, judgments and assumptions that affect the amounts recognized for assets and liabilities, principally the valuation of financial instruments, which are not actively traded. The evolving geopolitical landscape and inflation continue to have widespread impacts around the world, including an increase in market volatility. Uncertainty about these estimates, judgments and assumptions and impacts from the war in Ukraine, inflation and central banks' responsive measures, and the continued effect of the COVID-19 pandemic may result in outcomes that could require a material adjustment to the carrying amount of the affected assets or liabilities in the future.

Significant estimates, judgments and assumptions are also required for the revenues and expenses during the reporting period, principally in determining the estimated contributions, and actuarial obligation in respect of benefits. Although the actuarial obligation in respect of benefits is reviewed triennially as per Note 13, management makes estimates, judgments and assumptions based on the best information available at the time of the preparation of these financial statements. Measurement uncertainty exists in these consolidated financial statements. Actual results could significantly differ from those estimates.

**Canada Pension Plan—continued****Notes to consolidated financial statements for the year ended March 31, 2023—continued****3. Cash**

Cash consists of the total cash held by the CPP Accounts and CPPIB. The CPP Accounts were established in the accounts of Canada by the *Canada Pension Plan* to record the contributions, interest, pensions, benefits and operating expenses of the CPP. The CPP Accounts also record the amounts transferred to or received from CPPIB. As at March 31, 2023, the deposit with the Receiver General for Canada in the CPP Accounts is \$306 million (2022 – \$101 million) and CPPIB's cash is \$189 million (2022 – \$303 million) for a total of \$495 million (2022 – \$404 million).

**4. Receivables**

Receivables are comprised of the following, as at March 31:

(in millions of dollars)

	2023	2022
Contributions .....	4,049	9,186
Québec Pension Plan .....	128	120
Beneficiaries		
Balance of pensions and benefits overpayments .....	324	241
Allowance for doubtful accounts .....	(129)	(149)
Others .....	69	46
	4,441	9,444

Contributions receivable represent the estimated amount to be collected by the CRA and transferred to the CPP relating to contributions earned at year end and adjusted for tax returns not yet assessed. The amount includes an estimate that takes into consideration the number of contributors and the average contribution to be received, which is based on the average earnings and the CPP contribution rate. On an annual basis, the model used to make the estimate is reviewed. The difference between the estimate and the actual amount has not been significant in the past.

The CPP has procedures to detect benefits overpayments. During the year, overpayments totalling \$170 million (2022 – \$129 million) were established and debts totalling \$4 million (2022 – \$4 million) were forgiven as per the remission provisions of the *Canada Pension Plan*. A further \$83 million (2022 – \$77 million) was recovered through collection of payments and withholdings from beneficiaries.

**5. Investment activities risk management**

The CPP, through the investment activities carried out by CPPIB, is exposed to a variety of financial risks. These risks include market risk, credit risk and liquidity and leverage risk. CPPIB employs the Risk Policy (Policy), which establishes accountability of the Board of Directors, the various committees, including the Risk Committee, and the investment departments to manage investment related risks. CPPIB manages and mitigates investment risks through the Policy approved by the Board of Directors at least once every fiscal year. This Policy contains risk appetite (in the form of limits, statements and targets) and risk management provisions that govern investment decisions in accordance with the mandate of CPPIB.

Upper and lower absolute risk limits within the Policy govern the amount of total investment risk that CPPIB can take in the base CPP Investment Portfolio and additional CPP Investment Portfolio (collectively the CPPIB Investment Portfolios). CPPIB monitors potential investment losses in CPPIB Investment Portfolios daily and reports to the Board of Directors on at least a quarterly basis.

The evolving geopolitical landscape and inflation continue to have widespread impacts around the world, including in increase in market volatility. Throughout this volatile environment, CPP, through CPPIB, continues to remain within all risk limits established by its Board of Directors, including limits related to market, credit, liquidity and leverage risks.

As part of the ongoing monitoring, CPP, through CPPIB, performs scenarios analysis to assess the impact of potential stress events and identify potential vulnerabilities that may not be fully captured by standard risk measures and models. This includes how severe market or geopolitical events could affect the Investment Portfolios. For the events of 2022, CPP, through CPPIB, ran an inflation scenario that aggregates both the war in Ukraine and inflation-driven shocks. Ad hoc analysis is also performed on various plausible stress scenarios based on current global events, such as potential impacts of Chinese economic/regulatory policies, China/U.S. geopolitical tensions, and bank credit crisis scenarios. The resulting potential loss estimates are monitored and considered in the context of CPPIB's stated risk appetites.

**Canada Pension Plan—continued****Notes to consolidated financial statements for the year ended March 31, 2023—continued**

- i. *Market risk:* Market risk (including equity risk, interest rate risk, credit spread risk and currency risk) is the risk that the fair value of an investment or investment liability will fluctuate because of changes in market prices and rates.

*Equity Risk:* Equity risk is the risk that the fair value of an investment or investment liability will fluctuate because of changes in equity prices, which is a significant source of risk of the CPPIB Investment Portfolios.

The CPP, through CPPIB, invests in both publicly traded and private equities. With all other variables held constant, a 1% decrease/increase in the S&P 500 Index would result in a loss/profit of \$1,248 million (2022 – \$1,218 million) on public equity investments. This calculation assumes that equities other than the S&P 500 Index would move in accordance with their historical behaviour conditional on a 1% decrease/increase in the S&P 500 Index.

*Interest rate risk:* Interest rate risk is the risk that the fair value of an investment or investment liability will fluctuate because of changes in market interest rates.

Applicable to debt instruments and interest-rate-sensitive derivatives, with all other variables held constant, a 1 basis point increase/decrease in nominal risk-free rates would result in a decrease/increase of \$138 million (2022 – \$104 million) in the value of investments directly impacted by interest rate changes.

*Credit Spread risk:* Credit spread risk is the difference in yield on certain securities compared to a comparable risk-free security (i.e. government issued) with the same maturity date. Credit spread risk is the risk that the fair value of these securities will fluctuate because of changes in credit spread.

With all other variables held constant, a 1 basis point widening of credit spread rates would result in a decrease in net assets by \$26 million (2022 – \$30 million).

*Currency risk:* The CPP, through CPPIB, is exposed to currency risk through holdings of investments or investment liabilities in various currencies. Fluctuations in the relative value of foreign currencies against the Canadian dollar can result in a positive or negative effect on the fair value or future cash flows of these investments and investment liabilities.

In Canadian dollars, the net currency exposures, after allocating foreign currency derivatives, as at March 31, are as follows:

(in millions of dollars)

Currency	2023		2022	
	Net exposure	% of total	Net exposure	% of total
United States dollar.....	276,146	48	296,341	55
Euro .....	45,124	8	39,127	7
Chinese renminbi .....	20,384	4	25,953	5
Japanese yen .....	17,324	3	5,799	1
Other.....	89,164	16	84,956	16
Total foreign exposure .....	448,142	79	452,176	84
Canadian dollar.....	122,154	21	87,190	16
	570,296	100	539,366	100

As at March 31, 2023, with all other variables and underlying values held constant, a 10% appreciation/depreciation of the Canadian dollar against all other currencies would result in a decrease/increase in net investments by \$44,814 million (March 31, 2022 – \$45,218 million).

- ii. *Credit risk:* Credit risk is the risk of the potential permanent loss of investment value due to direct or indirect counterparty exposure to a defaulted entity and/or financial losses due to deterioration of an entity's credit quality. The CPP's, through CPPIB, credit risk arises primarily through its investment in non-investment grade entities such as debt securities and over-the-counter derivatives (as discussed in Note 6i). The carrying amounts of these investments are presented in Note 6.
- iii. *Liquidity and leverage risk:* Liquidity and leverage risk is the risk of being unable to generate sufficient cash or its equivalent in a timely and cost-effective manner to meet pensions and benefit payments, investment commitments and investment liabilities as they come due. Leverage risk increases when excessive financial obligations heighten market and liquidity risks during periods of stress. The CPP manages this risk through cash flow planning for both short- term and long-term requirements. The cash flow is prepared for a two-year period and updated on a weekly basis to inform CPPIB of the funds required by CPP to meet its financial obligations (refer to Note 17). In order to manage liquidity risk, various forms of leverage are used to manage certain other risks and enhance fund returns.

## Canada Pension Plan—*continued*

### Notes to consolidated financial statements for the year ended March 31, 2023—*continued*

Liquidity risk is also managed by investing certain assets in a liquid portfolio of publicly traded equities, money market securities and marketable bonds, to ensure liquid securities are available for investment obligations and for transfer of funds to CPP to meet benefit payment obligations over various time horizons including any 10-day period. Also, the CPP, through CPPIB, supplements its management of liquidity risk through its ability to raise funds through the issuance of unsecured debt, including term debt and transacting in securities sold under repurchase agreements (refer to Note 6 and Note 7).

CPPIB maintains \$1,500 million (2022 – \$1,500 million) of unsecured credit facilities to meet potential liquidity requirements. There were no credit facilities drawn as at March 31, 2023 and March 31, 2022.

## 6. Investments and investment liabilities

As stated in Note 1, the role of CPPIB is to invest the assets with a view to achieving a maximum rate of return without undue risk of loss, with regard to the factors that may affect the funding of the CPP and the ability of the CPP to meet its financial obligations on any given business day. To achieve its mandate, CPPIB has established investment policies in accordance with its regulations. These set out the manner in which their assets shall be invested and their financial risks managed and mitigated through the Integrated Risk Framework.

In an active market, the fair value is best evidenced by an independent quoted market price. In the absence of an active market, valuation can be significantly more complex and often subjective, requiring judgment. As a result, CPPIB categorizes the fair value of its investments and investment liabilities within the three levels of the fair value hierarchy:

- Level 1 – Quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of Level 3 investments are determined using valuation techniques that use models with unobservable inputs while maximizing the use of inputs observed from market and therefore, are particularly judgmental. As each investment holding subsidiary is largely composed of Level 3 investments, the entire subsidiary is classified as Level 3.

The total of CPPIB's net investments not actively traded as at March 31, 2023 consists of investments categorized in Level 2 and 3, and is valued at \$413,045 million (2022 – \$416,864 million), of which \$326,863 million (2022 – \$299,556 million) are all investments held by investment holding subsidiaries.

Significant changes in the unobservable inputs would result in a significantly higher or lower value measurement. As at March 31, 2023, with all other variable held constant, the use of reasonable alternative assumptions would result in a decrease of \$10,300 million (2022 – \$8,600 million) or increase of \$9,900 million (2022 – \$10,100 million) in net assets.

## Canada Pension Plan—continued

## Notes to consolidated financial statements for the year ended March 31, 2023—continued

The Consolidated Schedule of Investment Portfolio below provides information on investments and investment liabilities held by both CPPIB and its investment holding subsidiaries, as at March 31:

(in millions of dollars)

	2023	2022 <sup>2</sup>
<b>Cash and cash equivalents</b> .....	<b>12,866</b>	<b>15,341</b>
<b>Equities</b>		
Private equities.....	187,126	173,767
Public equities.....	165,958	159,564
<b>Total equities</b> .....	<b>353,084</b>	<b>333,331</b>
<b>Fixed income</b>		
Bonds.....	128,103	108,311
Other debt.....	48,819	40,956
Money market securities.....	2,576	1,368
<b>Total fixed income</b> .....	<b>179,498</b>	<b>150,635</b>
<b>Absolute return strategies</b> .....	<b>42,673</b>	<b>34,681</b>
<b>Infrastructure</b> .....	<b>46,690</b>	<b>46,481</b>
<b>Real estate</b> .....	<b>45,508</b>	<b>42,336</b>
<b>Investment receivables</b>		
Securities purchased under reverse repurchase agreements and cash collateral pledged on securities borrowed....	23,522	56,809
Derivative assets.....	2,862	2,933
Other.....	4,002	5,986
<b>Total investment receivables</b> .....	<b>30,386</b>	<b>65,728</b>
<b>Total investments</b> <sup>1</sup> .....	<b>710,705</b>	<b>688,533</b>
<b>Investment liabilities</b>		
Debt financing liabilities.....	(59,362)	(50,703)
Securities and loans sold under repurchase agreements and cash collateral received on securities lent.....	(54,515)	(43,629)
Securities sold short.....	(22,065)	(29,003)
Derivative liabilities.....	(2,710)	(4,775)
Other.....	(3,411)	(2,775)
<b>Total investment liabilities</b> <sup>1</sup> .....	<b>(142,063)</b>	<b>(130,885)</b>
Pending trades receivable <sup>1</sup> .....	3,526	8,525
Pending trades payable <sup>1</sup> .....	(1,872)	(26,807)
<b>Net investments</b> .....	<b>570,296</b>	<b>539,366</b>

<sup>1</sup> Consists of all the financial assets and liabilities held by both CPPIB and its investment holding subsidiaries. In contrast, the CPP's Consolidated Statement of Financial Position presents all financial assets and liabilities held by investment holding subsidiaries at fair value as investments. This results in a difference of \$8,172 million (March 31, 2022 – \$9,418 million), \$8,480 million (March 31, 2022 – \$7,340 million), \$581 million (March 31, 2022 – \$561 million) and \$273 million (March 31, 2022 – \$2,639 million) as compared to investments, investment liabilities, pending trades receivable and pending trades payable, respectively, as presented in the CPP's Consolidated Statement of Financial Position. Refer to Note 2b) for further details.

<sup>2</sup> Certain comparatives have been reclassified to conform to the current year's presentation.

## Canada Pension Plan—continued

### Notes to consolidated financial statements for the year ended March 31, 2023—continued

#### a) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and short-term deposits, commercial paper, bank accepted bills, floating rate deposit notes and treasury bills with a maturity of 90 days or less. Fair value is determined using cost, which, together with accrued interest income, approximates fair value due to the short-term or floating rate nature of these assets.

#### b) Equities

Equities consist of public and private investments.

- i. Public equity investments are made directly or through funds, including hedge funds. Fair value for publicly traded equities, including equity short positions, is based on quoted market prices. Fair value for fund investments is generally based on the net asset value reported by the external administrators or managers of the funds.
- ii. Private equity investments are generally made directly or through ownership in limited partnership funds. As at March 31, 2023, private equities included direct investments with a fair value of \$105,187 million (2022 – \$96,656 million). The fair value for investments held directly is primarily determined using accepted industry valuation methods such as earnings multiples of comparable publicly traded companies or discounted cash flows. Recent market transactions, where available, are also used. In the case of investments held through a limited partnership fund, fair value is generally based on net asset value or relevant information reported by the general partner using similar accepted industry valuation methods.

#### c) Fixed income

- i. Bonds include non-marketable and marketable bonds. Fair value for non-marketable Canadian provincial government bonds is calculated using discounted cash flows based on current market yields of instruments with similar characteristics. In the case of marketable bonds, including bond short positions, fair value is based on quoted prices or calculated using discounted cash flows based on benchmark yield curves and credit spreads pertaining to the issuer.
- ii. Other debt includes investments in direct private debt, asset-backed securities, distressed mortgage funds, private debt funds, hedge funds and investments in royalty-related income streams. Fair value for direct investments in private debt and asset-backed securities is based on quoted market prices or broker quotes or recent market transactions, if available. Where the market price is not available, fair value is calculated using discounted cash flows based on significant inputs such as projected cash flows and discount rates using current market yields of instruments with similar characteristics.
- iii. Money market securities consist of term deposits, treasury bills, commercial paper and floating rate note, all of which have a maturity of over 90 days. Fair value is determined using cost, which, together with accrued interest income, approximates fair value due to the short-term or floating rate nature of these securities.

#### d) Absolute return strategies

Absolute return strategies include investments in hedge funds whose objective is to generate positive returns regardless of market conditions, that is, returns with a low correlation to broad market indexes. The underlying securities of the funds could include, but are not limited to, equities, fixed income securities and derivatives. Fair value for these fund investments is generally based on the net asset value as reported by the external administrators or managers of the funds.

#### e) Infrastructure

Infrastructure investments are generally made directly, but can also occur through limited partnership funds.

Fair value of these investments is primarily determined using discounted cash flows based on significant inputs including projected cash flows and discount rates using current market yields of instruments with similar characteristics. Fair value for investments held through limited partnership funds is generally based on the net asset value as reported by the external managers of the funds.

As at March 31, 2023, infrastructure investments include direct investments with a fair value of \$46,610 million (2022 – \$46,428 million) and \$80 million in fund investments (2022 – \$53 million).

**Canada Pension Plan—continued****Notes to consolidated financial statements for the year ended March 31, 2023—continued**

## f) Real estate

Real estate investments are generally made through direct private investments, or through ownership of real estate funds. Private real estate investments are managed by investment partners primarily through co-ownership arrangements.

Fair value for private real estate investments is determined using accepted industry valuation methods such as discounted cash flows. Fair value is also determined using net asset value provided by the investment partner. Fair value for real estate funds is generally based on the net asset value reported by the external managers of the funds.

As at March 31, 2023, real estate investments include direct investments with a fair value of \$43,777 million (2022 – \$40,745 million) and \$1,731 million in fund investments (2022 – \$1,591 million).

## g) Securities purchased under reverse repurchase agreements and securities and loans sold under repurchase agreements

Securities purchased under reverse repurchase agreements represent the purchase of securities with a simultaneous agreement to sell them back at a specified price at a specified future date and are accounted for as an investment receivable. The purchased securities under these agreements are not recognized on the consolidated statement of financial position. The fair value of securities to be resold under reverse repurchase agreements is monitored and additional collateral is obtained, when appropriate, to protect against credit exposure. In the event of counterparty default, the CPP, through CPPIB, has the right to liquidate the collateral held.

Securities and loans sold under repurchase agreements are accounted for as collateralized borrowing because they represent the sale of securities with a simultaneous agreement to buy them back at a specified price at a specified future date. The securities and loans sold under these agreements continue to be recognized on the consolidated statement of financial position with any changes in fair value recorded as net gain (loss) on investments and included in net investment income (loss).

Interest earned on reverse repurchase agreements is included in interest income within investment income. Interest incurred on repurchase agreements is included in financing expenses.

Reverse repurchase and repurchase agreements are carried at the amounts at which the securities or loans were initially acquired or sold, which, together with accrued interest income or expense, approximates fair value due to the short-term nature or variable interest rate of these agreements.

The fair value of the securities purchased under reverse repurchase agreements held directly by CPPIB, as at March 31, 2023, are all within 1 year from the reporting date, \$22,240 million (2022 – \$56,178 million).

The fair value of the securities purchased under reverse repurchase agreements held by investment holding subsidiaries, as at March 31, 2023, are all within 1 year to 5 years from the reporting date, \$132 million (2022 – nil).

The contractual value of the securities sold under repurchase agreements held directly by CPPIB, as at March 31, 2023, are all within 1 year from the reporting date, \$50,785 million (2022 – \$35,740 million).

The contractual value of the loans sold under repurchase agreements held by investment holding subsidiaries, as at March 31, 2023, are all within 1 year to 5 years from the reporting date, \$211 million (2022 – \$168 million).

## h) Securities borrowed and lent

Securities borrowing and lending agreements are transactions in which CPP, through CPPIB, borrows securities from or lends securities to third parties. Borrowed securities are not recognized on the consolidated statement of financial position. Lent securities remain on the consolidated statement of financial position as CPP, through CPPIB, retains substantially all of the risks and rewards of ownership of the transferred securities.

Collateral received or pledged is generally in the form of cash, equities or fixed income securities. Cash collateral received is accounted for as an investment liability while equities and fixed income securities received as collateral are not recognized on the consolidated statement of financial position. Cash collateral pledged is accounted for as an investment receivable, while securities collateral pledged by CPP, through CPPIB, in securities borrowing agreements remain on the consolidated statement of financial position. Costs relating to securities borrowing and lending are included in financing expenses.

The fair value of the cash collateral pledged on securities borrowed as at March 31, 2023, are all within 1 year from the reporting date, \$1,150 million (2022 – \$631 million).

The contractual value of the cash collateral received on securities lent as at March 31, 2023, are all within 1 year from the reporting date, \$3,910 million (2022 – \$7,714 million).

**Canada Pension Plan—continued****Notes to consolidated financial statements for the year ended March 31, 2023—continued**

## i) Derivative assets and liabilities

A derivative is a financial contract, the value of which is derived from the value of underlying assets, indexes, interest rates, currency exchange rates or other market-based factors. Derivatives are transacted through regulated exchanges, centrally cleared or negotiated in over-the-counter markets. CPPIB uses different types of derivative instruments, which include futures and forwards, swaps, options and warrants.

Fair value for exchange-traded derivatives, which includes futures, options and warrants, is based on quoted market prices. Fair value for over-the-counter derivatives, which includes forwards, swaps, options and warrants, is determined based on valuation techniques that make maximum use of inputs observed from markets such as option pricing models, discounted cash flows and consensus pricing from independent brokers and/or third-party vendors.

## j) Debt financing liabilities

Debt financing liabilities consist of commercial paper payable, term debt, cash advances from prime brokers and loans. Commercial paper payable and cash advances from prime brokers is carried at the amount originally issued, which, together with accrued interest expense, approximates fair value due to the short-term nature of these liabilities. Fair value for term debt is based on quoted market prices. The fair value of loans is based on the discounted cash flows method or cost with accrued interest. Interest expense and associated costs on debt financing liabilities are included in financing expenses.

The terms to maturity of the contractual value of the debt financing liabilities held directly by CPPIB as at March 31, 2023, are as follows: within 1 year, \$5,175 million (2022 – \$2,564 million), and 1 year to 5 years, \$31,241 million (2022 – \$19,856 million), and 6 years to over 10 years, \$22,287 million (2022 – \$23,750 million).

The terms to maturity of the contractual value of the debt financing liabilities held by investment holding subsidiaries as at March 31, 2023, are as follows: within 1 year, \$148 million (2022 – \$84 million), 1 year to 5 years, \$4,873 million (2022 – \$4,108 million), and 6 years to over 10 years, \$824 million (2022 – \$1,106 million).

The following table provides a reconciliation of debt financing liabilities arising from financing activities in the Consolidated Statement of Cash Flow:

(in millions of dollars)

	For the year ended	
	March 31, 2023	March 31, 2022 <sup>2</sup>
Balance, beginning of year.....	45,362	37,683
Proceeds .....	13,671	17,229
Repayments .....	(4,724)	(5,413)
Non-cash changes in fair value <sup>1</sup> .....	(853)	(4,137)
Balance, end of year.....	53,456	45,362

<sup>1</sup> Includes foreign exchange losses of \$2,337 million (March 31, 2022 – \$1,087 million).

<sup>2</sup> Certain comparatives have been reclassified to conform to the current year's presentation.

## k) Securities sold short

Securities sold short represent securities that are sold, but not owned, by the CPP, through CPPIB. The CPP, through CPPIB, has an obligation to cover these short positions, which are accounted for as an investment liability based on the fair value of the securities sold. Collateral is pledged to the counterparty, as required (refer to Note 7). Interest and dividend expenses on securities sold short are included in net investment income (loss).

As at March 31, 2023, securities sold short of \$22,065 million (2022 – \$29,003 million) are considered repayable within one year based on the earliest period in which the counterparty could request payment under certain conditions.

**Canada Pension Plan—continued****Notes to consolidated financial statements for the year ended March 31, 2023—continued****7. Collateral**

Collateral transactions are conducted to support CPPIB's investment activities under the terms and conditions that are common and customary to collateral arrangements. These arrangements may be transacted by CPPIB or its investment holding subsidiaries in their normal course of business.

The fair value of collateral held and pledged directly by CPPIB as at March 31 was as follows:

(in millions of dollars)

	2023	2022 <sup>5</sup>
<b>Third-party assets held as collateral on<sup>1</sup>:</b>		
Reverse repurchase agreements .....	22,592	55,897
Derivative transactions .....	777	538
Securities lent <sup>2,3</sup> .....	6,900	8,935
<b>Total</b> .....	<b>30,269</b>	<b>65,370</b>
<b>Own and third-party assets pledged as collateral on:</b>		
Repurchase agreements .....	(50,527)	(35,518)
Securities borrowed <sup>3,4</sup> .....	(26,840)	(32,298)
Derivative transactions .....	(10,778)	(10,634)
Debt financing liabilities .....	(953)	(1,964)
<b>Total</b> .....	<b>(89,098)</b>	<b>(80,414)</b>

<sup>1</sup> The fair value of collateral sold or repledged as at March 31, 2023 was \$7,347 million (2022 – \$16,233 million).

<sup>2</sup> The fair value of securities lent as at March 31, 2023 was \$6,800 million (2022 – \$9,054 million).

<sup>3</sup> Cash collateral payable of \$3,910 million (2022 – \$7,714 million) as at March 31, 2023 consists of collateral receivable of nil and collateral payable of \$3,910 million that qualify for netting (2022 – \$140 million and \$7,854 million, respectively).

<sup>4</sup> The fair value of securities borrowed as at March 31, 2023 was \$21,313 million (2022 – \$21,888 million) of which \$18,914 million was used (2022 – \$21,752 million) for short selling activity.

<sup>5</sup> Certain comparatives have been reclassified to conform to the current year's presentation.

The fair value of collateral held and pledged directly by investment holding subsidiaries as at March 31 was as follows:

(in millions of dollars)

	2023	2022
<b>Third-party assets held as collateral on<sup>1</sup>:</b>		
Reverse repurchase agreements .....	132	–
<b>Total</b> .....	<b>132</b>	<b>–</b>
<b>Own and third-party assets pledged as collateral on:</b>		
Repurchase agreements .....	(353)	(292)
Securities borrowed <sup>2,3</sup> .....	(13,611)	(8,469)
Derivative transactions <sup>3</sup> .....	(785)	(574)
Private equities <sup>4</sup> .....	(11,715)	(10,156)
Debt financing liabilities .....	(10,466)	(10,037)
<b>Total</b> .....	<b>(36,930)</b>	<b>(29,528)</b>

<sup>1</sup> The fair value of collateral sold or repledged as at March 31, 2023 was nil (2022 – nil).

<sup>2</sup> The fair value of securities borrowed as at March 31, 2023 was \$8,020 million (2022 – \$4,967 million), which were all used for short selling activity.

<sup>3</sup> The cash collateral at the prime brokers may be used for securities borrowed and derivatives transacted by broker.

<sup>4</sup> Represents securities pledged as collateral on loan borrowings of the investees.

**8. Payables and accrued liabilities**

Payables and accrued liabilities are comprised of the following, as at March 31:

(in millions of dollars)

	2023	2022
Operating expenses .....	1,099	935
Pensions and benefits payable .....	447	407
Tax deductions on benefits due to Canada Revenue Agency .....	323	290
	1,869	1,632

**Canada Pension Plan—continued**

Notes to consolidated financial statements for the year ended March 31, 2023—continued

**9. Comparison of results against budget**

The budget amounts included in the Consolidated Statement of Operations and the Consolidated Statement of Changes in Financial Assets Available for Benefit Payments are derived from the amounts that were originally budgeted in the 2022-2023 *Employment and Social Development Canada Departmental Plan*, tabled in Parliament in March 2022 and amounts forecasted by the Office of the Superintendent of Financial Institutions.

**10. Investment income and investment-related expenses**

CPPIB qualifies as an investment entity (refer to Note 2b). Investment income on investments made through investment holding subsidiaries is presented as unrealized gains or losses. Investment-related expenses borne by the investment holding subsidiaries are a reduction in the net asset values of the investment holding subsidiaries and thus are a component of the unrealized gains or losses on investment holding subsidiaries. All realized and unrealized gains and losses are presented as net gains or losses in CPPIB's consolidated financial statements.

The following table provides further details on investment income and investment-related expenses of CPPIB, for the year ended March 31:

(in millions of dollars)

	2023	2022
<b>Investment income of CPP</b>		
Interest income .....	11	1
<b>Investment income of CPPIB</b>		
Interest, dividends and other income .....	11,719	11,647
Realized gains on private investments .....	505	1,242
Unrealized losses on private investments .....	(2,102)	(830)
Realized and unrealized losses on public and other investments .....	(15,328)	(8,217)
Unrealized gains on investment holding subsidiaries (refer to details in the table below) .....	17,155	32,476
<b>Total investment income .....</b>	<b>11,960</b>	<b>36,319</b>
<b>Investment-related expenses of CPPIB</b>		
Management fees .....	(19)	(20)
Performance fees .....	(71)	(38)
Transaction-related .....	(295)	(321)
Taxes .....	(46)	(232)
Financing .....	(2,147)	136
<b>Total investment-related expenses .....</b>	<b>(2,578)</b>	<b>(475)</b>

The following table presents supplemental information on unrealized gains on investment holding subsidiaries, for the year ended March 31:

(in millions of dollars)

	2023	2022 <sup>1</sup>
<b>Investment income of investment holding subsidiaries</b>		
Interest, dividends and other income .....	8,082	8,207
Realized gains on private investments .....	3,639	21,352
Unrealized gains on private investments .....	6,599	7,375
Realized and unrealized gains on public and other investments .....	2,972	1,643
<b>Total investment income .....</b>	<b>21,292</b>	<b>38,577</b>
<b>Investment-related expenses of investment holding subsidiaries</b>		
Transaction-related .....	(121)	(246)
Taxes .....	(140)	(60)
Financing .....	(208)	(120)
<b>Total investment-related expenses .....</b>	<b>(469)</b>	<b>(426)</b>
<b>Net investment income before dividends paid to CPPIB</b>	<b>20,823</b>	<b>38,151</b>
Dividends paid to CPPIB .....	(3,668)	(5,675)
<b>Total unrealized gains on investment holding subsidiaries .....</b>	<b>17,155</b>	<b>32,476</b>

<sup>1</sup> Certain comparatives have been reclassified to conform to the current year's presentation.

**Canada Pension Plan—continued****Notes to consolidated financial statements for the year ended March 31, 2023—continued****11. Operating expenses**

CPP's operating expenses are composed of costs incurred by various GoC departments (refer to Note 16) for the administration of the CPP's activities as well as CPPIB's operating expenses. CPPIB's personnel, general and administrative expenses are presented as operating expenses. Management fees, performance fees, transaction-related, taxes and financing are presented as investment-related expenses in Note 10.

Operating expenses are as follows, for the year ended March 31:

(in millions of dollars)

	2023			2022		
	GoC	CPPIB	Total	GoC	CPPIB <sup>1</sup>	Total
Personnel related costs.....	425	1,038	1,463	425	1,013	1,438
Collection of contributions and investigation services .....	257	–	257	273	–	273
Information technology and data services .....	–	190	190	–	178	178
Program policy and delivery .....	159	–	159	153	–	153
Professional services.....	–	157	157	–	115	115
Amortization of premises and equipment.....	–	72	72	–	61	61
Premises and equipment.....	–	26	26	–	26	26
Travel and accommodation .....	–	23	23	–	6	6
Communications .....	–	19	19	–	20	20
Support services of the Social Security Tribunal.....	19	–	19	18	–	18
Cheque issue and computer services .....	4	–	4	6	–	6
Others .....	4	15	19	3	9	12
	868	1,540	2,408	878	1,428	2,306

<sup>1</sup> Certain comparatives have been reclassified to conform to the current year's presentation.

**12. Financial sustainability of the Canada Pension Plan**

As of January 1, 2019, the CPP has two components: the base and additional CPP. The CPP consisted only of the base CPP prior to 2019, and this component continues. The additional CPP is the new enhancement to the CPP as of 2019. Both the base and additional CPP are financed by contributions and investment returns. Employers and employees pay contributions equally to the base and additional CPP, and self-employed workers pay the full amount.

*Base CPP*

At the time of the Plan's inception in 1965, the demographic and economic conditions made pay-as-you-go financing appropriate. The pay-as-you-go financing, along with a small reserve equivalent to about two years' worth of expenditures, meant the pensions and benefits for one generation would be paid largely from the contributions of later generations. However, changing demographics and economic conditions over time led to increasing CPP costs, and by the mid-1990s the fall in the level of assets of the CPP resulted in a portion of the reserve being required to cover expenditures. Therefore, for the CPP benefit provisions to have remained unchanged, the contribution rate would have needed to be increased regularly.

As a result, the base CPP was amended in 1997 to restore its long-term financial sustainability and to improve fairness across generations. This was achieved by changing its financing approach from a pay-as-you-go basis to a form of partial funding called steady-state funding, along with incremental full funding rules for new or enhanced benefits, and by reducing the growth of benefits over the long term. In addition, a new investment policy was put in place, along with the creation of CPPIB. Moreover, the statutory periodic reviews of the Plan by the federal and provincial governments were increased from once every five years to every three years.

Key among the 1997 changes were the introduction of self-sustaining provisions to safeguard the base CPP. In the event that the projected minimum contribution rate is greater than the legislated contribution rate and no recommendations are made by the Finance Ministers, the contribution rate would automatically increase and the indexation of the current benefits would be suspended.

The federal and provincial finance ministers took additional steps in 1999 to strengthen the transparency and accountability of actuarial reporting on the CPP by endorsing regular independent peer reviews of actuarial reports and consultations by the Chief Actuary with experts on the assumptions to be used in the actuarial reports.

## Canada Pension Plan—continued

### Notes to consolidated financial statements for the year ended March 31, 2023—continued

#### Additional CPP

With the challenge facing younger generations of securing adequate retirement savings at a time when fewer can expect to work in jobs that will include a workplace pension plan, the federal and provincial governments agreed in 2016 to expand the CPP by creating the additional CPP. The additional CPP took effect on January 1, 2019.

In accordance with the *Canada Pension Plan*, the additional retirement, survivor, and disability benefits provided by the additional Plan are financed by additional contribution rates that are no lower than the rates that:

- i. are the lowest constant rates that can be maintained over the foreseeable future, and
- ii. result in projected revenues (contributions and investment income) that are sufficient to fully pay the projected expenditures of the additional CPP over the foreseeable future.

The financing of the additional CPP is a result of the 1997 reforms to the Plan, specifically the requirement to fully fund any increased or new benefits. Similar to the base CPP, the Canada Pension Plan legislation includes self-sustaining provisions that provide for actions to be taken if the additional minimum contribution rates deviate significantly from their legislated values and no recommendations are made by the Finance Ministers. These actions are described in the *Additional Canada Pension Plan Sustainability Regulations*, which came into force on February 1, 2021. Since the additional minimum contribution rates from the most recent 31st Actuarial Report as at December 31, 2021 fall within the no action ranges, there is no impact on the financial statements as at March 31, 2023.

#### Triennial actuarial report

As stipulated in the *Canada Pension Plan*, an actuarial report is prepared by the Chief Actuary every three years. In addition, an actuarial report is prepared between triennial updates when there are any proposed legislative changes to the Plan that would in the opinion of the Chief Actuary materially affect the estimates in the most recent triennial report. The most recent triennial report, the 31st Actuarial Report on the CPP as at December 31, 2021, was tabled in Parliament on December 14, 2022.

The continuing and evolving impacts of the COVID-19 pandemic were worsened by the conflict in Ukraine, notably its escalation as of February 2022. These impacts included changing levels of inflation and volatility in the financial markets. The escalation of the conflict in Ukraine was considered to be a subsequent event for the purpose of the 31st CPP Actuarial Report since it started subsequent to the valuation date but before the date of the Report. There were no other events determined by the Chief Actuary to be subsequent events with material effects on the financial state of the CPP as projected in the 31st CPP Actuarial Report. The impacts of the subsequent event were considered and reflected during the preparation of the 31st CPP Actuarial Report as well as in the information disclosed in this note and Note 13. Therefore, no further changes are required as of March 31, 2023.

Given the legislative framework of the CPP, the next triennial report will be prepared as at December 31, 2024 and is expected to be tabled in Parliament in late 2025. The report will include updated data, experience, and demographic, economic, and investment assumptions.

**Canada Pension Plan—continued****Notes to consolidated financial statements for the year ended March 31, 2023—continued**

A number of assumptions were used in the 31st CPP Actuarial Report to project the base and additional CPP's revenues and expenditures over the long projection period of over 75 years, and to determine the minimum contribution rates. The assumptions provided in the table below represent the best estimates according to the Chief Actuary's professional judgment relating to demographic, economic, investment and other factors; and have been peer reviewed by an independent panel of actuaries.

## Best-estimate assumptions

Canada	31st Actuarial Report (as at December 31, 2021)		30th Actuarial Report (as at December 31, 2018)	
Total fertility rate .....	1.54 (2029+)		1.62 (2027+)	
Mortality .....	Statistics Canada Life Tables (CLT 1-year table: 2019 with assumed future improvements)		Statistics Canada Life Tables (CLT 3-year average table: 2014-2016) with assumed future improvements	
Canadian life expectancy	Males	Females	Males <sup>1</sup>	Females <sup>1</sup>
at birth in 2022 .....	86.7 years	90.0 years	87.1 years	90.1 years
at age 65 in 2022 .....	21.3 years	23.8 years	21.6 years	24.0 years
Net migration rate .....	0.64% of population (for 2031+)		0.62% of population (for 2021+)	
Participation rate (age group 18-69) .....	80.0%	(2035)	79.2%	(2035)
Employment rate (age group 18-69) .....	75.3%	(2035)	74.4%	(2035)
Unemployment Rate (age group 18-69) .....	5.9%	(2027+)	6.0% <sup>2</sup>	(2030+)
Rate of increase in prices .....	2.0%	(2026+)	2.0%	(2019+)
Real-wage increase .....	0.9%	(2026+)	1.0%	(2025+)
Real rate of return (average 2022-2096) .....	Base CPP assets	3.7%	4.0%	
	Additional CPP assets	3.3%	3.5%	
Retirement rates for cohort age 60 .....	Males	26.0% (2022+)	Males	27.0% (2021+)
	Females	28.0% (2022+)	Females	29.5% (2021+)
CPP disability incidence rates (per 1,000 eligible) .....	Males	2.90% (2026+)	Males	2.97 (2019+) <sup>3</sup>
	Females	3.60% (2026+)	Females	3.66 (2019+) <sup>3</sup>

<sup>1</sup> The Canadian life expectancies of the 30th CPP Actuarial Report are shown for year 2022 in order to compare for the same year with the life expectancies of the 31st CPP Actuarial Report.

<sup>2</sup> The unemployment rate assumption of the 30th CPP Actuarial Report has been adjusted to show the rate for the age group 18-69, in order to compare on the same basis with the assumptions of the 31st CPP Actuarial Report.

<sup>3</sup> The ultimate disability incidence rates assumptions of the 30th CPP Actuarial Report have been adjusted based on the 2021 eligible population in order to compare on the same basis with the assumptions of the 31st CPP Actuarial Report.

According to the 31st CPP Actuarial Report, with the legislated contribution rate of 9.9% for the base CPP, total assets of the base CPP are projected to decrease in 2022 as a result of financial markets experience. Assets are then projected to increase, with the asset/expenditure ratio increasing from 8.1 to 8.4 between 2022 and 2030 and growing thereafter to values of 10.7 in 2050 and 13.2 in 2100.

The minimum contribution rate, which is the lowest rate to sustain the base CPP, is determined to be 9.56% of contributory earnings for years 2025 to 2033 and 9.54% for the year 2034 and thereafter (9.75% of contributory earnings for years 2022 to 2033 and 9.72% for years 2034 and thereafter in the 30th CPP Actuarial Report).

The partial funding nature of the base CPP means that contributions as opposed to investment income are the main source for financing base CPP expenditures. The 31st CPP Actuarial Report confirms that, based on the Chief Actuary's best-estimate assumptions, the current legislated contribution rate of 9.9% is higher than the minimum contribution rate needed to sustain the base CPP, and thus is sufficient to finance the base CPP over the long term. By 2030, investment income is expected to represent approximately 34% of revenues. Under the legislated contribution rate and the assumed average expected nominal return on base CPP assets of 4.1% over the period 2022 to 2030, total base CPP assets available for benefit payments are expected to grow to approximately \$791 billion by the end of 2030.

As at March 31, 2023, the value of base CPP assets available for benefit payments is \$549.5 billion (2022 – \$534.5 billion).

For the additional CPP, the 31st CPP Actuarial Report projects that with the legislated first and second additional contribution rates of 2.0% for 2023 and thereafter and 8.0% for 2024 and thereafter, respectively, total additional CPP assets will increase rapidly over the first several decades as contributions are projected to exceed expenditures up until the year 2057 inclusively. Thereafter, a portion of investment income will make up the difference between contributions and expenditures. The ratio of assets to the following year's expenditures is projected to increase rapidly, reaching 89.8 in 2026, and is then projected to start decreasing thereafter, reaching a level of about 26 by 2080 and remaining close to that level for the years following up to 2100.

**Canada Pension Plan—continued****Notes to consolidated financial statements for the year ended March 31, 2023—continued**

The first additional minimum contribution rate applicable to pensionable earnings between the Year's Basic Exemption and the Year's Maximum Pensionable Earnings is 1.97% for the year 2025 and thereafter. The second additional minimum contribution rate applicable to pensionable earnings above the Year's Maximum Pensionable Earnings up to the Year's Additional Maximum Pensionable Earnings is 7.88% for the year 2025 and thereafter. For the triennial review period 2022–2024, the phased-in legislated first additional contribution rate of 1.5% applies in 2022 followed by the legislated rate of 2.0% in 2023 and 2024. The legislated second additional contribution rate of 8.0% applies in 2024 which is the starting year of the second tier of the additional CPP.

The full funding nature of the additional CPP means that investment income as opposed to contributions is the main source for financing additional CPP expenditures. The 31st CPP Actuarial Report confirms that, on the basis of the Chief Actuary's best-estimate assumptions, the current legislated contribution rates of 2.0% for 2023 and thereafter and 8.0% for 2024 and thereafter are higher than the minimum contribution rates needed to sustain the additional CPP, and thus are sufficient to finance the additional CPP over the long term. By 2050, investment income is expected to represent approximately 61% of revenues. Under the current legislated contribution rates and the average expected nominal return on additional CPP assets of 3.6% over the period 2022 to 2030, total additional CPP assets available for benefit payments are expected to grow to approximately \$200 billion by the end of 2030.

As at March 31, 2023, the value of additional CPP assets available for benefit payments is \$24.4 billion (2022 – \$13.6 billion).

As at March 31, 2023, the value of total CPP assets available for benefit payments of \$573.9 billion (2022 – \$548.1 billion) represents approximately 8.7 times the 2024 planned expenditures of \$65.9 billion (2022 – 9.2 times the 2023 planned expenditures of \$59.3 billion).

*Individual sensitivity tests:*

These tests are performed to measure the sensitivity of the long-term projected financial position of both components of the CPP to future changes in the demographic, economic, and investment environments. Key best-estimate demographic, economic, and investment assumptions were varied individually to measure the potential impacts on the financial state of both components of the CPP.

Lower-cost and higher-cost alternatives for three important assumptions are shown in the table below. For each test, the assumptions for the lower-cost and higher-cost alternatives were developed considering alternative assumed mortality improvement rates, real wage increases, and real rates of return. It is possible that a lower-cost test for the base CPP will be a higher-cost test for the additional CPP, and vice versa. This is the case, for example, for the tests regarding the real wage increase, described below.

		Lower-cost		Best-estimate		Higher-cost	
Mortality (base and additional CPP):							
Canadian life expectancy at age 65 in 2050							
with future improvements .....		Males	20.9	Males	23.1	Males	25.2
		Females	23.3	Females	25.4	Females	27.4
Real wage increase.....		Base CPP		0.9%		0.3%	
		Additional CPP		0.3%		1.5%	
Average real rate of return (2022-2096).....		Base CPP		3.69%		2.09%	
		Additional CPP		4.47%		3.27%	
						2.07%	

**Canada Pension Plan—continued****Notes to consolidated financial statements for the year ended March 31, 2023—continued**

The table below summarizes, for both the base and additional CPP, the sensitivity results of the minimum contribution rates to the changes in mortality, real wage increase and real rate of return on investments assumptions:

Assumption	Scenario	Base CPP	Additional CPP	
		Minimum contribution rate (%)	Minimum contribution rates (%)	
		2034+	First	Second
	Best estimate	9.54	1.97	7.88
Mortality.....	Higher mortality	9.17	1.79	7.16
	Lower mortality	9.86	2.12	8.48
Real wage increase.....	Higher wage increase	9.26	2.18	8.72
	Lower wage increase	9.81	1.79	7.16
Real rate of return on investments.....	Higher real return	7.89	1.38	5.52
	Lower real return	11.22	2.86	11.44

*Mortality:*

Mortality is a very important demographic assumption as it affects the length of the benefit payment period. Under the higher-cost scenario, mortality is assumed to improve at a faster pace than under the best-estimate scenario with the ultimate mortality improvement rates being doubled compared to their best estimate values. Under this scenario, the resulting mortality levels would be lower leading to increased life expectancies and thus higher minimum contribution rates for the base and additional CPP. The base CPP minimum contribution rate for 2034 and thereafter would increase to 9.86%, close to the base CPP legislated contribution rate of 9.9%. For the additional CPP the first and second additional minimum contribution rates would increase to 2.12% and 8.48%, respectively. These would be above the legislated rates of 2% and 8%, respectively.

On the other hand, under the lower cost scenario, mortality is assumed to improve at a slower rate than under the best estimate scenario, with ultimate values of the mortality improvement rates gradually reduced to 0% for all ages in 2039. Under this scenario, the resulting mortality levels would be higher leading to decreased life expectancies and thus lower minimum contribution rates for the base and additional CPP. The base CPP minimum contribution rate for years 2034 and thereafter would decrease to 9.17% while the first and second additional CPP minimum contribution rates would decrease to 1.79% and 7.16%, respectively.

*Real wage increase:*

Real wage increases directly affect the amount of future CPP contributions. Note that for this test, the opposite effects for the base and additional CPP are attributable to the different financing approaches. As a result of the different financing approaches, the base CPP is more dependent on contributions while the additional CPP is more dependent on investment income.

For the base CPP, if an ultimate real wage increase of 0.3% is assumed for 2026 and thereafter, the base CPP minimum contribution rate for years 2034 and thereafter would increase to 9.81%. On the other hand, for the additional CPP, under the same assumption, the first and second additional minimum contribution rates would decrease to 1.79% and 7.16%, respectively.

For the base CPP, if an ultimate real wage increase of 1.5% is assumed for 2026 and thereafter, the base CPP minimum contribution rate for years 2034 and thereafter would decrease to 9.26%. On the other hand, for the additional CPP, under the same assumption, the first and second additional minimum contribution rates would increase to 2.18% and 8.72%, respectively.

*Real rate of return:*

Real rates of return can fluctuate greatly from year to year and can have a significant impact on the size of assets and on the ratio of assets to the following year expenditures.

If for the base CPP, the average real rate of return is assumed to be 2.09% instead of 3.69% over the next 75 years (2022 to 2096), then the base CPP minimum contribution rate for years 2034 and thereafter will increase to 11.22%. For the additional CPP, if the average real rate of return is assumed to be 2.07% instead of 3.27% over the same period, then the first and second additional minimum contribution rates increase to 2.86% and 11.44%, respectively.

However, if for the base CPP, the average real rate of return is assumed to be 5.29% instead of 3.69% over the next 75 years, then the base CPP minimum contribution rate decreases to 7.89%. For the additional CPP, if the average assumed real rate of return over the same period is 4.47% instead of 3.27%, then the first and second additional minimum contribution rates decrease to 1.38% and 5.52%, respectively.

**Canada Pension Plan—continued**

Notes to consolidated financial statements for the year ended March 31, 2023—continued

**13. Actuarial obligation in respect of benefits**

The 31st CPP Actuarial Report is a triennial report that measures the actuarial obligations of both the base and additional CPP under an open group approach, which is consistent with the funding nature of both components. It also provides information under a closed group approach, in footnotes. The open group approach takes into consideration all current and future participants of the CPP, including their future contributions and associated benefits, to determine whether current assets and future contributions will be sufficient to pay for all future expenditures. The closed group approach includes only current participants of the CPP, with no new entrants permitted and no new benefits accrued.

The choice of the methodology used to produce a social security system's balance sheet is mainly determined by the system's financing approach. Partially funded plans like the base CPP represent a social contract where, in any given year, current contributors allow the use of their contributions to pay current beneficiaries' benefits. This social contract creates claims for current and past contributors to contributions of future contributors. As such, the proper assessment of the financial sustainability of partially funded plans by means of their balance sheets should reflect these claims. The open group approach does account explicitly for these claims by considering the benefits and contributions of both the current and future plan participants. In comparison, the closed group methodology does not reflect these claims since only current participants are considered. The legislated methodologies to determine the steady-state and incremental full funding contribution rates of the base CPP are based on the open group approach (in accordance with the *Calculation of Contribution Rates Regulations, 2021*)

The determination of the additional minimum contribution rates (in accordance with the *Calculation of Contribution Rates Regulations, 2021*) also requires the use of an open group approach. Since the open group methodology is based on projections of future income and expenditures, the requirement of the additional CPP open group assets to be at least 100% of its open group actuarial obligations ensures that, at the valuation date, the projected additional contributions and investment income are sufficient to cover the projected additional expenditures over the long term.

To determine the base and additional CPP actuarial obligations under the open group approach and legislated contribution rates, the base and additional CPP's revenues and expenditures were projected using the assumptions of the 31st CPP Actuarial Report shown in Note 12. The projection period longer than 75 years that is used to calculate the minimum contribution rates is necessary to ensure that the future expenditures for cohorts that will enter the labour force during that time are included in the liabilities. The present values of the assets and obligations of the base CPP and additional CPP are determined using a discount rate equal to the assumed nominal rates of return on the base CPP and additional CPP assets, respectively.

**Canada Pension Plan—continued****Notes to consolidated financial statements for the year ended March 31, 2023—continued***Base CPP:*

The table below presents the asset excess (shortfall) and the assets to actuarial obligations ratio of the base CPP under open and closed group approaches at valuation dates of the current and previous actuarial reports with the legislated contribution rate of 9.9%:

(in billions of dollars)

	31st Actuarial Report as at December 31, 2021		30th Actuarial Report as at December 31, 2018	
	Open group	Closed group	Open group	Closed group
Assets <sup>1</sup> .....	3,583.4	543.7	2,691.1	371.7
Actuarial obligations <sup>2</sup> .....	3,523.0	1,686.1	2,674.4	1,257.1
Asset excess (shortfall) .....	60.4	(1,142.4)	16.7	(885.4)
Assets to actuarial obligations ratio .....	101.7%	32.2%	100.6%	29.6%

<sup>1</sup> Includes only current assets for the closed group but also includes future contributions for the open group.

<sup>2</sup> Obligations include operating expenses.

The base CPP was never intended to be a fully funded plan and the financial sustainability of the base CPP is not assessed based on its actuarial obligations in respect of benefits. According to the 31st CPP Actuarial Report, the CPP is intended to be long-term and enduring in nature, a fact that is reinforced by the federal and provincial governments' joint stewardship through the established strong governance and accountability framework of the CPP. Therefore, if the base CPP's financial sustainability is to be measured based on its asset excess or shortfall, it should be done on an open group basis that reflects the partially funded nature of the base CPP, that is, its reliance on both future contributions and invested assets as a means of financing its future expenditures.

*Additional CPP:*<sup>3</sup>

For the additional CPP, with the first and second legislated contribution rates of 2.0% and 8.0%, respectively, the table below presents the asset excess (shortfall) and the assets to actuarial obligations ratio under open and closed group approaches at the valuation date:

(in billions of dollars)

	31st Actuarial Report as at December 31, 2021		30th Actuarial Report as at January 1, 2019 <sup>1</sup>	
	Open group	Closed group	Open group	Closed group
Assets <sup>2</sup> .....	913.7	11.0	740.3	–
Actuarial obligations <sup>3</sup> .....	856.5	12.2	686.6	–
Asset excess (shortfall) .....	57.2	(1.2)	53.7	–
Assets to actuarial obligations ratio .....	106.7%	90.2%	107.8%	N/A <sup>4</sup>

<sup>1</sup> Commencement date of the additional CPP and the last measurement date for the 30th Actuarial Report.

<sup>2</sup> Includes only current assets for closed group but also includes future contributions for the open group.

<sup>3</sup> Obligations include operating expenses.

<sup>4</sup> As at December 31, 2018, under the closed group approach, the actuarial obligations, assets, and assets excess/shortfall of the additional CPP are all \$0.

Using the open group approach, the Chief Actuary confirms that both the base CPP and additional CPP, based on the best-estimate assumptions selected and under the legislative contribution rates, will continue to meet their financial obligations and are sustainable in the long term.

## Canada Pension Plan—*continued*

### Notes to consolidated financial statements for the year ended March 31, 2023—*continued*

#### 14. Contractual obligations and commitments

The nature of CPP's and CPPIB's activities can result in some large multi-year contracts and agreements whereby the CPP and CPPIB will be obligated to make future payments in order to carry out its activities.

Operating costs are charged to the CPP in accordance with various memoranda of understanding (MoU) between the CPP and various GoC departments for the administration of the CPP's activities (refer to Note 16). The MoUs require written notice of termination at least one year before the termination date. Therefore, as at March 31, 2023, the operating costs of \$816 million (2022 – \$856 million) are an estimation of the costs, based on the MoUs, that will be charged to the CPP Accounts in the next fiscal year. Operating costs are expected to continue to be charged to the CPP Accounts in the upcoming fiscal years, but cannot be reasonably estimated beyond one year.

The CPP, through CPPIB, has entered into commitments related to the funding of investments. These commitments are generally payable on demand based on the funding needs of the investment subject to the terms and conditions of each agreement. As at March 31, 2023, the unfunded commitments for CPPIB and its investment holding subsidiaries totaled \$1,160 million (2022 – \$1,083 million) and \$60,187 million (2022 – \$54,064 million), respectively.

#### 15. Contingent liabilities

##### a) Appeals relating to the payment of pensions and benefits

At March 31, 2023, there were 5,968 appeals (2022 – 6,432) relating to the payment of CPP disability pensions. These contingencies are reasonably estimated, using historical information, at an amount of \$52.7 million (2022 – \$53.9 million), and have been recorded as an accrued liability in these consolidated financial statements

##### b) Other claims and legal proceedings

In the normal course of operations, the CPP is involved in various claims and legal proceedings. The total amount claimed in these actions and their outcomes are not determinable at this time. The CPP records an allowance for claims and legal proceedings when it is likely that there will be a future payment and a reasonable estimate of the loss can be made. No such allowance was recognized in the consolidated financial statements for the 2022-23 and 2021-22 fiscal years for these claims and legal proceedings.

##### c) Guarantees

As part of certain investment transactions, the CPP, through CPPIB and its investment holding subsidiaries, agreed to guarantee, as at March 31, 2023, up to \$366 million (2022 – \$408 million) and \$7,052 million (2022 – \$7,215 million), respectively, to other counterparties in the event certain investee entities default under the terms of loan and other related agreements, or fail to perform under specified non-financial contractual obligations.

##### d) Indemnifications

The CPP, through CPPIB, provides indemnifications to its officers, directors, certain others and, in certain circumstances, to various counterparties and other entities. CPPIB may be required to compensate these indemnified parties for costs incurred as a result of various contingencies such as changes in laws, regulations and litigation claims. The contingent nature of these indemnification agreements prevents CPPIB from making a reasonable estimate of the maximum potential payments CPPIB could be required to make. To date, CPPIB has not received any material claims nor made any material payments pursuant to such indemnifications.

**Canada Pension Plan—continued**

Notes to consolidated financial statements for the year ended March 31, 2023—continued

**16. Related party transactions**

The CPP enters into transactions with the GoC in the normal course of business, which are recorded at the exchange value. The costs are based on estimated allocations of costs and are charged to the CPP in accordance with various memoranda of understanding (MoU). Details of these transactions are provided in the GoC operating expenses in Note 11 and contractual obligations in Note 14.

Expenses for the year are comprised of the following, for the year ended March 31:

(in millions of dollars)

	2023	2022
Employment and Social Development Canada		
Program policy and delivery.....	539	546
Canada Revenue Agency		
Collection of contributions and investigation services.....	257	273
Treasury Board Secretariat		
Health Insurance Plan.....	45	32
Administrative Tribunals Support Service of Canada		
Support services of the Social Security Tribunal.....	19	18
Public Services and Procurement Canada		
Cheque issue and computer services.....	4	6
Office of the Superintendent of Financial Institutions and Department of Finance		
Actuarial and other services.....	4	3
	868	878

The CPP receives audit services without charge from the Office of the Auditor General of Canada. The value of these audit services is not material for the purpose of these consolidated financial statements and has not been recorded.

## Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2023—continued

## 17. Supplementary information

The administration of the CPP is shared between various GoC departments. The GoC transfers to CPPIB amounts that are not immediately needed to pay CPP pensions, benefits and operating expenses, and CPPIB invests those amounts. The GoC, through various federal departments, manages the remainder of the assets, as well as the collection of the CPP contributions and the administration and payments of the CPP benefits.

For accountability purposes, the following tables present summary information on the levels of assets and liabilities and sources of income and expenses managed by the GoC and CPPIB broken out by the base CPP and additional CPP respectively. CPPIB's expenses are presented as investment-related expenses (refer to Note 10) and operating expenses (refer to Note 11).

(in millions of dollars)

	As at March 31, 2023						
	Base CPP			Additional CPP			CPP
	GoC	CPPIB	Total	GoC	CPPIB	Total	Total
<b>Financial assets and liabilities</b>							
Cash .....	276	183	459	30	6	36	495
Receivables .....	3,789	38	3,827	613	1	614	4,441
Net investments .....	–	546,432	546,432	–	23,864	23,864	570,296
Other assets .....	–	8	8	–	1	1	9
Payables and accrued liabilities .....	(763)	(1,018)	(1,781)	(44)	(44)	(88)	(1,869)
	<b>3,302</b>	<b>545,643</b>	<b>548,945</b>	<b>599</b>	<b>23,828</b>	<b>24,427</b>	<b>573,372</b>
<b>Non-financial assets .....</b>	<b>–</b>	<b>555</b>	<b>555</b>	<b>–</b>	<b>16</b>	<b>16</b>	<b>571</b>
<b>Assets available for benefit payments .....</b>	<b>3,302</b>	<b>546,198</b>	<b>549,500</b>	<b>599</b>	<b>23,844</b>	<b>24,443</b>	<b>573,943</b>

(in millions of dollars)

	For the year ended March 31, 2023						
	Base CPP			Additional CPP			CPP
	GoC	CPPIB	Total	GoC	CPPIB	Total	Total
<b>Revenues</b>							
Contributions .....	64,009	–	64,009	10,837	–	10,837	74,846
Net investment income							
Investment income .....	9	11,518	11,527	2	431	433	11,960
Investment-related expenses .....	–	(2,516)	(2,516)	–	(62)	(62)	(2,578)
	<b>64,018</b>	<b>9,002</b>	<b>73,020</b>	<b>10,839</b>	<b>369</b>	<b>11,208</b>	<b>84,228</b>
<b>Expenses</b>							
Pensions and benefits .....	(55,876)	–	(55,876)	(79)	–	(79)	(55,955)
Operating expenses .....	(622)	(1,502)	(2,124)	(246)	(38)	(284)	(2,408)
	<b>(56,498)</b>	<b>(1,502)</b>	<b>(58,000)</b>	<b>(325)</b>	<b>(38)</b>	<b>(363)</b>	<b>(58,363)</b>
<b>Net increase in assets available for benefit payments ....</b>	<b>7,520</b>	<b>7,500</b>	<b>15,020</b>	<b>10,514</b>	<b>331</b>	<b>10,845</b>	<b>25,865</b>

**Canada Pension Plan—continued****Notes to consolidated financial statements for the year ended March 31, 2023—continued**

(in millions of dollars)

	As at March 31, 2022						
	Base CPP			Additional CPP			CPP
	GoC	CPPIB	Total	GoC	CPPIB	Total	Total
<b>Financial assets and liabilities</b>							
Cash .....	78	297	375	23	6	29	404
Receivables .....	8,382	38	8,420	1,024	–	1,024	9,444
Net Investments.....	–	526,752	526,752	–	12,614	12,614	539,366
Payables and accrued liabilities .....	(674)	(877)	(1,551)	(66)	(15)	(81)	(1,632)
	7,786	526,210	533,996	981	12,605	13,586	547,582
<b>Non-financial assets .....</b>	–	<b>484</b>	<b>484</b>	–	<b>12</b>	<b>12</b>	<b>496</b>
<b>Assets available for benefit payments .....</b>	<b>7,786</b>	<b>526,694</b>	<b>534,480</b>	<b>981</b>	<b>12,617</b>	<b>13,598</b>	<b>548,078</b>

(in millions of dollars)

	For the year ended March 31, 2022						
	Base CPP			Additional CPP			CPP
	GoC	CPPIB	Total	GoC	CPPIB	Total	Total
<b>Revenues</b>							
Contributions.....	57,724	–	57,724	6,916	–	6,916	64,640
Net investment income							
Investment income.....	1	36,145	36,146	–	173	173	36,319
Investment-related expenses .....	–	(469)	(469)	–	(6)	(6)	(475)
	57,725	35,676	93,401	6,916	167	7,083	100,484
<b>Expenses</b>							
Pensions and benefits .....	(52,889)	–	(52,889)	(39)	–	(39)	(52,928)
Operating expenses .....	(697)	(1,408)	(2,105)	(181)	(20)	(201)	(2,306)
	(53,586)	(1,408)	(54,994)	(220)	(20)	(240)	(55,234)
<b>Net increase in assets available for benefit payments ....</b>	<b>4,139</b>	<b>34,268</b>	<b>38,407</b>	<b>6,696</b>	<b>147</b>	<b>6,843</b>	<b>45,250</b>

**Canada Pension Plan—concluded****Notes to consolidated financial statements for the year ended March 31, 2023—concluded**

Pursuant to Section 108.1 and 108.3 of the *Canada Pension Plan* and the Agreement dated as of April 1, 2004, amounts not required to meet specified obligations of the CPP are transferred weekly to CPPIB. The funds originate from employer and employee contributions to the CPP and interest income generated from the deposit with the Receiver General.

CPPIB remits cash to the CPP as required, including the periodic return, on at least a monthly basis, of funds required to meet CPP pensions, benefits and operating expenses obligations.

The accumulated transfers to/from CPPIB, since inception, are as follows:

(in millions of dollars)

	2023		
	Base CPP	Additional CPP	Total
Accumulated transfers to CPPIB, beginning of year .....	656,354	12,047	668,401
Transfers of funds to CPPIB .....	55,702	10,896	66,598
Accumulated transfers to CPPIB, end of year .....	712,056	22,943	734,999
Accumulated transfers from CPPIB, beginning of year .....	(507,170)	–	(507,170)
Transfers of funds from CPPIB .....	(43,698)	–	(43,698)
Accumulated transfers from CPPIB, end of year .....	(550,868)	–	(550,868)
Net accumulated transfers to CPPIB .....	161,188	22,943	184,131

(in millions of dollars)

	2022		
	Base CPP	Additional CPP	Total
Accumulated transfers to CPPIB, beginning of year .....	613,349	5,857	619,206
Transfers of funds to CPPIB .....	43,005	6,190	49,195
Accumulated transfers to CPPIB, end of year .....	656,354	12,047	668,401
Accumulated transfers from CPPIB, beginning of year .....	(465,684)	–	(465,684)
Transfers of funds from CPPIB .....	(41,486)	–	(41,486)
Accumulated transfers from CPPIB, end of year .....	(507,170)	–	(507,170)
Net accumulated transfers to CPPIB .....	149,184	12,047	161,231

## **Government Annuities Account**

### **Management’s responsibility for financial statements**

The financial statements of the Government Annuities Account are prepared in accordance with Canadian accounting standards for pension plans by the management of Employment and Social Development Canada. Management is responsible for the integrity and objectivity of the information in the financial statements, including the amounts which must, of necessity, be based on best estimates and judgment. The significant accounting policies are identified in Note 2 to the financial statements.

To fulfill its accounting and reporting responsibilities, management has developed and maintains books of account, financial and management controls, information systems and management practices. These systems are designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Government Annuities Improvement Act* and the *Government Annuities Act* and regulations.

The Auditor General of Canada, the external auditor of the Government Annuities Account, conducts an independent audit of the financial statements in accordance with Canadian generally accepted auditing standards and provides a report to the Minister of Employment, Workforce Development and Official Languages.

Jean-François Tremblay  
*Deputy Minister*  
*Employment and Social Development Canada*

Karen Robertson, CPA  
*Chief Financial Officer*  
*Employment and Social Development Canada*

Gatineau, Canada  
August 28, 2023

## Government Annuities Account—*continued*

### Report of the Actuary

The Office of the Chief Actuary, Office of the Superintendent of Financial Institutions Canada, has the mandate of performing the annual actuarial valuation of the Government Annuities Account (the “Account”) as at 31 March 2023. The purpose of this valuation is to determine the actuarial liabilities and financial position of the Account as at 31 March 2023. The results of the valuation are included in the Public Accounts of Canada as well as in the Account’s financial statements.

As at 31 March 2023, the actuarial liabilities calculated in accordance with the *Government Annuities Improvement Act* and the *Government Annuities Regulations* and used to determine the amount charged to the Account and credited to the Consolidated Revenue Fund, are based on prescribed mortality and interest rates. In addition, the actuarial liabilities presented in the statement of financial position, statement of changes in net assets available for benefits, and statement of changes in pension obligations of the Account’s financial statements, are based on alternative mortality and interest rates.

The valuation of the Account’s actuarial liabilities and financial position is therefore based on:

- membership data as at 31 March 2023 provided by Employment and Social Development Canada (ESDC) and Service Canada;
- asset data provided by ESDC;
- prescribed mortality and interest rates:
  - mortality rates as per the *Government Annuities Regulations*, that is, the Annuity Table for 1983, for individual and group annuities, as modified by Projection Scale G published by the Society of Actuaries; and
  - a seven percent annual interest rate as per the *Government Annuities Regulations*.

For purposes of the Account’s financial statements, prepared in accordance with section 4600 of Part IV of the CPA Canada Handbook – Accounting, the alternative mortality and interest rates are as follows:

- best-estimate experience-adjusted mortality rates; and
- interest rate determined using the yield curve approach. The yield curve is determined by reference to market yields at the end of the reporting period on Government of Canada bonds and treasury bills.

The Account’s assets are notional and in the form of a deposit with the Receiver General for Canada. Therefore, actuarial liabilities equal the present value of future payments discounted at the prescribed or alternative interest rate. Since administrative expenses are paid by the government out of general funds, no provision for expenses is made in the valuation. This valuation contains no added margins for adverse deviation.

**Government Annuities Account**—*continued*

**Report of the Actuary**—*concluded*

In our opinion, considering that the valuation is prepared pursuant to the *Government Annuities Act* and the *Government Annuities Improvement Act*:

- the data on which our valuation is based are sufficient and reliable for the purpose of the valuation;
- the assumptions used comply with legislative requirements;
- the alternative mortality and interest rates assumptions used for purposes of the Account's financial statements are reasonable and appropriate;
- the methods employed are appropriate for the purposes of the valuation; and
- the actuarial valuation is appropriate, it conforms to statutory requirements and the financial statements fairly present its results.

Our valuation has been prepared, and our opinion given, in accordance with accepted actuarial practice in Canada. As at 28 July 2023, we have not learned of any events that would have a material impact on the results as at 31 March 2023. The next valuation will be performed as at 31 March 2024.

Mathieu Désy  
*Fellow of the Canadian Institute of Actuaries*  
*Office of the Chief Actuary*

Luc Léger  
*Associate of the Canadian Institute of Actuaries*  
*Office of the Chief Actuary*

Ottawa, Canada  
28 July 2023

**Government Annuities Account—continued**

**Independent Auditor’s Report**

To the Minister of Employment, Workforce Development and Official Languages

**Report on the Audit of the Financial Statements**

*Opinion*

We have audited the financial statements of the Government Annuities Account (the Account), which comprise the statement of financial position as at 31 March 2023, and the statement of changes in net assets available for benefits and statement of changes in pension obligations for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Account as at 31 March 2023, and the changes in its net assets available for benefits and changes in its pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

*Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Account in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Account’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Account or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Account’s financial reporting process.

*Auditor’s Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## Government Annuities Account—*continued*

### Independent Auditor’s Report—*concluded*

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Account’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Account’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Account to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on Compliance with Specified Authorities

#### *Opinion*

In conjunction with the audit of the financial statements, we have audited transactions of the Government Annuities Account coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the *Government Annuities Improvement Act* and the *Government Annuities Act* and regulations.

In our opinion, the transactions of the Government Annuities Account that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above.

#### *Responsibilities of Management for Compliance with Specified Authorities*

Management is responsible for the Government Annuities Account’s compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Government Annuities Account to comply with the specified authorities.

#### *Auditor’s Responsibilities for the Audit of Compliance with Specified Authorities*

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.

Original signed by  
Mathieu Le Sage, CPA  
*Principal*  
*for the Auditor General of Canada*

Ottawa, Canada  
28 August 2023

**Government Annuities Account—continued****Statement of financial position  
as at March 31**

(in thousands of Canadian dollars)

	2023	2022
<b>Net assets available for benefits</b>		
Accounts receivable .....	38	39
<b>Pension obligations (Note 3) .....</b>	<b>68,021</b>	<b>81,557</b>
<b>Deficit to be financed by the Government of Canada (Note 4).....</b>	<b>67,983</b>	<b>81,518</b>

The accompanying notes are an integral part of these financial statements.

Approved by:

Jean-François Tremblay  
Deputy Minister  
Employment and Social Development Canada

Karen Robertson, CPA  
Chief Financial Officer  
Employment and Social Development Canada

**Statement of changes in net assets available for benefits  
for the year ended March 31**

(in thousands of Canadian dollars)

	2023	2022
<b>Received or paid by the Government of Canada</b>		
Annuity payments (Note 4) .....	11,168	12,565
Premium refunds and other (Note 4).....	1	3
	11,169	12,568
Amount paid through the Consolidated Revenue Fund.....	(11,169)	(12,568)
<b>Administrative expenses</b>		
Services received without charge (Note 5) .....	1,758	1,769
Services contributed by Employment and Social Development Canada (Note 5) .....	(1,758)	(1,769)
<b>Change in accounts receivable and increase (decrease) in net assets available for benefits .....</b>	<b>(1)</b>	<b>3</b>
Net assets available for benefits at beginning of year.....	39	36
<b>Net assets available for benefits at end of year.....</b>	<b>38</b>	<b>39</b>

The accompanying notes are an integral part of these financial statements.

**Statement of changes in pension obligations  
for the year ended March 31**

(in thousands of Canadian dollars)

	2023	2022
<b>Pension obligations at beginning of year .....</b>	<b>81,557</b>	<b>97,799</b>
Interest (Note 4) .....	1,795	1,354
Annuity payments and other items (Note 4) .....	(11,179)	(12,602)
Experience gains (Note 4) .....	(455)	(261)
Gains due to change in discount rate assumptions (Note 4) .....	(2,766)	(4,733)
Gains due to change in mortality assumptions (Note 4).....	(931)	–
<b>Pension obligations at end of year (Note 3) .....</b>	<b>68,021</b>	<b>81,557</b>

The accompanying notes are an integral part of these financial statements.

**Government Annuities Account—continued****Notes to the financial statements for the year ended March 31, 2023****1. Authority, objective and responsibilities**

The Government Annuities Account (the Account) was established in 1908 by the *Government Annuities Act*, as modified by the *Government Annuities Improvement Act*.

The purpose of the *Government Annuities Act* was to assist individuals and groups of Canadians to prepare financially for their retirement by purchasing Government Annuities. In 1975, the *Government Annuities Improvement Act* discontinued future sales of Government Annuity contracts. Annuities are deferred until their maturity date, at which time payments to annuitants begin.

The Account is administered by Employment and Social Development Canada (ESDC) and operates through the Consolidated Revenue Fund.

**2. Significant accounting policies**

## a) Basis of presentation

The financial statements of the Account are prepared in accordance with Canadian accounting standards for pension plans (Section 4600) on a going concern basis. They are prepared in thousands of Canadian dollars, the Account's functional currency. Section 4600 provides specific accounting guidance on pension obligations. For accounting policies that do not relate to pension obligations, the Account complies with International Financial Reporting Standards (IFRS) in Part I of the Chartered Professional Accountants (CPA) Canada Handbook—Accounting. To the extent that IFRS in Part I are inconsistent with Section 4600, Section 4600 takes precedence.

The financial statements for the year ended March 31, 2023 were authorized for issue by the signatories on August 28, 2023.

## b) Pension obligations

The method utilized to calculate the pension obligations comprises, in respect of matured and deferred annuities, the present value of such annuities determined on an actuarial basis using best estimate experience-adjusted mortality tables available as at March 31, 2023. The discount rates used to measure the present value are based on the Government of Canada's cost of borrowing derived from the yields on the actual zero-coupon yield curve for Government of Canada bonds which reflect the timing of the expected future cash flows.

Pension obligations are separated into two groups: matured and deferred. The matured group consists of members for whom the pensions are in payment as at March 31, 2023. The deferred group consists of members for whom payment of pensions will start in the future.

## c) Services received without charge

Administrative services received without charge from ESDC are recorded in the statement of changes in net assets available for benefits at their estimated cost. A corresponding amount is credited directly to the statement of changes in net assets available for benefits.

## d) Measurement uncertainty

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amount of net assets available for benefits, pension obligations and interest at the date of the financial statements. The pension obligations depend on factors that are determined on an actuarial basis using assumptions such as mortality and discount rates. Any changes in these assumptions will impact the carrying amount of the pension obligations. The carrying amount of the pension obligations as at the end of the reporting fiscal years is presented in Note 3. Actual results may differ significantly from the estimates and assumptions; therefore, it is possible that the amounts for the pension obligations and related accounts could change materially in the near term. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**Government Annuities Account—continued**

Notes to the financial statements for the year ended March 31, 2023—continued

**3. Pension Obligations**

The Office of the Chief Actuary, an independent unit within the Office of the Superintendent of Financial Institutions Canada, performs the annual actuarial valuation of the pension obligations every year as at March 31.

The pension obligations amounted to:

(in thousands of Canadian dollars)

	2023	2022
Pension obligations		
Matured annuities .....	67,011	79,930
Deferred annuities .....	1,010	1,627
	68,021	81,557

The discount rates used in measuring the pension obligations as at March 31 and the related accrued interest for the year were as follows:

	2023	2022
Pension obligations .....	3.05%	2.38%
Interest .....	2.38%	1.49%

The average age of annuitants was estimated to be 87 years and the remaining duration of the Account was estimated at 36 years as at March 31, 2023.

The next actuarial valuation will be performed as at March 31, 2024.

**4. Deficit to be Financed by the Government of Canada**

The *Government Annuities Act* provided authority for the Government of Canada to sell annuities to the Canadian public. The Government of Canada entered into annuity contracts with a promise to pay the annuities and is required under the Act to keep an account, the Government Annuities Account, within the accounts of Canada to record all transactions related to these annuities. These transactions include all moneys received and paid relating to the granting of an annuity, unclaimed and reclaimed annuities and the obligations representing the present value of prospective annuities contracted. It also includes the accrual of interest on the pension obligations.

(in thousands of Canadian dollars)

	2023	2022
<b>Deficit to be financed by the Government of Canada at beginning of year .....</b>	<b>81,518</b>	<b>97,763</b>
Interest .....	1,795	1,354
Reclaimed annuities .....	9	3
Unclaimed annuities .....	(18)	(40)
Annuity payments .....	(11,168)	(12,565)
Premium refunds and other .....	(1)	(3)
Experience gains .....	(455)	(261)
Gains due to change in discount rate assumptions .....	(2,766)	(4,733)
Gains due to change in mortality assumptions .....	(931)	–
	(13,535)	(16,245)
<b>Deficit to be financed by the Government of Canada at end of year .....</b>	<b>67,983</b>	<b>81,518</b>

**Government Annuities Account—concluded****Notes to the financial statements for the year ended March 31, 2023—concluded****Interest**

Interest represents the accretion of the discount on the pension obligations. This is recorded on an accrual basis and is calculated using the discount rate at the end of the prior fiscal year.

**Reclaimed annuities**

Reclaimed annuities represent previously unclaimed amounts of annuitants that could not be located. If the annuitants are subsequently located, the actuarial present value of these annuities is paid.

**Unclaimed annuities**

Unclaimed annuities represent amounts of annuities that could not be paid because the annuitants could not be located.

**Premium refunds**

Premium refunds represent the full reimbursement of premiums upon the cancellation of an annuity contract at maturity.

**Gains or losses due to experience and changes in actuarial assumptions**

At the end of any fiscal year, the amount of the pension obligations may be different than expected due to changes resulting from experience adjustment and the effects of changes in actuarial assumptions.

As there are no new contracts purchased under the *Government Annuities Act*, the main sources of experience gains or losses are mortality and retirements of existing members. Mortality gains and losses include changes in expected future payments due to death or survival of annuitants and the difference between actual and expected benefit payments during the year.

Management's best estimates of the pension obligations are based on mortality rates, used for the actuarial assessments of the Canada Pension Plan, and discount rates. The pension obligations as at March 31, 2023 was estimated based on mortality rates used in the *31<sup>st</sup> Actuarial Report on the Canada Pension Plan*. These mortality rates are updated on a triennial basis.

**5. Related party transactions**

The Account is related to government departments, agencies and Crown corporations through common control held by the Government of Canada. There were no further significant transactions with related parties other than those described in Note 2c) Services received without charge. These administrative services include the following:

(in thousands of Canadian dollars)

	2023	2022
Salaries .....	1,287	1,277
Operating costs .....	372	362
Actuarial services.....	99	130
<b>Services received without charge .....</b>	<b>1,758</b>	<b>1,769</b>

**6. Pension obligations calculated as per the *Government Annuities Improvement Act* and *Government Annuities Regulations***

As per the *Government Annuities Improvement Act* and *Government Annuities Regulations*, expected future payments are to be discounted using an annual interest rate of seven percent. Future payments are to be estimated using the mortality rates from the 1983 mortality tables published by the Society of Actuaries, for individual and group annuities respectively, modified by Projection Scale G. Pension obligations are to be initially recorded through the Government Annuities Account established within the Public Accounts of Canada. Based on the Act and Regulations, the pension obligations as at March 31, 2023 are estimated at \$58.9 million (\$66.9 million in 2022).

Adjustments required to reflect the pension obligation using both experience-adjusted mortality rates and current discount rates in accordance with Canadian accounting standards for pension plans were recorded in these financial statements and in the Public Accounts of Canada.

## **Royal Canadian Mounted Police (Dependants) Pension Fund**

### **Management responsibility for financial statements**

Responsibility for the integrity and fairness of the financial statements of the Royal Canadian Mounted Police (Dependants) Pension Fund rests with the management of the Royal Canadian Mounted Police.

The financial statements of the Royal Canadian Mounted Police (Dependants) Pension Fund have been prepared in accordance with Canadian accounting standards for pension plans. The financial statements include management's best estimates and judgments where appropriate.

To fulfill its accounting and reporting responsibilities, management has developed and maintained books, records, internal controls and management practices designed to provide reasonable assurance as to the reliability of the financial information and to ensure that transactions are in accordance with the *Royal Canadian Mounted Police Pension Continuation Act* and regulations as well as the *Financial Administration Act* and regulations.

These financial statements have been audited by the Auditor General of Canada, the independent auditor for the Government of Canada.

Approved by:

Mike Duheme  
*Commissioner*

Samantha Hazen, CPA, CA, CIA  
*Chief Financial Officer*

5 September, 2023

## Royal Canadian Mounted Police (Dependants) Pension Fund—*continued*

### Independent Auditor’s Report

To the Minister of Public Safety, Democratic Institutions and Intergovernmental Affairs

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of the Royal Canadian Mounted Police (Dependants) Pension Fund (the Fund), which comprise the statement of financial position as at 31 March 2023, and the statement of changes in net assets available for benefits and statement of changes in pension obligations for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 March 2023, and the changes in its net assets available for benefits and changes in its pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund’s financial reporting process.

#### *Auditor’s Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

**Royal Canadian Mounted Police (Dependants) Pension Fund**—*continued*

**Independent Auditor’s Report**—*concluded*

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Compliance with Specified Authorities**

*Opinion*

In conjunction with the audit of the financial statements, we have audited transactions of the Royal Canadian Mounted Police (Dependants) Pension Fund coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the applicable provisions of the *Financial Administration Act* and regulations and the *Royal Canadian Mounted Police Pension Continuation Act* and regulations.

In our opinion, the transactions of the Royal Canadian Mounted Police (Dependants) Pension Fund that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above.

*Responsibilities of Management for Compliance with Specified Authorities*

Management is responsible for the Royal Canadian Mounted Police (Dependants) Pension Fund’s compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Royal Canadian Mounted Police (Dependants) Pension Fund to comply with the specified authorities.

*Auditor’s Responsibilities for the Audit of Compliance with Specified Authorities*

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.

Mimma Venema, CPA, CA, CGA  
*Principal  
for the Auditor General of Canada*

Ottawa, Canada  
5 September, 2023

**Royal Canadian Mounted Police (Dependants) Pension Fund—continued****Statement of financial position  
as at March 31**

(in Canadian dollars)

	2023	2022
<b>Liabilities</b>		
Pension benefits payable (Note 3) .....	393,665	219,563
<b>Net assets available for benefits</b> .....	<b>(393,665)</b>	<b>(219,563)</b>
<b>Pension obligations (Note 4)</b> .....	<b>6,215,801</b>	<b>6,823,551</b>
<b>Deficit to be financed by the Government of Canada (Note 5)</b> .....	<b>(6,609,466)</b>	<b>(7,043,114)</b>

The accompanying notes are an integral part of these financial statements.

Approved by:

Mike Duheme  
*Commissioner*Samantha Hazen, CPA, CA, CIA  
*Chief Financial Officer*

5 September, 2023

**Statement of changes in net assets available for benefits  
year ended March 31**

(in Canadian dollars)

	2023	2022
<b>Net assets available for benefits, beginning of year</b> .....	<b>(219,563)</b>	<b>(200,558)</b>
Increase in pension benefits payable .....	(174,102)	(19,005)
<b>Net assets available for benefits, end of year</b> .....	<b>(393,665)</b>	<b>(219,563)</b>

The accompanying notes are an integral part of these financial statements.

**Statement of changes in pension obligations  
year ended March 31**

(in Canadian dollars)

	2023	2022
<b>Pension obligations, beginning of year</b> .....	<b>6,823,551</b>	<b>8,217,708</b>
Net interest accrued on benefits .....	195,854	245,735
Past service contributions from participants .....	644	684
Experience losses (gains) .....	236,330	(84,917)
Changes in Actuarial Assumptions (Note 6) .....	(15,735)	–
Survivor benefit payments and transfers to pension benefits payable .....	(1,418,025)	(1,555,659)
Benefit increases (Note 4) .....	393,182	–
<b>Pension obligations, end of year</b> .....	<b>6,215,801</b>	<b>6,823,551</b>

The accompanying notes are an integral part of these financial statements.

## Royal Canadian Mounted Police (Dependants) Pension Fund—*continued*

### Notes to the financial statements for the year ended March 31, 2023

#### 1. Description of the Fund

The following is a summary description of the Royal Canadian Mounted Police (Dependants) Pension Fund.

##### (a) General

The Royal Canadian Mounted Police (Dependants) Pension Fund (the Fund) was established in 1934 pursuant to the *Royal Canadian Mounted Police Act* and is currently operated under Part IV of the *Royal Canadian Mounted Police Pension Continuation Act* (the *Act*) (effective 1959) and the related regulations.

The *Act* provides for members of the Force, other than commissioned officers, appointed before March 1, 1949, the right to purchase certain survivorship benefits for their dependants by payment of specified contributions.

The Royal Canadian Mounted Police (RCMP) is responsible for the management of the Fund and Public Services and Procurement Canada (PSPC) provides the day-to-day administration of the Fund. The Office of the Chief Actuary (OCA) of the Office of the Superintendent of Financial Institutions (OSFI) performs periodic actuarial valuations of the Fund.

All monetary transactions of the Fund are made through a specified purpose account in the Consolidated Revenue Fund (CRF).

The Fund is accounted for using the standards applicable to a defined benefit pension plan as described in Note 2(a).

##### (b) Funding policy

All eligible members have now retired and, as such, there are no more active members contributing to the Fund; however, retired members may continue to make instalment payments in respect of previous elections made before their retirement.

The *Act* directs the Minister of Finance to have an actuarial valuation for funding purposes prepared at least every five years. If the actuarial valuation discloses a surplus, the Governor in Council may, by order, increase the benefit payments. If there is an actuarial deficiency, the Governor in Council may direct that there be amounts transferred to the Fund, out of any unappropriated moneys in the CRF, as may be required to re-establish the solvency of the Fund.

##### (c) Survivor benefit payments

The following benefits, as applicable, are payable on the death of a member who has made the scheduled contributions and has left them in the Fund.

##### i. Widow's pension benefit

The widow is entitled to the pension purchased by the member. In many cases the pension benefit equals approximately 1.5% of the member's final pension benefit payment multiplied by his years of credited service.

The pension benefit is payable for life with a guarantee that the total payments shall be no less than the member's contributions.

##### ii. Lump sum benefits

If a member is not survived by a widow, a lump sum payment is made to the dependants and relatives of the member who are, in the opinion of the Minister, best entitled to share the benefit.

##### iii. Benefit limitations

Under certain circumstances, the basic death benefits payable to a surviving widow are reduced. This can occur when a member marries after age 60; in that case, the value of the pension to the widow cannot exceed the lump sum payable if he were not survived by a widow.

##### (d) Dividends on survivor benefit payments

The *Act* provides that if the Fund is substantially in excess of the amount required to make adequate provision for the prospective payments, the Governor in Council may, by order, increase the benefits provided under Part IV of the *Act* in such manner as may appear equitable and expedient. The authority of the Governor in Council is delegated to the Treasury Board under section 7(2) of the *Financial Administration Act*.

To date, most of these benefit increases have taken the form of proportionate dividends applied to all basic death benefits, both accrued and prospective.

**Royal Canadian Mounted Police (Dependants) Pension Fund—continued****Notes to the financial statements for the year ended March 31, 2023—continued**

## (e) Withdrawal of Contributions

A retired member who did not elect to withdraw his contributions from the Fund upon retirement retains the right to do so at any time thereafter; however, all his rights under Part IV of the *Act* and those of his dependants shall cease upon such election. All returns of contributions are made without interest.

**2. Significant accounting policies**

## (a) Basis of presentation

These financial statements present information on the Fund as a separate financial reporting entity independent of the sponsor and Fund members, on a going concern basis. They are prepared to assist Fund members and others in reviewing the activities of the Fund for the year, but they are not meant to portray the funding requirements of the Fund.

These financial statements are prepared in Canadian dollars, the Fund's functional currency, in accordance with Canadian accounting standards for pension plans in Part IV of the Chartered Professional Accountants (CPA) Canada Handbook, Section 4600. Section 4600 provides specific accounting guidance on investments and pension obligations.

For accounting policies that do not relate to either investments or pension obligations, the Fund complies with International Financial Reporting Standards (IFRS) in Part I of the CPA Canada Handbook. To the extent that IFRS in Part I is inconsistent with Section 4600, Section 4600 takes precedence.

The financial statements for the year ended March 31, 2023, were authorized for issue by the signatories on September 5, 2023.

## (b) Significant accounting policies

The significant accounting policies are as follows:

## i. Survivor benefits

Benefits are recognized on an accrual basis as a reduction of pension obligations and net assets available for benefits upon the death of a member who has made the scheduled contributions and has left them in the Fund or upon the death of a widow.

## ii. Pension obligations

The pension obligations are determined based on the most recent actuarial valuation for funding purposes prepared by the OCA. The valuation is updated annually based on data as at the financial statement date. The pension obligations are equal to the value of all future benefits payable, discounted in accordance with actuarial assumptions, which are based on management's best estimate assumptions.

## iii. Services provided without charge and related party transactions

The Fund does not record the value of administrative services it receives without charge from various government departments and agencies as they are insignificant in the context of the financial statements taken as a whole. These services include the following:

- Financial management and other support services from the RCMP;
- Actuarial valuation and other services from the OCA;
- Office of the Auditor General of Canada audit costs.

## (c) Sources of estimation uncertainty

In preparing these financial statements, management uses estimates and assumptions that primarily affect the reported amounts of liabilities and related disclosures.

In making estimates and using assumptions, management relies on external information and observable conditions where possible. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ significantly from the estimates and assumptions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

## Royal Canadian Mounted Police (Dependants) Pension Fund—*continued*

### Notes to the financial statements for the year ended March 31, 2023—*continued*

The pension obligations are the most significant item where estimates and assumptions are used. The pension obligations depend on a number of factors that are determined on an actuarial basis using a number of estimates and assumptions, such as discount rates (future interest rates used to credit the Fund), mortality rates, proportion of members married, age of new widows and the benefits increase. The Fund consults with external actuaries from the OCA regarding these estimates and assumptions annually. Any changes will impact the carrying amount of the pension obligations. Details of these estimates and assumptions have been disclosed in Note 4.

Sources of estimate uncertainty related to macroeconomic unpredictability and volatility include the current geopolitical context, supply chain disruptions and rising inflation and interest rates.

### 3. Pension benefits payable

Pension benefits payable represent the lump sum benefits that became payable upon the death of members or widows during the year but had not yet been paid at year end. At March 31, 2023, the pension benefits payable were \$393,665 (2022 – \$219,563).

### 4. Pension obligations

The pension obligations are determined based on the actuarial valuation for funding purposes as at March 31, 2022 and the actuarial update for the Fund as at March 31, 2023. Actuarial valuations are to be performed not more than five years apart. The last actuarial valuation for funding purposes was conducted as of March 31, 2019 and tabled in Parliament on June 16, 2021. The actuarial valuation for funding purposes as of March 31, 2022 is expected to be tabled in Parliament later in 2023.

The actuarial valuation for funding purposes as of March 31, 2022, disclosed an actuarial surplus of \$494,000.

The benefits increase represents an integration of a 5% increase at April 1, 2023, followed by an annual increase of 1.2% at April 1, 2024 and at April 1, 2025 as per the recommendation in the actuarial report for funding purposes as at March 31, 2022. Payments related to the benefits increase will be made if the Order in Council approval is obtained. Management made the judgement to recognize the benefit increases recommended by the OCA within the pension obligations of the current year financial statements before the tabling of the actuarial valuation for funding purposes as at March 31, 2023 and before obtaining the Order in Council approval for the payments related to the benefit increases.

The remaining balance of the actuarial surplus is intended to be used over the remaining life of the Fund for the payment of increases in the pension benefits. At March 31, 2023, the average age of members was estimated to be 98.4 years and the average age of widows was estimated to be 93.0 years. The remaining life of the Fund was estimated at 26 years based on the statutory actuarial valuation as at March 31, 2022.

Management's best estimate assumptions used in the determination of the pension obligations include economic and non-economic assumptions. The non-economic assumptions include considerations such as mortality rates, proportion of members married, and age of new widows. Mortality rates for members and widows are consistent with the actuarial valuation for funding purposes as at March 31, 2022 and are based on mortality rates for male and female Regular Members from the actuarial report on the pension plan for the Royal Canadian Mounted Police as at March 31, 2021. Mortality rates are reduced in the future with the same mortality improvement assumptions made for the actuarial report on the pension plan for the Royal Canadian Mounted Police as at March 31, 2021. The primary economic assumptions relate to future interest rates used to credit the Fund. The interest rate is derived from the yield on a notional long-term portfolio of 20-year Government of Canada bonds issued at prescribed interest rates and held to maturity, as at the date of the actuarial valuation for funding purposes. The assumptions are evaluated for continued relevancy.

The valuation of pension obligations is updated annually for transactions occurring during the period, including experience gains due to changes in the Fund's member and widow population. The information in these financial statements is based on this annual updated valuation of pension obligations conducted as at March 31, 2023. At that date, the present value of pension obligations was \$6,215,801 (2022 – \$6,823,551).

The interest rate for the year-ended March 31, 2023 is 3.2% (2022 – 3.3%) per annum. The interest rate is estimated to decline to 2.6% per annum by the year 2031 (2022 – 2.4% by the year 2032) and thereafter rise to an ultimate level of 4% (2022 – 4.5%). Variations in any of these assumptions can result in a significantly higher, or lower, estimate of the liability.

During the year, no amendments were made to the Fund (2022 – nil).

**Royal Canadian Mounted Police (Dependants) Pension Fund—concluded**

Notes to the financial statements for the year ended March 31, 2023—concluded

**5. Deficit to be financed by the Government of Canada**

All transactions of the Fund are made through a specified purpose account in the CRF and are reported in the Public Accounts of Canada. This includes receiving contributions, recording interest earned on the Fund and paying survivor benefits.

The government has a statutory obligation to pay benefits relating to the Fund, a shortfall of the balance of the account over the pension obligation does not impact the benefit payments. This pension obligation is to the survivors of the participants who contributed to the Fund over the years. However, if the Fund is substantially in excess of the amount required to make adequate provision for the prospective payments, the Governor in Council may increase benefits in order to disburse the surplus to the survivors. As a result, the government has an obligation to the beneficiaries for the balance of the Fund as reported in the specified purpose account.

The following table illustrates these obligations as at March 31:

(in Canadian dollars)

	2023	2022
<b>Opening balance, specified purpose account</b> .....	<b>7,496,371</b>	<b>8,761,191</b>
Receipts and other credits .....	222,927	271,833
Payments and other charges .....	(1,243,923)	(1,536,653)
<b>Closing balance, specified purpose account</b> .....	<b>6,475,375</b>	<b>7,496,371</b>
Deficit to be financed by the Government of Canada.....	(6,609,466)	(7,043,114)
<b>(Shortfall of the balance of the Account over the deficit to be financed by the Government of Canada)</b>		
<b>Excess Owed to Beneficiaries</b> .....	<b>(134,091)</b>	<b>453,257</b>

**6. Changes in Actuarial Assumptions**

Changes in actuarial assumptions include changes to widow mortality, long term Fund yield and member mortality assumptions. At March 31, 2023, the Pension Obligations decreased by \$15,735 (2022 - \$nil) as a result of the changes in actuarial assumptions.

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# Section 7

*Public Accounts of Canada*  
*2022–2023*

## **Cash and accounts receivable as at March 31**

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## Cash and accounts receivable

This section contains information on accounts reported on the Consolidated Statement of Financial Position under Cash and accounts receivable.

**Table 7.1**  
**Cash and accounts receivable**

(in dollars)

	2023	2022
Cash and cash equivalents, Table 7.2.....	49,005,436,194	100,822,400,144
Taxes receivable, Table 7.3.....	180,982,134,772	167,587,531,473
Other accounts receivable <sup>1</sup> , Table 7.5.....	13,532,380,722	11,642,122,527
<b>Total cash and accounts receivable.....</b>	<b>243,519,951,688</b>	<b>280,052,054,144</b>

<sup>1</sup> Certain comparative figures have been reclassified to conform to the current year's presentation.

## Cash and cash equivalents

Cash consists of public moneys on deposit and cash in transit at March 31. Cash in bank consists of public moneys on deposit to the credit of the Receiver General for Canada, with the Bank of Canada, chartered banks and other financial institutions. Cash with the Bank of Canada includes operational balances and balances held for the Prudential Liquidity Fund. Cash in transit consists of public moneys received by public officers prior to April 1, but not deposited by that date as well as cash held by consolidated Crown corporations and other entities. Outstanding cheques and warrants are deducted to arrive at the closing cash balance.

Cash equivalents consist mainly of term deposits resulting from auctions administered by the Bank of Canada and the Department of Finance on behalf of the Minister of Finance. The short term deposits, denominated in Canadian dollars, are made from a portion of the daily surplus of cash balance and have a short term maturity, usually not exceeding 31 calendar days.

**Table 7.2**  
**Cash and cash equivalents**

(in dollars)

	2023	2022
<b>Cash in bank</b>		
Canadian currency <sup>1</sup> .....	38,206,611,756	91,024,231,632
Foreign currencies <sup>2</sup> .....	1,114,785,677	656,331,513
Special deposits <sup>3</sup> .....	75,000,000	75,000,000
<b>Total cash in bank.....</b>	<b>39,396,397,433</b>	<b>91,755,563,145</b>
<b>Cash in transit</b>		
Cash in hands of collectors and in transit.....	14,126,314,261	13,781,262,613
Other cash—Consolidated Crown corporations and other entities <sup>4</sup> .....	1,839,502,000	1,664,943,000
<b>Total cash in transit.....</b>	<b>15,965,816,261</b>	<b>15,446,205,613</b>
<b>Less: Outstanding cheques and warrants</b>		
Outstanding cheques <sup>5</sup> .....	6,356,812,835	6,379,403,828
Imprest account cheques <sup>6</sup> .....	665	786
<b>Total outstanding cheques and warrants.....</b>	<b>6,356,813,500</b>	<b>6,379,404,614</b>
<b>Total cash.....</b>	<b>49,005,400,194</b>	<b>100,822,364,144</b>
<b>Cash equivalents.....</b>	<b>36,000</b>	<b>36,000</b>
<b>Total cash and cash equivalents.....</b>	<b>49,005,436,194</b>	<b>100,822,400,144</b>

<sup>1</sup> Included in Canadian currency is \$20 billion (\$20 billion in 2022) with respect to the Prudential Liquidity Fund.

<sup>2</sup> These balances denominated in US dollars include cash and cash equivalents which have been translated into Canadian dollars at March 31.

<sup>3</sup> These are balances in the hands of financial institutions for the reimbursement of GST refund payments issued by the ministère du Revenu du Québec on behalf of the government.

<sup>4</sup> These funds are not public moneys to the credit of the Receiver General for Canada but are for the exclusive use of consolidated Crown corporations and other entities.

<sup>5</sup> Receiver General of Canada cheques issued in Canadian dollars, and outstanding are recorded in this account. Cheques outstanding for 10 years are transferred to other revenues. During the year, an amount of \$84,004,402 (\$87,638,117 in 2022) was transferred to other revenues. Cheques in foreign currencies are credited to the government's cash account at the time of issue.

<sup>6</sup> Imprest account cheques issued and unpaid at March 31, with the exception of those outstanding for 10 years or more (which have been transferred to other revenues), are recorded in this account.

## Taxes receivable

Taxes receivable include amounts assessed by Canada Revenue Agency and the Canada Border Services Agency but not yet collected, as well as estimates of unassessed taxes at year end. Amounts receivable also include related amounts for interest and penalties.

Taxes receivable include taxes, premiums and contributions collectable on behalf of others such as provincial and territorial governments and the Canada Pension Plan. These amounts have also been included in liabilities.

The government establishes an allowance for doubtful accounts to reduce the carrying value of the taxes receivable to amounts that approximate their net realizable value.

Table 7.3 presents taxes receivable by tax stream. Amounts receivable that are written off or forgiven are included in Section 2 of Volume III (Debts, obligations and claims written off or forgiven).

**Table 7.3**  
**Taxes receivable as at March 31**

(in dollars)

	2023			2022		
	Gross taxes receivable	Allowance for doubtful accounts	Net taxes receivable	Gross taxes receivable	Allowance for doubtful accounts	Net taxes receivable
Taxes receivable						
Income taxes receivable						
Individuals.....	96,963,868,066	9,994,553,339	86,969,314,727	95,892,669,183	9,408,302,787	86,484,366,396
Employers.....	33,571,988,552	1,713,356,107	31,858,632,445	28,105,335,416	1,496,960,311	26,608,375,105
Corporations.....	33,638,089,366	5,257,273,756	28,380,815,610	28,291,919,827	4,571,057,426	23,720,862,401
Non-residents.....	3,605,419,487	521,298,084	3,084,121,403	3,256,598,763	319,631,104	2,936,967,659
Goods and services taxes receivable.....	33,231,240,136	5,668,713,675	27,562,526,461	31,188,019,777	5,411,634,234	25,776,385,543
Customs import duties receivable.....	758,038,859	156,644,923	601,393,936	766,446,667	144,174,264	622,272,403
Other excise taxes and duties receivable.....	2,775,630,176	250,299,986	2,525,330,190	1,594,446,216	156,144,250	1,438,301,966
Total .....	204,544,274,642	23,562,139,870	180,982,134,772	189,095,435,849	21,507,904,376	167,587,531,473

**Table 7.4**  
**Aging of taxes receivable**

(in dollars)

	2023	2022
Taxes receivable		
Less than one year.....	129,068,841,460	122,830,713,876
1 to 2.....	12,911,696,296	9,437,675,892
2 to 3.....	7,161,997,527	7,100,138,760
3 to 4.....	6,594,995,350	7,484,436,613
4 to 5.....	7,265,258,985	5,794,184,810
Over 5 years.....	41,541,485,024	36,448,285,898
Total .....	204,544,274,642	189,095,435,849

Tax receivables based on estimates of unassessed taxes at year end are included in current receivables.

## Other accounts receivable

Other accounts receivable represent billed but uncollected amounts or accrued financial claims arising from amounts owed to the government for use of its assets, or from the proceeds for provision of services, from various overpayments including COVID-19 benefits and cash collateral pledged to counterparties, as of March 31.

Amounts receivable written off or forgiven are included in Section 2 of Volume III (Debts, obligations and claims written off or forgiven).

**Table 7.5**

### Other accounts receivable as at March 31

(in dollars)

	2023			2022		
	Gross receivables	Allowance for doubtful accounts	Net receivables	Gross receivables	Allowance for doubtful accounts	Net receivables
Other receivables <sup>1</sup> .....	8,276,118,682	1,845,905,736	6,430,212,946	8,993,079,216	1,725,245,211	7,267,834,005
COVID-19 benefit overpayments .....	6,962,134,103	2,260,689,947	4,701,444,156	5,118,489,491	1,250,007,589	3,868,481,902
Cash collateral pledged to counterparties <sup>2</sup> .....	2,400,723,620	–	2,400,723,620	505,806,620	–	505,806,620
Total .....	17,638,976,405	4,106,595,683	13,532,380,722	14,617,375,327	2,975,252,800	11,642,122,527

<sup>1</sup> Certain comparative figures have been reclassified to conform to the current year's presentation.

<sup>2</sup> Cash collateral pledged to counterparties represents collateral support under International Swaps and Derivatives Association Master Agreements in respect of outstanding cross-currency swap arrangements.

# Section 8

*Public Accounts of Canada*  
*2022–2023*

## **Foreign exchange accounts as at March 31**

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## Foreign exchange accounts

Foreign exchange accounts represent financial assets and liabilities related to Canada's official international reserves, held primarily in the Exchange Fund Account, and its membership in the International Monetary Fund. Monetary assets and liabilities denominated in foreign currencies are reported at Canadian dollar equivalents as at March 31. Investment income from the foreign exchange accounts and net gains and losses resulting from the translation of the net assets denominated in foreign currencies, to Canadian dollar equivalents as at March 31, are recorded in net foreign exchange revenues on the Consolidated Statement of Operations and Accumulated Operating Deficit.

Table 8.1 presents the continuity of foreign exchange accounts assets, by showing the opening and closing balances, as well as payments and other charges and receipts and other credits. Table 8.2 presents the foreign exchange accounts liabilities in the same format. It should be noted, that this table excludes unmatured debt payable in foreign currencies, amounting to \$16,034 million as at March 31, 2023 (\$14,451 million as at March 31, 2022); details relating to these obligations are presented in Table 6.1 of Section 6 of this volume. A narrative description is provided for accounts reported in some tables. Such descriptions follow the same presentation order as their respective tables.

**Table 8.1**  
**Foreign exchange accounts assets**

(in dollars)

	April 1, 2022	Payments and other charges	Receipts and other credits	March 31, 2023
International reserves held in the Exchange Fund Account, Table 8.3.....	127,099,135,946	56,556,206,541	34,789,266,863	148,866,075,624
International Monetary Fund—Subscriptions.....	19,051,525,300	991,538,248	–	20,043,063,548
International Monetary Fund—Loans .....	131,689,334	4,094,107	68,330,212	67,453,229
International Monetary Fund—Resilience and Sustainability Trust .....	–	413,596,295	–	413,596,295
Total foreign exchange accounts assets.....	146,282,350,580	57,965,435,191	34,857,597,075	169,390,188,696

**Table 8.2**  
**Foreign exchange accounts liabilities**

(in dollars)

	April 1, 2022	Payments and other charges	Receipts and other credits	March 31, 2023
International Monetary Fund—Notes payable.....	13,642,590,149	693,753,492	1,104,404,219	14,053,240,876
Special drawing rights allocations.....	28,608,746,633	–	1,488,834,873	30,097,581,506
Total foreign exchange accounts liabilities .....	42,251,336,782	693,753,492	2,593,239,092	44,150,822,382

## International reserves held in the Exchange Fund Account

This account records the moneys advanced from the government to the Exchange Fund Account (EFA), in Canadian and other currencies, for the purchase of foreign currencies and securities, and special drawing rights (SDRs) holdings.

The EFA is operated under the provisions of the *Currency Act*. The unaudited financial statements as at and for the year ended March 31, 2023 are found at the end of this section.

In 2023, payments and other charges consisted of advances to the EFA in the amount of \$47,562 million, a net valuation adjustment of \$8,158 million and an adjustment of \$836 million to recognize the net income of the EFA for the period April 1, 2022, to March 31, 2023. Receipts and other credits consisted of repayments of advances of \$34,789 million.

**Table 8.3**  
**International reserves held in the Exchange Fund Account**

(in millions of dollars)

	March 31, 2023	March 31, 2022
US dollar deposits .....	8,306	4,596
US dollar accounts receivable .....	134	–
US dollar marketable securities .....	73,074	63,690
Euro deposits .....	630	387
Euro marketable securities .....	15,780	14,079
British pound sterling deposits .....	161	353
British pound sterling marketable securities .....	10,034	8,122
Japanese yen deposits .....	96	19
Japanese yen marketable securities .....	8,883	5,861
Special drawing rights holdings .....	31,768	29,992
<b>Total .....</b>	<b>148,866</b>	<b>127,099</b>
Advances by the Consolidated Revenue Fund were denominated as follows:		
US dollar .....	90,650	75,708
Euro .....	16,815	14,490
British pound sterling .....	9,852	8,020
Japanese yen .....	8,907	5,854
Special drawing rights (2023, SDR 14,001 million; 2022, SDR 14,001 million) .....	25,456	24,197
Canadian dollar .....	(3,650)	(1,879)
<b>Total advances from the Consolidated Revenue Fund .....</b>	<b>148,030</b>	<b>126,390</b>
Total net income from April 1 to March 31 .....	836	709
<b>Total .....</b>	<b>148,866</b>	<b>127,099</b>

## International Monetary Fund

### Subscriptions

This account records the value of Canada’s subscription (its “quota”) to the capital of the International Monetary Fund (IMF).

The amount by which the sum of Canada’s subscriptions plus loans to the IMF under special facilities exceeds the IMF’s holdings of Canadian dollars represents the amount of foreign exchange which Canada is entitled to draw from the IMF on demand for balance of payments purposes. The subscription is expressed in terms of SDR, a unit of account defined in terms of a “basket” of five major currencies, the Euro, the US dollar, the British pound sterling, the Japanese yen and the Chinese renminbi.

Canada has accumulated its subscriptions through settlements to the IMF in Canadian dollars, gold and SDRs. Annual maintenance of value payments are made to, or received from, the IMF when the Canadian dollar depreciates or appreciates against the SDR, in order to maintain the SDR-value of the IMF’s holdings of Canadian dollars.

In 2023, payments and other charges consisted of a valuation adjustment of \$992 million.

### Loans

This account records the value of interest-bearing loans made under Canada’s multilateral and bilateral lending arrangements with the IMF. The purpose of these arrangements is to provide temporary resources to the IMF, which works to promote economic growth and safeguard the stability of the international monetary system.

There are two outstanding lending arrangements with the IMF outside of the quota system : the New Arrangements to Borrow (NAB) and the temporary bilateral borrowing agreements (BBAs).

Canada’s current participation in the NAB is governed by the October 2020 NAB Decision, effective from January 2021 to December 2025. Canada’s maximum commitment under the NAB is 7,747 million SDR. As of March 31, 2023, SDR 37 million, or \$67 million, was outstanding to the IMF under the NAB (SDR 76 million, or \$132 million, as at March 31, 2022).

Canada also participates in the BBAs, which further increase the financial resources the IMF can borrow from member countries. In early 2017, Canada extended an SDR 8,200 million time-bound precautionary credit line to the IMF that was in effect until 2020 and was not drawn upon. A successor BBA, which took effect on January 1, 2021, lowered BBA commitments to offset the increase in the NAB. Canada’s commitment was lowered to SDR 3,532 million.

Collectively, pursuant to the *Bretton Woods and Related Agreements Act*, the outstanding loans under multilateral and bilateral arrangements with the IMF cannot exceed SDR 13,000 million, or any other amount that may be fixed by the Governor in Council, at any given time. Canada’s maximum commitments under the NAB and BBA of SDR 11,279 million fall within this limit.

At March 31, 2023, a total of SDR 37 million, or \$67 million, was outstanding under these arrangements. Amounts advanced under these arrangements are considered part of the Official International Reserves of Canada.

### Resilience and Sustainability Trust

Canada entered into an agreement, pursuant to the *Bretton Woods and Related Agreements Act*, with the Resilience and Sustainability Trust (RST) in September 2022 to lend SDRs to the RST, up to the equivalent of \$2,000 million. Drawings upon the facility may be made by the RST through November 30, 2030. The helps low-income and vulnerable middle-income countries address longer-term challenges, such as those related to climate change and pandemic preparedness.

#### *RST loan account*

No loans were provided during the year 2023.

#### *RST deposit account*

Under the agreement, in October 2022, Canada deposited SDR 228 million in the RST deposit account, an amount equivalent to \$400 million. The amount deposited by Canada earns interest, which is paid quarterly, and matures November 30, 2050. Further, Canada’s deposit, and amounts so deposited by other contributors to the RST, are invested by the RST, with investment gains and losses being allocated to Canada’s deposit on a pro-rata basis.

#### *Contribution to RST reserve account*

Also under the agreement, in October 2022 Canada made a contribution of SDR 23 million, an amount equivalent to \$40 million, to the RST reserve account, which is meant to cover the RST’s credit and liquidity risk, and administration costs. Canada’s contribution to the RST reserve account does not earn interest, has no fixed maturity, and was recognized as a transfer payment expense.

### **Notes payable**

This account records non-marketable, non-interest bearing notes issued by the government to the IMF. These notes are payable on demand and are subject to redemption or re-issue, depending on the needs of the IMF for Canadian currency.

Canadian dollar holdings of the IMF include these notes and a small working balance (initially equal to one-quarter of one percent of Canada's subscription) held on deposit at the Bank of Canada. In 2023, notes payable to the IMF increased by \$411 million.

### **Special drawing rights allocations**

This account records the value of SDRs allocated to Canada by the IMF. The SDR is an international reserve asset created by the IMF, and allocated to countries participating in its Special Drawing Rights Department. It represents both an asset and a liability of Canada.

As an asset, SDRs represent rights to purchase currencies of other countries participating in the IMF's Special Drawing Rights Department, as well as to make payments to the IMF itself. All SDRs allocated to Canada by the IMF have either been used to settle subscriptions in the IMF, or have been advanced to the Exchange Fund Account. However, circumstances may arise whereby the IMF decides to recall the SDRs and therefore Canada could be called upon to repay its SDR allocation, in part or in total.

In 2023, receipts and other credits consisted of a valuation adjustment of \$1,489 million.

**Supplementary statement****Exchange Fund Account****Statement of financial position (unaudited)  
as at March 31**

(in millions of Canadian dollars)

	2023	2022
<b>Financial assets</b>		
Deposits held in the Account (Note 4).....	9,193	5,355
Due from Broker .....	134	–
Investments (Note 4)		
Marketable securities .....	107,771	91,752
Special drawing rights .....	31,768	29,992
Total investments .....	139,539	121,744
Total financial assets .....	148,866	127,099
<b>Liabilities</b>		
Due to the Consolidated Revenue Fund (Note 5).....	148,866	127,099

The accompanying notes are an integral part of these financial statements.

Nick Leswick  
Interim Deputy Minister  
Department of Finance

Christopher Veilleux  
Chief Financial Officer  
Department of Finance

**Statement of operations (unaudited)  
for the year ended March 31**

(in millions of Canadian dollars)

	2023	2022
<b>Net revenue from investments</b>		
Marketable securities		
Interest.....	1,643	851
Net gain (loss) on sale of marketable securities.....	(1,270)	11
Transaction costs and other.....	(2)	(2)
Interest on deposits held in the Account .....	230	3
Interest on special drawing rights .....	611	20
Total net revenue from investments.....	1,212	883
<b>Other</b>		
Net foreign exchange loss.....	(376)	(174)
<b>Net revenue for the year .....</b>	<b>836</b>	<b>709</b>

The accompanying notes are an integral part of these financial statements.

**Exchange Fund Account—continued****Notes to the Statement of financial position and Statement of operations for the year ended March 31, 2023 (unaudited)****1. Authority and objectives**

The Exchange Fund Account (the Account) is governed by Part II of the *Currency Act*. The Account is in the name of the Minister of Finance and is administered by the Bank of Canada (the Bank) as fiscal agent. The *Financial Administration Act* does not apply to the Account.

The legislative purposes of the Account, as specified in the *Currency Act*, are to aid in the control and protection of the external value of the Canadian dollar and to provide a source of liquidity for the Government of Canada (the Government), if required. Under the *Currency Act*, the Minister of Finance has the authority to acquire, borrow, sell or lend assets held in the Account deemed appropriate for these purposes, in accordance with the *Statement of Investment Policy for the Government of Canada*.

Assets held in the Account are managed to aid in the control and protection of the external value of the monetary unit of Canada and to provide a source of liquidity to the Government, if required. Canada's current policy is to intervene in foreign exchange markets on a discretionary, rather than a systematic, basis and only in the most exceptional of circumstances. Since September 1998, the Bank has not undertaken any foreign exchange market intervention in the form of either purchases or sales of US dollar versus the Canadian dollar.

In accordance with the *Currency Act*, within three months after the end of the fiscal year the net revenue for the year is paid to the Consolidated Revenue Fund (CRF) of the Government if the amount is positive, or charged to the CRF if the amount is negative. The net income of the Account is calculated in accordance with Section 20(2) of the *Currency Act*. The Minister of Finance reports to Parliament on the operations of the Account within the first 60 days in which Parliament is sitting after the end of the fiscal year. These statements have been prepared by the Department of Finance.

**2. Significant accounting policies**

As stipulated in the *Currency Act*, the financial statements of the Account are prepared in a manner consistent with the accounting policies used by the Government to prepare its financial statements.

## a) Revenue recognition

Revenue from investments is recognized on an accrual basis and includes interest earned (including the amortization of premiums and discounts) using the effective interest method, gains or losses on sales of securities, and revenues from securities-lending activities. Interest is accrued on short-term deposits, deposits held under repurchase agreements, marketable securities, and special drawing rights (SDRs) is measured using the effective interest method.

## b) Expense recognition

The Account's administrative, custodial, and fiscal agency services are provided and paid for by the Bank and the Department of Finance. These costs have not been recognized in the Statements.

In addition, the notional cost of the funding of the Account's assets and advances from the CRF is not recognized in these statements.

## c) Financial assets

*Deposits held in the Account*

Deposits held in the Account consists of cash on hand and short-term deposits. Short-term deposits are measured at amortized cost and are generally held to maturity. The resulting revenue is included in Interest on deposits held in the Account using the effective interest method.

*Deposits held under repurchase agreements*

Deposits held under repurchase agreements, if any, are measured at amortized cost. The resulting revenue is included in Net revenue from investments in the Statement of Operations.

*Marketable securities*

Marketable securities are mainly comprised of sovereign, sovereign-linked and supranational issued securities, including, but not limited to treasury bills and nominal bonds. Prior to April 1, 2022, purchases and sales of securities were recognized at the settlement date. Commencing April 1, 2022, and applied prospectively, purchases and sales of securities are recognized at the trade date. Marketable securities are measured at amortized cost and are adjusted for the amortization of purchase discounts and premiums using the effective interest method over the term to maturity of the security. The carrying amount of marketable securities includes accrued interest.

On derecognition of a security, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in Net revenue from investments in the Statement of Operations.

**Exchange Fund Account**—*continued***Notes to the Statement of financial position and Statement of operations for the year ended March 31, 2023** (unaudited)—*continued**Impairment*

The Bank assesses at the end of each reporting period whether there has been a loss in the carrying value of short-term deposits, deposits held under repurchase agreements, and marketable securities. When conditions indicate that the decline in value is other-than temporary, these assets are re-measured at their recoverable amount with the amount of the impairment loss recognized in Net revenue from investments in the Statement of Operations.

*Securities-lending program*

Under the securities-lending program, the Account has agency agreements with two major financial institutions. Loans of securities are effected on behalf of the Account by these agents, who guarantee the loans and obtain collateral of equal or greater value from approved counterparties. These transactions can range from 1 to 31 days in duration. The securities loaned continue to be accounted for as investment assets. Income on securities-lending transactions is included in Interest in the Statement of Operations.

*Derivative and embedded derivatives*

The Account identifies and separates embedded derivatives from their host contracts and reports them at fair value as separate assets or liabilities in the Statement of Financial Position. Any remeasurement gains and losses associated with these embedded derivatives will be recognized in the Statement of remeasurement gains or losses.

As at March 31, 2023, the Account held no derivatives (\$nil as at March 31, 2022).

*Special drawing rights*

Special drawing rights (SDRs) serve as the unit of account for the International Monetary Fund (IMF). The value of SDRs is based on a “basket” of five major currencies: the euro, the US dollar, the British pound sterling, the Japanese yen, and the Chinese renminbi.

SDRs are initially recognized at cost and are subsequently re-measured at each reporting date into Canadian dollars at market exchange rates.

*Translation of foreign currencies and SDRs*

Assets denominated in foreign currencies and SDRs are translated into Canadian-dollar equivalents at the rates prevailing as at March 31, which were as follows:

	2023	2022
US dollars .....	1.3516	1.2502
Euros .....	1.4657	1.3831
Japanese yen .....	0.0102	0.0103
British pounds sterling .....	1.6673	1.6421
SDRs .....	1.8181	1.7282

Gains or losses resulting from the translation of assets and advances from the CRF denominated in foreign currencies and SDRs, as well as from transactions throughout the year, are recognized as Net foreign exchange gain (loss) in the Statement of Operations.

Investment revenue in foreign currencies and SDRs is translated into Canadian-dollars at the foreign exchange rates prevailing on the date the revenue is earned.

## d) Use of estimates and measurement uncertainty

The preparation of these statements requires the Bank’s management to make estimates and assumptions based on information available as of the date of the Statements. Significant judgements and estimates are primarily applied in the determination of whether an impairment exists and in the measurement of fair value where quoted prices do not exist (Note 4).

**Exchange Fund Account—continued**

Notes to the Statement of financial position and Statement of operations for the year ended March 31, 2023 (unaudited)—continued

**3. Changes in accounting policies**

The Account adopted new accounting policies under its special framework to align with the new accounting standards issued by the Public Sector Accounting Board that became effective on April 1, 2022, namely PS 3450 Financial Instruments (“PS 3450”), PS 1201 Financial Statement Presentation (“PS 1201”) and PS 3041 Portfolio Investments (“PS 3041”) in accordance with PS 2120 Accounting Changes. PS 3450 addresses the recognition and derecognition, classification, measurement and disclosure of financial instruments, while PS 1201 establishes general reporting principles for disclosure of information in the financial statements. PS 3041 replaces PS 3040 Portfolio Investments in order to conform the accounting for portfolio investments with the requirements in PS 3450.

In accordance with PS 3450, the new accounting policies adopted by the Account were applied prospectively, and financial statements of prior periods were not restated upon adoption.

The new policies adopted by the Account and their related impact on the Accounts financial statements were as follows:

- the Account recognized and classified all financial assets and financial liabilities in accordance with PS 3450 and there are no impacts on the opening balances related to the transition;
- the Account had no remeasurement gains or losses, hence did not introduce a new statement, the Statement of remeasurement gains and losses, which records the remeasurement gains and losses for derivatives;
- the Account’s revenue from marketable securities is recognized and measured using the effective interest method, there is no impact on the opening balances related to the transition;
- for instruments classified at cost or amortized cost, the Account included any unamortized discounts or premiums previously recognized as at March 31, 2022, in the instruments’ opening carrying values as at April 1, 2022. There was no impact on the opening balances related to the transition to the effective interest rate;
- the Account assessed whether there is an other-than temporary impairment in the carrying value of marketable securities. There was no impact on the opening balances related to the transition.

**4. Financial instruments****Fair value of financial assets**

(in millions of Canadian dollars)

	March 31, 2023		March 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Deposits held in the Account				
US dollars .....	8,306	8,306	4,596	4,596
Euros .....	630	630	387	387
Japanese yen.....	96	96	19	19
British pounds sterling.....	161	161	353	353
Total deposits held in the Account.....	9,193	9,193	5,355	5,355
Due from broker .....	134	134	–	–
Investments				
Marketable securities				
US dollars .....	73,074	69,015	63,690	61,804
Euros .....	15,780	14,069	14,079	13,351
Japanese yen.....	8,883	8,863	5,861	5,845
British pounds sterling.....	10,034	9,329	8,122	7,890
Total marketable securities.....	107,771	101,276	91,752	88,890
SDRs.....	31,768	31,768	29,992	29,992
Total investments.....	139,539	133,044	121,744	118,882
Total financial assets.....	148,866	142,371	127,099	124,237

The estimated fair values of marketable securities are based on quoted market prices and include accrued interest. If such prices are not available, the fair value is determined by discounting future cash flows using an appropriate yield curve. During the year, and in the prior year, no marketable securities were written down to reflect an other-than temporary impairment in value.

The fair values of financial instruments are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements:

**Exchange Fund Account**—continued**Notes to the Statement of financial position and Statement of operations for the year ended March 31, 2023 (unaudited)**—continued*Level 1*

Unadjusted quoted prices in active markets for identical assets or liabilities, which represent actual and regularly occurring arm’s-length market transactions.

*Level 2*

Inputs other than quoted prices included in Level 1, which are observable for the assets or liabilities either directly (e.g., prices for similar instruments, prices from inactive markets) or indirectly (e.g., interest rates, credit spreads).

*Level 3*

Unobservable inputs for the assets or liabilities that are not based on observable market data as a result of inactive markets (e.g., market participant assumptions).

Estimated fair values for financial instruments are designed to approximate amounts for which the instruments could be exchanged in a current arm’s-length transaction between knowledgeable, willing parties. The fair value hierarchy requires the use of observable market inputs wherever such inputs exist. In measuring fair value, a financial instrument is classified at the lowest level of the hierarchy for which a significant input has been considered.

The fair values disclosed for all financial assets are classified as Level 2 instruments in the fair value hierarchy. The fair value measurement of securities is based on observable inputs from market data and implied valuations. This method does not rely on solely quoted prices nor consider all factors that market participants would consider in setting a price. There were no transfers of securities between levels during the period.

**Collateral pledged**

As part of its operations, the Account is required to pledge collateral in respect to credit facilities granted by its European clearing house. Collateral pledged must have a fair value of a minimum of US \$250 million, post a reduction applied to the value of an asset commensurate with its risk, in equivalent securities. As at March 31, collateral pledged and held for the purposes of maintaining the credit facilities was as follows, in their pre-haircut CAD equivalent:

(in millions of Canadian dollars)

	March 31, 2023		March 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Marketable Securities.....	442	438	409	401
Total .....	442	438	409	401

**Securities lending**

As at March 31, 2023, there were no loaned securities in the Account’s investments (\$nil at March 31, 2022).

**Credit risk**

Credit risk is the risk that a counterparty or guarantor to a financial contract will cause a loss to the Account by failing to discharge its obligations in accordance with agreed upon terms. The Account’s exposure to credit risk primarily arises from its deposits held in the Account and marketable securities.

To ensure that the Account’s asset portfolio is prudently diversified with respect to credit risk, the *Statement of Investment Policy* prescribed by the Minister of Finance specifies limits on holdings by class of issuer (sovereign, agency, supranational, corporation or commercial financial institution), by individual issuer or counterparty, and by type of instrument.

The *Statement of Investment Policy* also specifies the treatment of holdings that do not meet eligibility criteria or limits due to exceptional circumstances such as ratings downgrades.

**Exchange Fund Account—continued****Notes to the Statement of financial position and Statement of operations for the year ended March 31, 2023 (unaudited)—continued**

The following table presents the credit rating of marketable securities held by the Account, based on the second highest external rating among those provided by Moody's Investors Service, Standard & Poor's, Fitch Ratings and Dominion Bond Rating Service.

**Credit Rating of Marketable Securities**

(in millions of Canadian dollars)

As at March 31, 2023	Carrying Value
AAA .....	36,101
AA+ .....	52,020
AA .....	6,591
AA- .....	3,843
A+ .....	333
A .....	8,883
	107,771

*Concentration of credit risk*

Concentrations of credit risk occur when a significant proportion of the portfolio is invested in securities subject to credit risk with similar characteristics or subject to similar economic, political or other conditions. The Account may hold fixed income securities of highly rated sovereigns, central banks, government-supported entities and supranational organizations. The Bank broadly defines highly rated sovereigns as those with a credit rating as equivalent to BBB or higher. To be eligible for investment, an entity must have an acceptable credit rating informed by external credit ratings and internal credit analysis. The Account may also make deposits and execute other transactions, up to prescribed limits, with commercial financial institutions that meet the same rating criteria.

The following table presents the concentration of credit of the marketable securities held by the Account.

**Concentration of Marketable Securities**

(in millions of Canadian dollars)

As at March 31, 2023	EUR		GBP		JPY		USD		Total	
	\$	%	\$	%	\$	%	\$	%	\$	%
Securities issued by sovereigns .....	4,149	30	3,393	36	8,863	100	44,498	64	60,903	60
Securities issued by sub-sovereign entities .....	1,037	7	588	6	–	–	3,479	5	5,104	5
Securities issued by supranational entities .....	4,522	32	3,985	43	–	–	12,162	18	20,669	20
Securities issued by implicit agencies .....	4,361	31	1,363	15	–	–	8,876	13	14,600	15
Total fair value of securities .....	14,069	100	9,329	100	8,863	100	69,015	100	101,276	100
Carrying value of securities .....	15,780		10,034		8,883		73,074		107,771	

As stipulated in the *Currency Act*, the Minister of Finance may appoint agents to perform services concerning the Account, including lending of securities. Securities lending involves loaning a security to a counterparty, who must eventually return the same security, in order to earn additional return on the portfolio. Through the securities-lending program, agents can lend securities only up to a prescribed maximum amount and only to approved counterparties. Each borrower must enter into a Securities Loan Agreement with at least one of the agents.

Borrowers are also required to provide collateral for securities borrowed according to a specific list approved by the Government, with collateral limited to specific security types, terms to maturity, and credit ratings. The agents also provide an indemnity in the event of default by the borrower. The Account enters into securities lending transactions in order to increase its return on investments.

**Exchange Fund Account—continued****Notes to the Statement of financial position and Statement of operations for the year ended March 31, 2023 (unaudited)—continued****Market risk**

Market risk is the potential for adverse changes to the fair value or future cash flows of a financial instrument due to changes in market variables, such as interest rates, foreign exchange rates, and other market prices.

## a) Interest rate risk

The Account is exposed to market risk through interest rate risk, as the Account's cash equivalents, marketable securities and SDRs consist substantially of interest-bearing assets.

Interest rate risk is managed, with due consideration of the risk to the Government, through an asset-liability management policy. This policy utilizes a strategy of matching the duration structure and the currency of the Account's assets with the foreign currency borrowings of the Government which notionally finance the Accounts assets.

## b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk is present for the Account on a standalone basis as the Account's assets and liabilities are substantially denominated in US dollars, euros, Japanese yen, British pounds sterling or SDRs.

Currency risk is managed, with due consideration of the risk to the Government, through an asset-liability management policy. This policy utilizes a strategy of matching the duration structure and the currency of the Account's assets with the foreign currency borrowings of the Government which notionally finance the Account's assets.

## c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk. The Account is not exposed to significant other price risk.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. The Account is only exposed to liquidity risk through its Due to Consolidated Revenue Fund liability. While this amount is due to the Government of Canada on demand, it would be highly unlikely for the Government to call upon this obligation. In the event that the obligation must be met, the Account has sufficient, liquid, assets that it can dispose of to generate the necessary payment.

The following table presents a maturity analysis of the financial assets and liabilities of the Account.

**Maturity Analysis**

(in millions of Canadian dollars)

As at March 31, 2023	Due on demand	Within 90 days	Within 4 to 12 months	Within 1 to 5 years	In more than 5 years	Total
<b>Financial Assets</b>						
Deposits held in the Account .....	9,193	–	–	–	–	9,193
<b>Investments</b>						
US dollars .....	–	5,293	3,458	36,703	35,897	81,351
Euros .....	–	167	546	4,780	11,188	16,681
Japanese yen.....	–	53	2,083	3,418	3,370	8,924
British pounds sterling.....	–	43	570	7,246	3,069	10,928
SDRs .....	31,768	–	–	–	–	31,768
	<u>40,961</u>	<u>5,556</u>	<u>6,657</u>	<u>52,147</u>	<u>53,524</u>	<u>158,845</u>
<b>Liabilities</b>						
Due to Consolidated Fund.....	148,866	–	–	–	–	148,866
	<u>148,866</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>148,866</u>
Net maturity difference .....	(107,905)	5,556	6,657	52,147	53,524	9,979

**Exchange Fund Account—concluded**

Notes to the Statement of financial position and Statement of operations for the year ended March 31, 2023 (unaudited)—concluded

**5. Due to the Consolidated Revenue Fund (CRF)**

The Account is funded by the Government through interest-free advances from the CRF. Advances to the Account from the CRF are authorized by the Minister of Finance under the terms and conditions prescribed by the Minister of Finance. Pursuant to Section 19 of the *Currency Act*, these advances are limited to US \$150 billion by order of the Minister of Finance effective March 26, 2015.

The CRF advances the proceeds of the Government's borrowings in foreign currencies and allocations of SDRs by the IMF to the Account. Subsequent repayments of foreign currency debt are made using the assets of the Account and result in reductions of foreign currency advances from the CRF.

The Account requires Canadian-dollar advances to settle its purchases of foreign currencies. Canadian dollars received from sales of foreign currencies are remitted to the CRF. This, together with foreign currency payments made on behalf of the Government, causes reductions in the level of outstanding Canadian-dollar advances and can result in overall net deposits of Canadian-dollars by the Account with the CRF.

As at March 31, advances from the CRF were composed of the following currencies:

**Currency composition of advances from the CRF**

(in millions of Canadian dollars)

	2023	2022
US dollars .....	90,650	75,708
Euros .....	16,815	14,490
Japanese yen .....	8,907	5,854
British pounds sterling .....	9,852	8,020
SDRs .....	25,456	24,197
Total foreign currencies .....	151,680	128,269
Canadian dollars .....	(3,650)	(1,879)
Net revenue .....	836	709
Total .....	148,866	127,099

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# Section 9

## *Public Accounts of Canada 2022–2023*

### **Loans, investments and advances as at March 31**

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## Loans, investments and advances

Loans, investments and advances is a category of financial claims represented by debt instruments and ownership interests acquired through the use of parliamentary appropriations, except for the portion of the investment balances representing adjustments for the equity of enterprise Crown corporations and other government business enterprises. Some of these appropriations permit repayments to be used for further loans and advances. Details of the use of non-budgetary appropriations, for loans, investments and advances, can be found in the ministerial sections of Volume II.

The investment in enterprise Crown corporations and other government business enterprises is accounted for under the modified equity method. It is carried at cost, adjusted for the annual profits or losses of the enterprises and reduced by any dividends paid by the corporations to the government. Under the modified equity method, the accounting policies of the enterprise Crown corporations and other government business enterprises are not adjusted to conform to the government's accounting policies. The government also reports any amounts receivable from or payable to these corporations and, where it has advanced funds to the corporations to support their direct lending activities, the government records the amounts as loans and advances.

Other loans and advances are initially recorded at cost, and where applicable, are discounted to reflect any concessionary terms. Investments are measured at amortized cost unless quoted in an active market then they are measured at fair value. When necessary, an allowance for valuation is recorded to reduce the carrying value of other loans, investments and advances to amounts that approximate their net recoverable value. Investments are measured at amortized cost unless quoted in an active market then they are measured at fair value. Foreign currency transactions are translated and recorded in Canadian dollar equivalents at the exchange rates prevailing at the transaction dates. Balances of loans, investments and advances resulting from foreign currency transactions are reported at year-end closing rates of exchange; net gains and losses related to these sovereign loans are presented with the return on investments from these loans under other program revenues.

The allowance established to reflect reductions from the recorded value to the approximate net recoverable value of financial claims held by the government has been authorized by the Minister of Finance and the President of the Treasury Board, under subsection 63(2) of the *Financial Administration Act*.

Revenues received during the year on loans, investments and advances, are credited to other revenues. Details can be found in Section 3 of this volume and in Section 10 of Volume III.

**Table 9.1**  
**Loans, investments and advances**

(in dollars)

	April 1, 2022 <sup>1</sup>	Payments and other charges	Receipts and other credits	March 31, 2023	Valuation Allowance	Total
Enterprise Crown corporations and other government business enterprises, Table 9.2.....	143,716,527,311	69,576,777,990	62,242,470,850	151,050,834,451	–	151,050,834,451
Portfolio investments, Table 9.10.....	1,975,587,126	277,087,614	111,094,850	2,141,579,890	64,582,128	2,076,997,762
Capital subscriptions - International organizations, Table 9.11.....	16,756,782,935	1,135,919,615	1	17,892,702,549	17,892,702,549	–
Other loans and advances, Table 9.12.....	92,758,095,229	13,424,267,734	10,900,601,299	95,281,761,664	35,299,533,939	59,982,227,725
Total.....	255,206,992,601	84,414,052,953	73,254,167,000	266,366,878,554	53,256,818,616	213,110,059,938

<sup>1</sup> Opening figures have been reclassified to conform to the current year's presentation.

## Enterprise Crown corporations and other government business enterprises

Loans and advances to and investments in enterprise Crown corporations and other government business enterprises represent the balance of financial claims held by the government against corporations and enterprises for working capital; capital expenditures and other purposes; investments in the capital stock of corporations; and loans and advances to corporations and enterprises for re-lending.

A Crown corporation is a parent Crown corporation, or a wholly-owned subsidiary. A parent Crown corporation is wholly owned directly by the Crown. A wholly-owned subsidiary is wholly owned by one or more parent Crown corporations directly or indirectly through any number of subsidiaries.

Enterprise Crown corporations are a type of government business enterprise defined as those Crown corporations which are not dependent on parliamentary appropriations, and whose principal activity and source of revenue is the sale of goods and services to outside parties. These include select Crown corporations listed in Part I, all the Crown corporations listed in Part II, Schedule III of the *Financial Administration Act*, and the Bank of Canada. The Canada Pension Plan Investment Board, although a Crown corporation, is not part of the government reporting entity since its mandate is to manage an investment portfolio on behalf of the Canada Pension Plan; which is itself excluded from the reporting entity.

There are also many self-sustaining government business enterprises that are not considered Crown corporations, but are controlled by the government and, usually accountable to Parliament through a Minister of the Crown for the conduct of their affairs. These are referred to as “other government business enterprises” and include the various Canada Port Authorities.

Most of the enterprise Crown corporations and other government business enterprises are agents of His Majesty for the conduct of all or part of their activities. This status is granted in either of the following ways:

- designation by Parliament, through a special act of incorporation;
- statutory authorization; or
- proclamation by the *Government Corporations Operation Act*.

Further information on the business and activities of all parent Crown corporations and information on all Crown corporations and other corporate interests of Canada is provided in the annual report entitled *Inventory of Federal Organizations and Interests*. Audited financial statements of parent Crown corporations are made available and published on their respective websites.

**Table 9.2**  
**Enterprise Crown corporations and other government business enterprises**

(in dollars)

	April 1, 2022 <sup>1</sup>	Payments and other charges	Receipts and other credits	March 31, 2023
<b>Investments</b>				
Investments and accumulated profits/losses, Table 9.4.....	54,730,031,806	5,506,255,000	10,384,931,126	49,851,355,680
<b>Loans and advances<sup>2</sup></b>				
Finance				
Department of Finance				
Business Development Bank of Canada .....	20,071,614,053	37,996,671,931	31,204,063,989	26,864,221,995
Canada Lands Company Limited .....	268,656,520	28,512,692	2,290,000	294,879,212
Canada Mortgage and Housing Corporation.....	16,118,224,993	11,225,872,916	8,551,063,349	18,793,034,560
Farm Credit Canada .....	37,446,931,261	13,362,835,305	10,541,501,830	40,268,264,736
	<i>73,905,426,827</i>	<i>62,613,892,844</i>	<i>50,298,919,168</i>	<i>86,220,400,503</i>
Global Affairs				
Export Development Canada				
Canada Development Investment Corporation .....	16,270,000,000	1,456,630,146	1,595,000,000	16,131,630,146
Intergovernmental Affairs, Infrastructure and Communities				
Canada Mortgage and Housing Corporation				
Housing.....	846,552,111	-	129,395,447	717,156,664
Joint projects .....	328,933,861	-	30,175,756	298,758,105
Real estate .....	6,509,178	-	715,150	5,794,028
Sewage treatment projects.....	1,491,332	-	1,491,332	-
Student housing projects .....	5,675,347	-	2,635,193	3,040,154
	<i>1,189,161,829</i>	<i>-</i>	<i>164,412,878</i>	<i>1,024,748,951</i>
Total—Loans and advances.....	91,364,588,656	64,070,522,990	52,058,332,046	103,376,779,600
Less:				
Loans expected to be repaid from future appropriations .....	2,378,093,151	-	200,792,322	2,177,300,829
Total .....	143,716,527,311	69,576,777,990	62,242,470,850	151,050,834,451

<sup>1</sup> Opening figures have been reclassified to conform to the current year's presentation.<sup>2</sup> These loans are recorded at cost.

## Direct lending to Crown corporations

### Business Development Bank of Canada

The Business Development Bank of Canada (BDC) was established in 1974 by the *Federal Business Development Bank of Canada Act* and was continued under its current name by an act of Parliament on July 13, 1995. The Corporation is a Crown corporation named in Part I of Schedule III to the *Financial Administration Act*, and is not subject to the requirements of the *Income Tax Act*.

The role of the Corporation is to promote and assist in the establishment and development of business enterprises in Canada, with specific attention to small and medium-sized businesses. The Corporation provides a wide range of lending, investment and consulting services complementary to those of commercial financial institutions. The Corporation offers Canadian companies' services tailored to meet the current needs of small and medium-sized businesses while earning an appropriate return on investment capital, which is used to further the Corporation's activities.

Pursuant to Section 19 of the *Business Development Bank of Canada Act*, the federal government, at the request of the Corporation, may lend money to the Corporation on any terms and conditions that the Minister of Finance may fix.

Loans outstanding at year end bear interest at rates from 0.43% to 4.48% per annum.

### Canada Lands Company Limited

Canada Lands Company Limited (originally Public Works Lands Company Limited) was incorporated under the *Companies Act* in 1956 and was continued under the *Canada Business Corporations Act*. The Corporation is a Crown corporation named in Part I of Schedule III of the *Financial Administration Act*. The Corporation conducts its business through Canada Lands Company CLC Limited (CLC) and Parc Downsview Park (PDP), its principal wholly-owned subsidiaries. CLC and PDP's objective is to carry out a commercially oriented and orderly disposal program of certain government real properties and the management of certain select properties. In undertaking this objective, CLC and PDP may manage, develop and dispose of real properties, either in the capacity of owner or as agent of the government.

CLC and PDP have acquired an interest in a number of real properties from the government in consideration for the issuance of promissory notes, which bear no interest and are repayable from the proceeds of the sale of the properties in respect of which they were issued. The notes are discounted using the Consolidated Revenue Fund lending rate applicable to Crown corporations and recorded at their discounted value.

During the year, new notes have been issued for an amount of \$27.1 million and an amount of \$1.4 million was amortized to income. The balance in the account represents the notes receivable net of the corresponding unamortized discount.

### Canada Mortgage and Housing Corporation

Pursuant to Section 21(1) of the *Canada Mortgage and Housing Corporation Act*, the federal government, at the request of the Corporation, may, out of the Consolidated Revenue Fund, lend money to the Corporation on any terms and conditions that the Minister of Finance may fix.

Loans outstanding at year end bear interest at rates from 0.01% to 4.70% per annum.

### Farm Credit Canada

The Farm Credit Canada was established in 1959 by the *Farm Credit Canada Act* as the successor to the Canadian Farm Loan Board, and is a Crown corporation named in Part I of Schedule III to the *Financial Administration Act*. The Corporation is not subject to the requirements of the *Income Tax Act*.

The Corporation's role is to enhance rural Canada by providing business and financial solutions for farm families and agribusiness. Additionally, the Corporation may deliver specific programs for the Government of Canada on a cost recovery basis.

Pursuant to Section 12(2) of the *Farm Credit Canada Act*, the federal government, at the request of the Corporation, may lend money to the Corporation on any terms and conditions that the Minister of Finance may fix.

Loans outstanding at year end bear interest at rates from 0.23% to 4.71% per annum.

## Canada Development Investment Corporation

Canada Development Investment Corporation (CDEV) was incorporated in 1982 under the provisions of the *Canada Business Corporations Act* and is wholly-owned by His Majesty in Right of Canada. The Corporation is an agent Crown corporation listed in Schedule III, Part II of the *Financial Administration Act* and is not subject to the requirements of the *Income Tax Act*.

CDEV is currently responsible for seven wholly-owned subsidiaries: Canada Hibernia Holding Corporation (CHHC), Canada Eldor Inc. (CEI), Canada TMP Finance Ltd. (TMP Finance) and its subsidiary Trans Mountain Corporation (TMC), Canada Enterprise Emergency Funding Corporation (CEEFC), Canada Growth Fund (CGF), and Canada Innovation Corporation (CIC).

On August 31, 2018, TMC acquired entities from Kinder Morgan Cochin ULC that own and operate the Trans Mountain pipeline system (TMPL), the Puget Sound pipeline system as well as certain rights, designs and construction contracts related to the expansion of the TMPL known as the Trans Mountain Expansion Project.

Loans outstanding at year-end bear interest at a rate of 4.7% per annum.

## Advances to programs

### Canada Mortgage and Housing Corporation

The Corporation was incorporated, on January 1, 1946, by the *Canada Mortgage and Housing Corporation Act*. The Corporation's mandate, as stated in the *National Housing Act*, is to promote the construction, repair and modernization of housing; the improvement of housing and living conditions; housing affordability and choice; the availability of low-cost financing for housing; and, the national well-being of the housing sector. Advances have been made to the Canada Mortgage and Housing Corporation to support various programs undertaken by the Corporation.

#### Housing

Advances made for moderate to low income housing bear interest at rates from 5.61% to 16.10% per annum, and are repayable over 1 to 50 years, with the final instalment due on March 31, 2037.

#### Joint projects

Advances made to undertake housing projects jointly with the provinces bear interest at rates from 7.69% to 17.96% per annum, and are repayable over 1 to 50 years, with the final instalment due on June 30, 2038.

#### Real estate

Advances made for the acquisition and development of real estate bear interest at rates from 10.07% to 15% per annum, and are repayable over 50 years, with the final instalment due on June 30, 2036.

#### Sewage treatment projects

Advances made to assist in the establishment or expansion of sewage treatment projects and the construction of trunk storm sewers bear interest at 7.27% per annum, and are repayable over 20 to 50 years, with the final instalment paid on March 31, 2023.

#### Student housing projects

Advances made for student housing projects bear interest at rates from 7.01% to 10.05% per annum, and are repayable over 20 to 50 years, with the final instalment due on April 1, 2030.

## Interest paid to the government

Interest paid to the Government of Canada with respect to these loans in the years ended March 31, 2023 and 2022 is as follows:

(in millions of dollars)

	2023	2022
Business Development Bank of Canada.....	505.5	91.8
Canada Development Investment Corporation.....	747.3	590.0
Canada Mortgage and Housing Corporation.....	420.3	355.1
Farm Credit Canada.....	834.4	207.1
Total.....	2,507.5	1,244.0

## **Summary financial statements of enterprise Crown corporations and other government business enterprises**

Enterprise Crown corporations and other government business enterprises are categorized as being either agents or non-agents of the Crown. In some situations, agent status may be restricted to certain designated activities of a corporation.

These tables present financial information on parent enterprise Crown corporations and other government business enterprises, as well as financial information on wholly-owned subsidiaries that are considered “deemed parent Crown corporations” and are excluded from the consolidated financial statements of their parent Crown corporations.

The tables summarize the financial transactions and results of operations of each enterprise Crown corporation and other government business enterprise in accordance with its own respective accounting policies. All enterprise Crown corporations and other government business enterprises prepare their financial statements based on International Financial Reporting Standards.

For those corporations having year ends other than March 31, the data are based on unaudited interim financial statements which have been prepared on a basis consistent with the most recent audited financial statements.

Table 9.3 and Table 9.4 present summarized financial information of enterprise Crown corporations and other government business enterprises. Balances reported under government, Crown corporations and other entities represent those between related parties. Of note, borrowings from third parties represent amounts repayable to financial institutions and other investors. Revenues include financial assistance from the government in respect of the current year’s operations, when applicable. Equity adjustments include prior period adjustments and other miscellaneous items recorded by the corporations and enterprises. Other comprehensive income or loss comprises certain unrealized gains and losses on financial instruments and certain actuarial gains and losses related to pensions and other employee future benefits which are recognized in comprehensive income but excluded from net income. Other comprehensive income is excluded from the calculation of the government’s annual deficit. It is instead recorded directly to the government’s accumulated deficit. Upon realization of the gains and losses on financial instruments, the associated amounts are reclassified to the profit or loss of enterprise Crown corporations and other government business enterprises and then, reflected in the government’s annual deficit. The actuarial gains and losses related to pensions and other employee future benefits are not reclassified. Equity transactions with the government include dividends declared or transfers of profits to the government, as well as equity contributions provided by the government. Any unrealized inter-organizational gains and losses are eliminated as part of the modified equity accounting adjustment.

**Table 9.3**  
**Financial position of enterprise Crown corporations and other government business enterprises**  
**Assets, liabilities and equity as at March 31, 2023**

(in thousands of dollars)

	Assets			Total assets
	Financial		Non-financial	
	Third parties	Government, Crown corporations and other entities		
Enterprise Crown corporations and other government business enterprises <sup>1</sup>				
Atlantic Pilotage Authority .....	13,175	–	14,811	27,986
Bank of Canada .....	11,850,897	369,758,007	717,744	382,326,648
Business Development Bank of Canada.....	44,032,972	13,834	238,116	44,284,922
Canada Deposit Insurance Corporation.....	2,276,494	5,863,369	19,438	8,159,301
Canada Development Investment Corporation.....	811,173	169,536	28,242,419	29,223,128
Canada Lands Company Limited.....	394,517	41,822	644,504	1,080,843
Canada Mortgage and Housing Corporation .....	293,586,578	9,918,282	867,662	304,372,522
Canada Post Corporation .....	8,063,523	347,292	5,673,684	14,084,499
Export Development Canada .....	70,742,159	18,409	263,549	71,024,117
Farm Credit Canada.....	50,254,346	–	212,310	50,466,656
Freshwater Fish Marketing Corporation.....	16,489	–	37,182	53,671
Great Lakes Pilotage Authority.....	12,148	4	1,011	13,163
Halifax Port Authority <sup>2</sup> .....	26,829	–	251,660	278,489
Hamilton-Oshawa Port Authority <sup>2</sup> .....	16,996	–	185,662	202,658
Laurentian Pilotage Authority.....	17,109	543	24,336	41,988
Montreal Port Authority <sup>2</sup> .....	136,784	7,876	717,666	862,326
Pacific Pilotage Authority .....	16,078	2,103	18,485	36,666
Prince Rupert Port Authority <sup>2</sup> .....	150,922	–	316,865	467,787
Quebec Port Authority <sup>2</sup> .....	33,682	459	205,618	239,759
Royal Canadian Mint .....	129,143	48,397	229,975	407,515
Saint John Port Authority <sup>2</sup> .....	18,657	–	143,887	162,544
Sept-Îles Port Authority <sup>2</sup> .....	41,234	135	304,990	346,359
Toronto Port Authority <sup>2</sup> .....	115,571	–	238,056	353,627
Vancouver Fraser Port Authority <sup>2</sup> .....	167,750	6,049	2,530,264	2,704,063
Other Canada Port Authorities <sup>2,3</sup> .....	131,046	14,190	268,646	413,882
Total .....	483,056,272	386,210,307	42,368,540	911,635,119
Elimination adjustments.....		(15,654,489)	(275,681)	(15,930,170)
Total .....	483,056,272	370,555,818	42,092,859	895,704,949

<sup>1</sup> All enterprise Crown corporations listed at the margin in this table are parent Crown corporations. Although a Crown corporation, Canada Pension Plan Investment Board is designed to operate at arm's length from the government and manages, on behalf of the Canada Pension Plan, funds not belonging to the government, therefore, it is considered external to the government reporting entity. The Public Sector Pension Investment Board is not included in the above list since its activities are included in the government's results through pension accounting.

<sup>2</sup> Canada Port Authorities, which are not Crown corporations but considered other government business enterprises, are agents of the Crown for their port activities.

<sup>3</sup> Consists of the combined figures of the Canada Port Authorities of Belledune, Nanaimo, Port Alberni, Saguenay, St. John's, Thunder Bay, Trois-Rivières and Windsor.

Liabilities								
Third parties		Government, Crown corporations and other entities	Total liabilities	Accumulated profits (losses)	Contributed surplus	Capital stock	Equity of Canada	Total liabilities and equity
Borrowings	Other							
8,468	5,433	–	13,901	14,085	–	–	14,085	27,986
–	345,749,711	38,208,692	383,958,403	(1,636,755)	–	5,000	(1,631,755)	382,326,648
–	1,219,647	26,926,500	28,146,147	8,821,097	27,778	7,289,900	16,138,775	44,284,922
–	2,123,653	5,135	2,128,788	6,030,513	–	–	6,030,513	8,159,301
9,628,645	2,629,078	16,708,149	28,965,872	(346,039)	603,294	1	257,256	29,223,128
52,700	100,067	305,353	458,120	441,553	181,170	–	622,723	1,080,843
261,664,430	10,346,894	20,208,403	292,219,727	12,127,785	25,010	–	12,152,795	304,372,522
998,004	6,434,267	436,384	7,868,655	5,060,673	1,155,171	–	6,215,844	14,084,499
54,171,935	4,093,988	74,808	58,340,731	4,193,386	–	8,490,000	12,683,386	71,024,117
947,044	518,697	40,423,680	41,889,421	8,327,235	250,000	–	8,577,235	50,466,656
28,519	6,528	18,624	53,671	–	–	–	–	53,671
–	7,164	86	7,250	5,913	–	–	5,913	13,163
17,531	9,341	–	26,872	200,760	50,857	–	251,617	278,489
–	18,453	–	18,453	161,165	23,040	–	184,205	202,658
–	16,250	–	16,250	25,738	–	–	25,738	41,988
185,971	198,916	1,410	386,297	241,955	234,074	–	476,029	862,326
5,152	15,773	230	21,155	15,511	–	–	15,511	36,666
–	113,521	–	113,521	318,053	36,213	–	354,266	467,787
40,297	44,034	43,260	127,591	54,906	57,262	–	112,168	239,759
24,159	230,211	2,234	256,604	110,911	–	40,000	150,911	407,515
22,344	18,723	–	41,067	59,818	61,659	–	121,477	162,544
37,187	145,662	–	182,849	151,803	11,707	–	163,510	346,359
26,193	91,085	–	117,278	236,349	–	–	236,349	353,627
210,676	201,462	4,136	416,274	2,137,530	150,259	–	2,287,789	2,704,063
29,612	31,729	29,003	90,344	180,468	143,070	–	323,538	413,882
328,098,867	374,370,287	143,396,087	845,865,241	46,934,413	3,010,564	15,824,901	65,769,878	911,635,119
		(11,647)	(11,647)	(15,918,523)			(15,918,523)	(15,930,170)
328,098,867	374,370,287	143,384,440	845,853,594	31,015,890	3,010,564	15,824,901	49,851,355	895,704,949

**Table 9.4**  
**Revenues, expenses and other changes in equity of enterprise Crown corporations**  
**and other government business enterprises for the year ended March 31, 2023**

(in thousands of dollars)

Enterprise Crown corporations and other government business enterprises	Revenues			Expenses		
	Third parties	Government, Crown corporations and other entities <sup>1</sup>	Total	Third parties	Government, Crown corporations and other entities	Total
Atlantic Pilotage Authority .....	33,588	–	33,588	31,974	186	32,160
Bank of Canada .....	148,840	4,139,247	4,288,087	7,254,685	174,568	7,429,253
Business Development Bank of Canada.....	2,390,861	–	2,390,861	1,483,866	526,263	2,010,129
Canada Deposit Insurance Corporation.....	858,105	82,045	940,150	275,337	16,949	292,286
Canada Development Investment Corporation.....	979,529	2,058	981,587	697,930	73,343	771,273
Canada Lands Company Limited.....	230,836	–	230,836	211,175	29,966	241,141
Canada Mortgage and Housing Corporation .....	7,892,566	4,143,899	12,036,465	9,530,904	1,079,262	10,610,166
Canada Post Corporation .....	9,922,926	286,467	10,209,393	10,300,647	122,621	10,423,268
Export Development Canada .....	3,490,731	2,048	3,492,779	2,229,008	(5,029)	2,223,979
Farm Credit Canada.....	2,247,255	–	2,247,255	679,566	845,712	1,525,278
Freshwater Fish Marketing Corporation.....	72,269	–	72,269	73,853	–	73,853
Great Lakes Pilotage Authority.....	46,622	18	46,640	42,103	1,785	43,888
Halifax Port Authority .....	47,654	–	47,654	35,011	–	35,011
Hamilton-Oshawa Port Authority .....	42,059	–	42,059	31,656	–	31,656
Laurentian Pilotage Authority.....	110,073	–	110,073	108,920	–	108,920
Montreal Port Authority.....	137,863	740	138,603	113,982	5,604	119,586
Pacific Pilotage Authority.....	112,169	–	112,169	104,715	2,569	107,284
Prince Rupert Port Authority .....	69,011	–	69,011	37,810	–	37,810
Quebec Port Authority .....	51,524	3,272	54,796	43,370	2,659	46,029
Royal Canadian Mint.....	3,094,376	96,410	3,190,786	3,095,930	61,943	3,157,873
Saint John Port Authority.....	27,808	–	27,808	21,592	1,031	22,623
Sept-Îles Port Authority .....	27,483	–	27,483	14,328	–	14,328
Toronto Port Authority .....	90,352	–	90,352	76,185	–	76,185
Vancouver Fraser Port Authority .....	315,166	2,032	317,198	195,019	8,647	203,666
Other Canada Port Authorities .....	60,263	1,175	61,438	47,726	542	48,268
Total .....	32,499,929	8,759,411	41,259,340	36,737,292	2,948,621	39,685,913
Elimination adjustments.....						
Total net results .....	32,499,929	8,759,411	41,259,340	36,737,292	2,948,621	39,685,913
Less equity adjustments .....						
Share of annual profit.....						

The accompanying notes for Table 9.3 are an integral part of this table.

<sup>1</sup> Revenues with government, Crown corporations and other entities include amounts generated from the sale of goods and services, investment income, financial assistance as well as grants where the corporations qualify as a member of a general class of recipients. Additional amounts representing capital investments received by the corporations are included under “Equity transactions with the government”.

Net income (loss)	Equity beginning of year	Equity adjustments and other	Other comprehensive income (loss)	Equity transactions with the government		Equity end of year
				Dividends	Capital	
1,428	12,531	–	126	–	–	14,085
(3,141,166)	827,525	–	161,587	520,299	–	(1,631,755)
380,732	20,404,183	–	10,860	–	(4,657,000)	16,138,775
647,864	5,382,542	–	107	–	–	6,030,513
210,314	106,965	246,214	27,763	(334,000)	–	257,256
(10,305)	643,028	–	–	(10,000)	–	622,723
1,426,299	12,284,616	15,728	6,152	(1,580,000)	–	12,152,795
(213,875)	5,358,098	3	1,071,618	–	–	6,215,844
1,268,800	14,782,459	167,283	274,844	–	(3,810,000)	12,683,386
721,977	8,576,280	–	(522)	(470,500)	(250,000)	8,577,235
(1,584)	–	1,584	–	–	–	–
2,752	3,055	–	106	–	–	5,913
12,643	235,856	–	3,118	–	–	251,617
10,403	171,681	–	2,121	–	–	184,205
1,153	24,585	–	–	–	–	25,738
19,017	448,001	–	9,011	–	–	476,029
4,885	10,526	–	100	–	–	15,511
31,201	319,390	2,472	1,203	–	–	354,266
8,767	99,665	–	3,736	–	–	112,168
32,913	156,933	–	1,765	(40,700)	–	150,911
5,185	116,762	–	(470)	–	–	121,477
13,155	150,362	(7)	–	–	–	163,510
14,167	211,239	–	10,943	–	–	236,349
113,532	2,172,054	–	2,203	–	–	2,287,789
13,170	310,998	(82)	(548)	–	–	323,538
1,573,427	72,809,334	433,195	1,585,823	(1,914,901)	(8,717,000)	65,769,878
	(18,079,303)	1,898,314	42,466	220,000	–	(15,918,523)
1,573,427	54,730,031	2,331,509	1,628,289	(1,694,901)	(8,717,000)	49,851,355
2,304,539		(2,304,539)				–
3,877,966	54,730,031	26,970	1,628,289	(1,694,901)	(8,717,000)	49,851,355

## Borrowings by enterprise Crown corporations and other government business enterprises

Table 9.5

### Borrowings by enterprise Crown corporations and other government business enterprises

(in thousands of dollars)

	April 1, 2022	Borrowings and other credits	Repayments and other charges	March 31, 2023
<b>Agent enterprise Crown corporations</b>				
Canada Mortgage and Housing Corporation.....	258,830,946	39,747,176	36,913,692	261,664,430
Canada Post Corporation.....	997,774	230	–	998,004
Export Development Canada.....	44,318,638	71,318,243	61,464,946	54,171,935
Farm Credit Canada.....	673,439	9,969,594	9,695,989	947,044
Freshwater Fish Marketing Corporation.....	16,953	28,519	16,953	28,519
Royal Canadian Mint.....	33,200	633	9,674	24,159
Total—Agent enterprise Crown corporations.....	304,870,950	121,064,395	108,101,254	317,834,091
<b>Non-agent enterprise Crown corporations and other government business enterprises</b>				
Atlantic Pilotage Authority.....	3,394	8,000	2,926	8,468
Canada Development Investment Corporation <sup>1</sup> .....	–	9,628,645	–	9,628,645
Canada Lands Company Limited <sup>2</sup> .....	38,000	15,700	1,000	52,700
Halifax Port Authority <sup>3</sup> .....	18,526	–	995	17,531
Montreal Port Authority <sup>3</sup> .....	184,707	10,356	9,092	185,971
Pacific Pilotage Authority.....	5,817	–	665	5,152
Quebec Port Authority <sup>3</sup> .....	32,586	9,159	1,448	40,297
Saint John Port Authority <sup>3</sup> .....	22,344	–	–	22,344
Sept-Îles Port Authority <sup>3</sup> .....	41,476	–	4,289	37,187
Toronto Port Authority <sup>3</sup> .....	28,473	–	2,280	26,193
Vancouver Fraser Port Authority <sup>3</sup> .....	115,776	116,201	21,301	210,676
Other Canada Port Authorities <sup>3</sup> .....	34,969	154	5,511	29,612
Total—Non-agent enterprise Crown corporations and other government business enterprises.....	526,068	9,788,215	49,507	10,264,776
Total.....	305,397,018	130,852,610	108,150,761	328,098,867
Borrowings expected to be repaid by enterprise Crown corporations and other government business enterprises.....	305,397,018	–	–	328,098,867
Allowance for borrowings of enterprise Crown corporations and other government business enterprises expected to be repaid by the government and reported on the Consolidated Statement of Financial Position.....	–	–	–	–

<sup>1</sup> Borrowings of Canada Development Investment Corporation are those of its subsidiary, Trans Mountain Corporation, which is not an agent of the Crown.

<sup>2</sup> Borrowings of Canada Lands Company Limited are those of its subsidiary, Canada Lands Company CLC Limited, which is not an agent of the Crown.

<sup>3</sup> The Authority is an agent of the Crown only for its port activities. It is considered a non-agent of the Crown for borrowings purposes.

In accordance with section 54 of the *Financial Administration Act*, the payment of all money borrowed by agent enterprise Crown corporations and interest thereon is a charge on and payable out of the Consolidated Revenue Fund. Such borrowings therefore constitute obligations of the government and are recorded as such net of borrowings expected to be repaid directly by these corporations.

Borrowings by non-agent enterprise Crown corporations and other government business enterprises are not on behalf of His Majesty, but may, at times, be guaranteed by the government.

## Maturity and currency of borrowings by enterprise Crown corporations and other government business enterprises

**Table 9.6**  
Maturity and currency of borrowings by enterprise Crown corporations and other government business enterprises

(in thousands of dollars)

Year of maturity	Agent	Non-agent	Total
2024.....	70,174,678	96,610	70,271,288
2025.....	48,955,643	9,645,795	58,601,438
2026.....	41,331,700	227,086	41,558,786
2027.....	35,115,428	31,373	35,146,801
2028.....	50,837,844	21,009	50,858,853
Subsequent years .....	71,418,798	242,903	71,661,701
Total .....	317,834,091	10,264,776	328,098,867 <sup>1</sup>

<sup>1</sup> The borrowings are composed in Canadian dollar equivalent of 34,502,728 USD, 5,850,039 GBP, 1,949,173 AUD, 9,616,869 EUR, 840,694 NZD, 156,064 NOK, 429,858 HKD, 273,507,690 CAD and 1,245,752 for other currencies.

## Contingent liabilities of enterprise Crown corporations and other government business enterprises

The table below presents disclosed contingent liabilities of enterprise Crown corporations and other government business enterprises, which are not included in the Government of Canada's provision for contingent liabilities.

**Table 9.7**  
Contingent liabilities of enterprise Crown corporations and other government business enterprises

(in thousands of dollars)

	2023
Loan guarantees.....	7,761,647
Letters of credit.....	315,895
Performance guarantees and callable shares.....	52,056
Pending and threatened litigation and other claims .....	4,038
Total .....	8,133,636

## Contractual obligations of enterprise Crown corporations and other government business enterprises

A contractual obligation represents a legal obligation to third party organizations or individuals as a result of a contract.

**Table 9.8**  
**Contractual obligations of enterprise Crown corporations and other government business enterprises as at March 31, 2023**

(in thousands of dollars)

	Transfer payment agreements	Loans	Capital expenditures	Operating leases and other	Total
Business Development Bank of Canada.....	–	6,310,421	–	160,819	6,471,240
Canada Deposit Insurance Corporation.....	–	–	–	39,138	39,138
Canada Development Investment Corporation.....	–	–	53,321	59,989	113,310
Canada Lands Company Limited.....	–	–	75,700	–	75,700
Canada Mortgage and Housing Corporation.....	7,142,000	8,582,000	–	373,900	16,097,900
Export Development Canada.....	–	16,942,451	–	519,000	17,461,451
Farm Credit Canada.....	–	11,185,000	1,000	222,842	11,408,842
Great Lakes Pilotage Authority.....	–	–	–	249,820	249,820
Pacific Pilotage Authority.....	–	–	1,591	–	1,591
Prince Rupert Port Authority.....	–	–	128	–	128
Montreal Port Authority.....	–	–	3,493	–	3,493
Royal Canadian Mint.....	–	19,889	–	101,490	121,379
Vancouver Fraser Port Authority.....	–	–	156,390	–	156,390
<b>Total.....</b>	<b>7,142,000</b>	<b>43,039,761</b>	<b>291,623</b>	<b>1,726,998</b>	<b>52,200,383</b>

## Financial assistance to enterprise Crown corporations and other government business enterprises

Table 9.9 presents charges to appropriations or authorities approved by Parliament. It should be read in conjunction with Table 9.4.

**Table 9.9**  
**Financial assistance to enterprise Crown corporations and other government business enterprises for the year ended March 31, 2023**

(in thousands of dollars)

	Financial assistance
Canada Mortgage and Housing Corporation.....	4,044,097
Canada Post Corporation.....	22,210
<b>Total.....</b>	<b>4,066,307</b>

## Portfolio investments

Portfolio investments represent investments in bonds, equity instruments, market funds, fixed income or investments in entities with share capital owned jointly by the government and other governments or organizations to further common objectives. Additional information on these entities is provided in the quarterly report entitled *Inventory of Government of Canada Organizations*.

Under the terms of Section 147 of the *Bankruptcy and Insolvency Act*, the Superintendent of Bankruptcy has received shares in a number of corporations in lieu of a cash levy payable to the Crown.

**Table 9.10**  
**Portfolio investments**

(in dollars)

	April 1, 2022 <sup>1</sup>	Payments and other charges <sup>2</sup>	Receipts and other credits	March 31, 2023
Environment and Climate Change				
Parks Canada Agency				
Co-operative Housing Project.....	100	-	-	100
Finance				
Department of Finance				
Canada Pension Plan Investment Board.....	100	-	-	100
Global Affairs				
Department of Foreign Affairs, Trade and Development				
BlueOrchard Latin America and the Caribbean Gender Diversity and Inclusion Fund.....	-	37,000,000	-	37,000,000
Canada Investment Fund for Africa.....	46,512,693	-	-	46,512,693
Energy Access Relief Fund.....	28,000,000	1,958,857	-	29,958,857
Land Degradation Neutrality Fund.....	51,889,307	4,208,756	-	56,098,063
Mirova Gigaton Fund.....	-	30,350,000	-	30,350,000
ResponsAbility Climate-Smart Agriculture and Food Systems Fund.....	-	33,740,000	-	33,740,000
	<i>126,402,000</i>	<i>107,257,613</i>	-	<i>233,659,613</i>
Innovation, Science and Industry				
Atlantic Canada Opportunities Agency				
Equity investment.....	6,802,823	-	13,850	6,788,973
Department of Western Economic Diversification				
North Portage Development Corporation.....	-	1	-	1
National Research Council of Canada				
Equity ownership.....	3	-	-	3
	<i>6,802,826</i>	<i>1</i>	<i>13,850</i>	<i>6,788,977</i>
Natural Resources				
Department of Natural Resources				
Lower Churchill Development Corporation Limited.....	14,750,000	-	-	14,750,000
Treasury Board				
Treasury Board Secretariat				
Public Sector Pension Investment Board.....	100	-	-	100
Subtotal.....	<i>147,955,126</i>	<i>107,257,614</i>	<i>13,850</i>	<i>255,198,890</i>
Consolidation Adjustments:				
Atomic Energy of Canada Limited.....	177,970,000	21,451,000	-	199,421,000
Canada Council for the Arts.....	454,515,000	35,616,000	-	490,131,000
Canada Enterprise Emergency Funding Corporation.....	500,000,000	-	86,916,000	413,084,000
First Nations Market Housing Fund.....	360,856,000	-	22,758,000	338,098,000
Other.....	334,291,000	112,763,000	1,407,000	445,647,000
Subtotal—Consolidation Adjustments.....	<i>1,827,632,000</i>	<i>169,830,000</i>	<i>111,081,000</i>	<i>1,886,381,000</i>
Subtotal.....	<i>1,975,587,126</i>	<i>277,087,614</i>	<i>111,094,850</i>	<i>2,141,579,890</i>
Less: allowance for valuation.....	64,582,128	-	-	64,582,128
Total—Portfolio investments.....	<i>1,911,004,998</i>	<i>277,087,614</i>	<i>111,094,850</i>	<i>2,076,997,762</i>

<sup>1</sup> Opening figures have been reclassified to conform to the current year's presentation.

<sup>2</sup> Payments and other charges may include transactions such as loans, adjustments, etc.

### **Co-operative housing project**

The Parks Canada Agency has invested in the Rocky Mountain II Co-operative Housing Association, along with three other entities, to provide accommodation for Parks Canada Agency employees and employees of other entities in Banff, Alberta.

### **Canada Pension Plan Investment Board**

The Canada Pension Plan Investment Board (CPPIB) was created pursuant to the *Canada Pension Plan Investment Board Act*. The CPPIB's objectives are to assist the Canada Pension Plan (CPP) in meeting its obligations to contributors and beneficiaries and to manage any amounts transferred to it in their best interest.

The government holds 100% of the share capital of the CPPIB that consists of 10 shares having a fair value of \$10 each issued as per legislation. The assets managed by the CPPIB are included in the CPP financial statements. They are excluded from the government's consolidated financial statements since CPP is not part of the government's reporting entity as explained in Note 1 of the government's financial statements.

### **BlueOrchard Latin America and the Caribbean Gender, Diversity, and Inclusion Fund**

The investment consists of a contribution to the BlueOrchard Latin America and the Caribbean Gender, Diversity, and Inclusion Fund, which will focus on increasing the access to finance to underserved groups by providing financing mainly to financial institutions. The Fund aims on increasing access to finance for women-led and/or -owned micro, small and medium sized enterprises, indigenous groups, people with disabilities, older people and companies at the forefront of implementation of diversity policies.

### **Canada Investment Fund for Africa**

The Canada Investment Fund for Africa (CIFA) is a joint public-private sector initiative designed to provide risk capital for private investments in Africa that generate growth. The CIFA is a direct response to the New Partnership for Africa's Development (NEPAD) and the G8 Africa Action Plan. The main objectives of the CIFA are to optimize public-private investment in the fund, to confer a beneficial development impact on Africa by way of increased foreign direct investment and to optimize the beneficial impact of the fund's activities on Canadian interests.

The Government of Canada is a limited partner in the CIFA and its commitment towards the fund was subject to matching funds of other investors and was to be equal to the lesser of: (i) \$100 million or (ii) the aggregated commitments of all other limited partners of the partnership. The investment period in the CIFA ended January 1, 2009. This initiative was finalized during fiscal year 2020. Since its inception, the Canadian International

Development Agency (now amalgamated with DFATD) received capital reimbursement from CIFA amounting to \$60,411,356 and investment income of \$8,206,021

### **Energy Access Relief Fund**

The investment consists of a contribution to the Energy Access Relief Fund, which was designed to provide loans with a term of up to 3.5 years, subordinated, unsecured and low-cost subsidized loans to companies that had viable business models prior to the COVID-19 pandemic and that are facing liquidity challenges due to the pandemic.

### **Land Degradation Neutrality Fund**

The investment consists of a contribution to the Land Degradation Neutrality Fund, an investment fund initiated to support sustainable land management and land restoration.

### **Mirova Gigaton Fund**

The investment consists of a contribution to the Mirova Gigaton Fund, which is a private debt fund targeting energy access, clean energy transition and climate investments in underserved and emerging markets in developing countries globally, with a strong focus on sub-Saharan Africa.

### **ResponsAbility Climate-Smart Agriculture and Food Systems Fund**

The investment consists of a contribution to the ResponsAbility Climate-Smart Agriculture and Food Systems Fund, which aims to provide long-term expansion debt to innovative businesses operating in the food value chain in Asia Pacific, Latin America and Africa, with the goal of mitigating climate change, reducing food loss and promoting climate change resilience of smallholder farmers.

## Equity investment

In order to help fulfill its mandate to promote economic development in the Cape Breton Region of Nova Scotia, Enterprise Cape Breton Corporation (ECBC) had taken equity interests in several companies to help the organizations expand or innovate.

Upon ECBC's dissolution on June 19, 2014, all of ECBC assets and obligations, except real property, were transferred to the Atlantic Canada Opportunities Agency (ACOA). ACOA has been given the authority to hold or exercise, or surrender, sell, assign or otherwise dispose of, a stock option, share or other similar financial instruments that it acquires from ECBC or any of its subsidiaries.

### North Portage Development Corporation

The Corporation was incorporated under *The Corporations Act* of Manitoba, to foster the social and economic development of the North Portage area in the core area of Winnipeg. The objective of the government's participation is to stimulate economic recovery in Canada and Manitoba.

The government's holding of common shares represents 33.3% of the shares outstanding. The Corporation is owned equally by the City of Winnipeg, the Province of Manitoba and the Government of Canada. There are 3 common shares issued, having a par value of \$1 each.

### Equity ownership

In order to help fulfill its mandate to promote industrial innovation in Canada, the National Research Council of Canada (NRC) has taken equity interests in several new firms based on NRC technology. NRC provides financial assistance at better than market conditions to firms through access to equipment, intellectual property and incubation space in laboratories and in the organization's Industry Partnership Facilities.

Since these companies often cannot afford to pay the full cost of the assistance received from the NRC, the NRC takes an equity position in a company in order to help the firms survive the critical development stage. In turn, it allows NRC to earn a return that somewhat reflects the risk taken should the company become successful.

This investment in equity is authorized under subsection 92(1)(b) of the *Financial Administration Act* which allows for the acquisition or the sale or other disposal of shares or assets in the ordinary course of a business of providing financial assistance to publicly and privately held companies and are recorded at cost.

The government's holdings of shares represent a minority interest in two publicly traded companies and one privately held company.

### Lower Churchill Development Corporation Limited

The Lower Churchill Development Corporation (LCDC) was incorporated in 1978 under the *Companies Act* of Newfoundland, with the objective of developing all or part of the hydroelectric potential of the Lower Churchill Basin. It is owned 51% by Newfoundland and Labrador Hydro, the designate for the Government of Newfoundland and Labrador, and 49% by Canada. LCDC is not an active operating company.

Canada owns 1,475 class A shares, which it purchased for \$10,000 per share in the initial years of the corporation. Funds were used to finance feasibility studies for proposed Lower Churchill projects. The corporation's only asset was an Option Right to purchase the Gull Island Production Company's assets and acquire hydroelectric development rights on the Lower Churchill River, granted by the Government of Newfoundland and Labrador in exchange for its initial ownership stake, valued at \$5,200,000.

The option expired on November 24, 2006, and has not been extended by the province, resulting in an investment write-down for LCDC.

### Public Sector Pension Investment Board

The Public Sector Pension Investment Board (PSPIB) is a Canadian Crown corporation established pursuant to the *Public Sector Pension Investment Board Act*. Its statutory objective is to manage, in the best interests of the contributors and beneficiaries, the funds transferred to it by the Government of Canada since April 1, 2000. These funds represent contributions less benefit payments and other charges related to the Public Service, Canadian Forces—Regular Force and Royal Canadian Mounted Police pension plans, and since 2007 for the Canadian Forces—Reserve Force pension plan, that fall within the *Income Tax Act* limits. The goal of the PSPIB is to maximize returns on investments without undue risk of loss, while having regard to the funding, policies and requirements and financial obligations of each of the pension plans.

The government holds 100% of the share capital of the PSPIB that consists of 10 shares having a par value of \$10 each issued as per legislation. The assets managed by the PSPIB are recorded against the pension obligations since April 1, 2000.

### Consolidation adjustment

The consolidation adjustment reflects the investments held by consolidated Crown corporations and other entities. These mainly include investments such as bonds, equity investments, money market funds and fixed income securities. Investments are measured at amortized cost unless quoted in an active market then they are measured at fair value.

## Capital Subscriptions—International organizations

This group records Canada's subscriptions to the share capital of international banks.

Canada's subscriptions to the share capital of a number of international banks are composed of both paid-in and callable capital. The majority of subscriptions to international organizations do not provide a return on investment but are repayable on termination of the organization or withdrawal from it.

Paid-in capital subscriptions are made through a combination of cash payments and the issuance of non-interest bearing, non-negotiable notes payable to the organization. Although payable on demand, these notes are typically encashed according to terms of agreements reached between the organization and participating countries.

Callable share capital is composed of resources that are not paid to the banks but act as a guarantee to allow them to borrow on international capital markets to finance their lending program. Callable share capital, which has never been drawn on by the banks, would only be utilized in extreme circumstances to repay loans, should a bank's reserves not be sufficient. It represents a contingent liability of the government, and is listed with other contingent liabilities related to international organizations in Table 11.7 in Section 11 of this volume.

Table 9.11 presents a summary of the balances and transactions for share capital to international organizations. The revaluation amount represents the conversion of foreign currency balances to the year-end closing rates of exchange. Balances denominated in United States dollars were converted to Canadian dollars at year-end exchange rate of \$1 USD/\$1.3516 CAD.

Table 11.4 and Table 11.7 of Section 11 of this volume present additional information on contractual obligations and contingent liabilities for international organizations that are disclosed in the notes to the audited consolidated financial statements in Section 2 of this volume.

The notes payable outstanding at year-end of \$90,567,804 (\$83,773,804 in 2022) are reported in Table 5.3 in Section 5 of this volume.

**Table 9.11**  
**International organizations**

(in dollars)

	April 1, 2022 <sup>1</sup>	Payments and other charges		Receipts and other credits		March 31, 2023
		Participation or other charges	Revaluation	Reimburse- ments or other credits	Revaluation	
<b>Capital subscriptions<sup>2</sup></b>						
Finance						
Department of Finance						
Asian Infrastructure Investment Bank .....	257,200,158	—	—	—	—	257,200,158
European Bank for Reconstruction and Development .....	278,549,076	—	—	—	—	278,549,076
International Bank for Reconstruction and Development (World Bank) .....	805,062,415	—	—	—	—	805,062,415
International Development Association <sup>3</sup> .....	13,785,498,061	911,436,000	—	—	—	14,696,934,061
International Finance Corporation .....	325,644,045	—	—	—	—	325,644,045
Multilateral Investment Guarantee Agency .....	13,827,431	—	—	—	—	13,827,431
	<i>15,465,781,186</i>	<i>911,436,000</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>16,377,217,186</i>
Global Affairs						
Department of Foreign Affairs, Trade and Development						
African Development Bank .....	479,852,588	138,833,728	34,979,538	—	—	653,665,854
Asian Development Bank .....	373,807,687	—	12,955,322	—	—	386,763,009
Caribbean Development Bank .....	49,148,867	—	3,480,244	—	—	52,629,111
Inter-American Development Bank .....	309,445,744	—	24,830,069	1	—	334,275,812
Inter-American Investment Corporation .....	78,746,863	2,870,776	6,533,938	—	—	88,151,577
	<i>1,291,001,749</i>	<i>141,704,504</i>	<i>82,779,111</i>	<i>1</i>	<i>—</i>	<i>1,515,485,363</i>
Subtotal—Capital subscriptions .....	16,756,782,935	1,053,140,504	82,779,111	1	—	17,892,702,549
Less: allowance for valuation .....	16,756,782,935	1,053,140,504	82,779,111	1	—	17,892,702,549
Total—Capital subscriptions .....	—	—	—	—	—	—

<sup>1</sup> Opening figures have been reclassified to conform to the current year's presentation.

<sup>2</sup> Loans and investments made prior to April 1, 1986, which were authorized by non-budgetary authorities.

<sup>3</sup> Loans and investments made since April 1, 1986, which were authorized by budgetary authorities.

### Asian Infrastructure Investment Bank

Effective March 19, 2018, Canada became a member to the Asian Infrastructure Investment Bank (AIIB) pursuant to the *Asian Infrastructure Investment Bank Agreement Act*, and, as noted in various appropriation acts. The AIIB commenced operations in January 2016.

Canada's investment, like that of all other shareholders in the bank, is in the form of 20% paid-in capital and 80% callable capital. As of March 31, 2023, Canada has subscribed to 9,954 shares (9,954 in 2022). The total value of these shares is \$995.4 million USD (\$995.4 million USD in 2022), of which \$199.1 million USD (\$199.1 million USD in 2022) is paid-in and the remaining portion is callable. To date, Canada has made four equal payments of \$39.8 million USD.

### European Bank for Reconstruction and Development

This account records Canada's subscriptions to the capital of the European Bank for Reconstruction and Development (EBRD), as authorized by the *European Bank for Reconstruction and Development Agreement Act*, and various appropriation acts.

At year end, Canada has subscribed to 102,049 shares of the EBRD's authorized capital valued at 1,020,490,000 EUR.

Only 212,850,000 EUR (\$216,197,668 USD as of March 31, 2023) or about 21% of Canada's share subscription is considered "paid-in". The balance is callable meaning the institution can request the resources in the unlikely event that it requires them to meet its financial obligations to bondholders. Payments for the share subscription are authorized by the Act. Each payment to the EBRD is comprised of cash and a promissory note.

Canada's contingent liability for the callable portion of its shares was 807,640,000 EUR.

### International Bank for Reconstruction and Development

This account records Canada's subscriptions to the capital of the International Bank for Reconstruction and Development (World Bank), as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts.

As of March 31, 2023, Canada has subscribed to 70,455 shares. The total value of these shares is \$8,499,338,925 USD, of which \$604,197,476 USD plus \$16,404,055 CAD has been paid-in. The remaining portion is callable.

The callable portion is subject to call by the World Bank under certain circumstances. Canada's contingent liability for the callable portion of its shares is \$7,879.8 million USD.

### International Development Association

This account records Canada's contributions and subscriptions to the International Development Association (IDA), as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts (including the *Department of Finance Vote 5, Appropriation Act No. 1, 2018–2019*). The contributions and subscriptions to IDA, which is part of the World Bank Group, are used to lend funds to the poorest developing countries for development purposes, on highly favourable terms (very low interest rates, with a 25 to 40 year maturity and 5 to 10 years of grace).

As of March 31, 2023, Canada's total participation in IDA amounted to \$14,696,934,061 CAD.

### International Finance Corporation

This account records Canada's subscriptions to the capital of the International Finance Corporation, which is part of the World Bank Group, as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts.

The 2020 general capital increase at the International Finance Corporation included a re-basing of the shareholding by converting \$17 billion USD from its retained earnings into new shares. These new shares were provided on a pro rata basis at no charge to all shareholders, increasing Canada's shareholding from 81,342 shares to 620,199 shares.

As of March 31, 2023, Canada has subscribed to 796,137 shares (796,137 as at March 31, 2022). These shares have a total value of \$796,137,000 USD, of which \$257,280,000 USD has been paid-in.

### Multilateral Investment Guarantee Agency

This account records Canada's subscriptions to the capital of the Multilateral Investment Guarantee Agency, as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts.

As of March 31, 2023, Canada has subscribed to 5,225 shares. The total value of these shares is \$56,534,500 USD, of which \$10,732,250 USD is paid-in and the remaining portion is callable.

The callable portion is subject to call by the Multilateral Investment Guarantee Agency under certain circumstances. Canada's contingent liability for the callable portion of its shares is \$45,802,250 USD.

### **African Development Bank**

This account records Canada's subscriptions to the capital of the African Development Bank, as authorized by the *International Development (Financial Institutions) Assistance Act*, and various appropriation acts.

As at March 31, 2023, Canada's participation to the paid-in capital is \$653,665,854 CAD for 36,412 shares, including 31,884 issued in US dollars.

The callable shares are subject to call by the African Development Bank under certain circumstances. Canada's contingent liability for callable shares has a current value of \$984,917,646 CAD and \$6,526,068,555 USD for a total value of \$9,805,225,600 CAD.

### **Asian Development Bank**

This account records Canada's subscriptions to the capital of the Asian Development Bank, as authorized by the *International Development (Financial Institutions) Assistance Act*, and various appropriation acts.

As at March 31, 2023, Canada's participation to the paid-in capital is \$386,763,009 CAD for 27,768 shares, including 25,398 issued in US dollars.

The callable shares are subject to call by the Asian Development Bank under certain circumstances. Canada's contingent liability for callable shares has a current value of \$6,363,375,615 USD for a total value of \$8,600,420,312 CAD.

### **Caribbean Development Bank**

This account records Canada's subscriptions to the capital of the Caribbean Development Bank, as authorized by the *International Development (Financial Institutions) Assistance Act*, and various appropriation acts.

As at March 31, 2023, Canada's participation to the paid-in capital is \$52,629,111 CAD for 5,710 shares issued in US dollars.

The callable shares are subject to call by the Caribbean Development Bank under certain circumstances. Canada's contingent liability for callable shares has a current value of \$122,408,132 USD for a total value of \$165,440,710 CAD.

### **Inter-American Development Bank**

This account records Canada's subscriptions to the capital of the Inter-American Development Bank, as authorized by the *International Development (Financial Institutions) Assistance Act*, and various appropriation acts.

As at March 31, 2023, Canada's participation to the paid-in capital is \$334,275,812 CAD for 20,034 shares issued in US dollars.

The callable shares are subject to call by the Inter-American Development Bank under certain circumstances. Canada's contingent liability for callable shares has a current value of \$6,598,757,829 USD for a total value of \$8,918,551,144 CAD.

### **Inter-American Investment Corporation**

This account records Canada's subscriptions to the capital of the Inter-American Investment Corporation, as authorized by the *International Development (Financial Institutions) Assistance Act*, and various appropriation acts.

As at March 31, 2023, Canada's participation to the paid-in capital is \$88,151,577 CAD for 4,088 shares issued in US dollars.

## Other loans and advances

**Table 9.12**  
**Other loans and advances**

(in dollars)

	April 1, 2022 <sup>1</sup>	Payments and other charges	Receipts and other credits	March 31, 2023
<b>Unconditionally repayable contributions</b>				
Agriculture and Agri-Food				
Department of Agriculture and Agri-Food .....	156,897,020	25,616,844	20,756,307	161,757,557
Economic Development Agency of Canada for the Regions of Quebec				
Economic Development Agency of Canada for the Regions of Quebec .....	782,958,730	144,055,184	122,270,305	804,743,609
Finances				
Department of Finance .....	182,948,000	1,397,000	–	184,345,000
Fisheries, Oceans and the Canadian Coast Guard				
Department of Fisheries and Oceans .....	27,548,787	8,111,265	1,718,811	33,941,241
Global Affairs				
Department of Foreign Affairs, Trade and Development .....	2,590,291,551	829,216,272	125,808,635	3,293,699,188
Pacific Economic Development Agency of Canada .....	55,090,529	48,584,981	21,894,116	81,781,394
	<i>2,645,382,080</i>	<i>877,801,253</i>	<i>147,702,751</i>	<i>3,375,480,582</i>
Indigenous Services				
Federal Economic Development Agency for Northern Ontario .....	77,640,952	23,797,827	3,219,011	98,219,768
Innovation, Science and Industry				
Department of Industry .....	1,548,448,021	141,804,034	62,692,779	1,627,559,276
Atlantic Canada Opportunities Agency .....	563,158,477	138,363,745	125,499,621	576,022,601
Canadian Northern Economic Development Agency .....	10,116,922	6,914,803	2,020,000	15,011,725
Department of Western Economic Diversification .....	594,173,872	125,101,221	67,293,763	651,981,330
Federal Economic Development Agency for Southern Ontario .....	760,653,842	141,011,154	83,544,911	818,120,085
	<i>3,476,551,134</i>	<i>553,194,957</i>	<i>341,051,074</i>	<i>3,688,695,017</i>
Natural Resources				
Department of Natural Resources .....	99,357,376	43,509,957	7,014,451	135,852,882
Total—Unconditionally repayable contributions .....	<b>7,449,284,079</b>	<b>1,677,484,287</b>	<b>643,732,710</b>	<b>8,483,035,656</b>
<b>Loans and accountable advances</b>				
Global Affairs				
Department of Foreign Affairs, Trade and Development				
Missions abroad .....	48,988,800	697,028,602	693,523,924	52,493,478
Personnel posted abroad .....	20,102,249	12,865,694	13,073,386	19,894,557
	<i>69,091,049</i>	<i>709,894,296</i>	<i>706,597,310</i>	<i>72,388,035</i>
National Defence				
Department of National Defence				
Working Capital Fund .....	46,773,711	473,249,317	474,497,442	45,525,586
Miscellaneous accountable advances .....				
	69,255,524	37,229,691	26,271,937	80,213,278
Miscellaneous accountable imprest funds and standing advances .....				
	33,372,296	185,301	421,879	33,135,718
	<i>102,627,820</i>	<i>37,414,992</i>	<i>26,693,816</i>	<i>113,348,996</i>
Total—Loans and accountable advances .....	<b>218,492,580</b>	<b>1,220,558,605</b>	<b>1,207,788,568</b>	<b>231,262,617</b>

**Table 9.12**  
**Other loans, and advances—continued**

(in dollars)

	April 1, 2022 <sup>1</sup>	Payments and other charges	Receipts and other credits	March 31, 2023
<b>Other</b>				
Agriculture and Agri-Food				
Department of Agriculture and Agri-Food				
Construction of multi-purpose exhibition buildings.....	35,593	—	—	35,593
Hog Industry Loan Loss Reserve Program .....	16,919,372	—	6,862,924	10,056,448
National Marketing Programs .....	254,197,231	42,046,529	30,871,437	265,372,323
Western Livestock Price Insurance Program .....	22,952,148	—	21,426,811	1,525,337
	294,104,344	42,046,529	59,161,172	276,989,701
Crown-Indigenous Relations and Northern Affairs				
Department of Crown-Indigenous Relations and Northern Affairs				
Council of Yukon First Nations—Elders .....	576,747	—	—	576,747
Indigenous Claimants .....	125,976,578	15,030,979	42,667,261	98,340,296
Inuit Loan Fund.....	71,457	—	—	71,457
	126,624,782	15,030,979	42,667,261	98,988,500
Economic Development Agency of Canada for the Regions of Quebec				
Economic Development Agency of Canada for the Regions of Quebec				
Advances for the working capital fund of entrepreneurs' assistance centers.....	850,085	1,656,859	1,656,859	850,085
Employment, Workforce Development and Disability Inclusion				
Department of Employment and Social Development				
Canada Apprentice Loans .....	283,806,680	45,991,701	39,203,718	290,594,663
Canada Student Financial Assistance Program.....	23,667,963,065	3,720,208,207	3,368,150,103	24,020,021,169
Provincial workers' compensation boards.....	15,802,001	—	—	15,802,001
	23,967,571,746	3,766,199,908	3,407,353,821	24,326,417,833
Finance				
Department of Finance				
Canadian Commercial Bank .....	42,202,293	—	—	42,202,293
Financial assistance—National governments.....	—	4,916,441,493	609,000,000	4,307,441,493
Financial Consumer Agency of Canada—Advances .....	—	19,000,000	19,000,000	—
Federal-provincial fiscal arrangements.....	297,250,156	39,185,250	33,289,116	303,146,290
International and other organizations .....	1,682,529,673	485,834,860	121,942,748	2,046,421,785
Municipal Development and Loan Board.....	315,626	—	—	315,626
Winter Capital Projects Fund .....	2,899,837	—	—	2,899,837
	2,025,197,585	5,460,461,603	783,231,864	6,702,427,324
Global Affairs				
Department of Foreign Affairs, Trade and Development				
International development assistance—Developing countries .....	49,620,815	129,732,654	18,153,463	161,200,006
International Finance Corporation .....	84,949,670	5,135,195	28,850,212	61,234,653
International financial institutions .....	8,787,661,177	371,017,029	—	9,158,678,206
International organizations and associations.....	6,586,179	1	—	6,586,180
Export Development Canada—Canada Account				
Canada Emergency Business Account.....	44,666,004,819	1,514,127	4,514,226,706	40,153,292,240
Development of export trade—National governments.....	254,361,119	67,474,020	49,000,456	272,834,683
Support and development of trade .....	96,811,437	3,233,889	5,271,045	94,774,281
	53,945,995,216	578,106,915	4,615,501,882	49,908,600,249
Immigration, Refugees and Citizenship				
Department of Citizenship and Immigration				
Immigration loans .....	79,089,923	87,725,962	16,859,270	149,956,615
Indigenous Services				
Department of Indigenous Services				
Indian Economic Development Guarantee Loans Program .....	294,403	—	5,366	289,037
Reserve Housing Guarantee Loans Program .....	735,238	—	167,294	567,944
	1,029,641	—	172,660	856,981
Innovation, Science and Industry				
Department of Industry				
Other business loans.....	120,037,069	60,959,611	52,452,803	128,543,877
National Research Council of Canada				
H.L. Holmes Fund.....	5,574,699	37,961	—	5,612,660
	125,611,768	60,997,572	52,452,803	134,156,537
National Defence				
Department of National Defence				
Damage claims recoverable—North Atlantic Treaty Organization.....	—	705,000	705,000	—

**Table 9.12**  
**Other loans and advances—concluded**

(in dollars)

	April 1, 2022 <sup>1</sup>	Payments and other charges	Receipts and other credits	March 31, 2023
Public Services and Procurement				
Department of Public Works and Government Services				
Cape Breton Operations – Medical and Worker's Compensation				
Board Reserves .....	3,204,850	8,317	321,893	2,891,274
Seized Property Working Capital Account .....	(19,758,815)	34,876,109	30,358,170	(15,240,876)
.....	(16,553,965)	34,884,426	30,680,063	(12,349,602)
Transport				
Department of Transport				
Greater Victoria Harbour Authority .....	2,040,644	99,398	42,720	2,097,322
St. Lawrence Seaway Management Corporation .....	173,698	–	–	173,698
.....	2,214,342	99,398	42,720	2,271,020
Treasury Board				
Treasury Board Secretariat				
Federal Public Service Health Care Administration Authority .....	801,218	2,710,769	2,669,109	842,878
Joint Learning Program .....	2,894,769	2,283,125	2,128,570	3,049,324
.....	3,695,987	4,993,894	4,797,679	3,892,202
Veterans Affairs				
Department of Veterans Affairs				
Commonwealth War Graves Commission .....	49,263	757	–	50,020
Miscellaneous loans, investments and advances .....	122,367	1,697,362	1,588,836	230,893
Transition payments—Pay in arrears .....	516,825,486	12,678	22,504,131	494,334,033
.....	516,947,853	1,710,040	24,092,967	494,564,926
Total—Other .....	81,072,428,570	10,054,619,842	9,039,376,021	82,087,672,391
Consolidation adjustment <sup>2</sup> :				
Canada Enterprise Emergency Funding Corporation .....	2,528,397,000	154,370,000	–	2,682,767,000
Canada Infrastructure Bank .....	1,457,743,000	308,166,000	–	1,765,909,000
Other .....	31,750,000	9,069,000	9,704,000	31,115,000
Total—Consolidation adjustment .....	4,017,890,000	471,605,000	9,704,000	4,479,791,000
Total—Other loans and advances .....	92,758,095,229	13,424,267,734	10,900,601,299	95,281,761,664
Less: allowance for valuation .....	31,355,475,824	5,522,127,057	1,578,068,942	35,299,533,939
Total .....	61,402,619,405	7,902,140,677	9,322,532,357	59,982,227,725

<sup>1</sup> Opening figures have been reclassified to conform to the current year's presentation.<sup>2</sup> Additional information on consolidated Crown corporations and other entities is also provided in Section 4 of this volume.

## Unconditionally repayable contributions

Unconditionally repayable contributions are in substance loans and are generally made to businesses pursuant to various acts of Parliament, with various amounts outstanding.

These loans are aimed at stimulating economic development or for assistance and accomplishing sustainable development goals. They bear various interest rates, some of which have concessional terms, and are repayable at various due dates.

Loans made on a long-term, low-interest or interest-free basis are recorded in part as expenses when the economic value of the loans is reduced due to their concessional terms.

### Agriculture and Agri-Food

#### Department of Agriculture and Agri-Food

Unconditionally repayable contribution programs include the Agri Innovate Program, Agri Innovation Program, Agricultural Innovation Program, Emergency Processing Fund, Agri-based Processing Initiative, Agri Risk Program, Agri-Opportunities Program and the Canadian Agricultural Adaptation Program. The objective of these programs is to support the following initiatives: accelerate the pace of innovation and facilitating the commercialization and adoption of innovative agri-based products, technologies, processes and services in the agriculture, agri-food and agri-based products sector. The unconditionally repayable contributions are repayable by 2035 with final instalments generally due within 8 to 10 years following project completion. The amount to be repaid and repayment schedule are set out in each contribution agreement. Repayments are non-interest bearing within the specified repayment period and normally begin 1 to 3 years following the completion of the project.

### Economic Development Agency of Canada for the Regions of Quebec

#### Department Economic Development Agency of Canada for the Regions of Quebec

The unconditionally repayable contribution programs have two main thrusts. The first is the Regional Economic Growth through Innovation program, which aims to promote the economic growth of businesses and regions through innovation by grouping together the following programs, funds and initiatives: Jobs and Growth Fund, Business Scale-Up and Productivity and Aerospace Regional Recovery Initiative. The Quebec Economic Development Program is another repayable contribution program. This program is designed to help communities seize promising economic development and diversification opportunities and includes several initiatives, programs and funds: Development and Promotion of Assets and the Regions, Local development, Jobs and Growth Fund, and others. Unconditionally repayable contributions are repayable by March 1, 2033, with final payments generally due within 5 to 10 years of project completion, with a 2-year grace period. The amount to be repaid and the repayment schedule are defined in each contribution agreement. Repayments are interest-free throughout.

### Finances

#### Department of Finance

Canada made an unconditionally repayable contribution of \$200 million to the Alberta oil and Gas Orphan Abandonment and Reclamation Association Canada (the Orphan Well Association) to support association's efforts in cleaning up oil and gas properties. The contribution does not bear interest and is repayable in 16 equal quarterly instalments starting in 2032 and ending in 2035. Earlier repayment is permitted.

### Fisheries, Oceans and the Canadian Coast Guard

#### Department of Fisheries and Oceans

##### *Atlantic Fisheries Fund*

This account was established to record unconditionally repayable contributions awarded to various recipients under the Atlantic Fisheries Fund transfer payment program. The terms and conditions of the loans vary by recipient and are as follow:

- The loans bear no interest and are repayable over terms of 5 to 10 years, with the final installments between 2028 and 2034.
- The loans bear no interest and are repayable in one lump sum payment in 2023.

##### *Quebec Fisheries Fund*

This account was established to record unconditionally repayable contributions awarded to various recipients under the Quebec Fisheries Fund transfer payment program. The loans bear no interest and are repayable over terms of 9 to 10 years, with final installments between 2031 and 2034.

## **Global Affairs**

### **Department of Foreign Affairs, Trade and Development**

Unconditionally repayable contributions are provided under two specific programs: the international climate finance program, which helps developing countries in mitigating the effects of and adapting to climate change; and, the International Assistance Innovation Program, which contributes to building markets that support investments in sustainable development that benefit the underserved in developing countries. Unconditionally repayable contributions are provided to Multilateral Development Banks as well as to other financial institutions or investment managers whose mandate is focused on international development.

Fixed unconditionally repayable contributions have interest rates between 0.25% to 1.00% per annum, with semi-annual repayments, no security held for the loan, with grace periods of 5 to 15 years and maturity dates from 2032 to 2052.

Unconditionally repayable contributions that are reflow-based have a nil interest rate. In such cases, annual or semi-annual repayments are based on returns earned by the counterparty, no security is held for the loan, with grace periods of 0 to 5 years and maturity dates from 2031 to 2051.

### **Pacific Economic Development Agency of Canada**

Unconditionally repayable contributions programs include Western Innovation Initiative, Business Scale-up and Productivity, Tourism Relief Fund, Regional Recovery and Relief Fund, Jobs and Growth Fund - Innovation, and the Aerospace Recovery Initiative. The objectives for these programs are to support: creating a diversified, stronger, inclusive economy in British Columbia; funding businesses to scale up and produce innovative goods, services or technologies; funding tourism businesses to adapt to health regulations and position for growth funding; funding businesses affected by COVID-19 to continue operations, retain staff and prepare for recovery; funding businesses to create jobs through green, digital and inclusive growth; and funding for the aerospace sector to become greener and more productive and to better reach global markets. The unconditional repayable contributions are repayable by 2033 with final installments generally due within 6-8 years following the project completion. The amount to be repaid and repayment schedules are set out in each contribution agreement. Repayments are non-interest bearing within the specified repayment period and normally begin 1-3 years following the completion of the project.

## **Indigenous Services**

### **Federal Economic Development Agency for Northern Ontario**

Unconditionally repayable contribution programs include Northern Ontario Development Program and Regional Economic Growth through Innovation. The objective of these programs is to create opportunities for economic growth by helping businesses become more competitive, innovative and productive, by working with diverse communities to develop and diversify local economies, and by championing the strengths of the region. The unconditionally repayable contributions are repayable by 2035 with final instalments generally due within 3 to 10 years following project completion. The amount to be repaid and repayment schedule are set out in each contribution agreement. Repayments are non-interest bearing within the specified repayment period and normally begin 1 to 3 years following the completion of the project.

## **Innovation, Science and Industry**

### **Department on Industry**

Unconditional repayable contributions programs are comprised of Technology Partnerships Canada, Program for Strategic Industrial Projects, Strategic Aerospace and Defence Initiative, Strategic Innovation Fund and Automotive Innovation Fund. These programs have varied objectives which include: supporting advancements in science and technology, knowledge, and innovation to strengthen the Canadian economy; encouraging strategic research and development, enhancing the competitiveness of Canadian aerospace and defence companies; encourage research and development that will accelerate technology transfer and commercialization of innovative, facilitate the growth and expansion of firms in Canada and attract and retain large scale investments; support strategic, large-scale research and development projects in the automotive sector in developing innovative, greener and more fuel-efficient vehicles. Unconditional repayable contributions are to be reimbursed by 2046 with final repayments generally due between 5-25 years after the completion of the funded project. Amounts to be reimbursed and repayment schedules are included in each contribution agreement. The amount to be repaid is determined based on the risk level as identified during the due diligence phase of the project along with the terms and conditions specific to each program. Repayment obligations are usually equal to the amount of funding provided and start within 2 years following the completion of the projects. A limited number of agreements have repayment obligations above the nominal amount of the funding provided.

### **Atlantic Canada Opportunities Agency**

Unconditionally repayable contribution (URC) programs are included in three of the programs offered at the Agency. These programs are Business Development, Regional Economic Growth through Innovation, and Atlantic Innovation Fund. These contributions must be repaid without condition, and the loans have concessionary terms as they include a no-interest clause. Furthermore, they have various repayment terms. Terms for all related unconditionally repayable contributions have historically been paid within an average of 7 years, with the maximum allowable term established at 10 years for Business Development and the Atlantic Innovation Fund; and 15 years for the Regional Economic Growth through Innovation. The modified effective rate method is used to discount the loans receivable.

### **Canadian Northern Economic Development Agency**

Unconditionally repayable contribution programs include the Inclusive Diversification and Economic Advancement in the North Program, Jobs and Growth Fund, Northern Isolated Communities Initiative Fund and Regional Economic Growth Through Innovation Initiative. The ultimate outcomes of these programs include: foundational investments in key sectors of the territorial economies, businesses are innovative and growing, communities are economically diversified, improved food security in northern and Indigenous communities, and business productivity and scale-up. The unconditionally repayable contributions are repayable over a period between 9 and 13 years, with final installments due between 2031 and 2036. The amount to be repaid and repayment schedule are outlined in each contribution agreement. Repayments are non-interest bearing within the specified repayment period and normally begin 1 to 2 years following project completion.

### **Department of Western Economic Diversification**

Unconditionally repayable contributions programs include Western Diversification Program, Western Innovation Initiative, Business Scale-up and Productivity, Regional Recovery and Relief Fund, Jobs and Growth Fund, Regional Air Transportation Initiative, the Community Adjustment Fund, and Loan and Investment Program. The objectives for these programs are to support: creating a diversified, stronger, inclusive economy on the Prairies, funding businesses to create jobs through green, digital and inclusive growth; funding businesses affected by COVID-19 to continue operations, retain staff and prepare for recovery; funding tourism businesses to adapt to health regulations and position for growth; and funding for regional and local air carriers and airports in the Prairie provinces to support economic growth. The unconditional repayable contributions are repayable by 2033 with final installments generally due within 6-8 years following the project completion. The amount to be repaid and repayment schedules are set out in each contribution agreement. Repayments are non-interest bearing within the specified repayment period and normally begin 1-3 years following the completion of the project.

### **Federal Economic Development Agency for Southern Ontario**

Unconditional repayable contributions programs for FedDev Ontario include the Southern Ontario Prosperity Program and the Regional Economic Growth Through Innovation Program. These programs aim to promote an innovative and inclusive southern Ontario economy through investments in regional growth, commercialization and adoption of technologies, as well as community diversification. The unconditional repayable contributions are repayable by 2033 with installments bearing zero percent interest repayable over a period of 3 to 10 years following project completion. The various installment amounts by project normally start 1 to 3 years after project completion and are based on their respective repayment schedules as set out in each contribution agreement.

## **Natural Resources**

### **Department of Natural Resources**

Unconditionally repayable contributions are associated with the Emissions Reduction Fund (ERF). The objective of the ERF is to help onshore and offshore oil and gas companies by providing funds to invest in green solutions to reduce greenhouse gas emissions, with a focus on methane, and retain jobs in the sector. The unconditionally repayable contributions are non-interest bearing loans, repayable over a period of up to 5 years from project completion date, with the final instalment no later than March 31, 2028.

## Loans and accountable advances

### Missions abroad

Non-interest bearing advances have been made for interim financing of expenses at missions abroad, pending distribution to appropriations of the Department of Foreign Affairs, Trade and Development and other departments and agencies.

The total amount authorized to be outstanding at any time is \$50,000,000.

### Personnel posted abroad

A working capital advance account was established to finance loans and advances to employees posted abroad, including employees of other government departments and agencies, as well as medical advances to locally-engaged staff.

The total amount authorized to be outstanding at any time is \$38,200,000, as last amended by Foreign Affairs and International Trade Vote L12c, *Appropriation Act No. 5, 2009–2010*.

The closing balance consists of loans to employees of \$14,175,824 advances for medical expenses of \$1,066,890 advances for workmen's compensation of \$681, security and other deposits under Foreign Service Directives of \$1,956,983 and school and club debentures of \$2,694,179.

The loans to employees bear interest at rates from 1.00% to 4.50% per annum. These rates are established by the Department of Finance and are repayable within 4 years.

### Working Capital Fund

A Working Capital Fund was established to finance temporary advances to departmental personnel within Canada and abroad for: (a) salary and benefits; (b) standing advances; and (c) travel and miscellaneous claims. The name of the account was modified in order to reflect the use of the account by National Defence.

The authorized ceiling is \$120,000,000, as last amended by the Department of National Defence Vote L11b, *Appropriation Act No. 4, 2001–2002*.

### Miscellaneous accountable advances

The closing balance reflects amounts outstanding in the hands of departments, agencies and individuals, at year end, to be expended in the following year.

### Miscellaneous accountable imprest funds and standing advances

This account is operated to provide imprest funds, accountable advances and recoverable advances to departments and agencies.

The total amount authorized to be outstanding at any time is \$22,000,000.

### Construction of multi-purpose exhibition buildings

The remaining loan has been made to finance the construction of a multi-purpose exhibition building.

### Hog Industry Loan Loss Reserve Program

Loans made by financial institutions under the Hog Industry Loan Loss Reserve Program are partially guaranteed by the Crown. Where the producers have defaulted and the lenders have carried out regular collection activities, the Crown becomes subrogated to the lender's rights against the producer in default, to the extent of an amount equal to the withdrawal from the Reserve Fund.

### National Marketing Programs

Loans made by financial institutions under the *Canadian Agricultural Loans Act* and advances made by producer organizations under the *Agricultural Marketing Programs Act* are guaranteed by the Crown. Where the guarantee is honoured, the Crown becomes subrogated to the financial institution's or producer organization's rights to outstanding principal, interest and costs.

### Western Livestock Price Insurance Program

The deficit financing clause under the Western Livestock Price Insurance Program multilateral agreement allows for advances from the Consolidated Revenue Fund to the Western Livestock Price Insurance Program account. The Western Livestock Price Insurance Program enables livestock producers to purchase price protection on specific cattle and hogs in the form of an insurance policy. When the balance in the account is insufficient for the payment of amounts to be charged to it, repayable advances are made as per section 17(1) of the *Farm Income Protection Act*.

### **Council of Yukon First Nations—Elders**

Loans were issued to the Council of Yukon First Nations to provide interim benefits to Yukon Elders pending the settlement of a future comprehensive land claim agreement. These loans were issued along with loans for comprehensive claim negotiations. The department is no longer issuing these loans. The loan is non-interest bearing and is repayable upon settlement of the claim.

### **Indigenous claimants**

The department issues loans to Indigenous groups to support their participation in Specific claims negotiations. These loans are payable upon the settlement of the claim. All loans are non-interest bearing and each loan is repayable upon settlement of the claim.

### **Inuit Loan Fund**

Loans were made to individual Inuit or groups of Inuit to promote commercial activities and gainful occupations.

The total amount authorized to be outstanding at any time is \$6,633,697, as last amended by the Department of Crown-Indigenous Relations and Northern Affairs Vote 37b, *Appropriation Act No. 4, 1995–96*.

The department is no longer issuing these loans. Only one loan bearing interest at the rate of 5.5% per annum is still owed to the Crown.

### **Canada Apprentice Loans**

Canada Apprentice Loans are administered under the authority of Section 4 of the *Apprentice Loans Act* which came into effect on January 2, 2015. The Minister of Employment, Workforce Development and Official Languages is authorized to enter into a loan agreement directly with any eligible apprentice. Since April 1, 2021, the government waived interest charges on Canada Apprentice Loans for two years, which helped ease the burden that many faced after graduating into an incredibly challenging job market during the pandemic. In addition, as announced in the 2022 Fall Economic Statement Bill C-32, and in Budget 2023, the Government of Canada will eliminate interest on Canada Apprentice Loans, beginning on April 1, 2023, which will offer important relief for all current and future new graduates coping with the high cost of living. Apprentices are not required to make payments on their loans while they are still in their apprenticeship program and during the 6-month period following completion. The typical repayment period is 10 years, but the maximum period is 15 years. Borrowers having difficulty repaying their loans may be eligible for assistance under the Repayment Assistance Plan.

The total amount of apprentice loans issued under the authority of the *Apprentice Loans Act* may not exceed \$1.5 billion. The total amount of outstanding apprentice loans as at March 31, 2023, amounts to \$290,594,663 (\$283,806,680 as at March 31, 2022). During the year, loans and interest receivable on these loans totaling \$735 (\$293 as at March 31, 2022) were written off by the Department of Employment and Social Development Vote 10c from the *Appropriation Act No. 5, 2022-23* and \$327,035 (\$367,072 as at March 31, 2022) were forgiven as per the *Apprentice Loans Act*.

### **Canada Student Financial Assistance Program**

Since August 1, 2000, Canada Student Loans are issued under the Direct Loan Regime. Before this date, the loans were issued under the Guaranteed Loan Regime (1964–1995) or under the Risk-Shared Loan Regime (1995–2000). Under these three different regimes, no security is received from the students. Since April 1, 2021, the government waived interest charges on Canada Student Loans for two years, which helped ease the burden that many faced after graduating into an incredibly challenging job market during the pandemic. In addition, as announced in the 2022 Fall Economic Statement Bill C-32, and in Budget 2023, the Government of Canada will eliminate interest on Canada Student Loans, beginning on April 1, 2023, which will offer important relief for all current and future new graduates coping with the high cost of living. Students are not required to make payments on their loans while they are still studying and during the 6-month period following the completion of their studies. The typical repayment period is 10 years, but the maximum period is 15 years. Borrowers having difficulty repaying their loans may be eligible for assistance under the Repayment Assistance Plan.

The total amount of direct loans issued under the authority of the *Canada Student Financial Assistance Act* and outstanding risk-shared loans bought-back by the Department of Employment and Social Development may not exceed 34 billion dollars.

During the year, loans and interest receivable on these loans totaling \$220,562,731 (\$168,772,206 as at March 31, 2022) were written off by the Department of Employment and Social Development Vote 10c from the *Appropriation Act No. 5, 2022-23* and \$18,093,671 (\$9,806,034 as at March 31, 2022) were written off pursuant to Section 25(1) of the *Financial Administration Act*. In addition, loans and interest receivable on these loans totalling \$195,405,002 (\$207,740,608 as at March 31, 2022) were forgiven as per the *Canada Student Financial Assistance Act* and \$541,012 (\$562,219 as at March 31, 2022) were forgiven as per the *Canada Student Loans Act*.

*Direct loans to students*

Loans issued on or after August 1, 2000, are administered under the authority of Section 6.1 of the *Canada Student Financial Assistance Act*, which authorizes the Minister of Employment, Workforce Development and Official Languages to enter into loan agreements directly with any qualifying student. Agreements are subject to the terms and conditions approved by the Governor in Council, on the recommendation of the Minister of Employment, Workforce Development and Official Languages with the concurrence of the Minister of Finance. The total amount of outstanding direct loans as at March 31, 2023, amounts to \$23,966,442,986 (\$23,611,356,256 as at March 31, 2022).

*Risk-shared student loans*

Loans issued prior to August 1, 2000, and on or after August 1, 1995, are amounts related to student loans subrogated to the Crown under the authority of the *Canada Student Financial Assistance Act*. The total amount of loans outstanding as at March 31, 2023, amounts to \$13,018,050 (\$10,217,420 as at March 31, 2022) for loans owned by the Department of Employment and Social Development and \$12,813,513 (\$727,327,280 as at March 31, 2022) for loans under the current ownership of the financial institutions. Starting in fiscal year 2021, the Department of Employment and Social Development proceeded with the buy-back of Risk-shared loans owned by financial institutions, which increased the total value of loans with the department and therefore decreasing the value of loans under the ownership of the financial institutions.

*Guaranteed student loans*

Loans issued prior to August 1, 1995, are amounts related to student loans subrogated to the Crown under the authority of the *Canada Student Loans Act*. The total amount of loans outstanding as at March 31, 2023, amounts to \$40,560,133 (\$43,389,389 as at March 31, 2022) for loans owned by the Department of Employment and Social Development and \$49,474 (\$116,731 as at March 31, 2022) for loans under the current ownership of the financial institutions. Starting in fiscal year 2021, the Department of Employment and Social Development proceeded with the buy-back of Guaranteed loans owned by financial institutions, which considerably decreased the value of loans under the ownership of the financial institutions.

**Provincial workers' compensation boards**

This account was established under the authority of subsection 4(6)(b) and (e) of the *Government Employees Compensation Act*, to provide funds to enable provincial workers' compensation boards to administer claims on behalf of the Crown, and provide compensation benefits to federal government employees injured or ill in the course of their employment.

The total amount of advances that is authorized to be made for each provincial workers' compensation board is not to exceed three months' disbursements for compensation.

**Canadian Commercial Bank**

Advances have been made to the Canadian Commercial Bank representing the government's participation in the support group as authorized by the *Canadian Commercial Bank Financial Assistance Act*. These funds represent the government's participation in the loan portfolio that was acquired from the Bank and the purchase of outstanding debentures from existing holders.

**Financial assistance—National governments**

Pursuant to Section 8.3 of the *Bretton Woods and Related Agreements Act*, the Minister of Finance, by order of the Governor in Council, is authorized to extend certain forms of financial assistance to a foreign state. The provision of such financial assistance is contingent upon that state having an arrangement with the International Monetary Fund and upon the satisfactory participation of other countries with Canada in the provision of financial assistance.

Funding for such transactions is provided by the Minister of Finance out of the Consolidated Revenue Fund. The maximum amount of financial assistance that can be provided under legislation is \$7 billion CAD in respect of any particular foreign state and \$14 billion CAD in respect of all foreign states.

In 2023, the government provided \$4,850 million CAD in financial assistance in the form of interest-bearing loans to Ukraine.

These loans were provided on either Commercial Interest Reference Rates (CIRR) or concessional rates and have repayment terms ranging from 5 to 10 years.

**Financial Consumer Agency of Canada—Advances**

Interest-bearing advances have been made to defray the cost of operation of the Agency pursuant to Section 13(1) of the *Financial Consumer Agency of Canada Act*.

## Federal-provincial fiscal arrangements

These amounts represent net overpayments in respect of transfer payments to provinces under the *Constitution Acts 1867 to 1982*, the *Federal-Provincial Fiscal Arrangements Act*, and other statutory authorities.

The overpayments are non-interest bearing and will be repaid by reducing transfer payments in subsequent years.

## International and other organizations

### Global Environment Facility

This account records the funding of a facility for environmental funding in developing countries in the areas of ozone, climate change biodiversity and international waters as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts. Advances to the Global Environment Facility are made in non-negotiable, non-interest bearing demand notes that are later encashed.

As at March 31, 2023, advances to the Global Environment Facility amounted to \$10,000,000 CAD.

### International Development Association

This account records the loan to the International Development Association, for an amount of \$575,420,000 USD (287,710,000 USD as of March 31 2022) for the Concessional Partner Loan.

The authority to make the loan is pursuant to the *Bretton Woods and Related Agreements Act*. The loan bears interest at the rate of 1.2% per annum with a term of 25 years and a 10 year grace period. The first installment is due July 15, 2027 and the last installment January 15, 2047.

### International Finance Corporation—Catalyst Fund

This account records Canada's financial support of the International Finance Corporation's—Catalyst Fund as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts (including Finance Vote L12b, *Appropriation Act No. 4, 2010–2011* and Vote L17c, *Appropriation Act No. 5, 2012–2013*). The Catalyst Fund supports private sector engagement in climate change mitigation and adaptation activities through the provision of concessional and commercial financing arrangements.

As at March 31, 2023, advances to the Catalyst Fund amounted to \$75,000,000 CAD.

### International Monetary Fund—Poverty Reduction and Growth Trust

This account records the loan to the International Monetary Fund's Poverty Reduction and Growth Trust in order to provide assistance to qualifying low-income countries as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts.

The total revolving loan authority pursuant to the *Bretton Woods and Related Agreements Act*, was set at 3.5 billion special drawing rights (SDR) or such greater amount as may be fixed by the Governor in Council.

As of March 31, 2023, SDR 710,005,000 of Canada's SDR 1,200,000,000 revolving loan commitment to the Poverty Reduction and Growth Trust was outstanding.

This outstanding balance was translated into Canadian dollars at the year-end closing rate of exchange (1 SDR /\$1.8181 CAD). During the year, transactions included issuances, repayments and an exchange valuation adjustment.

The following table presents the balances and transactions for the loans, including revaluations for foreign currency fluctuations.

(in dollars)

	April 1, 2022 <sup>1</sup>	Payments and other charges		Receipts and other credits		March 31, 2023
		Participation or other charges	Revaluation	Reimbursements or other credits	Revaluation	
Global Environment Facility <sup>2</sup> .....	10,000,000	–	–	–	–	10,000,000
International Development Association .....	327,980,530	390,268,413	31,279,821	79,000,000	–	670,528,764
International Finance Corporation – Catalyst Fund .....	75,000,000	–	–	–	–	75,000,000
International Monetary Fund						
Poverty Reduction and Growth Trust <sup>3</sup> .....	1,269,549,143	–	64,286,626	42,942,748	–	1,290,893,021
Total .....	1,682,529,673	390,268,413	95,566,447	– 121,942,748	–	2,046,421,785

<sup>1</sup> Opening figures have been reclassified to conform to the current year's presentation.

<sup>2</sup> Loans and investments made since April 1, 1986, which were authorized by budgetary authorities.

<sup>3</sup> Loans and investments made prior to April 1, 1986, which were authorized by non-budgetary authorities.

### **Municipal Development and Loan Board**

Loans have been made to provinces and municipalities, to augment or accelerate municipal capital works programs.

The loans bear interest at rates from 5.25% to 5.375% per annum, and are repayable in annual or semi-annual instalments over 15 to 50 years.

### **Winter Capital Projects Fund**

Loans have been made to provinces, provincial agencies and municipalities, to assist in the creation of employment.

The loans bear interest at rates from 7.4% to 9.5% per annum, and are repayable either in annual instalments over 5 to 20 years, or at maturity.

### **International development assistance—Developing countries**

Interest-free or low-interest bearing loans have been made through the Canadian International Development Agency, now amalgamated with the Department of Foreign Affairs, Trade and Development (DFATD), to developing countries for international development assistance. Loans are recorded in part as expenses when the economic value of the loans is reduced due to their concessionary terms.

All loans have been made in Canadian dollars and are not subject to revaluations for foreign exchange fluctuations.

Similar assistance has been provided to developing countries by way of subscriptions and advances to the International Development Association, advances to the Global Environment Facility, and loans to other international financial institutions. These are reported later in this section under the heading “International organizations”.

In 2006–2007, the Government of Canada, as represented by the Canadian International Development Agency (now amalgamated with DFATD), entered into an agreement with the Government of Pakistan to forgive its outstanding \$447,507,535 loan pursuant to Foreign Affairs and International Trade Vote 32c, *Appropriation Act No. 5, 2009–2010*. In order to expire its debt obligation, the Government of Pakistan will be required to make education sector investments that are equivalent to the present value of its debt. According to the agreement, Pakistan’s debt is to be written down proportionally as the investments are made. Since 2010, the Government of Pakistan’s debt been reduced by the total amount of \$427,345,514.

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The following table presents the balances and transactions for the loans made to developing countries, together with their terms and conditions of repayments.

(in dollars)

	April 1, 2022 <sup>1</sup>	Payments and other charges	Receipts and other credits <sup>2</sup>	March 31, 2023
(a) 35 year term, 4 year grace period, 5.0% interest per annum, semi-annual interest repayments with first principal repayment due January 2017 and final repayment in July 2026:				
Egypt .....	20,098,662	726,940	4,680,026	16,145,576
(b) 50 year term, 10 year grace period, non-interest bearing, with final repayments between March 2015 and September 2035:				
Algeria.....	199,970	283,321	391,470	91,821
Dominican Republic .....	437,210	–	144,622	292,588
Ecuador .....	109,388	–	109,388	–
Guatemala.....	144,982	68,379	100,000	113,361
Indonesia .....	13,137,980	5,062,619	7,923,766	10,276,833
Malaysia.....	156,035	40,025	53,029	143,031
Malta .....	14,656	17,662	12,500	19,818
Morocco .....	416,243	166,590	275,295	307,538
Pakistan .....	6,486,302	–	–	6,486,302
Philippines.....	116,130	60,665	97,160	79,635
Sri Lanka .....	5,698,475	–	–	5,698,475
Thailand.....	1,065,660	493,328	674,620	884,368
Tunisia.....	1,134,820	1,972,335	2,446,495	660,660
	<i>29,117,851</i>	<i>8,164,924</i>	<i>12,228,345</i>	<i>25,054,430</i>
(c) 50 year term, 13 year grace period, non-interest bearing, with final repayment in March 2023:				
Algeria.....	404,302	840,790	1,245,092	–
(d) 10 year term, no grace period, 2.75% interest per annum, annual interest and principal repayments with final repayment in March 2033:				
Jordan.....	–	120,000,000	–	120,000,000
Total .....	49,620,815	129,732,654	18,153,463	161,200,006

Grace period refers to interval from date of issuance of the loan to first repayment of loan principal.

<sup>1</sup> Opening figures have been reclassified to conform to the current year's presentation.

<sup>2</sup> Receipts and other credits may include transactions such as repayments, forgiveness, adjustments, etc.

**International Finance Corporation**

*Financial Mechanisms for Climate Change Facility*

This account records Canada's financial support of the International Finance Corporation's—Financial Mechanisms for Climate Change Facility (FMCC) as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts. The FMCC supports private sector engagement in climate change mitigation and adaptation activities through the provision of concessional and commercial financing arrangements.

As at March 31, 2023, loan to the FMCC amounted to \$43,239,972 CAD.

*Global Agriculture and Food Security Program*

This account records Canada's financial assistance to the International Finance Corporation for participation in the G8 Food Security Initiative (FSI) as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts.

As at March 31, 2023, loan to the Global Agriculture Food and Security Program amounted to \$17,994,681 CAD.

The following table presents the balances and transactions for the loans, including revaluations for foreign currency fluctuations.

(in dollars)

	April 1, 2022	Payments and other charges		Receipts and other credits		March 31, 2023
		Participation or other charges	Revaluation	Reimburse-ments or other credits	Revaluation	
Financial Mechanisms for Climate Change Facility .....	66,711,543	–	4,095,670	27,567,241	–	43,239,972
Global Agriculture and Food Security Program .....	18,238,127	–	1,039,525	1,282,971	–	17,994,681
Total .....	84,949,670	–	5,135,195	28,850,212	–	61,234,653

**International financial institutions<sup>1</sup>**

This account records loans and advances for assistance to international financial institutions, as authorized by the *International Development (Financial Institutions) Assistance Act*, and various appropriation acts (including the Department of Foreign Affairs, Trade and Development Votes 20b and L25b).

Loans and advances are made using direct payments. During the year, transactions included loans and advances made through direct payments and revaluations for foreign currency fluctuations.

(in dollars)

	April 1, 2022	Payments and other charges		Receipts and other credits		March 31, 2023
		Participation or other charges	Revaluation	Reimbursements or other credits	Revaluation	
African Development Fund.....	3,431,882,130	118,400,000	7,604,994	–	–	3,557,887,124
Asian Development Bank—Special .....	27,027,000	–	–	–	–	27,027,000
Asian Development Fund.....	2,515,539,395	30,136,466	–	–	–	2,545,675,861
Caribbean Development Bank						
Agricultural Development Fund .....	2,000,000	–	–	–	–	2,000,000
Commonwealth Caribbean Regional .....	5,000,600	–	405,600	–	–	5,406,200
Special Development Fund.....	445,177,507	20,352,751	1,272,570	–	–	466,802,828
Global Environment Facility Trust Fund.....	1,164,320,000	132,990,000	–	–	–	1,297,310,000
Inter-American Development Bank						
Fund for Special Operations .....	390,077,125	253,708	18,320,766	–	–	408,651,599
International Bank for Reconstruction and Development .....	25,003,000	–	2,028,000	–	–	27,031,000
International Fund for Agriculture Development .....	554,383,396	25,000,000	–	–	–	579,383,396
International Monetary Fund.....	13,713,436	–	1,112,300	–	–	14,825,736
Multilateral Fund of the Montreal Protocol .....	154,831,463	10,434,071	2,705,803	–	–	167,971,337
Multilateral Investment Fund .....	58,706,125	–	–	–	–	58,706,125
<b>Total .....</b>	<b>8,787,661,177</b>	<b>337,566,996</b>	<b>33,450,033</b>	<b>–</b>	<b>–</b>	<b>9,158,678,206</b>

<sup>1</sup> Loans and investments made since April 1, 1986, which were authorized by budgetary authorities.

**International organizations and associations<sup>1</sup>**

These items represent the value of payments established in 2006 made by the Canadian government to working capital funds maintained by international organizations of which Canada is a member. Participation in the financing of these working capital funds, on the basis of the scale of assessments, is prescribed by financial regulations for membership in the organizations. Payments into the funds are not subject to interest or repayment schedules, but are recorded by the organizations as credits from member states. Payments made by Canada were authorized by appropriation acts.

(in dollars)

	Payments and other charges			Receipts and other credits		March 31, 2023
	April 1, 2022	Participation or other charges	Revaluation	Reimbursements or other credits	Revaluation	
Berne Union of the World Intellectual Property Organization.....	39,192	–	–	–	–	39,192
Customs Co-operation Council .....	9,662	–	–	–	–	9,662
Food and Agriculture Organization.....	1,051,200	–	–	–	–	1,051,200
General Agreement on Tariffs and Trade.....	48,806	–	–	–	–	48,806
International Atomic Energy Agency.....	447,110	1	–	–	–	447,111
International Civil Aviation Organization.....	200,429	–	–	–	–	200,429
International Maritime Organization .....	2,202	–	–	–	–	2,202
Paris Union of the World Intellectual Property Organization .....	100,989	–	–	–	–	100,989
United Nations Educational, Scientific and Cultural Organization .....	872,987	–	–	–	–	872,987
United Nations organizations .....	3,632,480	–	–	–	–	3,632,480
World Health Organization.....	181,122	–	–	–	–	181,122
<b>Total .....</b>	<b>6,586,179</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>6,586,180</b>

<sup>1</sup> Loans and investments made since April 1, 1986, which were authorized by non-budgetary authorities.

**Canada Account**

Export Development Canada (EDC) was created in 1944 as Canada’s export credit agency (ECA). On October 1, 1969, EDC was established as a Crown corporation by a statute of the Parliament of Canada, the *Export Development Act* (the “Act”). EDC’s mandate is to support and develop, directly or indirectly, Canada’s export trade, and Canadian capacity to engage in that trade and respond to international business opportunities, as well as to provide development financing and other forms of development support in a manner consistent with Canada’s international development priorities. EDC is named in Part I of Schedule III to the *Financial Administration Act* (the “*FA Act*”) and is accountable for its affairs to Parliament through the Minister of Small Business, Export Promotion and International Trade.

Pursuant to Section 23 of the Act, the Minister of International Trade, Export Promotion, Small Business and Economic Development (“the Minister”), with the concurrence of the Minister of Finance, may authorize EDC to enter into certain transactions or class of transactions where the Minister is of the opinion it is in the national interest and where EDC has advised the Minister that it will not enter into such transactions without such authorization. Funding for such transactions is provided by the Minister of Finance out of the Consolidated Revenue Fund and the transactions are administered by EDC on behalf of the Government of Canada. Collectively these transactions are known as the Canada Account. Prior to March 25, 2020, Section 24(1) of the Act allowed Canada Account to have up to an aggregate of \$20 billion (the “Statutory Limit”) in contingent liabilities (i.e.: insurance policies, guarantees and other contingent arrangements), outstanding commitments to borrowers and outstanding principal amounts owed by borrowers. In response to the COVID-19, on March 25, 2020, the Act was amended to provide that the Statutory Limit is an amount notified by the Minister of Finance. On September 30, 2020, the Statutory Limit was increased to \$115 billion.

In March 2020, EDC was issued a directive (PC 2020-206) pursuant to Section 89 of the *FA Act* to perform any activity consistent with any authorization obtained from the Minister pursuant to Section 23 of the Act as part of the response to the COVID-19 pandemic; to support and develop domestic business in accordance with paragraph 10(1)(a) of the Act as part of that response; and to take any ancillary or other measures that may be advisable or necessary to give effect to the directive. EDC received such authorizations and amendments thereto in respect of the Canada Emergency Business Account (CEBA) and implemented transactions there under pursuant to authorizations dated April 5, April 8, April 13, April 16, May 12 and October 20, 2020. The CEBA program was discontinued as of December 31, 2021; therefore, no new transactions were created after that date.

## Canada Emergency Business Account

A Ministerial Authorization was signed authorizing up to \$25 billion in Canada Account funds to provide emergency liquidity to Canadian business through the Canada Emergency Business Account (CEBA), and subsequent Ministerial Authorizations increased that limit to ultimately \$73 billion. Under CEBA in its initial form, loans of up to \$40 thousand were made available to qualifying businesses at 0% interest and were repayable by December 31, 2022, subject to a one-time extension of three years and 5% interest per annum commencing on January 1, 2023. Up to 25% of the loan may be forgiven only if the borrower repaid their obligation by December 31, 2022. On December 4, 2020, new eligible applicants were able to receive up to a \$60 thousand CEBA loan. CEBA applicants who had received the \$40 thousand CEBA loan were permitted to apply for the CEBA expansion, which provided eligible businesses with an additional \$20 thousand CEBA loan. In both cases, these loans were at 0% interest, repayable by December 31, 2022 and subject to a one-time extension of three years and 5% interest per annum. Up to 33% of a \$60 thousand loan, or 50% of the additional \$20 thousand loan, may be forgiven if the borrower repaid their obligation by December 31, 2022. During the previous fiscal year, the Government of Canada announced that the December 31, 2022 forgiveness repayment date would be extended to December 31, 2023 for eligible CEBA loan holders in good standing; therefore, any loans outstanding at December 31, 2023 will be subject to a one-time extension of two years and 5% interest per annum commencing on January 1, 2024.

## Development of export trade—National governments

Loan transactions with longer repayment terms or low or zero interest rates are recorded in part as expenses when the economic value is reduced due to such concessionary terms.

Table 11.4 and Table 11.6 in Section 11 of this volume present additional information on contractual obligations and guarantees that are disclosed in the notes to the audited consolidated financial statements in Section 2 of this volume.

(in dollars)

	Payments and other charges		Receipts and other credits		March 31, 2023
	April 1, 2022 <sup>1</sup>	Payments or other charges <sup>2</sup>	Revaluation	Receipts or other credits <sup>3</sup>	
<b>Non-budgetary loans<sup>4</sup></b>					
(a) 1 to 5 year term, 3.0% to 9.0% interest per annum, with final repayments in May 2019:					
Argentina .....	33,306,044	–	1,237,593	–	34,543,637
(b) 11 to 15 year term, based on 6 month London Interbank Offered Rate (LIBOR), plus 0.50% interest per annum, assumed from the Canadian Wheat Board (CWB) with final repayments in January 2028:					
Iraq .....	64,063,005	–	5,196,167	11,543,195	57,715,977
(c) 16 to 20 year term, interest based on LIBOR, plus a range of rates from 0.50% to 0.63% per annum, with final repayments between October 2018 and June 2021:					
Venezuela .....	2,444,868	–	198,304	–	2,643,172
(d) 21 to 25 year term, 9.0% to 10.0% interest per annum, with final repayments in September 2000:					
Sudan .....	4,828,089	–	391,608	–	5,219,697
(e) 21 to 25 year term, interest based on LIBOR, plus 0.55% per annum, with final repayments in November 2024:					
Pakistan .....	5,020,314	–	407,199	1,336,561	4,090,952
(f) 21 to 25 year term, based on 6 month LIBOR, plus 0.55% interest per annum, assumed from CWB, with final repayments in November 2024:					
Pakistan .....	10,976,627	–	890,317	3,094,653	8,772,291
Total—Non-budgetary loans .....	120,638,947	–	8,321,188	15,974,409	112,985,726

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(in dollars)

	Payments and other charges			Receipts and other credits		March 31, 2023
	April 1, 2022 <sup>1</sup>	Payments or other charges <sup>2</sup>	Revaluation	Receipts or other credits <sup>3</sup>	Revaluation	
<b>Budgetary loans<sup>4</sup></b>						
(a) 31 to 55 year term, 0% to 10.29% interest per annum, with final repayments between September 2029 and February 2045:						
China .....	79,693,092	15,263,541	22,662,748	23,401,943	–	94,217,438
Egypt .....	2,061,697	261,387	145,768	352,497	–	2,116,355
Gabon .....	611,662	241,816	465,433	335,336	–	983,575
India .....	4,827,878	1,305,040	2,526,342	1,520,014	–	7,139,246
Jamaica .....	1,452,669	178,594	306,142	247,305	–	1,690,100
Morocco .....	21,701,050	2,574,113	4,344,773	3,469,017	–	25,150,919
Turkey .....	22,249,603	2,795,068	5,669,756	3,686,419	–	27,028,008
	<i>132,597,651</i>	<i>22,619,559</i>	<i>36,120,962</i>	<i>33,012,531</i>	–	<i>158,325,641</i>
(b) 31 to 55 year term, comprised of several loans with fixed or variable interest rates currently ranging from 0% to 2.21% per annum, with final repayments between December 2018 and December 2033:						
Kenya .....	1,124,521	179,729	232,582	13,516	–	1,523,316
Total—Budgetary loans .....	133,722,172	22,799,288	36,353,544	33,026,047	–	159,848,957
Total .....	254,361,119	22,799,288	44,674,732	49,000,456	–	272,834,683

Final repayment dates may change if loan amounts are rescheduled or restructured.

<sup>1</sup> Opening figures have been reclassified to conform to the current year's presentation.

<sup>2</sup> Payments or other charges may include transactions such as loans, adjustments, etc.

<sup>3</sup> Receipts or other credits may include transactions such as repayments, forgiveness, adjustments, etc.

<sup>4</sup> Prior to April 1, 1987, these loans were authorized by miscellaneous non-budgetary authorities. Subsequently, they were authorized by miscellaneous budgetary authorities.

*Support and development of trade*

EDC's mandate is to support and develop, directly or indirectly, Canada's export trade, and Canadian capacity to engage in that trade and respond to international business opportunities.

Loan transactions with longer repayment terms or low or zero interest are recorded in part as expenses when the economic value is reduced due to such concessionary terms.

Tables 11.4 and Table 11.6 of Section 11 of this volume present additional information on contractual obligations and guarantees that are disclosed in the notes to the audited consolidated financial statements of Section 2 of this volume.

(in dollars)

	Payments and other charges		Receipts and other credits		March 31, 2023
	April 1, 2022 <sup>1</sup>	Payments or other charges <sup>2</sup>	Revaluation	Receipts or other credits <sup>3</sup>	
<b>Export trade</b>					
(a) 11 to 15 year term, comprised of several loans with interest based on LIBOR (London Interbank Offered Rate) plus 6.5% per annum, with final repayments in December 2031:					
Canada.....	29,772,874	–	–	–	–
(b) 16 to 20 year term, comprised of a loan with 8.08% interest rate per annum, with final repayments in December 2036:					
Canada.....	19,302,178	–	–	–	–
(c) 16 to 20 year term, comprised of several loans with fixed or variable interest rates currently ranging from 1.85% to 5.89% per annum, with final repayments between December 2017 and March 2023:					
United States.....	39,201,335	–	3,179,632	5,271,045	–
(d) 31 to 55 year term, 2.26% interest per annum, with final repayment in August 2048:					
Canada.....	8,535,050	54,257	–	–	–
Total—Export trade .....	96,811,437	54,257	3,179,632	5,271,045	–

Final repayment dates may change if loan amounts are rescheduled or restructured.

<sup>1</sup> Opening figures have been reclassified to conform to the current year's presentation.

<sup>2</sup> Payments or other charges may include transactions such as loans, adjustments, etc.

<sup>3</sup> Receipts or other credits may include transactions such as repayments, forgiveness, etc.

## Immigration loans

In accordance with the *Immigration and Refugee Protection Act*, Immigration, Refugees and Citizenship Canada can issue immigration loans up to a maximum of \$250,000,000. The Immigration Loans Program provides eligible immigrants, who are mainly refugees selected for resettlement to Canada, with access to funding that would otherwise not be available to them. Loans are used to cover a number of expenses, including travel to Canada and other costs associated with resettlement, specifically:

- defraying the cost of transportation to Canada;
- assisting with the establishment in Canada;
- defraying the cost of the right of permanent residence fees.

Starting February 28, 1995, all immigration loans bore interest at a rate determined by the Minister of Finance at the beginning of each calendar year. Regulations provided for a period of up to six years for the repayment of the loans and the interest rate on outstanding interest-bearing loans varied from 0.76% to 9.06%. Since February 21, 2018, loans are non-interest bearing and are repayable over one to eight years with a possible deferment of two years.

## Indian Economic Development Guarantee Loans Program

The Indian Economic Development Guarantee Loans Program, established under Vote L53b, *Appropriation Act No. 1, 1970*, amended under P.C. 1977-3608, authorized the Department to guarantee loans for non-incorporated Indian businesses on a risk-sharing basis with commercial lenders because security restrictions in the *Indian Act* prevent the mortgage and seizure of property located on reserves. Guarantees are provided for various types of borrowers whose activities contribute to the economic development of Indians and enable them to develop long-term credit relationships with mainstream financial institutions. The guarantee level is not to exceed at any time \$60,000,000, less the total amount of payments made to implement previous guarantees under that authority.

If a loan made under the Minister's guarantee goes into default, the lender has recourse to the Minister for reimbursement. In 1987, a reserve for losses of \$2 million per annum was established within the department's reference levels to cover all Guarantee Loan Programs administered by the department. Simple interest, usually based on a percentage plus the prime rate, will accrue on the debt after payout. All payments, including accrued interest, remain as a debt of the client until recovered in full.

## Reserve Housing Guarantee Loans Program

This program authorizes the Department to guarantee loans to individuals and Indian bands to assist in the purchase of housing on reserves because security restrictions in the *Indian Act* prevent the mortgage and seizure of property located on reserves. These loan guarantees enable status Indians residing on reserves, Band councils, or their delegated authorities, to secure housing loans without giving the lending institution rights to the property.

The total guarantee loans amount authorized by the Department cannot exceed \$2.2 billion.

If a loan made under the Minister's guarantee goes into default, the lender has recourse to request the defaulted loan balance be reimbursed by ISC. In 1987, a reserve for losses of \$2 million per annum was established within the department's reference levels to cover all Guarantee Loan Programs administered by the department. Such payments remain a debt of the First Nation to the Crown and interest is accrued and capitalized on these debts at the contract interest rate applicable at the time the loan was assigned to the Minister. Recovery of the debt is made to the extent possible, from the security used as collateral, such as land claim funds, or through repayment agreements.

## Other business loans

This account records money owed to the government by borrowers upon default of loans that are subject to statutory authorities, pursuant to the *Canada Small Business Financing Act*. This authority provide for the payment of claims or the sharing of loan losses between lenders and the government.

## Advances for the Working Capital Fund of entrepreneurs' assistance centers

Advances have been made to support the Working Capital Fund of entrepreneurs' assistance centers providing services to start-up companies, future entrepreneurs and small and medium-sized enterprises.

### H.L. Holmes Fund

This account was established pursuant to paragraph 5(1)(f) of the *National Research Council Act* to record the residue of the estate of H.L. Holmes. Up to two thirds of the yearly net income from the fund shall be used to finance the H.L. Holmes Award on an annual basis. These awards will provide the opportunity to post-doctoral students to study at world famous graduate schools or research institutes under outstanding research persons.

### **Damage claims recoverable—North Atlantic Treaty Organization**

Article VIII of the NATO Status of Forces Agreement signed April 4, 1949, as amended, deals with claims for damages to third parties arising from accidents in which a member of a visiting force is involved. This account is charged with the amount recoverable from other states, for claims for damages which took place in Canada, and is credited with recoveries.

The advances are non-interest bearing and have no specific repayment terms.

### **Cape Breton Operations—Medical and Workers' Compensation Board Reserves**

This account is established to record separate financial reserves, which are maintained to support medical and workers' compensation claim payments to former employees of Enterprise Cape Breton Corporation.

Responsibility for these obligations was transferred to the Department of Public Works and Government Services (PWGSC) in 2015 pursuant to the *Economic Action Plan 2014 Act* where PWGSC was named responsible for assuming the human resources obligations following the dissolution of Enterprise Cape Breton Corporation.

The reserves are on deposit with the insurance providers and the Workers' Compensation Board of Nova Scotia. The insurance and workers' compensation plans are self-insured by the Crown. Adjustments to the reserve accounts are based on the difference between actual claim costs and a predetermined amount that is paid to the providers during the year. The remaining balance in the financial reserves will be returned to the Department upon completion of the programs.

### **Seized Property Working Capital Account**

This account was established by Section 12 of the *Seized Property Management Act*. Expenses incurred, and advances made, to maintain and manage any seized or restrained property and other properties subject to a management order or forfeited to His Majesty, are charged to this account. This account is credited when expenses and advances to third parties are repaid or recovered and when revenues from these properties or proceeds of their disposal are received and credited with seized cash upon forfeiture.

The total amount authorized to be outstanding at any time is \$50,000,000.

Any shortfall between the proceeds from the disposition of any property forfeited to His Majesty and the amounts that were charged to this account and that are still outstanding, is charged to a Seized Property Proceeds Account and credited to this account.

### **Greater Victoria Harbour Authority**

The Victoria Harbour loan receivable relates to the sale of a parcel of Victoria Harbour land.

The loan bears interest at the rate of 4.9% per annum, repayable over an initially planned period of 15 years. An extension of 3 years was granted in 2021, with a final instalment planned in 2024.

### **St. Lawrence Seaway Management Corporation**

This account was established by subsection 80(1) of the *Canada Marine Act*. Loans previously managed by the St. Lawrence Seaway Authority are now managed by the St. Lawrence Seaway Management Corporation in accordance with an agreement between the Department of Transport and the Corporation. The repayments of these loans are recorded in this account.

The loan bore interest at a rate of prime plus 2.0% per annum. The final installment of the existing terms was anticipated for March 2013.

Legal procedures are currently underway to obtain reimbursement.

### **Federal Public Service Health Care Administration Authority**

The Federal Public Service Health Care Plan Administration Authority (referred to as the Administration Authority) was incorporated, without share capital, under subsection 7.2(1) of the *Financial Administration Act* effective May 1, 2007. Effective May 31, 2007, the assets and liabilities of the Public Service Health Care Plan (PSHCP) were transferred to the Government of Canada, and to the Administration Authority, as directed by the President of the Treasury Board of Canada and consistent with the Trust Agreement, which terminated May 31, 2007.

The Administration Authority is charged with the administration of the PSHCP. Its objective is to ensure that benefits and services to plan members and their covered dependants, as defined in the PSHCP documentation, are delivered in a manner that ensures the effective and efficient administration of the PSHCP. Payments are made to the Administration Authority under Vote 20 and are authorized under the terms of reference of the funding agreement between the President of the Treasury Board and the Administration Authority. The funding agreement allows for the transfer of funds from the Treasury Board of Canada Secretariat to the Administration Authority in four quarterly instalments upon approval of the operating budget by the Secretary of the Treasury Board of Canada. These quarterly instalments are made in advance and actual expenses are recorded upon approval of the *Administration Authority's Quarterly Financial Report*.

## Joint Learning Program

Advances have been made to the Public Service Alliance of Canada (PSAC) for the Joint Learning Program (JLP). Following the collective bargaining rounds of 2004, 2008, 2010, 2014 and subsequently of 2018, a Memorandum of Understanding between the Treasury Board and PSAC was included in the collective bargaining agreements to provide funding for a JLP. The JLP is a negotiated partnership between PSAC and the Treasury Board of Canada Secretariat (TBS). The objective of the JLP is to improve labour relations in the Public Service. It is intended to provide joint union-management learning opportunities in areas where both parties have roles and responsibilities.

Payments are made to PSAC under Vote 20 and are authorized under the terms of reference of the Program. The terms of reference include the program costs, funding conditions, payment conditions, timelines, as well as a schedule of payments. The schedule of payments provides for a 3-month advance from TBS to PSAC to provide for program delivery costs. When actual expenses are reported every three months, the advance is reversed and the expense is recorded.

## Commonwealth War Graves Commission

Advances have been made to the Working Capital Fund of the Commonwealth War Graves Commission, to maintain graves and cemeteries.

At year end, the balance of the advances was 30,000 British pound sterling. This balance was converted to Canadian dollars, using the year-end rate of exchange. The advances are non-interest bearing and have no fixed terms of repayments.

## Miscellaneous loans, investments and advances

This account represents amounts outstanding in the hands of agencies and individuals, at year end. This group records loans, investments and advances not classified elsewhere.

### Transition payments—Pay in arrears

During the 2015 fiscal year, a one-time payment was issued to employees as a result of the implementation of pay in arrears. This amount will be recovered from the employees upon their departure from the Public Service. The amount at year-end represents the balance to be recovered in the future.

## Consolidation adjustment

The consolidation adjustment reflects the total loans and advances held by consolidated Crown corporations and other entities. These mainly include loans receivable.

Canada Enterprise Emergency Funding Corporation (“CEEFC”) was incorporated on May 11, 2020 and is wholly owned by Canada Development Investment Corporation (“CDEV”), an enterprise Crown corporation. CEEFC is a non-agent Crown corporation and is not subject to the *Income Tax Act* of Canada.

As part of Canada’s COVID-19 Economic Response Plan, CEEFC has been mandated to implement the Large Employer Emergency Financing Facility (“LEEFF”) along with Innovation, Science and Economic Development Canada (“ISED”) and the Department of Finance. The LEEFF program is intended to provide bridge financing to Canada’s largest employers, whose needs during the COVID-19 pandemic are not being met through conventional financing. LEEFF will not be used to resolve insolvencies or restructure firms, nor will it provide financing to companies that otherwise have the capacity to manage through the crisis. Instead, the additional liquidity made available through LEEFF provides emergency funding support for large Canadian enterprises facing financial challenges due to the economic impact of the COVID-19 pandemic, allowing these businesses and their suppliers to remain active during this difficult time and positioning them for a rapid economic recovery.

## Allowance for valuation

In accordance with the comprehensive policy on valuation, assets are subject to an annual valuation to reflect reductions from the recorded value to the estimated net recoverable value.

The allowance for valuation, for loans, investments and advances, represents the estimated losses on the realization of the loans, investments and advances included in the accounts of Canada at year end. In 2018, the provisioning methodology used in the government’s allowance calculation was updated for its sovereign exposures. The most significant change is the introduction of obligor-specific loss given default rates that replace a general rate used for all obligors. This change is designed to provide more accurate credit loss estimates for sovereign loan exposures.

# Section 10

*Public Accounts of Canada  
2022–2023*

## **Non-financial assets as at March 31**

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## Non-financial assets

Non-financial assets are assets that have an economic life that extends beyond the accounting period and that are intended for consumption in the normal course of operations. They are converted into expense in future periods and include tangible capital assets, inventories, and prepaid expenses.

Tangible capital assets consist of acquired, built, developed or improved tangible assets, which are intended to be used on a continuous basis and are not intended for sale in the ordinary course of business.

Inventories are items of tangible property that are to be used in the delivery of program outputs. Some revolving funds and a few departments may have inventories held for resale to parties outside the government.

Prepaid expenses and other are disbursements made, pursuant to a contract, before the completion of the work, delivery of the goods or rendering of the service.

**Table 10.1**  
**Non-financial assets by category**

(in thousands of dollars)

	2023	2022
		Restated
Net tangible capital assets, Table 10.2		
Land .....	2,316,032	2,287,406
Buildings .....	19,051,229	18,697,385
Works and infrastructure .....	12,641,211	12,639,719
Machinery and equipment .....	13,202,950	13,228,083
Vehicles, Table 10.3.....	17,779,238	16,756,971
Leasehold improvements.....	1,620,592	1,603,154
Assets under construction.....	28,147,438	24,855,299
Assets under capital leases, Table 10.4.....	2,578,476	2,717,041
	<u>97,337,166</u>	<u>92,785,058</u>
Inventories .....	9,405,018	9,026,327
Prepaid expenses and other .....	3,001,705	2,958,118
Total .....	<u>109,743,889</u>	<u>104,769,503</u>

## Tangible capital assets

**Table 10.2**  
**Tangible capital assets by main custodian ministries**

(in thousands of dollars)

	Land	Buildings	Works and infrastructure	Machinery and equipment
<b>Capital assets at cost</b>				
Canadian Heritage .....	80,617	2,197,729	383,551	1,437,196
Environment and Climate Change .....	304,810	1,539,836	5,624,740	1,305,968
Fisheries, Oceans and the Canadian Coast Guard .....	26,687	1,007,118	3,520,196	732,096
Global Affairs .....	577,856	1,930,783	9,446	259,249
Innovation, Science and Industry .....	15,342	1,351,517	90,945	3,997,992
Intergovernmental Affairs, Infrastructure and Communities .....	198,671	31,011	3,608,009	110,609
National Defence .....	89,179	14,066,536	3,170,378	22,942,424
Natural Resources .....	9,965	942,274	173,957	835,503
Public Safety .....	94,983	5,718,492	1,057,883	2,857,418
Public Services and Procurement .....	662,663	9,305,489	2,492,358	4,527,910
Transport .....	237,226	1,556,774	4,413,374	1,689,949
Other ministries .....	18,033	1,708,609	81,844	4,508,992
Gross total capital assets .....	2,316,032	41,356,168	24,626,681	45,205,306
<b>Accumulated amortization</b>				
Canadian Heritage .....	–	1,061,574	218,193	1,041,578
Environment and Climate Change .....	–	893,554	2,609,817	783,936
Fisheries, Oceans and the Canadian Coast Guard .....	–	631,697	1,828,826	493,658
Global Affairs .....	–	1,259,994	2,864	222,893
Innovation, Science and Industry .....	–	819,081	43,703	2,804,924
Intergovernmental Affairs, Infrastructure and Communities .....	–	2,094	475,593	88,976
National Defence .....	–	6,929,638	1,967,640	15,498,289
Natural Resources .....	–	458,437	65,976	578,014
Public Safety .....	–	3,203,106	693,141	2,316,504
Public Services and Procurement .....	–	4,908,714	1,381,982	3,615,836
Transport .....	–	954,258	2,655,140	1,124,936
Other ministries .....	–	1,182,792	42,595	3,432,812
Total accumulated amortization .....	–	22,304,939	11,985,470	32,002,356
<b>Total net capital assets</b>				
Canadian Heritage .....	80,617	1,136,155	165,358	395,618
Environment and Climate Change .....	304,810	646,282	3,014,923	522,032
Fisheries, Oceans and the Canadian Coast Guard .....	26,687	375,421	1,691,370	238,438
Global Affairs .....	577,856	670,789	6,582	36,356
Innovation, Science and Industry .....	15,342	532,436	47,242	1,193,068
Intergovernmental Affairs, Infrastructure and Communities .....	198,671	28,917	3,132,416	21,633
National Defence .....	89,179	7,136,898	1,202,738	7,444,135
Natural Resources .....	9,965	483,837	107,981	257,489
Public Safety .....	94,983	2,515,386	364,742	540,914
Public Services and Procurement .....	662,663	4,396,775	1,110,376	912,074
Transport .....	237,226	602,516	1,758,234	565,013
Other ministries .....	18,033	525,817	39,249	1,076,180
Total net capital assets .....	2,316,032	19,051,229	12,641,211	13,202,950

<sup>1</sup> Details can be found in Table 10.3.

<sup>2</sup> Details can be found in Table 10.4.

Vehicles <sup>1</sup>	Leasehold improvements	Assets under construction	Assets under capital leases <sup>2</sup>	Total 2023	Total 2022 Restated
31,103	318,439	140,073	242,137	4,830,845	5,015,068
210,476	28,154	765,632	38,423	9,818,039	9,597,929
4,938,386	643,500	2,354,204	5,182	13,227,369	12,349,592
67,774	330,975	406,754	–	3,582,837	3,512,088
40,978	71,006	602,012	53,700	6,223,492	5,985,207
7,022	29,232	2,883,994	272,166	7,140,714	6,402,969
41,808,571	244,937	13,388,854	220,013	95,930,892	92,101,235
24,976	105,265	368,400	95,993	2,556,333	2,381,218
1,031,629	296,349	1,890,988	16,265	12,964,007	12,293,806
17,842	1,276,516	3,586,661	2,555,341	24,424,780	23,194,094
2,209,967	216,132	990,808	818,819	12,133,049	11,760,795
152,194	823,502	769,058	73	8,062,305	7,659,735
50,540,918	4,384,007	28,147,438	4,318,112	200,894,662	192,253,736
26,325	145,526	–	48,812	2,542,008	2,693,273
144,359	21,538	–	25,792	4,478,996	4,257,772
2,191,593	413,591	–	919	5,560,284	5,261,825
39,512	252,625	–	–	1,777,888	1,728,117
30,527	41,419	–	36,034	3,775,688	3,518,280
2,488	21,004	–	252	590,407	490,728
28,233,356	101,437	–	173,671	52,904,031	51,063,907
17,331	64,562	–	46,683	1,231,003	1,177,371
579,431	209,036	–	8,743	7,009,961	6,584,924
10,632	763,327	–	1,187,189	11,867,680	11,334,634
1,377,477	143,296	–	211,528	6,466,635	6,285,051
108,649	586,054	–	13	5,352,915	5,072,796
32,761,680	2,763,415	–	1,739,636	103,557,496	99,468,678
4,778	172,913	140,073	193,325	2,288,837	2,321,795
66,117	6,616	765,632	12,631	5,339,043	5,340,157
2,746,793	229,909	2,354,204	4,263	7,667,085	7,087,767
28,262	78,350	406,754	–	1,804,949	1,783,971
10,451	29,587	602,012	17,666	2,447,804	2,466,927
4,534	8,228	2,883,994	271,914	6,550,307	5,912,241
13,575,215	143,500	13,388,854	46,342	43,026,861	41,037,328
7,645	40,703	368,400	49,310	1,325,330	1,203,847
452,198	87,313	1,890,988	7,522	5,954,046	5,708,882
7,210	513,189	3,586,661	1,368,152	12,557,100	11,859,460
832,490	72,836	990,808	607,291	5,666,414	5,475,744
43,545	237,448	769,058	60	2,709,390	2,586,939
17,779,238	1,620,592	28,147,438	2,578,476	97,337,166	92,785,058

## Vehicles

**Table 10.3**  
**Vehicles by sub-category**

(in thousands of dollars)

	Cost	Accumulated amortization	2023	2022
				Restated
Ships and boats .....	20,327,641	13,344,062	6,983,579	6,280,464
Aircraft .....	23,803,177	15,250,895	8,552,282	8,218,488
Motor vehicles (Non-military) .....	2,650,537	1,714,652	935,885	904,267
Military vehicles .....	2,127,289	1,426,802	700,487	766,631
Other vehicles .....	1,632,274	1,025,269	607,005	587,121
<b>Total .....</b>	<b>50,540,918</b>	<b>32,761,680</b>	<b>17,779,238</b>	<b>16,756,971</b>

## Assets under capital leases

**Table 10.4**  
**Assets under capital leases by main category**

(in thousands of dollars)

	Cost	Accumulated amortization	2023	2022
				Restated
Land.....	286,709	–	286,709	279,137
Buildings .....	2,764,733	1,215,353	1,549,380	1,617,736
Works and infrastructure.....	818,819	211,528	607,291	619,089
Machinery and equipment.....	357,622	222,526	135,096	201,079
Vehicles.....	90,229	90,229	–	–
<b>Total .....</b>	<b>4,318,112</b>	<b>1,739,636</b>	<b>2,578,476</b>	<b>2,717,041</b>

# Section 11

*Public Accounts of Canada  
2022–2023*

## **Contractual obligations, contractual rights and contingent liabilities as at March 31**

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## Contractual obligations, contractual rights and contingent liabilities

This section contains detailed information related to contractual obligations, contractual rights and contingent liabilities.

### Contractual obligations

Contractual obligations are financial obligations of the government to others that will become liabilities when the terms of those contracts or agreements for the acquisition of goods and services or the provision of transfer payments are met. Contractual obligations can be classified into four main categories: transfer payment agreements (grants and contributions), capital assets and purchases, operating leases and international organizations.

All outstanding contractual obligations of \$10 million or more per project or per program at year end are reported.

In accordance with the government's significant accounting policies, the contractual obligations of consolidated Crown corporations are included with those of the government.

**Table 11.1**  
**Contractual obligations**

(in millions of dollars)

	Transfer payment agreements	Capital assets and purchases	Operating leases	International organizations	Total
Information from:					
Transfer payment agreements, capital assets, purchases and operating leases, Table 11.3 .....	160,067	65,999	4,177	–	230,243
International contractual obligations, Table 11.4 .....	–	–	–	6,234	6,234
Total .....	160,067	65,999	4,177	6,234	236,477

Table 11.2 summarizes the information presented in Table 11.1 to indicate the minimum amounts required to satisfy contractual obligations each year from 2024 to 2028 inclusively, and a total for amounts due in the year 2029 and subsequent years.

**Table 11.2**  
**Schedule of minimum payments**

(in millions of dollars)

Minimum payments to be made in:	Transfer payment agreements	Capital assets and purchases	Operating leases	International organizations	Total
2024 .....	49,212	22,527	515	2,398	74,652
2025 .....	33,126	11,145	526	1,854	46,651
2026 .....	26,589	7,742	502	614	35,447
2027 .....	13,337	5,430	457	255	19,479
2028 .....	12,039	3,706	441	194	16,380
2029 and subsequent years .....	25,764	15,449	1,736	919	43,868
Total .....	160,067	65,999	4,177	6,234	236,477

## Transfer payment agreements, capital assets, purchases and operating leases

Transfer payment agreements are irrevocable contracts to provide funding to other levels of governments, organizations or individuals.

Capital assets are tangible, durable items of value, including major additions or alterations thereto, including military equipment and land, from which benefits are expected to be derived during their useful life. Purchases are supported by contracts to supply goods or services.

An operating lease is a lease in which the lessor does not substantially transfer all the benefits and risks incident to ownership of property to the lessee. Some leases have escalation clauses based on the consumer price index.

**Table 11.3**

### Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>Transfer payment agreements</b>										
<b>Agriculture and Agri-Food</b>										
<b>Department of Agriculture and Agri-Food</b>										
<b>Agricultural Clean Technology Program</b>										
Aggregate.....	104	104	72	32	30	1	1	–	–	–
<b>Agricultural Climate Solutions</b>										
Aggregate.....	111	111	48	63	40	8	7	8	–	–
Canola Council of Canada.....	17	17	7	10	10	–	–	–	–	–
Manitoba Association of Watersheds.....	37	37	18	19	19	–	–	–	–	–
Ontario Soil and Crop Improvement Association.....	23	23	11	12	12	–	–	–	–	–
Results Driven Agriculture Research.....	34	34	19	15	15	–	–	–	–	–
<b>Agri-Recovery Program</b>										
Government of British Columbia.....	120	120	32	88	53	35	–	–	–	–
Government of Manitoba.....	93	93	56	37	37	–	–	–	–	–
<b>Funding Agreements for Provincial Governments and Territories</b>										
Government of Alberta.....	305	305	–	305	61	61	61	61	61	–
Government of British Columbia.....	86	86	–	86	17	17	17	17	18	–
Government of Manitoba.....	133	133	–	133	27	27	27	26	26	–
Government of Nova Scotia.....	28	28	–	28	6	6	6	5	5	–
Government of Ontario.....	341	341	–	341	68	68	68	68	69	–
Government of Quebec.....	220	220	–	220	44	44	44	44	44	–
Government of Saskatchewan.....	291	291	–	291	58	58	58	58	59	–
<b>Supply Management Processing Investment Fund</b>										
Aggregate.....	45	45	20	25	21	4	–	–	–	–
	1,988	1,988	283	1,705	518	329	289	287	282	–
<b>Canadian Heritage</b>										
<b>Department of Canadian Heritage</b>										
<b>Canada Arts Presentation Fund</b>										
Aggregate.....	79	79	24	55	31	15	7	2	–	–
<b>Canada Arts Training Fund</b>										
Aggregate.....	21	21	–	21	9	9	3	–	–	–
National Theatre School of Canada.....	14	14	–	14	4	5	5	–	–	–
<b>Canada Cultural Spaces Fund</b>										
Aggregate.....	94	94	42	52	32	17	3	–	–	–
<b>Canada Music Fund</b>										
Foundation to Assist Canadian Talent on Records.....	82	82	54	28	14	14	–	–	–	–
La Fondation Musicaction.....	57	57	37	20	10	10	–	–	–	–

**Table 11.3**  
**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>Community Support, Multiculturalism and Anti-Racism Initiatives Program</b>										
Aggregate.....	31	31	11	20	17	3	–	–	–	–
<b>Development of Official Languages Communities Program</b>										
Aggregate.....	253	253	110	143	92	37	14	–	–	–
Council of Ministers of Education.....	95	95	–	95	32	32	31	–	–	–
Government of Alberta.....	25	25	13	12	9	2	1	–	–	–
Government of Ontario.....	124	124	99	25	25	–	–	–	–	–
Minister of Finance - Quebec.....	142	142	74	68	68	–	–	–	–	–
Province of Nova Scotia.....	14	14	2	12	6	3	3	–	–	–
<b>Enhancement of Official Languages Program</b>										
Aggregate.....	45	45	17	28	16	9	3	–	–	–
<b>Exchanges Canada Program</b>										
Experiences Canada.....	15	15	5	10	5	5	–	–	–	–
YMCA of Greater Toronto.....	24	24	8	16	8	8	–	–	–	–
<b>Harbourfront Centre</b>										
Harbourfront Centre Operational Support.....	32	32	13	19	7	6	6	–	–	–
<b>Hosting Program</b>										
Aggregate.....	21	21	9	12	8	2	1	1	–	–
2025 Canada Games Host Society Inc.....	16	16	–	16	3	6	7	–	–	–
<b>Indigenous Languages and Cultures Program</b>										
Aggregate.....	60	60	23	37	30	7	–	–	–	–
<b>Local Journalism Initiative</b>										
Canada News Media Association.....	22	22	11	11	11	–	–	–	–	–
<b>Museum Assistance Program, Young Canada Works</b>										
Aggregate.....	18	18	6	12	10	2	–	–	–	–
Canada Museums Association.....	26	26	15	11	11	–	–	–	–	–
<b>Sport Support Program</b>										
Aggregate.....	28	28	7	21	19	2	–	–	–	–
<b>Canada Council for the Arts</b>										
Grants.....	788	788	384	404	154	134	99	17	–	–
	2,126	2,126	964	1,162	631	328	183	20	–	–
<b>Crown-Indigenous Relations and Northern Affairs</b>										
<b>Department of Crown-Indigenous Relations and Northern Affairs</b>										
<b>Aboriginal recipient funding agreement (Other)</b>										
Aggregate (120 agreements).....	284	284	182	102	53	17	12	3	3	14
Arctic Co-Operatives Ltd.....	60	60	–	60	20	20	20	–	–	–
Congress of Aboriginal Peoples.....	31	31	20	11	5	3	3	–	–	–
Cree-Naskapi Commission.....	15	15	3	12	1	1	1	1	1	7
Eeyou Marine Region Wildlife Board.....	20	20	5	15	1	1	1	2	2	8
Fédération des coopératives du Nouveau Québec.....	42	42	29	13	13	–	–	–	–	–
Government of Nunavut.....	61	61	–	61	5	6	6	6	6	32
Gwich'in Land & Water Board.....	19	19	6	13	1	1	1	1	2	7
Gwich'in Land Use Planning Board.....	12	12	1	11	1	1	1	1	1	6
Gwich'in Renewable Resource Board.....	20	20	6	14	1	1	1	2	2	7
Joint Secretariat.....	67	67	22	45	4	4	4	4	5	24
Mackenzie Valley Environmental Impact Review Board.....	68	68	22	46	4	4	4	4	5	25

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2029 and subsequent years
					2024	2025	2026	2027	2028	
Mackenzie Valley Land and Water Board .....	44	44	4	40	3	4	4	4	4	21
Minister of Finance - Quebec .....	3,204	3,204	216	2,988	263	271	280	289	296	1,589
Nunavik Marine Region Impact Review Board .....	13	13	2	11	1	1	1	1	1	6
Nunavik Marine Region Planning Commission .....	16	16	2	14	1	1	1	1	2	8
Nunavik Marine Region Wildlife Board .....	77	77	11	66	6	6	6	6	7	35
Nunavut Impact Review Board .....	61	61	–	61	5	6	6	6	6	32
Nunavut Planning Commission (Npc) .....	83	83	–	83	7	8	8	8	8	44
Nunavut Water Board .....	59	59	–	59	5	5	6	6	6	31
Nunavut Wildlife Management Board .....	146	146	–	146	13	13	14	14	14	78
Sahtu Land and Water Board .....	27	27	9	18	1	2	2	2	2	9
Sahtu Land Use Planning Board .....	13	13	2	11	1	1	1	1	1	6
Sahtu Renewable Resources Board .....	24	24	9	15	1	1	1	2	2	8
Sahtu Secretariat Incorporated .....	26	26	11	15	1	1	2	1	2	8
The North West Company .....	192	192	142	50	50	–	–	–	–	–
Wek'Eezhii Land and Water Board .....	42	42	16	26	2	2	2	3	3	14
Wek'Eezhii Renewable Resources Board .....	17	17	6	11	1	1	1	1	1	6
<b>Funding agreements for provincial governments and territories</b>										
Government of the Northwest Territories .....	68	68	5	63	6	6	6	6	6	33
Government of Yukon .....	122	122	18	104	9	10	10	10	10	55
<b>Grant</b>										
Aggregate (35 agreements) .....	157	157	118	39	35	4	–	–	–	–
?Aqam .....	18	18	1	17	1	1	2	2	2	9
Cowichan .....	146	146	9	137	12	12	13	13	14	73
Government of Nunavut, Department of Health .....	131	131	104	27	27	–	–	–	–	–
Government of the Northwest Territories, Health and Social Services .....	169	169	134	35	35	–	–	–	–	–
Inuvialuit Regional Corporation .....	133	133	98	35	26	9	–	–	–	–
Naskapi Nation of Kawawachikamach .....	61	61	1	60	5	5	6	6	6	32
Nunavut Tunngavik Inc. .....	529	529	347	182	112	70	–	–	–	–
Seabird Island Indian Band .....	75	75	5	70	6	6	7	7	7	37
Tsleil-Waututh Nation .....	20	20	4	16	2	2	2	2	2	6
<b>Indian Self-Government</b>										
Aggregate (41 agreements) .....	350	350	197	153	53	53	5	6	6	30
B'Maakonigan .....	186	186	3	183	16	17	17	18	18	97
Carcross/Tagish First Nation .....	276	276	38	238	21	21	22	23	24	127
Champagne and Aishihik First Nations .....	318	318	44	274	24	25	26	26	27	146
Cowessess Band .....	75	75	13	62	5	6	6	6	6	33
Cree Nation Government .....	3,672	3,672	563	3,109	273	282	291	301	308	1,654
Deline Got'Ine Government .....	208	208	31	177	16	16	17	17	17	94
First Nation Education Authority .....	23	23	–	23	3	2	2	2	2	12
First Nation of Nacho Nyak Dun .....	251	251	35	216	19	20	20	21	21	115
Gwich'In Tribal Council .....	221	221	13	208	18	19	19	20	21	111
Huu-Ay-Aht First Nations .....	162	162	27	135	12	12	13	13	13	72
Inuvialuit Regional Corporation .....	225	225	5	220	19	20	21	21	22	117
Ka:'Yu:'K'T'H'/Che:'K:'Tles7Et'H' First Nations .....	213	213	34	179	16	16	17	17	18	95
Kativik Regional Government .....	235	235	24	211	19	19	20	20	21	112
Kinoomaadziwin Education Body Inc. .....	1,034	1,034	137	897	79	81	84	87	89	477
Kluane First Nation .....	192	192	25	167	15	15	16	16	16	89
Kwanlin Dun First Nation .....	376	376	53	323	29	29	30	31	32	172
Lil'Wat Nation .....	85	85	4	81	7	7	8	8	8	43
Little Salmon/Carmacks First Nation .....	278	278	39	239	21	22	22	23	24	127
Makivik Corporation .....	485	485	10	475	98	66	49	50	50	162

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2029 and subsequent years
					2024	2025	2026	2027	2028	
Manitoba Métis Federation Inc.....	213	213	39	174	15	16	16	17	17	93
Métis Nation of Alberta Association .....	219	219	44	175	15	16	17	17	17	93
Métis Nation of Ontario .....	119	119	32	87	8	8	8	8	9	46
Metis Nation—Saskatchewan Secretariat .....	216	216	42	174	15	16	16	17	17	93
Mi'Kmaq Kina'Matnewey.....	1,161	1,161	207	954	84	87	89	92	94	508
Naskapi Nation of Kawawachikamach .....	342	342	24	318	28	29	30	31	31	169
Nisga'A Nation.....	1,902	1,902	359	1,543	148	153	142	146	150	804
Nunatsiavut Government.....	1,716	1,716	373	1,343	129	133	123	127	130	701
Nunavut Tunngavik Inc.....	56	56	34	22	11	11	—	—	—	—
Sahtu Secretariat Incorporated.....	120	120	12	108	17	14	9	9	9	50
Sechelt Indian Band .....	260	260	42	218	19	20	20	21	22	116
Selkirk First Nation .....	295	295	40	255	22	23	24	25	25	136
Sioux Valley Dakota Nation.....	534	534	90	444	39	40	42	43	44	236
Ta'An Kwach'An Council.....	167	167	24	143	13	13	13	14	14	76
Teslin Tlingit Council .....	307	307	41	266	23	24	25	26	26	142
Tla'Amin Nation.....	284	284	49	235	21	21	22	23	23	125
Tlicho Government .....	750	750	123	627	60	62	58	59	61	327
Toquaht Indian Band.....	109	109	19	90	8	8	8	9	9	48
Tr'Onëk Hwëch'In .....	300	300	41	259	23	23	24	25	26	138
Tsawwassen First Nation.....	206	206	39	167	15	15	16	16	16	89
Tsilhqot'In National Government .....	41	41	17	24	8	8	8	—	—	—
Uchucklesaht Tribe .....	115	115	20	95	8	9	9	9	9	51
Ucluelet First Nation .....	182	182	30	152	13	14	14	15	15	81
Vuntut Gwitchin First Nation.....	341	341	43	298	26	27	28	29	30	158
Wabaseemoong Child Welfare Authority.....	298	298	36	262	23	24	24	25	26	140
Wabaseemoong Independent Nation .....	66	66	6	60	5	5	6	6	6	32
Westbank First Nation.....	201	201	34	167	15	15	16	16	16	89
	25,757	25,757	4,725	21,032	2,320	2,089	1,947	1,966	2,014	10,696
<b>Economic Development Agency of Canada for the Regions of Quebec</b>										
<b>Department of Economic Development Agency of Canada for the Regions of Quebec</b>										
<b>Community Futures Program</b>										
57 Community Futures Development Corporations (CFDCs) and 10 Community Business Development Corporations (CBDs) .....	167	167	133	34	34	—	—	—	—	—
<b>Economic Development of Quebec Program (QDEP)</b>										
Montréal International.....	75	75	22	53	11	11	6	4	5	16
Small and medium-sized enterprises (SME), SME groups and associations and non-profit organizations.....	505	505	339	166	153	7	3	3	—	—
Société du Parc Jean-Drapeau .....	99	99	37	62	3	7	7	7	7	31
<b>Regional Economic Growth through Innovation (REGI)</b>										
Duravit Canada Inc.....	19	19	—	19	2	10	7	—	—	—
National Optics Institute.....	53	53	23	30	12	10	8	—	—	—
Small and medium-sized enterprises (SME), SME groups and associations and non-profit organizations.....	597	597	367	230	190	29	10	1	—	—
	1,515	1,515	921	594	405	74	41	15	12	47
<b>Employment, Workforce Development and Disability Inclusion</b>										
<b>Department of Employment and Social Development</b>										
<b>Canada Service Corps</b>										
Aggregate.....	43	43	11	32	32	—	—	—	—	—

**Table 11.3**  
**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>Canadian Apprenticeship Strategy</b>										
Aggregate.....	191	191	111	80	48	17	15	–	–	–
British Columbia Construction Association....	25	25	14	11	10	1	–	–	–	–
Building and Construction Trades										
Department.....	54	54	27	27	26	1	–	–	–	–
Canadian Apprenticeship Forum.....	47	47	24	23	23	–	–	–	–	–
Canadian Institute of Steel Construction.....	27	27	14	13	13	–	–	–	–	–
Colleges and Institutes Canada.....	37	37	17	20	20	–	–	–	–	–
First Peoples Development Inc.....	48	48	24	24	24	–	–	–	–	–
Native Women's Association										
of Canada.....	54	54	27	27	27	–	–	–	–	–
Nova Scotia Apprenticeship Agency.....	28	28	15	13	13	–	–	–	–	–
Skills / Compétences Canada Corporation.....	51	51	15	36	9	9	9	4	5	–
UBCJA - Canadian District United										
Brotherhood of Carpenters and Joiners ....	40	40	20	20	19	1	–	–	–	–
<b>Early Learning and Child Care</b>										
Aggregate.....	33	33	9	24	12	10	2	–	–	–
Government of Alberta.....	4,004	4,004	1,175	2,829	822	952	1,055	–	–	–
Government of British Columbia.....	3,586	3,586	1,063	2,523	741	855	927	–	–	–
Government of Manitoba.....	1,284	1,284	380	904	263	305	336	–	–	–
Government of New Brunswick.....	571	571	172	399	118	136	145	–	–	–
Government of Newfoundland and										
Labrador.....	351	351	108	243	72	83	88	–	–	–
Government of Nova Scotia.....	697	697	210	487	144	166	177	–	–	–
Government of Nunavut.....	79	79	27	52	16	18	18	–	–	–
Government of Ontario.....	11,102	11,102	3,273	7,829	2,287	2,646	2,896	–	–	–
Government of Prince Edward Island.....	140	140	45	95	29	33	33	–	–	–
Government of Quebec.....	6,601	6,601	1,950	4,651	1,357	1,571	1,723	–	–	–
Government of Saskatchewan.....	1,130	1,130	335	795	231	268	296	–	–	–
Government of the Northwest										
Territories.....	62	62	22	40	13	14	13	–	–	–
Government of Yukon.....	55	55	20	35	11	12	12	–	–	–
<b>Enabling Fund for the Official Language Minority Communities</b>										
Aggregate.....	30	30	–	30	6	6	6	6	6	–
Community Economic										
Development & Employability										
Corporation.....	14	14	–	14	3	3	3	3	2	–
La Société Économique de l'Ontario.....	11	11	–	11	2	2	2	2	3	–
RDÉE Canada.....	10	10	–	10	2	2	2	2	2	–
<b>Foreign Credential Recognition Program</b>										
Aggregate.....	109	109	49	60	23	13	9	9	6	–
<b>Future Skills</b>										
Ryerson University.....	360	360	287	73	73	–	–	–	–	–
<b>Indigenous Early Learning and Child Care</b>										
Aggregate.....	279	279	202	77	68	3	2	2	2	–
Kakivak Association.....	41	41	21	20	4	4	4	4	4	–
Kitikmeot Inuit Association.....	21	21	11	10	3	2	2	2	1	–
Kivalliq Inuit Association.....	24	24	12	12	3	2	2	2	3	–
<b>Indigenous Skills and Employment Training Program</b>										
Aggregate.....	537	537	254	283	55	48	44	47	44	45
Aboriginal Community Career Employment										
Services Society.....	50	50	21	29	5	5	5	5	5	4
Aboriginal Labour Force Development										
Circle.....	112	112	47	65	11	11	11	11	11	10
Administration Regionale Kativik.....	16	16	2	14	2	2	2	2	3	3
Akaiicho Territory Government.....	19	19	9	10	2	2	2	2	1	1

**Table 11.3**  
**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
Akwesasne Area Management Board.....	38	38	16	22	4	4	7	3	2	2
Anishinabek Employment & Training Services .....	18	18	7	11	2	2	2	2	2	1
Cariboo Chilcotin Aboriginal Training Employment Centre .....	23	23	10	13	2	2	2	2	2	3
Centre for Aboriginal Human Resource Development Inc.....	73	73	30	43	7	7	7	7	7	8
Coast Salish Employment & Training Society .....	52	52	22	30	5	5	5	5	5	5
Community Futures Treaty Seven .....	128	128	74	54	9	9	9	9	9	9
Congress of Aboriginal Peoples .....	32	32	14	18	3	3	3	9	–	–
Cree Nation Government.....	18	18	7	11	2	2	2	2	2	1
First Nations Human Resources Development Commission of Quebec.....	226	226	95	131	22	22	22	22	22	21
First Peoples Development Inc.....	117	117	59	58	10	10	10	10	9	9
Gabriel Dumont Institute Training and Employment Inc .....	145	145	61	84	14	14	14	14	14	14
Grand River Employment & Training Inc. ....	61	61	26	35	6	6	6	6	6	5
Inuvialuit Regional Corporation .....	26	26	11	15	2	2	2	3	3	3
Island Lake Tribal Council .....	31	31	13	18	3	3	3	3	3	3
Kakivak Association .....	68	68	29	39	6	6	6	7	7	7
Kiikenomaga Kikenjigewen Employment and Training Services .....	23	23	10	13	2	2	4	2	2	1
Kitikmeot Inuit Association.....	27	27	11	16	3	3	3	3	2	2
Kivalliq Inuit Association.....	40	40	17	23	4	4	4	4	4	3
Mamaweswen, The North Shore Tribal Council.....	21	21	9	12	2	2	2	2	2	2
Manitoba Keewatinowi Okimakanak Inc.....	120	120	49	71	12	12	12	12	12	11
Manitoba Métis Federation Inc.....	163	163	68	95	16	16	16	16	16	15
Mawiw Council Corporate .....	24	24	10	14	2	2	2	2	3	3
Métis Nation of Ontario .....	87	87	36	51	8	8	8	9	9	9
Métis Provincial Council of British Columbia .....	83	83	35	48	8	8	8	8	8	8
Métis Settlements Strategic Training Initiatives Society .....	20	20	8	12	2	2	2	2	2	2
Mi'kmaq Employment/Training Secretariat ....	57	57	23	34	6	6	6	6	5	5
Mushkegowuk Council.....	27	27	11	16	3	3	3	3	2	2
Musqueam Squamish Tsleil-Waututh Employment & Training Society .....	25	25	10	15	2	2	5	2	2	2
Native Council of Nova Scotia .....	19	19	8	11	2	2	2	2	2	1
Native Women's Association of Canada.....	32	32	14	18	3	3	3	3	3	3
North East Native Advancing Society .....	23	23	11	12	2	2	2	2	2	2
North Vancouver Island Aboriginal Training Society .....	25	25	10	15	2	2	2	3	3	3
Okanagan Training & Development Council .....	21	21	9	12	2	2	2	2	2	2
Ontario Federation of Indigenous Friendship Centres .....	99	99	41	58	10	10	10	10	9	9
Oteenow Employment and Training Society ..	41	41	17	24	4	4	9	2	2	3
Peguis First Nation Training & Employment .	11	11	–	11	2	2	2	2	2	1
Prince George Nechako Aboriginal Employment & Training Association.....	39	39	16	23	4	4	4	4	4	3
Rupert's Bay Institute .....	176	176	73	103	17	17	17	17	17	18
Saskatchewan Indian Training Assessment Group Inc.....	315	315	132	183	30	30	30	31	31	31
Shooniyaa Wa-Biitong .....	48	48	20	28	5	5	5	5	4	4
Shuswap Nation Tribal Council Society .....	30	30	14	16	3	3	3	3	2	2
Sioux Lookout Area Aboriginal Management Board.....	62	62	26	36	6	6	6	6	6	6
Skanehionkwaioteh Incorporated .....	29	29	12	17	3	3	3	3	3	2

**Table 11.3**  
**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>Southeast Resource Development</b>										
Council Corporation .....	18	18	7	11	2	2	2	2	2	1
Southern First Nations Secretariat .....	22	22	9	13	2	2	2	2	2	3
Stó:Lo Nation .....	45	45	19	26	4	4	4	4	5	5
<b>Tribal Chiefs Employment &amp; Training</b>										
Services Association .....	40	40	24	16	3	2	5	2	2	2
Tribal Resources Investment Corporation .....	60	60	25	35	6	6	6	6	6	5
Union of Ontario Indians .....	41	41	17	24	4	4	4	4	4	4
Wiwemikong Unceded Indian Reserve .....	22	22	9	13	2	2	2	2	2	3
<b>Labour Market Development</b>										
<b>Agreements</b>										
Aggregate .....	25	25	13	12	12	–	–	–	–	–
Government of Alberta .....	383	383	218	165	165	–	–	–	–	–
Government of British Columbia .....	630	630	334	296	296	–	–	–	–	–
Government of Manitoba .....	113	113	63	50	50	–	–	–	–	–
Government of New Brunswick .....	201	201	106	95	95	–	–	–	–	–
Government of Newfoundland and Labrador .....	256	256	124	132	132	–	–	–	–	–
Government of Nova Scotia .....	183	183	98	85	85	–	–	–	–	–
Government of Ontario .....	1,428	1,428	790	638	638	–	–	–	–	–
Government of Prince Edward Island .....	53	53	28	25	25	–	–	–	–	–
Government of Quebec .....	1,304	1,304	705	599	599	–	–	–	–	–
Government of Saskatchewan .....	99	99	55	44	44	–	–	–	–	–
<b>New Horizons for Seniors Program</b>										
Aggregate .....	57	57	43	14	10	4	–	–	–	–
<b>Opportunities Fund for Persons with Disabilities</b>										
Aggregate .....	63	63	9	54	19	18	17	–	–	–
Inclusion Canada .....	30	30	3	27	7	6	7	7	–	–
<b>Sectoral Workforce Solutions Program</b>										
Aggregate .....	193	193	72	121	95	26	–	–	–	–
10793574 Canada Association .....	13	13	1	12	12	–	–	–	–	–
<b>Canadian Council for Aviation &amp; Aerospace</b>										
Aerospace .....	39	39	13	26	26	–	–	–	–	–
Energy Safety Canada .....	15	15	5	10	10	–	–	–	–	–
<b>Environmental Careers Organization of Canada</b>										
Canada .....	18	18	4	14	14	–	–	–	–	–
<b>Foundation for Advancing Family Medicine</b>										
Medecine .....	45	45	10	35	35	–	–	–	–	–
Iron and Earth .....	16	16	4	12	12	–	–	–	–	–
Lighthouse Labs Inc. ....	21	21	7	14	14	–	–	–	–	–
Medical Council of Canada .....	29	29	8	21	21	–	–	–	–	–
<b>Mohawk College of Applied Arts and Technology</b>										
Technology .....	46	46	13	33	33	–	–	–	–	–
Next Generation Manufacturing Canada .....	16	16	5	11	11	–	–	–	–	–
<b>The Newfoundland and Labrador Association of Technology</b>										
Association of Technology .....	27	27	5	22	22	–	–	–	–	–
Trucking Human Resources Canada .....	46	46	9	37	37	–	–	–	–	–
<b>Skills and Partnership Fund (SPF)</b>										
Aggregate .....	96	96	14	82	19	19	19	17	8	–
Aboriginal Community Career Employment Services Society .....	22	22	4	18	4	4	4	4	2	–
Assemblée des Premières Nations Québec-Labrador / CDRHPNQ .....	25	25	6	19	5	5	4	5	–	–
Gabriel Dumont Institute Training and Employment Inc. ....	15	15	3	12	2	2	2	3	3	–
Labrador Aboriginal Training Partnership Inc. ....	19	19	1	18	4	4	4	4	2	–
Qikiqtani Inuit Association .....	25	25	1	24	5	5	5	5	4	–
Yellowknives Dene First Nation .....	13	13	2	11	2	2	2	3	2	–
Aggregate .....	255	255	126	129	115	10	4	–	–	–

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
Ministry of Labour, Immigration, Training and Skills Development .....	31	31	16	15	15	—	—	—	—	—
<b>Social Development Partnerships Program</b>										
Aggregate .....	588	588	503	85	49	17	14	5	—	—
<b>Social Innovation and Social Finance Program (Investment Readiness Program)</b>										
CAP Finance Social Finance Fund .....	89	89	24	65	25	14	13	13	—	—
Realize Capital Partners Inc. ....	54	54	38	16	3	3	2	8	—	—
Realize Capital Partners Investco Inc. ....	100	100	3	97	42	15	22	18	—	—
<b>Student Work Placement Program</b>										
Aggregate .....	212	212	167	45	45	—	—	—	—	—
BioTalent Canada .....	80	80	64	16	16	—	—	—	—	—
Co-operative Education and Work Integrated Learning .....	53	53	35	18	18	—	—	—	—	—
Information and Communications Technology Council .....	137	137	115	22	22	—	—	—	—	—
La Fédération des chambres de commerce de la province de Québec .....	81	81	58	23	23	—	—	—	—	—
Riipen Networks Inc. ....	49	49	31	18	18	—	—	—	—	—
Ryerson University .....	145	145	121	24	24	—	—	—	—	—
TECHNATION Canada .....	170	170	148	22	22	—	—	—	—	—
Venture for Canada Fellowship Institute .....	48	48	36	12	12	—	—	—	—	—
<b>Supports for Student Learning Program</b>										
Colleges and Institutes Canada .....	33	33	12	21	13	8	—	—	—	—
Universities Canada .....	42	42	14	28	11	17	—	—	—	—
<b>Workforce Development Agreements</b>										
Aggregate .....	75	75	65	10	10	—	—	—	—	—
Government of Alberta .....	603	603	519	84	84	—	—	—	—	—
Government of British Columbia .....	707	707	609	98	98	—	—	—	—	—
Government of Manitoba .....	189	189	163	26	26	—	—	—	—	—
Government of New Brunswick .....	111	111	96	15	15	—	—	—	—	—
Government of Newfoundland and Labrador .....	71	71	61	10	10	—	—	—	—	—
Government of Nova Scotia .....	139	139	120	19	19	—	—	—	—	—
Government of Ontario .....	2,000	2,000	1,721	279	279	—	—	—	—	—
Government of Quebec .....	1,054	1,054	894	160	160	—	—	—	—	—
Government of Saskatchewan .....	166	166	144	22	22	—	—	—	—	—
<b>Youth Employment and Skills Strategy</b>										
Aggregate .....	896	896	742	154	154	—	—	—	—	—
Ministère du Travail, de l'Emploi et de la Solidarité Sociale, Quebec .....	152	152	122	30	15	15	—	—	—	—
	48,858	48,858	20,850	28,008	10,852	7,681	8,260	487	396	332
<b>Environment and Climate Change Department of the Environment</b>										
<b>Canada Nature Fund</b>										
Aggregate .....	491	491	267	224	102	68	54	—	—	—
Government of Alberta .....	19	19	8	11	11	—	—	—	—	—
Government of British Columbia .....	69	69	14	55	24	28	3	—	—	—
Nature-Action Québec .....	20	20	3	17	5	7	5	—	—	—
<b>Climate Finance Program</b>										
Aggregate .....	83	83	27	56	21	19	16	—	—	—
NovaSphere .....	20	20	4	16	5	5	6	—	—	—
World Bank .....	25	25	3	22	8	9	5	—	—	—
<b>Conserving Nature</b>										
Aggregate .....	207	207	83	124	50	32	25	17	—	—
Ducks Unlimited Canada .....	30	30	13	17	9	2	3	3	—	—

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>Montreal Protocol on Substances that Deplete the Ozone Layer</b>										
United Nations Environment Program .....										
	14	14	3	11	3	3	3	2	–	–
<b>Low Carbon Economy</b>										
Aggregate .....										
	386	386	305	81	78	3	–	–	–	–
Crescent Point Resources Partnership .....										
	18	18	3	15	15	–	–	–	–	–
Government of Alberta .....										
	124	124	109	15	15	–	–	–	–	–
Government of Manitoba .....										
	38	38	25	13	13	–	–	–	–	–
Government of Newfoundland and Labrador .....										
	38	38	19	19	19	–	–	–	–	–
Government of Quebec .....										
	261	261	238	23	23	–	–	–	–	–
<b>Preventing and Managing Pollution</b>										
Aggregate .....										
	43	43	20	23	17	4	2	–	–	–
Experimental Lakes Area, Inc. ....										
	25	25	5	20	5	5	5	5	–	–
<b>Pricing System Proceeds Fund (\$)</b>										
Saskatchewan Power Corporation .....										
	174	174	7	167	47	76	44	–	–	–
<b>Taking Action on Clean Growth and Climate Change</b>										
Aggregate .....										
	83	83	48	35	15	11	7	2	–	–
Canadian Institute for Clean Growth and Climate Change .....										
	30	30	–	30	6	6	6	6	6	–
<b>Parks Canada Agency</b>										
<b>Land-based Multi-use Infrastructure</b>										
Qikiqtani Inuit Association .....										
	26	26	13	13	12	1	–	–	–	–
<b>Nattilik Heritage Centre and Exhibit Expansion, Collaborative Site Operation and Management, and Wrecks Guardian Program</b>										
Nattilik Heritage Society .....										
	13	13	1	12	3	3	1	1	1	3
<b>Renew and Expand the Trans Canada Trail</b>										
Trans Canada Trail .....										
	55	55	9	46	10	11	12	13	–	–
<b>Tallurutiup Imanga IIBA Implementation and Capacity Development Funding</b>										
Qikiqtani Inuit Association .....										
	31	31	13	18	6	7	5	–	–	–
	2,323	2,323	1,240	1,083	522	300	202	49	7	3
<b>Fisheries, Oceans and the Canadian Coast Guard</b>										
<b>Department of Fisheries and Oceans</b>										
<b>Ocean and Climate Change Science Contribution Program</b>										
University of Victoria .....										
	47	47	7	40	10	10	10	10	–	–
<b>Global Affairs</b>										
<b>Department of Foreign Affairs, Trade and Development</b>										
<b>Development, Peace and Security Programming</b>										
Aggregate .....										
	2,873	2,873	1,859	1,014	510	285	143	61	14	1
Adventist Development and Relief Agency of Canada .....										
	27	27	8	19	3	5	5	4	2	–
Aga Khan Foundation Canada .....										
	115	115	48	67	6	23	17	16	5	–
Alinea International Ltd .....										
	59	59	10	49	18	17	14	–	–	–
Alliance agricole internationale .....										
	17	17	4	13	5	5	3	–	–	–
Canadian Catholic Organization for Development and Peace .....										
	13	13	3	10	2	4	3	1	–	–
Canadian Foodgrains Bank .....										
	111	111	57	54	37	13	4	–	–	–
Canadian Red Cross .....										
	15	15	2	13	4	5	4	–	–	–
CARE Canada .....										
	73	73	9	64	7	11	11	11	11	13
Catalyste+ .....										
	50	50	14	36	8	10	9	9	–	–
Centre de coopération internationale en santé et développement .....										
	42	42	7	35	5	9	8	6	7	–
Centre for International Studies and Cooperation .....										
	80	80	28	52	13	10	14	15	–	–

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
Colleges and Institutes Canada.....	148	148	18	130	16	27	27	25	18	17
CowaterSogema International Inc .....	87	87	14	73	19	20	17	8	6	3
Crossroads International.....	38	38	15	23	6	6	6	5	—	—
Cuso International .....	50	50	19	31	8	6	9	8	—	—
Desjardins International Development.....	20	20	3	17	2	4	4	4	3	—
Doctors of the World Canada .....	45	45	7	38	7	11	9	10	1	—
Éducation internationale.....	17	17	1	16	3	5	3	3	2	—
Equitas - International Centre for Human Rights Education.....	17	17	5	12	3	4	3	2	—	—
Federation of Canadian Municipalities .....	26	26	6	20	5	5	5	5	—	—
Fondation Paul Gérin-Lajoie .....	47	47	12	35	7	9	10	8	1	—
Grand Challenges Canada .....	200	200	84	116	52	40	20	4	—	—
Inter Pares .....	40	40	11	29	8	8	9	4	—	—
International Bureau for Children's Rights .....	30	30	6	24	7	6	6	5	—	—
International Institute for Sustainable Development .....	17	17	2	15	3	7	5	—	—	—
Jules and Paul-Émile Léger Foundation .....	30	30	5	25	9	9	7	—	—	—
Lawyers Without Borders Canada .....	16	16	5	11	3	4	4	—	—	—
Mennonite Economic Development Associates.....	58	58	11	47	13	14	11	9	—	—
Nutrition International.....	343	343	197	146	61	60	9	9	5	2
Oxfam Canada .....	20	20	3	17	2	3	6	3	3	—
Oxfam-Québec .....	89	89	33	56	14	13	11	13	3	2
Plan International Canada Inc.....	65	65	8	57	18	17	14	6	2	—
Renew International Canada Ltd .....	32	32	5	27	7	5	4	4	3	4
Right To Play International .....	35	35	12	23	5	9	3	6	—	—
Save the Children Canada .....	75	75	16	59	9	14	16	13	7	—
Société de coopération pour le développement international .....	62	62	9	53	11	14	15	5	5	3
Solidarité Union Coopération.....	31	31	10	21	5	6	5	5	—	—
University of Montreal .....	40	40	18	22	7	10	3	1	1	—
University of Waterloo.....	15	15	2	13	1	3	4	2	2	1
UPA Développement international .....	16	16	3	13	6	5	2	—	—	—
War Child Canada.....	14	14	2	12	3	3	4	2	—	—
World University Service of Canada .....	94	94	28	66	23	19	16	8	—	—
World Vision Canada .....	54	54	24	30	12	11	3	2	2	—
Youth Challenge International.....	17	17	6	11	3	3	3	2	—	—
<b>International Advocacy and Diplomacy</b> Aggregate.....	19	19	6	13	5	3	3	1	1	—
<b>Pacific Economic Development Agency of Canada</b> <b>Community Futures Program</b> Aggregate.....	30	30	—	30	10	10	10	—	—	—
<b>Regional Economic Growth through Innovation</b> Aggregate.....	107	107	—	107	73	28	4	2	—	—
<b>Western Diversification Program</b> Aggregate.....	32	32	—	32	27	3	1	1	—	—
<b>International Development Research Centre</b> Climate and Dev Knowledge Network project 109969 .....	18	18	3	15	4	5	4	1	1	—
	5,569	5,569	2,658	2,911	1,095	826	530	309	105	46
<b>Health</b> <b>Department of Health</b> <b>Canada Brain Research Fund Program</b> Brain Canada Foundation .....	85	85	43	42	23	15	4	—	—	—
<b>Canadian Thalidomide Survivors Support Program</b> Epiq Class Action Services Canada Inc.....	64	64	39	25	13	12	—	—	—	—

**Table 11.3**  
**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>Contribution to improve Health Care Quality and Patient Safety</b>										
Healthcare Excellence Canada .....	129	129	54	75	25	25	25	–	–	–
<b>Contribution to the Canadian Agency for Drugs and Technologies in Health</b>										
Canadian Agency for Drugs and Technologies in Health .....	169	169	127	42	34	8	–	–	–	–
<b>Contribution to the Canadian Institute for Health Information</b>										
Canadian Institute for Health Information .....	583	583	475	108	108	–	–	–	–	–
<b>Contribution to the Canadian Partnership Against Cancer</b>										
Canadian Partnership Against Cancer.....	237	237	47	190	48	48	47	47	–	–
<b>Health Care Policy and Strategies Program</b>										
Aggregate.....	117	117	59	58	44	10	3	1	–	–
Terry Fox Research Institute .....	116	116	32	84	46	38	–	–	–	–
<b>Improving Affordable Access to Prescription Drugs Program</b>										
Government of Prince Edward Island.....	35	35	13	22	11	11	–	–	–	–
<b>Mental Health Commission of Canada Contribution Program</b>										
Mental Health Commission of Canada .....	64	64	21	43	14	14	15	–	–	–
<b>Official Languages Health Program</b>										
Aggregate.....	30	30	–	30	6	6	6	6	6	–
Government of New Brunswick .....	10	10	–	10	2	2	2	2	2	–
Moncton University .....	13	13	–	13	3	3	3	2	2	–
<b>Organs, Tissues and Blood Program</b>										
Canadian Blood Services.....	18	18	4	14	4	4	3	3	–	–
<b>Substance Use and Addictions Program</b>										
Aggregate.....	335	335	190	145	114	31	–	–	–	–
Canadian Centre on Substance Abuse .....	51	51	21	30	10	10	10	–	–	–
<b>Canadian Institutes of Health Research</b>										
<b>Canada Excellence Research Chairs</b>										
Social Sciences and Humanities Research Council of Canada .....	30	30	20	10	4	3	3	–	–	–
<b>Canada First Research Excellence Fund</b>										
Social Sciences and Humanities Research Council of Canada .....	396	396	11	385	47	58	58	58	59	105
<b>Canada Graduate Scholarships</b>										
Aggregate.....	59	59	12	47	19	19	9	–	–	–
<b>Grants for research projects and personnel support</b>										
Aggregate.....	365	365	174	191	78	55	37	13	7	1
Centre for Addiction and Mental Health.....	47	47	18	29	11	8	5	3	2	–
Centre hospitalier de l'Université de Montréal.....	68	68	26	42	14	12	9	5	2	–
Centre hospitalier universitaire Sainte-Justine.....	45	45	19	26	9	8	5	3	1	–
Children's Hospital of Eastern Ontario Research Institute .....	25	25	13	12	5	3	2	1	1	–
Dalhousie University .....	50	50	23	27	12	7	4	3	1	–
Douglas Hospital Research Centre .....	41	41	21	20	7	5	4	2	2	–
Hôpital Maisonneuve-Rosemont .....	24	24	12	12	4	4	2	1	1	–
Hospital for Sick Children.....	218	218	112	106	47	28	18	10	3	–
Jewish General Hospital.....	49	49	21	28	10	7	5	3	2	1
McGill University .....	210	210	104	106	38	29	20	12	6	1

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
McMaster University.....	305	305	127	178	70	58	26	18	4	2
Montreal Clinical Research Institute .....	47	47	29	18	8	4	3	2	1	—
Montreal Heart Institute .....	33	33	15	18	6	6	4	2	—	—
Ontario SPOR Support Unit .....	34	34	13	21	7	7	7	—	—	—
Ottawa Heart Institute Research Corporation.....	26	26	10	16	6	5	2	1	1	1
Ottawa Hospital Research Institute.....	94	94	51	43	17	13	7	4	2	—
Queen's University .....	71	71	32	39	13	11	8	4	2	1
Research Institute of the McGill University Health Centre.....	129	129	53	76	30	25	11	7	3	—
Simon Fraser University.....	47	47	14	33	9	7	6	5	4	2
Sinai Health System .....	62	62	30	32	11	9	7	4	1	—
Social Sciences and Humanities Research Council of Canada .....	656	656	324	332	101	85	63	43	24	16
Sunnybrook Research Institute .....	80	80	36	44	16	13	7	4	2	2
Unity Health Toronto .....	101	101	58	43	19	12	7	4	1	—
Université de Montréal .....	70	70	31	39	13	11	8	5	2	—
Université de Sherbrooke .....	65	65	30	35	13	10	8	3	1	—
Université Laval .....	150	150	65	85	29	24	18	11	3	—
University Health Network.....	238	238	108	130	50	39	22	13	5	1
University of Alberta.....	175	175	87	88	33	26	16	9	4	—
University of British Columbia .....	450	450	222	228	88	68	42	22	7	1
University of Calgary .....	225	225	111	114	44	32	21	12	5	—
University of Guelph.....	23	23	11	12	4	3	3	2	—	—
University of Manitoba .....	102	102	47	55	21	16	11	5	2	—
University of Ottawa .....	73	73	35	38	14	10	8	4	2	—
University of Saskatchewan .....	52	52	23	29	11	8	6	4	—	—
University of Toronto.....	233	233	124	109	42	31	20	11	5	—
University of Victoria.....	24	24	10	14	6	4	3	1	—	—
University of Waterloo.....	34	34	21	13	5	3	3	2	—	—
University of Western Ontario.....	105	105	50	55	21	17	10	5	2	—
<b>Institute support grants</b>										
Aggregate.....	106	106	69	37	15	11	8	3	—	—
<b>Vanier Canada Graduate Scholarships</b>										
Aggregate.....	22	22	6	16	7	6	3	—	—	—
<b>Public Health Agency of Canada</b>										
<b>Chronic Disease Prevention</b>										
Aggregate.....	72	72	42	30	16	6	3	2	2	1
<b>Communicable Disease and Infection Control</b>										
Aggregate.....	157	157	46	111	32	29	25	24	1	—
Canadian AIDS Treatment Information Exchange .....	20	20	4	16	4	4	4	4	—	—
<b>Evidence for Health Promotion, and Chronic Disease and Injury Prevention</b>										
Aggregate.....	102	102	75	27	15	3	3	3	3	—
<b>Health Promotion</b>										
Aggregate.....	1,152	1,152	875	277	206	56	13	1	1	—
Centre for Addiction and Mental Health (Queen Street West).....	30	30	8	22	11	11	—	—	—	—
<b>Immunization and Vaccine Preventable Disease</b>										
Aggregate.....	123	123	90	33	33	—	—	—	—	—
Raymond Chabot Grant Thornton Consulting Inc .....	45	45	21	24	13	6	5	—	—	—
	9,216	9,216	4,714	4,502	1,869	1,172	720	419	187	135
<b>Immigration, Refugees and Citizenship Department of Citizenship and Immigration</b>										
<b>Canada-Quebec Accord—Provincial agreement on immigration matters and on the selection of foreign nationals wishing to settle in Canada</b>										
Government of Quebec .....	5,087	5,087	727	4,360	727	727	727	727	726	726

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>Resettlement Assistance Program</b>										
Aggregate.....	371	371	284	87	52	35	—	—	—	—
COSTI Immigrant Services .....	90	90	72	18	15	3	—	—	—	—
Polycultural Immigrant & Community Services .....	42	42	21	21	11	10	—	—	—	—
<b>Settlement Program</b>										
Aggregate.....	3,601	3,601	2,092	1,509	799	710	—	—	—	—
Bow Valley College .....	33	33	20	13	6	7	—	—	—	—
Calgary Catholic Immigration Society .....	33	33	21	12	6	6	—	—	—	—
Calgary Immigrant Women's Association .....	36	36	22	14	7	7	—	—	—	—
Catholic Community Services of York Region .....	34	34	16	18	9	9	—	—	—	—
Catholic Crosscultural Services .....	22	22	12	10	5	5	—	—	—	—
Catholic Social Services.....	39	39	22	17	10	7	—	—	—	—
COSTI Immigrant Services .....	26	26	14	12	6	6	—	—	—	—
Dixie Bloor Neighbourhood Centre.....	33	33	19	14	7	7	—	—	—	—
Edmonton Catholic Schools .....	27	27	16	11	6	5	—	—	—	—
Edmonton Mennonite Centre for Newcomers .....	27	27	16	11	6	5	—	—	—	—
Halton Multicultural Council.....	22	22	12	10	5	5	—	—	—	—
Immigrant Services Association of Nova Scotia .....	62	62	35	27	15	12	—	—	—	—
Immigrant Services Calgary .....	36	36	23	13	7	6	—	—	—	—
Immigrant Services Society of BC .....	57	57	33	24	12	12	—	—	—	—
Inter-cultural Association of Greater Victoria.....	25	25	14	11	6	5	—	—	—	—
London Cross Cultural Learner Centre.....	24	24	14	10	6	4	—	—	—	—
New Canadians' Centre of Excellence Inc .....	41	41	23	18	9	9	—	—	—	—
Newcomer Centre of Peel.....	54	54	30	24	12	12	—	—	—	—
NorQuest College.....	46	46	27	19	11	8	—	—	—	—
Red River College Polytechnic.....	28	28	17	11	6	5	—	—	—	—
Success.....	59	59	36	23	12	11	—	—	—	—
Toronto District School Board.....	83	83	47	36	18	18	—	—	—	—
YMCA Canada.....	27	27	15	12	6	6	—	—	—	—
	10,065	10,065	3,700	6,365	1,797	1,662	727	727	726	726
<b>Indigenous Services</b>										
<b>Department of Indigenous Services</b>										
<b>Aboriginal recipient funding agreement</b>										
<b>(First Nations and Tribal Councils)</b>										
Acadia Band Council .....	36	36	21	15	3	2	2	2	3	3
Adams Lake Indian Band .....	60	60	25	35	6	5	5	5	5	9
Ahousaht Indian Band .....	132	132	61	71	11	10	10	10	10	20
Ahtahkakoop Band.....	264	264	144	120	24	19	20	19	19	19
Albany .....	109	109	71	38	21	17	—	—	—	—
Alderville First Nation.....	25	25	7	18	5	5	4	4	—	—
Alexander Band.....	150	150	137	13	13	—	—	—	—	—
Alexis Nakota Sioux Nation .....	79	79	48	31	16	8	7	—	—	—
Algonquins of Barriere Lake .....	72	72	55	17	10	7	—	—	—	—
Animakee Wa Zhing #37.....	74	74	50	24	4	4	4	4	4	4
Anishinabe of Wauzhushk Onigum.....	30	30	19	11	10	1	—	—	—	—
Athabasca Health Authority Inc .....	96	96	57	39	20	19	—	—	—	—
Athabasca Tribal Council Ltd.....	46	46	35	11	5	3	3	—	—	—
Atikameksheng Anishnawbek .....	40	40	18	22	4	3	3	3	3	6
Atikamekw Sipi - Conseil de la Nation Atikamekw .....	79	79	57	22	12	10	—	—	—	—
Attawapiskat First Nation.....	130	130	106	24	22	2	—	—	—	—
Bande de la Nation Innu Matimekush- Lac John .....	124	124	91	33	17	16	—	—	—	—
Bande des Innus de Ekuanitshit.....	64	64	48	16	9	7	—	—	—	—

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2029 and subsequent years
					2024	2025	2026	2027	2028	
Bande des Innus de Pessamit.....	248	248	171	77	41	36	—	—	—	—
Bande des Montagnais de Pakua Shipi.....	62	62	37	25	9	8	8	—	—	—
Bande Innue Essipit.....	54	54	18	36	4	5	5	4	5	13
Barren Lands Band.....	60	60	49	11	9	2	—	—	—	—
Batchewana First Nation.....	49	49	36	13	11	1	1	—	—	—
Battle River Treaty 6 Health Centre Inc.....	41	41	13	28	7	7	7	7	—	—
Battlefords Agency Tribal Chiefs Inc.....	49	49	19	30	9	7	7	7	—	—
Beardy's & Okemasis Band.....	79	79	29	50	16	11	11	12	—	—
Bearskin Lake First Nation.....	42	42	30	12	10	2	—	—	—	—
Beausoleil First Nation.....	81	81	48	33	7	6	5	5	5	5
Beaver First Nation Band.....	48	48	28	20	9	6	5	—	—	—
Berens River Band.....	125	125	105	20	20	—	—	—	—	—
Big Grassy First Nation.....	37	37	26	11	6	5	—	—	—	—
Big Island Lake Cree Nation.....	99	99	78	21	13	8	—	—	—	—
Big River Band.....	279	279	97	182	27	23	23	22	22	65
Bigstone Cree Nation.....	156	156	131	25	25	—	—	—	—	—
Biinjitiwaabik Zaaging Anishinaabek.....	31	31	18	13	3	2	2	2	1	3
Black Lake Band.....	87	87	76	11	11	—	—	—	—	—
Black River First Nation.....	113	113	59	54	12	8	8	8	9	9
Blood Band.....	1,246	1,246	1,104	142	90	52	—	—	—	—
Bloodvein Band.....	51	51	38	13	9	2	2	—	—	—
Bosgoed Project Consultants Ltd.....	29	29	12	17	4	4	4	5	—	—
Buffalo River Dene Nation Band.....	63	63	52	11	8	3	—	—	—	—
Bunibonabee Cree Nation.....	232	232	194	38	35	3	—	—	—	—
Caldwell First Nation.....	15	15	4	11	7	1	1	1	—	1
Canim Lake Indian Band.....	20	20	—	20	4	4	4	4	4	—
Canoe Lake Band.....	68	68	56	12	9	3	—	—	—	—
Carry the Kettle Band.....	156	156	96	60	13	9	9	9	10	10
Cat Lake First Nation.....	30	30	18	12	9	1	1	1	—	—
Chemawawin Cree Nation.....	127	127	89	38	21	17	—	—	—	—
Chippewyan Prairie First Nation.....	63	63	37	26	15	3	3	3	2	—
Chippewas of Georgina Island.....	60	60	30	30	5	4	4	4	4	9
Chippewas of Kettle and Stony Point.....	68	68	46	22	12	10	—	—	—	—
Chippewas of Nawash.....	102	102	92	10	9	1	—	—	—	—
Chippewas of Rama First Nation.....	41	41	17	24	8	8	8	—	—	—
Chippewas of the Thames First Nation.....	112	112	59	53	12	9	8	8	8	8
Clearwater River Dene Band.....	80	80	60	20	12	8	—	—	—	—
Cold Lake First Nations Band.....	65	65	52	13	9	2	2	—	—	—
Coldwater Indian Band.....	36	36	21	15	7	8	—	—	—	—
Communauté Anicinape de Kitcisakik.....	64	64	50	14	8	6	—	—	—	—
Conseil des Atikamekw de Wemotaci.....	244	244	131	113	33	16	16	16	16	16
Conseil des Atikamekw d'Opitciwan.....	282	282	212	70	50	20	—	—	—	—
Constance Lake First Nation.....	62	62	49	13	11	2	—	—	—	—
Cote First Nation 366.....	78	78	55	23	23	—	—	—	—	—
Couchiching First Nation.....	49	49	38	11	9	1	1	—	—	—
Council of the First Nation of Abitibiwinni....	67	67	48	19	11	8	—	—	—	—
Cowessess Band.....	84	84	72	12	12	—	—	—	—	—
Cowichan.....	238	238	169	69	11	11	11	12	12	12
Cree Board of Health and Social Services of James Bay.....	65	65	51	14	7	7	—	—	—	—
Cross Lake First Nation.....	479	479	349	130	71	59	—	—	—	—
Cumberland House Cree Nation Band.....	76	76	56	20	14	6	—	—	—	—
Curve Lake First Nation.....	56	56	18	38	11	9	9	9	—	—
Dakota Ojibway Tribal Council Inc.....	30	30	15	15	9	6	—	—	—	—
Deer Lake First Nation.....	74	74	57	17	15	2	—	—	—	—
Dene Tha' Band.....	181	181	101	80	26	18	18	18	—	—
Doig River First Nation.....	26	26	14	12	2	2	2	2	1	3
Douglas Indian Band.....	20	20	8	12	2	2	2	2	1	3
Driftpile Cree Nation.....	181	181	107	74	40	8	8	9	9	—
Eabametoong First Nation.....	119	119	97	22	20	2	—	—	—	—
Ebb and Flow Band.....	92	92	—	92	18	18	18	19	19	—

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
Eel Ground Band Council .....	41	41	31	10	9	1	–	–	–	–
Elsipogtog First Nation .....	103	103	61	42	29	5	4	4	–	–
English River First Nation Band.....	65	65	54	11	7	4	–	–	–	–
Enoch Cree Nation #440 .....	263	263	153	110	20	18	18	18	18	18
Ermineskin Tribe.....	309	309	261	48	16	16	16	–	–	–
Esgenoopetitj First Nation.....	101	101	82	19	17	2	–	–	–	–
Eskasoni Band Council .....	158	158	108	50	26	6	6	6	6	–
File Hills Qu'Appelle Tribal Council Inc.....	106	106	61	45	19	13	13	–	–	–
First Nations Health Authority .....	8,219	8,219	–	8,219	654	686	720	757	794	4,608
Fisher River Band .....	320	320	166	154	29	25	25	25	25	25
Fishing Lake First Nation Band.....	68	68	52	16	10	6	–	–	–	–
Flying Dust First Nation.....	94	94	43	51	9	7	7	7	7	14
Fort Alexander Band .....	410	410	168	242	38	34	34	34	34	68
Fort Nelson First Nation.....	61	61	32	29	5	5	5	5	5	4
Four Arrows Regional Health Authority Inc .....	29	29	16	13	7	3	3	–	–	–
Frog Lake Band.....	155	155	139	16	16	–	–	–	–	–
Gamblers Band.....	34	34	21	13	4	2	2	2	1	2
Garden Hill First Nation.....	213	213	177	36	36	–	–	–	–	–
Garden River First Nation .....	74	74	57	17	14	3	–	–	–	–
George Gordon First Nation.....	83	83	60	23	15	8	–	–	–	–
Gitga'At First Nation .....	46	46	14	32	4	4	4	4	4	12
Gitksan Local Services Society .....	270	270	153	117	56	15	15	15	16	–
Gitwangak Indian Band.....	140	140	56	84	42	42	–	–	–	–
Gitxaala Nation .....	74	74	34	40	7	6	6	7	7	7
God's Lake First Nation.....	179	179	155	24	21	3	–	–	–	–
Grassy Narrows First Nation.....	73	73	61	12	9	3	–	–	–	–
Haisla Nation .....	64	64	8	56	7	6	6	6	6	25
Halfway River First Nation .....	24	24	10	14	2	2	2	2	2	4
Hatchet Lake Band.....	84	84	53	31	12	10	9	–	–	–
Heiltsuk Indian Band.....	165	165	75	90	15	15	15	15	15	15
Hiawatha First Nation .....	27	27	16	11	4	4	3	–	–	–
Hollow Water Band.....	74	74	63	11	11	–	–	–	–	–
Independent First Nations Alliance .....	45	45	35	10	6	2	2	–	–	–
Innu Takuaikan Uashat Mak Mani-Utenam.....	697	697	342	355	119	118	118	–	–	–
Inuvialuit Regional Corporation .....	51	51	33	18	15	3	–	–	–	–
Iskatewizaagegan #39 Independent Nation.....	46	46	30	16	9	7	–	–	–	–
James Smith Band.....	81	81	57	24	13	11	–	–	–	–
Kahkewistahaw Band.....	102	102	18	84	11	9	9	9	9	37
Kasabonika Lake First Nation .....	138	138	120	18	16	2	–	–	–	–
Kashechewan First Nation.....	158	158	112	46	23	23	–	–	–	–
Kawacatoose Band.....	62	62	40	22	15	7	–	–	–	–
Kebaowek First Nation.....	142	142	46	96	28	27	5	5	5	26
Kee Tas Kee Now Tribal Council .....	532	532	479	53	53	–	–	–	–	–
Keeseekoose Band .....	57	57	41	16	10	6	–	–	–	–
Keewatin Tribal Council Inc. ....	144	144	102	42	21	10	11	–	–	–
Keewatinook Okimakanak/Northern Chiefs Council.....	117	117	94	23	16	7	–	–	–	–
Kee-Way-Win First Nation .....	47	47	36	11	10	1	–	–	–	–
Kehewin Cree Nation .....	162	162	151	11	11	–	–	–	–	–
Kingfisher Lake First Nation.....	102	102	90	12	9	3	–	–	–	–
Kingsclear Band Council.....	122	122	68	54	12	7	7	7	7	14
Kinistin Saulteaux Nation .....	55	55	41	14	14	–	–	–	–	–
Kispiox.....	24	24	–	24	5	5	5	5	4	–
Kitchenuhmaykoosib Inninuwug.....	27	27	–	27	22	2	3	–	–	–
Kitigan Zibi Anishinabeg .....	139	139	107	32	25	7	–	–	–	–
Kitiganwacheeng Health Services Inc .....	40	40	26	14	9	5	–	–	–	–
Kitseles Indian Band .....	36	36	5	31	4	4	3	3	3	14
Kwadacha Indian Band .....	59	59	32	27	13	14	–	–	–	–
Kwakiutl Indian Band .....	30	30	16	14	7	7	–	–	–	–
Kwantlen First Nation.....	11	11	–	11	2	1	1	1	1	5

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2029 and subsequent years
					2024	2025	2026	2027	2028	
Kwikwetlem First Nation .....	16	16	2	14	2	2	2	1	1	6
Lac la Ronge Band .....	900	900	483	417	81	67	67	67	68	67
Lac la Ronge Indian Band Health Services Inc. ....	145	145	85	60	10	10	10	10	10	10
Lac Seul First Nation .....	27	27	4	23	16	2	3	2	—	—
Lake Babine Nation .....	138	138	70	68	12	11	11	11	11	12
Lake Manitoba Band .....	125	125	62	63	12	9	9	8	8	17
Lake St. Martin Band .....	131	131	102	29	25	2	2	—	—	—
Lax Kw'alaams Indian Band .....	163	163	72	91	13	13	13	13	13	26
Lennox Island Band .....	49	49	34	15	7	4	2	2	—	—
Leq' A: Mel First Nation .....	23	23	12	11	2	2	2	2	2	1
Les Atikamekw de Manawan .....	255	255	203	52	41	11	—	—	—	—
Lesser Slave Lake Indian Regional Council ...	62	62	50	12	8	4	—	—	—	—
Lil'wat Nation .....	104	104	48	56	8	7	7	7	7	20
Listuguj Mi'gmaq Government .....	223	223	159	64	39	25	—	—	—	—
Little Grand Rapids Band .....	104	104	87	17	15	2	—	—	—	—
Little Pine Band .....	103	103	70	33	28	5	—	—	—	—
Little Red River Cree Nation .....	332	332	252	80	66	7	7	—	—	—
Little Saskatchewan Band .....	93	93	77	16	16	—	—	—	—	—
Little Shuswap Lake Indian Band .....	30	30	16	14	3	2	2	2	3	2
Long Plain Band .....	256	256	134	122	24	20	20	20	19	19
Long Point First Nation .....	150	150	75	75	17	10	10	10	9	19
Lower Nicola Indian Band .....	69	69	32	37	7	6	6	6	6	6
Lower Similkameen Band .....	37	37	19	18	3	3	3	3	3	3
Lytton Indian Band .....	152	152	95	57	10	9	9	9	10	10
Makwa Sahgaiehan First Nation Band .....	95	95	71	24	16	8	—	—	—	—
Manto Sipi Cree Nation .....	111	111	96	15	13	2	—	—	—	—
Marten Falls First Nation .....	10	10	—	10	8	1	1	—	—	—
Matawa First Nations Management .....	74	74	51	23	20	1	2	—	—	—
Mathias Colomb Band .....	178	178	145	33	29	4	—	—	—	—
M'Chigeeng First Nation .....	86	86	64	22	11	11	—	—	—	—
Membertou Band Council .....	117	117	69	48	9	8	8	8	8	7
Metepenagiag Mi'Kmaq Nation .....	75	75	35	40	6	6	6	5	6	11
Metlakatla First Nation .....	39	39	18	21	4	3	3	3	4	4
Miawpukek Band .....	69	69	28	41	21	20	—	—	—	—
Micmacs of Gesgapegiag .....	77	77	62	15	15	—	—	—	—	—
Mikisew Cree First Nation Band .....	173	173	104	69	41	7	7	7	7	—
Millbrook Band Council .....	135	135	71	64	12	10	10	10	11	11
Mishkeegogamang First Nation .....	104	104	85	19	17	2	—	—	—	—
Misipawistik Cree Nation .....	80	80	68	12	10	2	—	—	—	—
Mississauga of the Credit .....	52	52	—	52	12	10	10	10	10	—
Mistawasis Nēhiyawak .....	104	104	30	74	12	8	8	8	7	31
Mltc Program Services Inc. ....	185	185	161	24	24	—	—	—	—	—
Mnaamodzawin Health Services Inc. ....	20	20	4	16	4	4	4	4	—	—
Mohawk Council of Akwesasne .....	771	771	365	406	85	65	64	64	64	64
Mohawks of Kahnawá:Ke Band .....	601	601	107	494	65	54	54	54	53	214
Mohawks of Kanesatake .....	67	67	49	18	10	8	—	—	—	—
Mohawks of the Bay of Quinte .....	101	101	75	26	20	3	3	—	—	—
Montagnais de Unamen Shipu .....	142	142	101	41	22	19	—	—	—	—
Montana Band .....	79	79	16	63	7	7	7	7	7	28
Montreal Lake Band .....	176	176	131	45	27	18	—	—	—	—
Moose Cree First Nation .....	111	111	85	26	23	3	—	—	—	—
Moosomin Band .....	136	136	82	54	12	9	9	8	8	8
Mosquito-Grizzly Bear's Head Band .....	109	109	50	59	11	8	8	8	8	16
Muscowpetung Band .....	19	19	2	17	9	4	4	—	—	—
Mushuau Innu First Nation .....	107	107	94	13	9	4	—	—	—	—
Muskoday First Nation Band .....	89	89	35	54	8	7	7	6	6	20
Muskowekwan Band .....	55	55	36	19	13	6	—	—	—	—
Musqueam Indian Band .....	40	40	25	15	5	5	5	—	—	—
Nak'Azdli Whut'En .....	77	77	9	68	8	7	7	8	8	30
Namgis First Nation .....	71	71	35	36	8	5	5	6	6	6

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2029 and subsequent years
					2024	2025	2026	2027	2028	
Nootkamegwanning.....	72	72	59	13	11	2	—	—	—	—
Nation Anishnabe of Lac Simon.....	271	271	161	110	74	24	4	4	4	—
Nation Huronne Wendat.....	317	317	180	137	59	20	20	19	19	—
Naut'sa Mawt Tribal Council.....	30	30	19	11	3	4	4	—	—	—
Neskantaga First Nation.....	91	91	79	12	10	2	—	—	—	—
Nibinamik First Nation.....	17	17	—	17	10	2	2	2	1	—
Nipissing First Nation.....	100	100	67	33	8	5	5	5	5	5
Nisichawayasihk Cree Nation.....	153	153	84	69	37	32	—	—	—	—
Nokiiwin Tribal Council Inc.....	20	20	9	11	3	4	4	—	—	—
Nooaitch Indian Band.....	30	30	16	14	7	7	—	—	—	—
North Caribou Lake First Nation.....	107	107	86	21	19	2	—	—	—	—
Northern Shuswap Tribal Council Society.....	21	21	9	12	6	6	—	—	—	—
Northlands Band.....	114	114	95	19	17	2	—	—	—	—
Norway House Cree Nation.....	881	881	427	454	79	75	75	75	75	75
Nunavik Regional Board of Health and Social Services.....	140	140	83	57	10	9	9	9	10	10
Nuu-Chah-Nulth Tribal Council.....	35	35	—	35	35	—	—	—	—	—
Nuxalk Nation Band.....	83	83	62	21	11	10	—	—	—	—
Ocean Man Band.....	36	36	16	20	3	3	3	3	3	5
O-Chi-Chak-Ko-Sipi First Nation.....	82	82	57	25	23	1	1	—	—	—
O'Chiese Band.....	88	88	77	11	11	—	—	—	—	—
Odanak.....	68	68	11	57	8	6	6	6	6	25
Ojibways of Onigaming First Nation.....	47	47	28	19	10	9	—	—	—	—
Okanagan Indian Band.....	90	90	78	12	6	6	—	—	—	—
Old Massett Village Council Band.....	50	50	38	12	6	6	—	—	—	—
One Arrow First Nation.....	68	68	40	28	12	8	8	—	—	—
Oneida Nation of the Thames.....	130	130	84	46	25	21	—	—	—	—
Onion Lake Cree Nation.....	441	441	403	38	38	—	—	—	—	—
Opaskwayak Cree Nation.....	541	541	274	267	51	43	43	43	43	44
O-Pipon-Na-Piwin Cree Nation.....	50	50	38	12	10	2	—	—	—	—
Osoyoos Indian Band.....	56	56	27	29	5	5	5	5	5	4
Padc Management Company Ltd.....	115	115	12	103	31	24	24	24	—	—
Paqtnek Mi'kmaw Nation.....	54	54	31	23	4	4	4	4	3	4
Pasqua First Nation #79.....	73	73	58	15	10	5	—	—	—	—
Paungassi First Nation.....	55	55	44	11	9	2	—	—	—	—
Paul Band.....	106	106	94	12	12	—	—	—	—	—
Peepeekisis Cree Nation No.81.....	98	98	54	44	9	7	7	7	7	7
Peguis Band.....	370	370	267	103	54	49	—	—	—	—
Pelican Lake Band.....	94	94	72	22	12	10	—	—	—	—
Penelakut Tribe.....	38	38	23	15	5	5	5	—	—	—
Penticton Indian Band.....	92	92	53	39	8	6	6	6	6	7
Peter Ballantyne Cree Nation.....	204	204	170	34	34	—	—	—	—	—
Pheasant Rump Nakota Band.....	40	40	24	16	4	2	2	2	3	3
Piapot Band.....	74	74	57	17	11	6	—	—	—	—
Pictou Landing Band Council.....	58	58	32	26	5	5	4	4	4	4
Piikani Nation.....	86	86	65	21	17	4	—	—	—	—
Pikangikum First Nation.....	143	143	93	50	46	4	—	—	—	—
Pinaymootang First Nation.....	79	79	64	15	12	3	—	—	—	—
Pine Creek Band.....	77	77	60	17	17	—	—	—	—	—
Poplar Hill First Nation.....	50	50	39	11	10	1	—	—	—	—
Poplar River First Nation.....	234	234	138	96	20	15	15	15	15	16
Première Nation des Abénakis de Wôlinak.....	14	14	—	14	3	3	3	3	2	—
Première Nation des Innus de Nutashkuan.....	126	126	97	29	17	12	—	—	—	—
Première Nation des Pekuakamiulnuatsh.....	442	442	199	243	42	41	40	40	40	40
Qalipu First Nation Band.....	119	119	65	54	11	8	8	9	9	9
Rainy River First Nation.....	56	56	17	39	6	5	5	5	4	14
Red Earth Band.....	103	103	79	24	17	7	—	—	—	—
Red Pheasant Band.....	114	114	59	55	11	9	9	8	9	9
Red Sucker Lake Band.....	105	105	80	25	13	12	—	—	—	—
Regroupement Mamit Innuat Inc.....	100	100	72	28	14	14	—	—	—	—
Rolling River Band.....	38	38	26	12	9	2	1	—	—	—

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2029 and subsequent years
					2024	2025	2026	2027	2028	
Roseau River Anishinabe First Nation										
Government .....	87	87	58	29	23	3	3	—	—	—
Sachigo Lake First Nation .....	67	67	53	14	12	2	—	—	—	—
Saddle Lake Cree Nation .....	393	393	344	49	49	—	—	—	—	—
Sagamok Anishnawbek First Nation .....	194	194	70	124	17	15	15	15	16	46
Saik'uz First Nation .....	17	17	—	17	3	3	4	4	3	—
Saint Mary's Band Council .....	174	174	116	58	50	2	2	2	2	—
Samson Band .....	257	257	238	19	19	—	—	—	—	—
Sandy Bay Band .....	240	240	201	39	34	5	—	—	—	—
Sandy Lake First Nation .....	241	241	187	54	44	10	—	—	—	—
Sapotaweyak Cree Nation .....	91	91	72	19	17	2	—	—	—	—
Saugeen First Nation .....	101	101	51	50	10	8	8	8	8	8
Saulteau First Nations .....	54	54	27	27	5	4	4	4	5	5
Saulteaux Band .....	75	75	39	36	19	4	4	4	5	—
Seabird Island Indian Band .....	90	90	62	28	5	5	5	5	4	4
Shackan Indian Band .....	29	29	15	14	7	7	—	—	—	—
Shamattawa First Nation .....	150	150	126	24	21	3	—	—	—	—
Shawanaga First Nation Ojibway Territory .....	49	49	30	19	4	3	3	3	3	3
Sheshatshiu Innu First Nation .....	104	104	93	11	11	—	—	—	—	—
Sheshegwaning First Nation .....	14	14	—	14	2	1	1	1	1	8
Shibogama First Nations Council .....	81	81	44	37	31	2	2	1	1	—
Shoal Lake Cree Nation .....	51	51	33	18	9	4	5	—	—	—
Siksika Nation Band .....	402	402	353	49	49	—	—	—	—	—
Simpew First Nation .....	37	37	18	19	4	3	3	3	3	3
Sioux Lookout First Nations Health										
Authority .....	138	138	109	29	21	8	—	—	—	—
Sipekne'Katik .....	134	134	72	62	12	10	10	10	10	10
Six Nations of the Grand River .....	278	278	195	83	59	12	12	—	—	—
Skeetchestn Indian Band .....	22	22	5	17	4	4	4	5	—	—
Skidegate Indian Band .....	100	100	45	55	10	9	9	9	9	9
Skownan First Nation .....	61	61	49	12	11	1	—	—	—	—
Snuneymuxw First Nation .....	85	85	45	40	7	7	7	7	6	6
Songhees Nation .....	37	37	19	18	3	3	3	3	3	3
Southeast Resource Development										
Council Corp .....	80	80	66	14	14	—	—	—	—	—
Southern First Nations Secretariat .....	46	46	31	15	8	7	—	—	—	—
St. Theresa Point Band .....	275	275	223	52	48	4	—	—	—	—
Standing Buffalo Band .....	100	100	59	41	21	5	5	5	5	—
Stanley Mission Health Services Inc .....	62	62	29	33	6	5	5	5	6	6
Stc Health & Family Services Inc .....	103	103	61	42	22	10	10	—	—	—
Stellat'En First Nation .....	29	29	14	15	3	3	3	2	2	2
Stoney Band .....	225	225	147	78	78	—	—	—	—	—
Sts'ailes Band .....	92	92	53	39	8	6	6	6	6	7
Sturgeon Lake First Nation .....	131	131	97	34	21	13	—	—	—	—
Stz'uminus First Nation .....	47	47	29	18	6	6	6	—	—	—
Sucker Creek Band .....	73	73	53	20	12	8	—	—	—	—
Sunchild First Nation Band .....	103	103	90	13	12	1	—	—	—	—
Swan Lake Band .....	65	65	47	18	11	7	—	—	—	—
Tahltan Indian Band .....	29	29	17	12	4	4	4	—	—	—
Takla Nation .....	56	56	21	35	5	5	5	5	5	10
Tataskweyak Cree Nation .....	205	205	129	76	29	25	22	—	—	—
Taykwa Tagamou Nation .....	34	34	20	14	3	2	2	2	3	2
Temagami First Nation .....	74	74	32	42	7	6	6	6	6	11
The Key First Nation .....	17	17	—	17	5	3	3	3	3	—
Thunderchild First Nation .....	101	101	76	25	14	11	—	—	—	—
Timiskaming First Nation .....	103	103	79	24	14	10	—	—	—	—
Tit'q'et .....	33	33	18	15	3	3	3	2	2	2
Tk'Emlúps Te Secwépemc .....	55	55	40	15	5	5	5	—	—	—
Tl'azt'en Nation .....	22	22	—	22	4	4	4	5	5	—
Tl'Etinqox Government .....	75	75	32	43	7	6	6	6	6	12
Tobique Band Council .....	59	59	33	26	16	4	3	3	—	—

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2029 and subsequent years
					2024	2025	2026	2027	2028	
Tootinaowaziibeeng Treaty Reserve.....	58	58	48	10	8	2	—	—	—	—
Touchwood Agency Tribal Council Inc.....	22	22	12	10	4	3	3	—	—	—
Tsartlip Indian Band.....	161	161	88	73	13	12	12	12	12	12
Tsawout First Nation.....	31	31	7	24	3	3	3	3	2	10
Tsay Keh Dene Band.....	54	54	20	34	5	5	5	5	5	9
Ts'kw'aylaxw First Nation.....	31	31	16	15	3	2	2	2	3	3
Tsleil-Waututh Nation.....	47	47	26	21	4	3	3	3	4	4
T'Sou-Ke First Nation.....	49	49	14	35	12	12	11	—	—	—
Tsuut'Ina Nation.....	240	240	218	22	22	—	—	—	—	—
Ulkatcho Indian Band.....	44	44	26	18	9	9	—	—	—	—
Upper Nicola Indian Band.....	52	52	24	28	6	4	4	4	5	5
Wabaseemoong Independent Nation.....	94	94	73	21	18	3	—	—	—	—
Wahgoshig First Nation.....	42	42	24	18	3	3	3	3	3	3
Walpole Island First Nation.....	114	114	89	25	22	3	—	—	—	—
Wapekeka First Nation.....	52	52	39	13	10	3	—	—	—	—
Wasagamack First Nation.....	238	238	211	27	27	—	—	—	—	—
Wasauksing First Nation.....	48	48	23	25	4	4	4	4	3	6
Waterhen Lake Band.....	152	152	41	111	28	22	8	8	7	38
Waywayseecappo First Nation										
Treaty Four - 1874.....	116	116	93	23	21	2	—	—	—	—
Webequie.....	87	87	72	15	13	2	—	—	—	—
Weeneebayko Area Health Authority.....	180	180	48	132	33	33	33	—	—	—
We'koqma'q First Nation.....	62	62	48	14	14	—	—	—	—	—
West Region Treaty 2 & 4 Health										
Services Corp.....	46	46	26	20	12	4	4	—	—	—
Western Cree Tribal Council.....	21	21	—	21	4	4	4	4	5	—
West Region Tribal Council Inc.....	265	265	228	37	37	—	—	—	—	—
White Bear Band.....	93	93	15	78	11	8	8	8	9	34
Whitecap Dakota First Nation Band.....	95	95	59	36	7	6	6	6	6	5
Whitefish Lake #128.....	155	155	123	32	32	—	—	—	—	—
Wikwemikong Unceded Indian Reserve.....	245	245	169	76	43	33	—	—	—	—
Williams Lake First Nation.....	50	50	29	21	4	3	3	3	4	4
Windigo First Nations Council.....	81	81	58	23	23	—	—	—	—	—
Witchehan Lake Band.....	34	34	16	18	7	5	6	—	—	—
Witset First Nation.....	100	100	52	48	8	8	8	8	8	8
Wunnumin Lake First Nation.....	23	23	—	23	13	3	3	2	2	—
Yellow Quill Band.....	64	64	39	25	10	7	8	—	—	—
Yorkton Tribal Administration Inc.....	49	49	37	12	8	4	—	—	—	—
Zagime Anishinabek.....	37	37	25	12	7	5	—	—	—	—
<b>Aboriginal recipient funding agreement</b>										
<b>(Other)</b>										
Aboriginal Savings Corporation of										
Canada.....	125	125	85	40	40	—	—	—	—	—
Anishinaabe Child and Family Services.....	30	30	—	30	6	6	6	6	6	—
Asikiw Mostos O'Pikinawasiwin Society.....	26	26	14	12	12	—	—	—	—	—
Assembly of First Nations.....	130	130	68	62	17	17	10	10	5	3
Assembly of Manitoba Chiefs										
Secretariat Inc.....	76	76	62	14	14	—	—	—	—	—
Athabasca Dene Education Corp.....	140	140	93	47	24	23	—	—	—	—
Awasis Agency of Northern Manitoba.....	154	154	—	154	31	31	31	31	30	—
Caan Communities, Alliances & Networks....	12	12	—	12	1	1	1	1	2	6
Canadian Red Cross Society.....	239	239	161	78	78	—	—	—	—	—
Carrier Sekani Family Services Society.....	107	107	44	63	21	21	21	—	—	—
Centre Intégré de Santé et de Services										
Sociaux de L'Abitibi-Témiscamingue.....	95	95	83	12	12	—	—	—	—	—
Cree Nation Child and Family Caring										
Agency.....	52	52	—	52	10	10	10	11	11	—
Dakota Ojibway Child and Family Services...	48	48	—	48	10	10	10	9	9	—
Dakota Tiwahe Services Inc.....	14	14	—	14	3	3	3	3	2	—
Denisiqi Services Society.....	29	29	11	18	6	6	6	—	—	—
Dilico Anishinabek Family Care.....	40	40	14	26	12	7	7	—	—	—
East Central First Nations Education										
Authority Incorporated.....	39	39	28	11	5	6	—	—	—	—

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2029 and subsequent years
					2024	2025	2026	2027	2028	
First Nations Confederacy of Cultural Education Centre .....	26	26	5	21	5	5	5	6	—	—
First Nations Education Council .....	102	102	78	24	10	7	7	—	—	—
First Nations Education Steering Committee Society .....	416	416	242	174	87	87	—	—	—	—
First Nations' Emergency Services Society of British Columbia .....	102	102	41	61	20	20	21	—	—	—
First Nations Financial Management Board .....	83	83	72	11	11	—	—	—	—	—
First Nations Health Consortium Ltd. ....	93	93	31	62	15	15	16	16	—	—
First Nations Summit Society .....	23	23	9	14	5	5	4	—	—	—
First Nations Tax Commission .....	40	40	25	15	15	—	—	—	—	—
Fraser Valley Aboriginal Children and Family Services Society .....	50	50	29	21	10	11	—	—	—	—
Frontier School Division #48 .....	123	123	—	123	25	25	25	24	24	—
Gitksan Child and Family Services Society ...	43	43	23	20	10	10	—	—	—	—
Institut Tshakapesh .....	62	62	33	29	12	9	8	—	—	—
Intertribal Child and Family Services .....	12	12	—	12	2	2	2	3	3	—
Inuit Tapiriit Kanatami .....	60	60	45	15	4	3	2	2	2	2
Island Lake First Nations Family Services ....	56	56	—	56	11	11	11	11	12	—
Kahnawake Shakotia Takehnhas Community Services .....	107	107	17	90	12	10	10	10	9	39
Kapown Rehabilitation Centre .....	17	17	—	17	4	3	3	3	4	—
Kasohkewew Child Wellness Society (2012) .....	78	78	67	11	11	—	—	—	—	—
Kina Gbezhgomi Child and Family Services .....	37	37	24	13	13	—	—	—	—	—
Kinonje Abinoonjiag Niigan Inc .....	13	13	—	13	3	3	3	2	2	—
Kinoomaadziwin Education Body Inc. ....	21	21	7	14	7	7	—	—	—	—
Kinosao Sipi Minisowin Agency .....	50	50	—	50	10	10	10	10	10	—
Knucwentweew Society .....	20	20	8	12	4	4	4	—	—	—
Kwanlin Dun First Nation .....	16	16	6	10	3	3	4	—	—	—
Kwumut Lelum Child and Family Services Society .....	64	64	25	39	13	13	13	—	—	—
Little Red River Education Authority Inc. ....	25	25	13	12	4	4	4	—	—	—
Makivik Corporation .....	224	224	190	34	32	2	—	—	—	—
Mamowe Opikihawasowin Tribal Chiefs Child and Family Services West Society .....	16	16	—	16	5	5	6	—	—	—
Mamu Tshishkutamashutau Innu Education Inc. ....	73	73	49	24	24	—	—	—	—	—
Manitoba First Nations Education Resource Centre Inc. ....	316	316	266	50	50	—	—	—	—	—
Manitoba Metis Federation Inc. ....	133	133	64	69	19	17	16	17	—	—
Maskwacis Education Schools Commission .....	293	293	68	225	45	45	45	45	45	—
Metis Nation of Alberta Association .....	198	198	109	89	30	26	16	17	—	—
Metis Nation of Ontario .....	73	73	51	22	11	10	1	—	—	—
Metis Nation of Saskatchewan .....	177	177	113	64	28	26	10	—	—	—
Metis Provincial Council of British Columbia .....	64	64	48	16	9	7	—	—	—	—
Metis Settlements General Council .....	56	56	33	23	15	8	—	—	—	—
Mi'Kmaw Native Friendship Society .....	30	30	16	14	14	—	—	—	—	—
Mino Obigiwasin Services Enfance & Famille .....	77	77	—	77	17	15	15	15	15	—
Mistahi Sipiy Child and Family Services Inc .....	31	31	21	10	5	5	—	—	—	—
Mltc Child & Family Services Inc. ....	69	69	58	11	11	—	—	—	—	—
National Aboriginal Capital Corporations Association .....	295	295	239	56	56	—	—	—	—	—
National Association of Friendship Centres .....	107	107	36	71	38	33	—	—	—	—

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
Native Child and Family Services of Toronto.....	52	52	26	26	9	9	8	–	–	–
Nezul Be Hunuyeh Child and Family Services Society.....	34	34	18	16	8	8	–	–	–	–
Ngwaagan Gamig Recovery Centre Inc.....	11	11	–	11	3	2	2	2	2	–
Nikan Awasisak Agency.....	40	40	–	40	8	8	8	8	8	–
Nisga'A Nation.....	22	22	12	10	3	3	4	–	–	–
Nisichawayasihk Cree Nation Family and Community Services.....	41	41	–	41	8	8	8	8	9	–
Nog-Da-Win-Da-Min Family and Community Services.....	154	154	124	30	30	–	–	–	–	–
Northwest Inter-Nation Family and Community Services Society.....	76	76	30	46	15	16	15	–	–	–
Nunavut Tunngavik Inc.....	79	79	45	34	15	6	6	7	–	–
Onion Lake Family Services Inc.....	80	80	53	27	9	9	9	–	–	–
Ontario First Nations Technical Services Corporation.....	37	37	17	20	7	7	6	–	–	–
Opaskwayak Cree Nation Child and Family Services Agency.....	24	24	–	24	5	5	5	5	4	–
Peigan Board of Education Society.....	15	15	–	15	8	7	–	–	–	–
Peter Ballantyne Child & Family Services Inc.....	172	172	148	24	24	–	–	–	–	–
Peter Ballantyne Cree Nation Education Authority Inc.....	220	220	146	74	37	37	–	–	–	–
Ranch Ehrlo Society.....	26	26	11	15	5	5	5	–	–	–
Sagkeeng Child and Family Services.....	31	31	–	31	6	6	6	6	7	–
Sandy Bay Child and Family Services.....	30	30	–	30	6	6	6	6	6	–
Saulteaux Pelly Agency Health Alliance Inc..	27	27	8	19	19	–	–	–	–	–
Scw'Exmx Child and Family Services Society.....	47	47	19	28	9	9	10	–	–	–
Sechelt Indian Band.....	23	23	8	15	5	5	5	–	–	–
Secwepemc Child & Family Services Agency.....	115	115	46	69	23	23	23	–	–	–
Shawano Consulting Services Ltd.....	165	165	117	48	48	–	–	–	–	–
Southeast Child and Family Services.....	264	264	–	264	53	53	53	53	52	–
Southern Chiefs Organization Inc.....	41	41	26	15	15	–	–	–	–	–
The Corporation of the City of Thunder Bay.....	32	32	11	21	7	7	7	–	–	–
The First Nations Information Governance Centre.....	166	166	66	100	30	31	9	10	10	10
Tlicho Community Services Agency.....	26	26	14	12	8	4	–	–	–	–
Toronto Aboriginal Support Services Council Corp.....	20	20	4	16	4	4	4	4	–	–
Union of British Columbia Indian Chiefs.....	18	18	7	11	4	4	3	–	–	–
Weechi-It-Te-Win Family Services Inc.....	19	19	6	13	3	3	3	4	–	–
Wequedong Lodge of Thunder Bay.....	62	62	18	44	16	9	9	10	–	–
West Region Child and Family Services.....	59	59	–	59	12	12	12	12	11	–
Westbank First Nation.....	32	32	13	19	6	7	6	–	–	–
Whitefish Lake First Nation #459 Child and Family Services Society.....	28	28	14	14	14	–	–	–	–	–
Yorkton Tribal Council Child and Family Services Incorporated.....	134	134	118	16	16	–	–	–	–	–
Yukon First Nation Education Directorate.....	45	45	27	18	15	3	–	–	–	–
Yukon University.....	16	16	3	13	3	3	3	4	–	–
<b>Aboriginal recipient funding agreement (Project)</b>										
Atlantic First Nation Water Authority.....	181	181	22	159	9	22	15	15	28	70
Keewatinohk Inniniw Minoayawin Inc.....	29	29	16	13	13	–	–	–	–	–

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
St. Amant Inc. ....	22	22	4	18	5	5	4	4	–	–
<b>Canada Common Funding Agreement for First Nations and Tribal Councils</b>										
Bigstone Health Commission .....	267	267	240	27	27	–	–	–	–	–
Blood Band .....	183	183	151	32	16	16	–	–	–	–
Council of Yukon First Nations .....	36	36	25	11	11	–	–	–	–	–
Fort Frances Tribal Area Health Services Inc. ....	52	52	39	13	13	–	–	–	–	–
Maskwacis Health Services .....	118	118	103	15	15	–	–	–	–	–
Meadow Lake Tribal Council .....	327	327	219	108	34	32	21	21	–	–
Padc Management Company Ltd. ....	220	220	170	50	50	–	–	–	–	–
Peter Ballantyne Cree Nation Health Services .....	228	228	208	20	20	–	–	–	–	–
Union of Nova Scotia Mi'kmaq-Advisory Services .....	52	52	41	11	11	–	–	–	–	–
<b>Funding agreement for provincial governments and territories</b>										
Government of Nunavut - Department of Health .....	315	315	162	153	45	43	43	22	–	–
Government of the Northwest Territories .....	102	102	74	28	19	9	–	–	–	–
Government of Yukon .....	263	263	26	237	26	26	26	26	27	106
Minister of Finance of Alberta .....	655	655	601	54	54	–	–	–	–	–
Ministry of Child and Family Development, British Columbia .....	406	406	265	141	47	47	47	–	–	–
Ministry of Children, Community and Social Services, Ontario .....	1,639	1,639	1,297	342	342	–	–	–	–	–
Ministry of Education .....	394	394	264	130	43	43	44	–	–	–
Ministry of Social Development and Poverty Reduction, British Columbia .....	44	44	22	22	7	7	8	–	–	–
Ministry of the Solicitor General .....	42	42	11	31	6	6	6	6	7	–
Ministry of Transportation and Infrastructure, British Columbia .....	53	53	32	21	7	7	7	–	–	–
<b>Grant</b>										
Métis Provincial Council of British Columbia .....	25	25	9	16	8	8	–	–	–	–
<b>Indian Self-Government</b>										
Kitchenuhmaykoosib Inninuwug .....	145	145	3	142	28	28	28	29	29	–
Ktc Child & Family Services .....	145	145	20	125	25	25	25	25	25	–
Louis Bull Band .....	90	90	21	69	34	35	–	–	–	–
Peguis Child and Family Services .....	141	141	75	66	66	–	–	–	–	–
Splatsin .....	57	57	8	49	10	10	10	10	9	–
<b>Other Contractual obligations resulting from legal agreements<sup>1</sup> .....</b>	<b>541</b>	<b>541</b>	<b>–</b>	<b>541</b>	<b>123</b>	<b>121</b>	<b>297</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Support to First Nations for reliable access to safe drinking water on reserves<sup>2</sup> .....</b>	<b>2,784</b>	<b>2,784</b>	<b>–</b>	<b>2,784</b>	<b>–</b>	<b>201</b>	<b>288</b>	<b>312</b>	<b>307</b>	<b>1,676</b>
<b>Aggregate of various transfer payment agreements</b>										
1,165 agreements .....	13,501	13,501	10,564	2,937	1,895	647	232	79	44	40
	80,087	80,087	44,978	35,109	11,029	5,812	4,132	3,042	2,779	8,315
<b>Innovation, Science and Industry</b>										
<b>Department of Industry</b>										
<b>AdMare BioInnovations</b>										
AdMare BioInnovations .....	92	92	38	54	27	27	–	–	–	–

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>Business/Higher Education</b>										
<b>Roundtable</b>										
Aims to forge partnerships and create more work-integrated learning opportunities for post-secondary students in Canada .....	16	16	4	12	6	6	–	–	–	–
<b>Canada Digital Adoption Program:</b>										
<b>Stream 1</b>										
Aggregate .....	29	29	6	23	12	11	–	–	–	–
Canada/British Columbia Business Services Society .....	22	22	4	18	9	9	–	–	–	–
Fédération des chambres de commerce du Québec (FCCQ) .....	29	29	6	23	11	12	–	–	–	–
New Brunswick Association of CBDCs .....	19	19	3	16	9	7	–	–	–	–
Réseau des SADC et CAE .....	29	29	6	23	11	12	–	–	–	–
The Alacrity Foundation of BC .....	22	22	6	16	11	5	–	–	–	–
The Business Link Business Service Centre .....	32	32	6	26	13	13	–	–	–	–
The Ontario Chamber of Commerce .....	40	40	7	33	18	15	–	–	–	–
Toronto Association of Business Improvement Areas .....	38	38	7	31	15	16	–	–	–	–
<b>Canada Digital Adoption Program:</b>										
<b>Stream 2</b>										
Ryerson University .....	139	139	6	133	59	74	–	–	–	–
<b>Canadian Institute for Advanced Research</b>										
Core programming to support advanced and future-focused research, development of early-career researchers, and knowledge mobilization .....	48	48	14	34	11	11	12	–	–	–
<b>Canadian Institute for Advanced Research - Pan Canadian Artificial Intelligence Strategy</b>										
Initiatives to attract and retain research talent in artificial intelligence (AI), activities of the national AI institutes and advance responsible AI .....	160	160	10	150	22	22	26	27	23	30
<b>CANARIE Inc</b>										
Operation of ultra-high speed research and education network .....	137	137	96	41	41	–	–	–	–	–
<b>CanCode Program</b>										
Aggregate .....	73	73	38	35	35	–	–	–	–	–
<b>Connect to Innovate Program</b>										
Aggregate .....	138	138	97	41	41	–	–	–	–	–
Kativik Regional Government .....	64	64	52	12	12	–	–	–	–	–
<b>Coordinated Accessible National Health Network</b>										
Communtech Corporation .....	30	30	2	28	13	10	5	–	–	–
<b>Cyber Security Innovation Network</b>										
National Cybersecurity Consortium .....	77	77	1	76	38	19	19	–	–	–
<b>Dedicated computing capacity in Artificial Intelligence</b>										
Digital Research Alliance of Canada .....	39	39	1	38	14	7	9	8	–	–
<b>Digital Literacy Exchange Program</b>										
Aggregate .....	15	15	1	14	7	7	–	–	–	–
<b>Diverse and Inclusive Economy Program</b>										
Aggregate .....	28	28	9	19	16	3	–	–	–	–
<b>ElevateIP Program</b>										
Aggregate .....	17	17	–	17	8	6	3	–	–	–
Communtech Corporation .....	39	39	1	38	14	14	10	–	–	–
Mouvement des accélérateurs d'Innovation du Québec .....	17	17	–	17	6	6	5	–	–	–

**Table 11.3**  
**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2029 and subsequent years
					2024	2025	2026	2027	2028	
New Ventures BC Society.....	13	13	–	13	6	4	3	–	–	–
<b>Genome Canada</b>										
Support research for genomic science and technology .....	474	474	341	133	79	35	17	2	–	–
<b>Innovation Superclusters Initiative</b>										
10793574 Canada Association .....	328	328	150	178	64	37	34	24	19	–
Canada's Ocean Supercluster.....	298	298	94	204	97	33	32	24	18	–
Next Generation Manufacturing Canada .....	457	457	230	227	67	49	51	34	26	–
Protein Industries Canada Inc.....	353	353	160	193	56	44	42	29	22	–
Scale AI .....	294	294	94	200	97	30	30	24	19	–
<b>Mitacs Inc</b>										
Delivery of industrial research and development internships .....	755	755	221	534	170	172	172	10	10	–
<b>National Artificial Intelligence Institutes</b>										
Alberta Machine Intelligence Institute.....	20	20	6	14	5	5	4	–	–	–
MILA - Quebec Artificial Intelligence Institute.....	20	20	5	15	6	5	4	–	–	–
Vector Institute.....	20	20	6	14	5	5	4	–	–	–
<b>Perimeter Institute for Theoretical Physics</b>										
Research, training and education in theoretical physics .....	20	20	10	10	10	–	–	–	–	–
<b>Small Business and Entrepreneurship Development Program</b>										
Federation of African Canadian Economics (FACE).....	16	16	5	11	5	6	–	–	–	–
<b>Stem Cell Network</b>										
To expand the reach of its activities to include regenerative medicine as well as stem cell research .....	45	45	15	30	15	15	–	–	–	–
<b>Strategic Innovation Fund</b>										
Aggregate.....	594	594	509	85	60	11	13	1	–	–
AbCellera Biologies Inc .....	176	176	108	68	68	–	–	–	–	–
Air Products Canada Ltd .....	300	300	38	262	227	35	–	–	–	–
Algoma Steel Inc.....	200	200	80	120	110	10	–	–	–	–
ArcelorMittal Dofasco GP.....	400	400	12	388	10	36	122	114	88	18
BHP Canada Inc.....	100	100	20	80	15	21	30	10	–	4
BioVectra Inc .....	40	40	24	16	16	–	–	–	–	–
Braya Renewable Fuels (Newfoundland) LP...	49	49	37	12	12	–	–	–	–	–
CAE Inc .....	190	190	43	147	54	53	40	–	–	–
Canadian Agri-Food Automation and Intelligence Network .....	50	50	17	33	16	14	3	–	–	–
Canadian Food Innovation Network.....	30	30	6	24	10	10	4	–	–	–
CBN Nano Technologies Inc.....	40	40	27	13	7	6	–	–	–	–
Centre for Excellence in Mining Innovation .....	40	40	4	36	12	12	9	3	–	–
Clean Resource Innovation Network.....	100	100	25	75	75	–	–	–	–	–
E3 Lithium Ltd.....	27	27	6	21	6	8	7	–	–	–
FCA Canada Inc.....	529	529	19	510	70	105	103	79	62	91
Ford Motor Company of Canada Ltd.....	295	295	–	295	9	56	102	71	57	–
General Dynamics Land Systems-Canada Corporation.....	50	50	27	23	15	8	–	–	–	–
General Motors Canada Company.....	259	259	236	23	23	–	–	–	–	–
Honda Canada Inc .....	131	131	67	64	16	17	31	–	–	–
Jubilant HollisterStier General Partnership.....	24	24	–	24	17	4	3	–	–	–
KABS Laboratories Inc .....	54	54	11	43	43	–	–	–	–	–
LM Wind Power Blades (Canada) Inc.....	25	25	–	25	10	7	4	3	1	–
Mastercard Technologies Canada ULC.....	49	49	29	20	12	8	–	–	–	–
Medicago Inc .....	200	200	170	30	30	–	–	–	–	–
Meltech Innovation Canada Inc.....	29	29	18	11	8	2	1	–	–	–
MindBridge Analytics Inc .....	14	14	3	11	2	3	6	–	–	–

**Table 11.3**  
**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2029 and subsequent years
					2024	2025	2026	2027	2028	
Moltex Energy Canada Inc.....	47	47	4	43	10	33	–	–	–	–
Natural Products Canada.....	20	20	4	16	4	4	4	4	–	–
Nextstar Energy Inc.....	500	500	–	500	317	183	–	–	–	–
Nokia Canada Inc.....	40	40	25	15	15	–	–	–	–	–
Pratt & Whitney Canada Corp.....	49	49	17	32	22	10	–	–	–	–
Ranovus Inc.....	36	36	6	30	8	7	8	6	1	–
Resilience Biotechnologies Inc.....	199	199	30	169	169	–	–	–	–	–
Ross Video Limited.....	49	49	4	45	7	10	8	11	9	–
Sanctuary Cognitive Systems Corporation.....	30	30	9	21	14	7	–	–	–	–
Sanofi Pasteur Ltd.....	415	415	132	283	157	115	11	–	–	–
Sunnybrook Research Institute.....	49	49	9	40	14	14	7	5	–	–
Svante Technologies Inc.....	25	25	15	10	10	–	–	–	–	–
Telesat Canada.....	85	85	40	45	8	37	–	–	–	–
Terry Fox Research Institute.....	49	49	3	46	46	–	–	–	–	–
The Lion Electric Company.....	50	50	25	25	25	–	–	–	–	–
Variation Biotechnologies Inc.....	56	56	24	32	32	–	–	–	–	–
Westinghouse Electric Canada Inc.....	27	27	2	25	3	11	11	–	–	–
Woodbridge Foam Corporation.....	20	20	4	16	3	13	–	–	–	–
Xanadu Quantum Technologies Inc.....	40	40	6	34	14	15	5	–	–	–
<b>Telesat LEO Satellite Capacity</b>										
Telesat Canada.....	600	600	–	600	–	15	60	60	60	405
<b>Universal Broadband Fund</b>										
Aggregate.....	68	68	31	37	21	10	6	–	–	–
Bell Canada.....	141	141	9	132	70	49	13	–	–	–
Cogeco Connexion Inc.....	34	34	7	27	27	–	–	–	–	–
County of Northumberland.....	18	18	–	18	12	6	–	–	–	–
GCT#3 Representative Services.....	37	37	1	36	16	11	9	–	–	–
Keewaytinook Okimakanak/Northern Chiefs Council.....	12	12	1	11	11	–	–	–	–	–
Matawa First Nations Management.....	50	50	3	47	25	22	–	–	–	–
Northwestern Ontario Innovation Centre Inc..	29	29	3	26	8	10	8	–	–	–
Regional Municipality of Durham.....	15	15	1	14	11	2	1	–	–	–
Rogers Communications Canada Inc.....	114	114	13	101	42	35	24	–	–	–
Township of Pelee.....	14	14	–	14	6	8	–	–	–	–
YTN Telecom Network Inc.....	19	19	2	17	6	6	5	–	–	–
<b>Upskilling for Industry Initiative</b>										
Palette Skills Inc.....	168	168	2	166	78	88	–	–	–	–
<b>Women Entrepreneurship Strategy</b>										
Aggregate.....	72	72	42	30	23	7	–	–	–	–
<b>Canada Foundation for Innovation</b>										
Grants.....	9,992	8,987	8,446	541	145	122	97	79	98	–
<b>Canadian Northern Economic Development Agency</b>										
<b>Northern Indigenous Economic Opportunities Program</b>										
Aggregate.....	23	23	–	23	8	7	5	3	–	–
<b>Promoting regional development in Canada's three territories</b>										
Aggregate.....	21	21	–	21	17	4	–	–	–	–
<b>Federal Economic Development Agency for Southern Ontario</b>										
<b>Economic Growth through Innovation Program</b>										
Aggregate.....	673	673	374	299	250	40	8	1	–	–
Ministry of Natural Resources and Forestry, Ontario.....	15	15	–	15	15	–	–	–	–	–
<b>Southern Ontario Prosperity Program</b>										
Aggregate.....	186	186	107	79	72	7	–	–	–	–
City of Toronto.....	18	18	8	10	8	2	–	–	–	–

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>National Research Council of Canada</b>										
<i>Biologics Manufacturing Centre Inc.</i>										
The Biologics Manufacturing Centre is an end-to-end biomanufacturing facility .....	173	173	1	172	19	17	17	17	17	85
<i>Collaborative Science, Technology and Innovation Program</i>										
Aggregate.....	40	40	–	40	25	12	3	–	–	–
<i>Industrial Research Assistance Program</i>										
Aggregate.....	274	274	–	274	241	28	5	–	–	–
<i>Triumf</i>										
Joint venture by a consortium of universities to manage the TRIUMF Facility in British Columbia.....	264	264	147	117	60	57	–	–	–	–
<b>Natural Sciences and Engineering Research Council</b>										
<i>Funding Natural Sciences and Engineering Research and Training—</i>										
Aggregate.....	5,950	5,950	3,332	2,618	935	682	435	299	164	103
Concordia University .....	105	105	4	101	18	14	14	14	15	26
Dalhousie University.....	183	183	79	104	18	15	15	15	15	26
McGill University .....	42	42	18	24	4	4	4	3	3	6
Memorial University of Newfoundland.....	46	46	2	44	8	6	6	6	7	11
Toronto Metropolitan University.....	15	15	1	14	2	2	2	2	2	4
Université de Montréal.....	106	106	58	48	8	7	7	7	7	12
University of Calgary .....	75	75	57	18	3	3	3	2	2	5
University of Ottawa.....	22	22	1	21	4	3	3	3	3	5
University of Toronto.....	100	100	4	96	17	13	14	14	14	24
University of Victoria.....	50	50	2	48	8	7	7	7	7	12
York University.....	57	57	23	34	6	5	5	5	5	8
<b>Social Sciences and Humanities Research Council</b>										
<i>Funding Social Sciences and Humanities Research and Training—</i>										
Aggregate.....	2,282	2,282	1,328	954	430	239	149	77	37	22
Concordia University .....	19	19	1	18	2	2	3	3	3	5
Dalhousie University.....	65	65	20	45	6	6	7	7	7	12
McGill University .....	33	33	17	16	2	2	3	3	2	4
Memorial University of Newfoundland.....	44	44	1	43	6	6	6	6	7	12
Toronto Metropolitan University.....	69	69	2	67	9	10	10	10	10	18
Université de Montréal.....	47	47	11	36	5	5	5	5	6	10
University of Calgary .....	53	53	16	37	5	5	5	6	6	10
University of Ottawa.....	33	33	1	32	4	5	5	5	5	8
University of Toronto.....	40	40	1	39	5	6	6	6	6	10
University of Victoria.....	33	33	1	32	4	5	5	5	5	8
York University.....	36	36	1	35	5	5	5	5	5	10
<b>Western Economic Diversification</b>										
<i>Community Futures Program</i>										
Aggregate.....	53	53	–	53	18	18	17	–	–	–
<i>Growth through Regional Innovation Program</i>										
Aggregate.....	140	140	–	140	102	31	7	–	–	–
Applied Pharmaceutical Innovation and The Governors of the University of Alberta.....	81	81	10	71	39	26	6	–	–	–
University of Saskatchewan .....	46	46	2	44	6	27	11	–	–	–
<i>Western Diversification Program</i>										
Aggregate.....	98	98	–	98	76	16	5	1	–	–

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
Arctic Gateway Group Limited										
Partnership.....	82	82	34	48	34	5	3	3	3	–
City of Burnaby, British Columbia.....	30	30	3	27	2	2	2	2	2	17
	33,388	32,383	17,881	14,502	5,999	3,384	2,050	1,170	878	1,021
<b>Intergovernmental Affairs, Infrastructure and Communities</b>										
<b>Office of Infrastructure of Canada</b>										
<b>Border Infrastructure Fund</b>										
<b>Government of Quebec</b>										
Highways 35, 55, 73 and 173, Phase I and II.....	147	147	134	13	13	–	–	–	–	–
<b>Building Canada Fund—Communities Component</b>										
Government of Quebec.....	201	201	174	27	1	2	2	2	20	–
<b>Building Canada Fund—Large Urban Centres Component</b>										
Government of Quebec.....	200	200	153	47	9	7	7	7	17	–
<b>Building Canada Fund—Major Infrastructure Component</b>										
Aggregate.....	582	582	523	59	46	9	–	–	4	–
<b>Government of Ontario</b>										
Finch West Light Rail Transit Project.....	333	333	246	87	54	33	–	–	–	–
Highway 11/17 expansion.....	27	27	2	25	13	12	–	–	–	–
Highway 401 widening.....	96	96	35	61	61	–	–	–	–	–
Highway 417 expansion.....	48	48	33	15	15	–	–	–	–	–
<b>Government of Quebec</b>										
<b>Ministry of Culture and Communications</b>										
Montréal's Museum of Contemporary Arts.....	19	19	–	19	13	6	–	–	–	–
<b>Ministry of Municipal Affairs and Housing</b>										
Jean R. Marcotte Wastewater Treatment Facility upgrade.....	64	64	19	45	7	17	21	–	–	–
Montréal's Combined Sewer Overflow Project.....	49	49	18	31	15	6	–	–	10	–
Redevelopment of Saint Joseph's Oratory of Montréal.....	22	22	5	17	9	4	4	–	–	–
<b>Ministry of Transport</b>										
Montréal Metro Phase 3 Systems Reno.....	150	150	129	21	21	–	–	–	–	–
<b>Clean Water and Wastewater Fund</b>										
Government of Alberta.....	197	197	181	16	16	–	–	–	–	–
Government of Nunavut.....	51	51	40	11	–	11	–	–	–	–
Government of Ontario.....	534	534	506	28	28	–	–	–	–	–
Government of Quebec.....	364	364	305	59	9	50	–	–	–	–
<b>Designated Communities</b>										
Aggregate.....	426	426	314	112	112	–	–	–	–	–
Calgary Homeless Foundation.....	84	84	63	21	21	–	–	–	–	–
City of Ottawa.....	66	66	50	16	16	–	–	–	–	–
City of Toronto.....	149	149	101	48	48	–	–	–	–	–
Homeward Trust Foundation.....	72	72	54	18	18	–	–	–	–	–
Lu'Ma Native Bch Housing Society.....	107	107	77	30	30	–	–	–	–	–
Ministère de la Santé et des Services Sociaux, Quebec.....	194	194	116	78	78	–	–	–	–	–
Regional Municipality of Peel.....	41	41	29	12	12	–	–	–	–	–
<b>Disaster Mitigation and Adaptation Fund</b>										
Aggregate.....	220	220	129	91	46	19	12	8	6	–
Alberta Ministry of Transportation.....	169	169	69	100	100	–	–	–	–	–

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2029 and subsequent years
					2024	2025	2026	2027	2028	
City of Edmonton.....	54	54	8	46	11	9	11	10	5	–
City of Hamilton.....	13	13	1	12	8	1	1	1	1	–
City of Kelowna.....	22	22	4	18	6	5	5	2	–	–
City of Kingston.....	10	10	–	10	3	1	1	2	3	–
City of Kitchener.....	50	50	9	41	5	5	9	6	16	–
City of Markham.....	49	49	18	31	8	8	6	6	3	–
City of Richmond.....	14	14	3	11	1	3	3	2	2	–
City of Saskatoon.....	22	22	4	18	3	3	4	5	3	–
City of Surrey.....	77	77	9	68	19	27	10	9	3	–
City of Toronto.....	122	122	18	104	25	45	27	1	6	–
City of Vaughan.....	16	16	5	11	5	5	1	–	–	–
City of Windsor.....	32	32	5	27	8	8	8	1	2	–
City of Yellowknife.....	26	26	1	25	6	14	5	–	–	–
Corporation of the City of Brampton.....	39	39	–	39	2	10	9	9	9	–
Corporation of the City of London.....	20	20	–	20	1	19	–	–	–	–
Corporation of the City of Victoria.....	15	15	3	12	4	2	2	2	2	–
Government of Newfoundland and Labrador .	15	15	3	12	10	2	–	–	–	–
Government of the Northwest Territories.....	22	22	–	22	13	6	2	1	–	–
Ministry of Municipal Affairs and housing.....	96	96	–	96	51	5	21	14	5	–
Mohawks of the Bay of Quinte.....	30	30	15	15	14	1	–	–	–	–
New Brunswick Department of Transportation and Infrastructure.....	14	14	3	11	2	2	1	6	–	–
Northwest Territories Ministry of Infrastructure.....	17	17	–	17	14	2	1	–	–	–
Nova Scotia Ministry of Transportation and Infrastructure Renewal.....	32	32	7	25	10	10	5	–	–	–
Province of Nova Scotia.....	25	25	3	22	6	4	4	4	4	–
Quebec Ministry of Transport.....	59	59	–	59	9	8	12	14	16	–
Saskatchewan Power Corporation.....	20	20	6	14	4	2	2	2	2	2
Saskatchewan Public Safety Agency.....	18	18	2	16	7	3	2	2	2	–
Toronto and Region Conservation Authority (TRCA).....	56	56	5	51	14	8	8	8	13	–
Town of Canmore.....	14	14	3	11	1	3	2	3	2	–
Town of Drumheller.....	22	22	2	20	15	5	–	–	–	–
Town of LaSalle.....	15	15	–	15	1	4	4	4	2	–
Town of Tecumseh.....	11	11	–	11	4	3	2	2	–	–
<b>Green and Inclusive Community Buildings</b>										
Aggregate.....	131	131	30	101	70	21	10	–	–	–
Centre d'amitié Autochtone de Val d'or Inc ...	25	25	1	24	3	2	19	–	–	–
City of Saskatoon.....	10	10	–	10	9	1	–	–	–	–
Cowessess First Nation.....	15	15	–	15	14	1	–	–	–	–
Manitoba Metis Federation.....	23	23	–	23	7	12	4	–	–	–
Mariners Centre Management Authority.....	16	16	–	16	1	5	10	–	–	–
Neeginan Centre Inc.....	21	21	–	21	12	9	–	–	–	–
Pikangikum First Nation.....	17	17	–	17	7	7	3	–	–	–
Under One Sky - Monoqonuwicik - Neoteetjg Mosisig Inc.....	19	19	1	18	11	7	–	–	–	–
<b>Green Infrastructure Fund</b>										
<b>City of Hamilton</b>										
Woodward Avenue Wastewater Treatment Plant.....	100	100	87	13	13	–	–	–	–	–
<b>Government of Quebec</b>										
Biomethanation in the Couronne sud.....	27	27	16	11	2	9	–	–	–	–
Biomethanation in Laval.....	30	30	–	30	9	–	21	–	–	–
Biomethanation in Montréal.....	67	67	–	67	33	–	–	34	–	–
<b>Indigenous Homelessness</b>										
Aggregate.....	236	236	165	71	71	–	–	–	–	–
Aboriginal Labour Force Development Circle.....	35	35	25	10	10	–	–	–	–	–
Lu'Ma Native Bch Housing Society.....	46	46	33	13	13	–	–	–	–	–

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>Investing in Canada Infrastructure Program</b>										
Government of Alberta.....	3,664	3,664	502	3,162	566	443	504	592	476	581
Government of British Columbia .....	3,925	3,925	848	3,077	925	988	720	236	208	–
Government of Manitoba .....	1,183	1,183	104	1,079	240	239	247	136	217	–
Government of New Brunswick .....	684	684	127	557	96	112	103	105	141	–
Government of Newfoundland and Labrador .....	566	566	121	445	85	95	66	48	59	92
Government of the Northwest Territories .....	580	580	118	462	85	85	59	54	24	155
Government of Nova Scotia .....	839	839	164	675	186	119	166	98	106	–
Government of Nunavut .....	571	571	35	536	139	234	125	22	16	–
Government of Ontario .....	10,445	10,445	900	9,545	1,943	2,021	1,833	1,383	1,307	1,058
Government of Prince Edward Island.....	376	376	180	196	121	41	8	8	18	–
Government of Quebec .....	7,560	7,560	722	6,838	1,289	1,283	657	638	728	2,243
Government of Saskatchewan .....	907	907	206	701	213	175	159	58	96	–
Government of Yukon.....	450	450	175	275	91	76	42	30	36	–
<b>Municipal Asset Management Program</b>										
Federation of Canadian Municipalities .....	110	110	84	26	26	–	–	–	–	–
<b>New Building Canada Fund—National Infrastructure Component</b>										
<b>City of Edmonton</b>										
Yellowhead Trail Freeway Conversion Project .....	242	242	61	181	30	48	46	15	42	–
<b>Fort McMurray Airport Authority</b>										
Fort McMurray International Airport expansion .....	25	25	1	24	24	–	–	–	–	–
<b>Government of British Columbia</b>										
Kicking Horse Canyon Project Phase 4.....	215	215	204	11	–	11	–	–	–	–
<b>Government of Quebec</b>										
Highway A-85/185 .....	390	390	193	197	51	62	44	27	13	–
<b>Montreal Port Authority</b>										
Optimization of port capacity.....	44	44	32	12	12	–	–	–	–	–
<b>Yukon Ministry of Highways and Public Works</b>										
Yukon Resource Gateway Project.....	247	247	17	230	7	37	47	39	28	72
<b>New Building Canada Fund—Provincial-Territorial Infrastructure Component—National and Regional Projects</b>										
Aggregate.....	849	849	747	102	72	19	3	6	1	1
<b>Alberta Ministry of Transportation</b>										
Alberta Highways Umbrella Agreement.....	316	316	270	46	29	3	14	–	–	–
<b>British Columbia Ferry Services Inc</b>										
British Columbia Ferries Umbrella Agreement .....	61	61	40	21	–	–	–	–	–	21
<b>British Columbia Ministry of Transportation and Infrastructure</b>										
British Columbia Highways Umbrella Agreement.....	774	774	415	359	149	120	71	14	5	–
<b>Calgary Exhibition and Stampede Limited</b>										
BMO Convention and Trade Centre Expansion Project .....	167	167	98	69	52	17	–	–	–	–
<b>Cape Breton Regional Municipality</b>										
National Regional Projects in Cape Breton Regional Municipality Umbrella Agreement .....	21	21	10	11	6	5	–	–	–	–
<b>City of Edmonton</b>										
Stormwater management, Mill Woods Area Project .....	30	30	20	10	7	3	–	–	–	–

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>City of Ottawa</b>										
Ottawa Light Rail Transit Stage 2 .....	1,091	1,091	827	264	155	–	109	–	–	–
<b>City of Regina</b>										
City of Regina Umbrella Agreement.....	30	30	18	12	1	4	3	2	2	–
<b>City of Winnipeg</b>										
Accelerated Regional Street Renewal Project.....	100	100	64	36	15	7	–	10	4	–
<b>Government of Manitoba</b>										
Manitoba Projects Umbrella Agreement.....	190	190	120	70	54	16	–	–	–	–
<b>Government of New Brunswick</b>										
National Regional Projects in New Brunswick Umbrella Agreement.....	213	213	137	76	27	14	4	12	19	–
<b>Government of Newfoundland and Labrador</b>										
Newfoundland and Labrador Umbrella Agreement.....	175	175	142	33	13	20	–	–	–	–
<b>Government of Nova Scotia</b>										
National Regional Projects in Nova Scotia Umbrella Agreement .....	245	245	162	83	57	14	12	–	–	–
New Art Gallery of Nova Scotia.....	30	30	–	30	9	17	4	–	–	–
<b>Government of Nunavut</b>										
Nunavut Marine Infrastructure Umbrella Agreement.....	94	94	78	16	9	7	–	–	–	–
<b>Government of Ontario</b>										
GO Transit Expansion Project .....	1,899	1,899	360	1,539	135	422	251	149	582	–
Ontario Highways Umbrella Agreement.....	335	335	99	236	28	32	48	40	88	–
<b>Government of Prince Edward Island</b>										
Prince Edward Island Umbrella Agreement.....	153	153	105	48	14	10	6	18	–	–
<b>Government of Quebec</b>										
<b>Ministry of Transport</b>										
Major Rehabilitation of Louis- Hippolyte-La Fontaine Tunnel and Related Work.....	428	428	55	373	125	152	96	–	–	–
Umbrella Agreement for Transport Projects in Quebec.....	362	362	204	158	44	42	31	27	14	–
<b>Government of Saskatchewan</b>										
National Regional Highway Projects in Saskatchewan Umbrella Agreement.....	193	193	180	13	13	–	–	–	–	–
<b>Greater Vancouver Sewerage and Drainage District</b>										
Lions Gate Secondary Wastewater Treatment Project.....	212	212	163	49	28	21	–	–	–	–
<b>Island Ferry Services Limited</b>										
Fast Ferry Project in Nanaimo and Vancouver, British Columbia.....	13	13	–	13	13	–	–	–	–	–
<b>New Building Canada Fund—Provincial- Territorial Infrastructure Component— Small Communities Fund</b>										
Aggregate.....	310	310	289	21	17	4	–	–	–	–
Government of Alberta.....	89	89	77	12	6	–	–	–	6	–
Government of the Northwest Territories .....	186	186	140	46	26	11	7	2	–	–

**Table 11.3**  
**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
Government of Nunavut.....	226	226	85	141	2	15	17	34	51	22
Government of Ontario.....	244	244	200	44	41	3	—	—	—	—
Government of Prince Edward Island.....	28	28	8	20	20	—	—	—	—	—
Government of Quebec.....	177	177	137	40	14	14	5	7	—	—
Government of Yukon.....	257	257	205	52	20	13	6	6	7	—
<b>P3 Canada Fund</b>										
Aggregate.....	64	64	50	14	14	—	—	—	—	—
<b>City of Edmonton</b>										
Edmonton Light Rail Transit System.....	239	239	—	239	239	—	—	—	—	—
<b>Public Transit Infrastructure Fund</b>										
Government of Ontario.....	1,463	1,463	1,400	63	47	16	—	—	—	—
Government of Quebec.....	924	924	588	336	10	1	325	—	—	—
<b>Rural and Remote Homelessness</b>										
Aggregate.....	67	67	52	15	15	—	—	—	—	—
<b>Smart Cities Challenge</b>										
City of Montreal.....	50	50	33	17	10	2	5	—	—	—
<b>Toronto Waterfront Revitalization Corporation</b>										
Port Lands Flood Protection and Enabling Infrastructure Project.....	384	384	329	55	55	—	—	—	—	—
<b>Zero Emission Transit Fund</b>										
Canadian Urban Transit Research & Innovation Consortium (CUTRIC).....	14	14	1	13	6	4	3	—	—	—
	52,203	52,203	16,702	35,501	9,112	7,580	6,127	3,983	4,452	4,247
<b>Justice</b>										
<b>Department of Justice</b>										
<b>Access to Justice Services Agreements</b>										
Government of Nunavut.....	18	18	3	15	4	3	4	4	—	—
Government of the Northwest Territories.....	16	16	4	12	4	3	3	2	—	—
<b>Canadian Family Justice Fund</b>										
Aggregate.....	129	129	9	120	34	29	26	20	11	—
Government of Ontario.....	26	26	4	22	7	5	5	5	—	—
Government of Quebec.....	17	17	3	14	4	3	3	4	—	—
<b>Criminal Legal Aid Program</b>										
Government of Alberta.....	104	104	21	83	24	19	20	20	—	—
Government of British Columbia.....	110	110	19	91	39	17	17	18	—	—
Government of Manitoba.....	51	51	13	38	13	8	8	9	—	—
Government of New Brunswick.....	16	16	3	13	6	3	2	2	—	—
Government of Newfoundland and Labrador..	15	15	3	12	6	2	2	2	—	—
Government of Nova Scotia.....	26	26	5	21	9	4	4	4	—	—
Government of Ontario.....	314	314	55	259	112	50	49	48	—	—
Government of Quebec.....	74	74	7	67	67	—	—	—	—	—
Government of Saskatchewan.....	42	42	9	33	9	8	8	8	—	—
<b>Indigenous Justice Program Fund</b>										
Aggregate.....	105	105	31	74	34	14	13	13	—	—
<b>Intensive Rehabilitation Custody and Supervision Program</b>										
Aggregate.....	20	20	9	11	11	—	—	—	—	—

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>Justice Partnership and Innovation Program</b>										
Aggregate.....	124	124	31	93	40	26	24	3	—	—
<b>Legal Aid Program</b>										
Aggregate.....	63	63	52	11	11	—	—	—	—	—
Legal Aid Ontario.....	43	43	30	13	13	—	—	—	—	—
<b>Official Languages Fund</b>										
Aggregate.....	54	54	9	45	15	11	7	6	6	—
<b>Victims Fund</b>										
Aggregate.....	123	123	27	96	41	27	21	4	3	—
<b>Youth Justice Services Funding Program</b>										
Aggregate.....	33	33	10	23	6	6	6	5	—	—
Government of Alberta.....	124	124	31	93	25	23	23	22	—	—
Government of British Columbia.....	114	114	25	89	24	22	22	21	—	—
Government of Manitoba.....	49	49	15	34	9	8	8	9	—	—
Government of New Brunswick.....	27	27	8	19	5	5	5	4	—	—
Government of Newfoundland and Labrador.....	24	24	4	20	5	5	5	5	—	—
Government of Nova Scotia.....	34	34	10	24	6	6	6	6	—	—
Government of Ontario.....	333	333	65	268	72	65	65	66	—	—
Government of Quebec.....	206	206	63	143	38	35	35	35	—	—
Government of Saskatchewan.....	42	42	8	34	9	8	8	9	—	—
Government of the Northwest Territories.....	15	15	3	12	3	3	3	3	—	—
	2,491	2,491	589	1,902	705	418	402	357	20	—
<b>Natural Resources</b>										
<b>Department of Natural Resources</b>										
<b>Clean Energy for Rural and Remote Communities</b>										
Aggregate.....	95	95	62	33	23	7	2	1	—	—
<b>Clean-up of the Gunnar uranium mining facilities</b>										
Government of Saskatchewan.....	12	12	1	11	11	—	—	—	—	—
<b>Emerging Renewable Power Program</b>										
Aggregate.....	64	64	52	12	7	5	—	—	—	—
Halagonia Tidal Energy Limited.....	30	30	19	11	5	5	1	—	—	—
<b>Energy Efficiency</b>										
Aggregate.....	20	20	7	13	7	3	3	—	—	—
<b>Energy Innovation Program</b>										
Aggregate.....	55	55	14	41	26	13	1	1	—	—
BC Centre for Innovation & Clean Energy.....	35	35	2	33	10	7	9	7	—	—
<b>Fighting and Managing Wildfires in a Changing Climate</b>										
Aggregate.....	5	5	2	3	3	—	—	—	—	—
Government of the Northwest Territories.....	13	13	1	12	4	4	2	2	—	—
<b>Growing Canada's Forests - 2 Billion Trees</b>										
Aggregate.....	112	112	32	80	37	18	10	7	2	6
Agroforestry & Woodlot Extension Society.....	17	17	1	16	1	1	2	2	2	8
Aski Reclamation Ltd on behalf of Aski Reclamation LP.....	12	12	—	12	3	4	3	2	—	—
City of Edmonton.....	48	48	1	47	4	5	6	7	6	19
City of Toronto.....	18	18	1	17	2	2	2	2	2	7
Domtar inc.....	14	14	1	13	1	1	1	2	2	6
Government of British Columbia.....	40	40	18	22	22	—	—	—	—	—
Skeetchestn Natural Resources Corp.....	19	19	—	19	2	2	3	3	3	6
Société de verdissement du Montréal métropolitain.....	20	20	2	18	2	2	2	2	3	7
Tree Canada / Arbres Canada.....	41	41	2	39	3	3	4	4	5	20
<b>Home Retrofits</b>										
Aggregate.....	18	18	5	13	8	3	1	1	—	—
Efficiency One.....	124	124	3	121	37	31	31	22	—	—

**Table 11.3**  
**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
Enbridge Gas Inc.....	613	613	22	591	141	203	246	1	–	–
Government of Quebec (phase II) .....	496	496	18	478	90	120	126	142	–	–
<b>Indigenous Natural Resources</b>										
<b>Partnerships</b>										
Aggregate.....	21	21	8	13	3	4	3	3	–	–
<b>Smart Renewables and Electrification</b>										
<b>Pathways</b>										
Aggregate.....	249	249	132	117	98	19	–	–	–	–
ATCO Electric Ltd.....	50	50	2	48	12	12	9	8	6	1
Bekevar Wind LP.....	50	50	38	12	11	1	–	–	–	–
Higgins Mountain Wind Farm Limited Partnership .....	25	25	–	25	10	13	2	–	–	–
Independent Electricity System Operator .....	16	16	–	16	1	3	3	5	4	–
Oneida Energy Storage LP .....	50	50	22	28	28	–	–	–	–	–
Sagatay Co-Generation LP .....	35	35	25	10	10	–	–	–	–	–
Wedgeport Wind Farm Limited Partnership...	25	25	–	25	10	13	2	–	–	–
Wild Rose 2 Wind LP .....	25	25	10	15	15	–	–	–	–	–
<b>Support Critical minerals</b>										
Aggregate.....	12	12	2	10	10	–	–	–	–	–
<b>Youth Employment and Skills Strategy</b>										
Aggregate.....	16	16	–	16	8	8	–	–	–	–
<b>Zero Emission Vehicle</b>										
<b>Infrastructure</b>										
Aggregate.....	193	193	56	137	93	44	–	–	–	–
<b>Public Safety and Emergency Preparedness</b>	2,688	2,688	561	2,127	758	556	474	224	35	80
<b>Department of Public Safety and     Emergency Preparedness</b>										
<b>Building Safer Community</b>										
<b>Fund</b>										
Aggregate.....	48	48	7	41	19	14	8	–	–	–
City of Toronto.....	12	12	1	11	4	4	3	–	–	–
Quebec Government.....	42	42	7	35	12	12	11	–	–	–
<b>Community Resilience Fund</b>										
Aggregate.....	22	22	9	13	6	4	1	1	1	–
<b>Contribution Program to Combat Serious         and Organized Crime</b>										
Aggregate.....	79	79	41	38	20	16	1	1	–	–
<b>First Nations and Inuit Policing         Program</b>										
Aggregate.....	202	202	115	87	31	18	13	12	12	1
Conseil des Atikamekw d'Opitciwan .....	19	19	9	10	2	2	2	2	2	–
Cree Nation Government.....	134	134	65	69	15	15	13	13	13	–
Innu Takuaikan Uashat Mak Mani-Utenam....	19	19	5	14	2	2	2	2	2	4
Kativik Regional Government .....	82	82	65	17	17	–	–	–	–	–
Mohawk Council of Akwesasne .....	34	34	11	23	4	3	4	4	4	4
Mohawk Council of Kahnawake .....	32	32	11	21	3	3	3	4	4	4
Nishnawbe-Aski Police Service Board .....	95	95	35	60	30	30	–	–	–	–
Stlatimx Tribal Police Board.....	16	16	4	12	2	2	2	2	1	3
<b>Funding for First Nation         and Inuit policing         facilities</b>										
Aggregate.....	41	41	26	15	11	4	–	–	–	–

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>Other National Voluntary Organizations active in the criminal justice sector</b>										
Aggregate.....	23	23	6	17	6	6	5	–	–	–
<b>Supporting the Canadian Red Cross's urgent relief efforts</b>										
Canadian Red Cross Society.....	33	33	2	31	16	15	–	–	–	–
<b>Support of the Safer Communities Initiative</b>										
Aggregate.....	145	145	73	72	31	21	12	7	1	–
	<b>1,078</b>	<b>1,078</b>	<b>492</b>	<b>586</b>	<b>231</b>	<b>171</b>	<b>80</b>	<b>48</b>	<b>40</b>	<b>16</b>
<b>Transport</b>										
<b>Department of Transport</b>										
<b>Airport Critical Infrastructure Program</b>										
Aggregate.....	172	172	101	71	46	24	1	–	–	–
Calgary Airport Authority.....	57	57	8	49	3	25	21	–	–	–
Edmonton Regional Airports Authority.....	22	22	8	14	8	6	–	–	–	–
Greater Toronto Airports Authority.....	58	58	16	42	31	8	3	–	–	–
Montreal Airports.....	151	151	97	54	47	–	7	–	–	–
Regina Airport Authority.....	13	13	–	13	13	–	–	–	–	–
St. John's International Airport Authority.....	19	19	7	12	5	3	4	–	–	–
Vancouver International Airport Authority.....	38	38	18	20	7	13	–	–	–	–
<b>Airports Capital Assistance Program</b>										
Aggregate.....	60	60	6	54	34	11	9	–	–	–
City of Brandon.....	11	11	–	11	1	10	–	–	–	–
Regional Municipality of Wood Buffalo.....	11	11	–	11	11	–	–	–	–	–
Société de développement de la Baie-James....	10	10	–	10	10	–	–	–	–	–
<b>Ferry and Coastal Passenger and Freight Services</b>										
Bay Ferries Limited.....	85	85	12	73	22	20	15	16	–	–
C.T.M.A. Traversier Ltée.....	84	84	18	66	21	18	15	12	–	–
Northumberland Ferries Limited.....	73	73	19	54	14	16	11	13	–	–
<b>National Trade Corridors Fund</b>										
Aggregate.....	331	331	201	130	91	30	6	2	1	–
Aéroport de Québec Inc.....	13	13	–	13	6	7	–	–	–	–
British Columbia Ministry of Transportation and Infrastructure.....	15	15	5	10	9	1	–	–	–	–
Canadian National Railway Company.....	67	67	5	62	42	20	–	–	–	–
Canadian North.....	34	34	–	34	17	17	–	–	–	–
Central Maine and Quebec Railway.....	68	68	25	43	43	–	–	–	–	–
City of Edmonton.....	71	71	10	61	16	17	17	10	1	–
Government of New Brunswick.....	22	22	11	11	4	7	–	–	–	–
Government of the Northwest Territories.....	185	185	12	173	66	62	33	11	1	–
Government of Nova Scotia.....	90	90	–	90	90	–	–	–	–	–
Government of Nunavut.....	150	150	9	141	73	36	29	3	–	–
Government of Saskatchewan.....	53	53	40	13	13	–	–	–	–	–

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
Government of Yukon.....	304	304	80	224	59	50	61	36	18	–
Halifax Port Authority.....	24	24	1	23	20	3	–	–	–	–
Halifax Regional Municipality.....	23	23	–	23	1	22	–	–	–	–
Kitikmeot Inuit Association.....	21	21	–	21	1	13	7	–	–	–
Last Mountain Railway.....	14	14	3	11	5	5	1	–	–	–
Metlakatla Development Corporation.....	43	43	4	39	33	6	–	–	–	–
Montreal Airports.....	50	50	23	27	13	10	2	2	–	–
Montréal Port Authority.....	18	18	–	18	18	–	–	–	–	–
Nanaimo Port Authority.....	46	46	–	46	2	20	24	–	–	–
NAV Canada.....	105	105	5	100	21	25	22	20	12	–
New Brunswick Southern Railway Company Limited.....	21	21	6	15	9	6	–	–	–	–
Nova Scotia Department of Transportation and Infrastructure Renewal.....	20	20	8	12	9	3	–	–	–	–
Saguenay Port Authority.....	33	33	–	33	24	9	–	–	–	–
Saint John Port Authority.....	21	21	5	16	10	6	–	–	–	–
Stewart World Port Services Ltd.....	13	13	–	13	13	–	–	–	–	–
Town of Oyen.....	12	12	–	12	3	3	3	3	–	–
Trigon Pacific Terminals Ltd.....	74	74	–	74	45	29	–	–	–	–
Trois-Rivières Port Authority.....	87	87	–	87	17	23	22	25	–	–
Vancouver Fraser Port Authority.....	288	288	101	187	108	49	30	–	–	–
Winnipeg Airports Authority.....	31	31	18	13	11	2	–	–	–	–
<b>Otaouais Roads Agreement</b>										
Ministère des Transports et de la Mobilité durable du Québec.....	202	202	150	52	–	–	1	2	17	32
<b>Program to Protect Canada's Coastlines and Waterways</b>										
Government of Nunavut.....	102	102	1	101	17	12	22	31	19	–
<b>Provision of Ferry, Coastal Freight and Passenger Services in British Columbia</b>										
British Columbia Ministry of Transportation and Infrastructure.....	891	891	677	214	36	36	36	36	35	35
<b>Remote Passenger Rail Program</b>										
Aggregate.....	43	43	28	15	15	–	–	–	–	–
Keewatin Railway Company.....	34	34	11	23	23	–	–	–	–	–
<b>Safety Equipment and Basic Marine Infrastructure for Northern Communities Initiative</b>										
Government of Nunavut.....	25	25	–	25	1	24	–	–	–	–
<b>VIA Rail Canada Inc. IntraMTL</b>										
Track access.....	42	42	2	40	1	1	1	2	2	33
	4,550	4,550	1,751	2,799	1,258	708	403	224	106	100
<b>Women and Gender Equality Department for Women and Gender Equality Equality for Sex, Sexual Orientation, Gender Identity and Expression Program</b>										
Aggregate.....	39	39	9	30	17	8	5	–	–	–

**Table 11.3**  
**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>Gender-based Violence Funding Program</b>										
Aggregate.....	80	80	50	30	23	6	1	–	–	–
<b>Women's Program</b>										
Aggregate.....	184	184	105	79	61	12	6	–	–	–
	<b>303</b>	<b>303</b>	<b>164</b>	<b>139</b>	<b>101</b>	<b>26</b>	<b>12</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total—Transfer payment agreements.....</b>	<b>284,252</b>	<b>283,247</b>	<b>123,180</b>	<b>160,067</b>	<b>49,212</b>	<b>33,126</b>	<b>26,589</b>	<b>13,337</b>	<b>12,039</b>	<b>25,764</b>
<b>Capital assets and purchases</b>										
<b>Capital assets</b>										
<b>Canadian Heritage</b>										
<b>Library and Archives of Canada</b>										
<b>City of Ottawa</b>										
Governance Agreement - Construction of the Joint Facility between the Ottawa Public Library and Library and Archives of Canada.....	136	136	32	104	34	38	26	6	–	–
<b>Plenary Properties Gatineau LP</b>										
Public Private Partnership for the design, construction and management of the Gatineau Preservation Complex.....	443	443	65	378	15	11	14	14	14	310
	<b>579</b>	<b>579</b>	<b>97</b>	<b>482</b>	<b>49</b>	<b>49</b>	<b>40</b>	<b>20</b>	<b>14</b>	<b>310</b>
<b>Environment and Climate Change</b>										
<b>Department of the Environment</b>										
<b>Leonardo GmbH</b>										
Replacement of radars at multiple Canadian sites.....	130	130	116	14	14	–	–	–	–	–
<b>Parks Canada Agency</b>										
Landmark Solutions Ltd.....	38	38	–	38	19	19	–	–	–	–
	<b>168</b>	<b>168</b>	<b>116</b>	<b>52</b>	<b>33</b>	<b>19</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Fisheries, Oceans and the Canadian Coast Guard</b>										
<b>Department of Fisheries and Oceans</b>										
<b>Chantier Naval Forillon Inc</b>										
Procurement of five Canadian Coast Guard Search and Rescue Lifeboats.....	84	79	65	14	12	2	–	–	–	–
<b>Felix Technology Inc</b>										
Strengthen the National MCTS Radar Network.....	37	37	24	13	12	1	–	–	–	–
<b>Heddle Marine Service Inc</b>										
CCGS George R. Pearkes VLE Drydocking Contract.....	31	31	5	26	17	9	–	–	–	–
CCGS Terry Fox VLE Drydocking Contract.....	120	120	1	119	104	15	–	–	–	–
<b>Hike Metal Products Ltd</b>										
Procurement of five Canadian Coast Guard Search and Rescue Lifeboats.....	80	74	63	11	6	5	–	–	–	–
V6V27 SAR Lifeboat - VLE Docking - Ontario Region.....	23	23	4	19	8	5	5	1	–	–
<b>Industries Ocean Inc</b>										
V6V27 SAR Lifeboat - VLE Docking - Quebec Region.....	16	16	4	12	12	–	–	–	–	–

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>Irving Shipbuilding Inc</b>										
Engineering design review .....	100	100	85	15	15	–	–	–	–	–
<b>Ocean Pacific Marine</b>										
V6V27 SAR Lifeboat - VLE Docking - Pacific Region .....	23	23	4	19	7	4	4	4	–	–
<b>Vancouver Shipyards Co. Ltd</b>										
Shipbuilding .....	1,248	1,248	409	839	305	360	174	–	–	–
	1,762	1,751	664	1,087	498	401	183	5	–	–
<b>Innovation, Science and Industry</b>										
<b>Canadian Space Agency</b>										
<b>MacDonald Dettwiler and Associates Ltd</b>										
Provide a smart robotic system (Canadarm3) .....	276	276	142	134	134	–	–	–	–	–
Gateway External Robotics Interfaces .....	45	45	24	21	20	1	–	–	–	–
	321	321	166	155	154	1	–	–	–	–
<b>Intergovernmental Affairs, Infrastructure and Communities</b>										
<b>Windsor-Detroit Bridge Authority</b>										
<b>Gordie Howe International Bridge project</b>										
Bridging North America .....	2,700	2,700	1,735	965	485	480	–	–	–	–
Michigan Department of Transportation .....	800	800	525	275	34	241	–	–	–	–
Other contracts to support bridge construction .....	205	205	166	39	11	14	10	1	1	2
	3,705	3,705	2,426	1,279	530	735	10	1	1	2
<b>National Defence</b>										
<b>Department of National Defence</b>										
<b>Airbus Defence and Space SA, Madrid, Spain</b>										
Purchase of Fixed Wing Search and Rescue Aircraft .....	2,541	2,541	1,493	1,048	113	145	107	109	125	449
<b>Beland &amp; Lapointe Inc.</b>										
Construction Works, St-Redempteur, Québec .....	37	35	9	26	15	7	4	–	–	–
<b>Bell Textron Canada Limited</b>										
A sole source contract with the OEM, BTCL .....	694	694	49	645	124	140	140	140	80	21
<b>Black &amp; McDonald Limited (Vancouver)</b>										
Construction Works .....	31	27	12	15	4	5	5	1	–	–
<b>Corebuild Construction Ltd.</b>										
Construction Works, North York, Ontario .....	50	48	35	13	13	–	–	–	–	–
<b>DEW Engineering and Development ULC.</b>										
Water Purification Equipment .....	20	20	1	19	7	12	–	–	–	–
<b>Dexterra Group Inc</b>										
Construction Works, Concord, Ontario .....	29	29	11	18	16	2	–	–	–	–
<b>EBC Inc.</b>										
Construction Works, Ancienne-Lorette Quebec .....	159	156	100	56	37	12	7	–	–	–
<b>Fred Trotter Construction Ltd</b>										
Construction Works, Ottawa, Ontario .....	15	14	1	13	13	–	–	–	–	–
<b>General Dynamics Canada Ltd</b>										
Light Armoured Vehicle: Reconnaissance Surveillance Suite .....	623	371	204	167	167	–	–	–	–	–
Light Armoured Vehicles III Upgrade Implementation .....	1,710	1,683	1,586	97	97	–	–	–	–	–

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>General Dynamics Land Systems - Canada</b>										
Armoured combat support vehicle.....	1,830	1,830	588	1,242	321	798	123	–	–	–
<b>General Dynamics Mission Systems - Canada</b>										
CP-140 Aurora Aircraft Data Management System Project.....	864	864	835	29	20	9	–	–	–	–
<b>Government of Australia</b>										
Acquisition of F/A-18 Fighter Aircraft, spares and equipment.....	95	56	46	10	10	–	–	–	–	–
<b>International Airfinance Corporation</b>										
Strategic Tanker Transport Capability - Used Aircraft Acquisition .....	127	121	2	119	119	–	–	–	–	–
<b>Irving Shipbuilding Inc</b>										
Arctic & Offshore Patrol Ship Build Contract .....	3,360	3,360	3,016	344	284	60	–	–	–	–
Canadian Surface Combatant Definition Contract .....	3,405	3,405	1,549	1,856	1,856	–	–	–	–	–
<b>Johnson Controls L.P. (Ottawa)</b>										
Construction Works .....	171	163	36	127	5	7	9	9	10	87
<b>Leonardo UK Ltd</b>										
Upgrades that will extend the estimated life expectancy of the CH149 at the Trenton Main Operating Base.....	1,016	1,016	97	919	51	43	158	227	186	254
<b>Lockheed Martin Overseas Services Corporation</b>										
Miscellaneous Aircraft Accessories and Components.....	56	56	24	32	19	13	–	–	–	–
<b>Mack Defense LLC, Pennsylvania</b>										
In Service Support of the Standard Military Pattern Vehicle.....	140	137	102	35	7	7	7	7	7	–
<b>Northrop Grumman International Trading Inc.</b>										
HEP EGI LN-300.....	47	47	4	43	21	12	10	–	–	–
<b>Pomerleau Inc</b>										
Construction Works, Ottawa, Ontario .....	54	50	5	45	33	9	3	–	–	–
Construction Works, Surrey, British Columbia .....	293	261	248	13	13	–	–	–	–	–
<b>Rheinmetall Canada</b>										
Satellite Communications on the Move .....	48	48	20	28	28	–	–	–	–	–
Water Treatment Systems .....	32	28	1	27	–	16	11	–	–	–
<b>Sikorsky International Operations Inc</b>										
Stratford, Connecticut										
Maritime helicopters .....	1,936	1,936	1,650	286	38	37	211	–	–	–
<b>Thales Canada Inc</b>										
Tactical Control Radar - Acquisition.....	138	138	66	72	42	21	9	–	–	–
<b>United States Department of the Air Force (AFSAC)</b>										
Large Aircraft Infrared Countermeasure (LAIRCM) Block 30 .....	82	78	27	51	8	8	8	9	9	9
<b>United States Department of Defense</b>										
F-35 advanced fighter aircraft and related sustainment equipment and services .....	4,323	27	–	27	27	–	–	–	–	–

**Table 11.3**  
**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>United States Department of the Army</b>										
Manned Airborne and piloted Intelligence, Surveillance and Reconnaissance (ISR).....	193	193	171	22	22	–	–	–	–	–
<b>United States Department of the Navy</b>										
Acquisition of the AEGIS Weapon System.....	1,953	1,953	193	1,760	440	440	440	440	–	–
Acquisition of the SM-II Missile.....	649	649	10	639	9	13	20	27	32	538
Advanced Distributed Combat Training										
System Hornet Extension Project.....	86	86	30	56	29	15	12	–	–	–
Data Transfer Units for CF18.....	23	23	1	22	16	5	1	–	–	–
FMS Planning Case awarded to support the acquisition of AEGIS Weapon System for the Canadian Surface Combatant .....										
	214	214	89	125	31	31	31	32	–	–
Hep AESA Radars .....	243	243	122	121	90	31	–	–	–	–
Hep Classified Software.....	68	68	1	67	20	44	3	–	–	–
Hep JMPS .....	20	20	6	14	8	6	–	–	–	–
Hep OFP .....	111	111	33	78	48	24	6	–	–	–
Naval Architecture - Consulting Services.....	50	50	10	40	20	20	–	–	–	–
<b>Vancouver Shipyards Co. Ltd</b>										
Joint support ship, build contract.....										
	2,447	2,447	1,241	1,206	400	441	259	106	–	–
Joint support ship, long lead items.....										
	652	652	570	82	26	33	4	19	–	–
	30,635	25,948	14,294	11,654	4,667	2,466	1,588	1,126	449	1,358
<b>Public Safety and Emergency Preparedness</b>										
<b>Canada Border Services Agency</b>										
<b>CBSA Assessment and Revenue Management project (CARM)</b>										
Aggregate.....	316	246	228	18	13	5	–	–	–	–
<b>Royal Canadian Mounted Police</b>										
<b>FTI Consulting</b>										
Software.....	19	19	1	18	1	17	–	–	–	–
<b>Industra Construction Corporation</b>										
Construction of new detachment .....	14	14	3	11	11	–	–	–	–	–
<b>PCL Construction Management Inc</b>										
Construction of new detachment .....	18	18	3	15	15	–	–	–	–	–
<b>Penn-Co Construction Canada (2003) Ltd</b>										
Construction of new detachment and housing .....										
	30	30	1	29	17	12	–	–	–	–
<b>RCMP Fleet Vehicles</b>										
Aggregate.....	259	259	143	116	116	–	–	–	–	–
	656	586	379	207	173	34	–	–	–	–
<b>Public Services and Procurement</b>										
<b>Department of Public Works and Government Services</b>										
<b>Alaska Highway conversion</b>										
Ledcor Highways Ltd.....	31	31	11	20	20	–	–	–	–	–
<b>BGIS Global Integrated Solutions Canada LP, Real Property-1</b>										
Arthur Meighen Building Rehabilitation Project .....										
	348	348	328	20	20	–	–	–	–	–
Project Delivery Services and Optional Services.....										
	1,415	1,415	889	526	106	105	105	105	105	–
Rehabilitation of the Lester B Pearson Building.....										
	227	227	166	61	49	10	2	–	–	–

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2029 and subsequent years
					2024	2025	2026	2027	2028	
<b>BGIS Global Integrated Solutions Canada LP,</b>										
<b>Real Property-2</b>										
Project Delivery Services and Optional Services.....	638	638	477	161	81	80	–	–	–	–
<b>Center Block Program,</b>										
<b>Ottawa, Ontario</b>										
Aggregate.....	167	167	156	11	8	3	–	–	–	–
PCL Constructors Canada Inc, EllisDon Corporation, in joint venture.....	1,258	1,258	487	771	674	97	–	–	–	–
WSP Canada Inc.....	353	353	343	10	10	–	–	–	–	–
<b>Energy Services Acquisition</b>										
<b>Program (ESAP)—</b>										
<b>Energy Services</b>										
<b>Modernization (ESM)</b>										
Aggregate.....	34	34	32	2	2	–	–	–	–	–
Innovate Energy.....	1,279	1,279	280	999	306	89	602	2	–	–
<b>Program (ESAP)—Project Delivery</b>										
<b>Services and Optional Services</b>										
Aggregate.....	16	16	15	1	1	–	–	–	–	–
<b>User Buildings Conversion Plan</b>										
<b>(UBCP)</b>										
Aggregate.....	86	86	81	5	5	–	–	–	–	–
<b>Envelop rehabilitation at Les Terrasses</b>										
<b>de la Chaudière Complex</b>										
Aggregate.....	22	22	18	4	1	1	1	1	–	–
PCL Constructors Eastern Inc.....	185	185	9	176	41	49	48	38	–	–
<b>Eureka weather station and research</b>										
<b>base</b>										
Aggregate.....	2	2	1	1	1	–	–	–	–	–
Nuna East Ltd.....	26	26	14	12	7	3	2	–	–	–
<b>Faro Mine Remediation Project</b>										
Aggregate.....	47	47	27	20	20	–	–	–	–	–
Parsons Inc.....	133	133	66	67	67	–	–	–	–	–
<b>Federal Buildings Initiative,</b>										
<b>Energy efficiency improvements in</b>										
<b>existing buildings</b>										
Aggregate.....	88	88	53	35	29	5	1	–	–	–
Ameresco Canada Inc.....	182	182	59	123	30	16	16	9	21	31
Johnson Controls Canada LP.....	30	30	18	12	12	–	–	–	–	–
MCM Custom Energy Solutions Ltd.....	15	15	–	15	15	–	–	–	–	–
<b>Fisheries &amp; harbour management</b>										
Pilitak Enterprises Ltd.....	38	38	9	29	13	9	7	–	–	–
<b>IBM Canada Ltd</b>										
In-Service Support for the Government of Canada Pay System.....	52	47	23	24	24	–	–	–	–	–
<b>Kent Institution upgrade</b>										
Wildstone Construction & Engineering Limited.....	15	15	3	12	12	–	–	–	–	–
<b>Laboratories Canada</b>										
<b>Atlantic Science Enterprise</b>										
<b>Centre (ASEC)</b>										
Aggregate.....	5	5	2	3	3	–	–	–	–	–
Diamond and Schmitt Architects Inc.....	24	24	6	18	6	6	1	1	1	3
<b>RAFF M50</b>										
Aggregate.....	3	3	1	2	1	1	–	–	–	–
EBC Inc.....	16	16	2	14	13	1	–	–	–	–

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>Regulatory and Security</b>										
<b>Science</b>										
Aggregate .....	6	6	5	1	1	–	–	–	–	–
PCL Constructors Canada/PCL Constructors West Coast .....	54	54	9	45	30	15	–	–	–	–
<b>TerraCanada Science and Innovation - Mississauga Project</b>										
Pomerleau Inc. ....	62	62	34	28	28	–	–	–	–	–
<b>Transportation Safety and Technology Science (TSTS)</b>										
Architecture49 Inc. ....	22	22	1	21	3	8	6	2	1	1
<b>New Federal building in Shawinigan</b>										
Aggregate .....	14	14	10	4	2	1	1	–	–	–
Pomerleau Inc. ....	119	119	12	107	50	40	17	–	–	–
<b>Sir Leonard Tilley Building C-Wing</b>										
Aggregate .....	22	22	20	2	2	–	–	–	–	–
TOFCON Construction Inc. ....	36	36	23	13	13	–	–	–	–	–
<b>Springhill Institution</b>										
Dexter Construction Company Limited .....	12	12	–	12	12	–	–	–	–	–
<b>Trent-Severn Waterways Infrastructure project</b>										
Aggregate .....	316	316	310	6	6	–	–	–	–	–
Maple Reinders Constructors Ltd. ....	49	49	1	48	15	33	–	–	–	–
Maple Reinders Constructors Ltd, Construction Demathieu & Bard (CDB) Inc, in joint venture .....	210	210	190	20	20	–	–	–	–	–
<b>Union Bridge rehabilitation and Hull Causeway widening</b>										
Construction Demathieu & Bard (CDB) Inc. ....	44	44	33	11	11	–	–	–	–	–
<b>Vancouver Hub-Centre Sinclair</b>										
Aggregate .....	7	7	5	2	2	–	–	–	–	–
Adamson Associates Architects .....	20	20	4	16	10	6	–	–	–	–
<b>West Memorial Building Rehabilitation Project</b>										
Aggregate .....	42	42	39	3	3	–	–	–	–	–
EllisDon Corporation .....	329	329	160	169	77	77	15	–	–	–
<b>National Capital Commission</b>										
Pomerleau Inc. ....	57	57	25	32	32	–	–	–	–	–
	8,156	8,151	4,457	3,694	1,894	655	824	158	128	35
<b>Transport</b>										
<b>Department of Transport</b>										
<b>Elbit Systems Ltd</b>										
Remotely Piloted Aircraft System Pilot Project .....	32	32	9	23	15	8	–	–	–	–
<b>VIA Rail Canada Inc.</b>										
<b>Buttcon Limited</b>										
Buttcon Limited .....	214	214	55	159	46	45	45	23	–	–
<b>CAD Railways</b>										
Modernization HEP I Coach Septa .....	35	35	6	29	29	–	–	–	–	–
<b>Pomerleau Inc.</b>										
Pomerleau Inc. ....	53	53	4	49	14	14	14	7	–	–
<b>Siemens</b>										
Fleet renewal .....	989	989	497	492	248	160	84	–	–	–
	1,323	1,323	571	752	352	227	143	30	–	–
Total—Capital assets .....	47,305	42,532	23,170	19,362	8,350	4,587	2,788	1,340	592	1,705

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2029 and subsequent years
					2024	2025	2026	2027	2028	
<b>Purchases</b>										
<b>Canadian Heritage</b>										
<b>Canada Council for the Arts</b>										
Committed capital for investments.....	114	114	97	17	9	8	–	–	–	–
<b>Canadian Broadcasting Corporation</b>										
<i>Programming rights</i>										
Allied Properties Data Centre Limited Partnership.....	25	25	7	18	2	2	2	2	3	7
Brookfield Global Integrated Solutions (BGIS).....	85	85	30	55	11	11	11	11	11	–
International Olympic Committee (2022-24).....	84	84	65	19	16	3	–	–	–	–
International Olympic Committee (2026/2028 - 2030/2032).....	220	220	2	218	11	32	20	26	22	107
Media Buy.....	35	35	19	16	5	5	5	1	–	–
Rogers Communications Partnership.....	84	84	32	52	4	5	5	5	5	28
	647	647	252	395	58	66	43	45	41	142
<b>Employment, Workforce Development and Disability</b>										
<b>Inclusion</b>										
<b>Department of Employment and Social Development</b>										
<i>Deloitte Inc.</i>										
System Integrator (SI).....	200	200	54	146	146	–	–	–	–	–
<i>DH Corporation</i>										
Student loans management services.....	424	424	160	264	66	66	66	66	–	–
<i>Gatestone and company Inc</i>										
Contact Centre for the government of Canada general enquiry services.....	82	82	67	15	15	–	–	–	–	–
<i>IBM Canada Ltd</i>										
Core Technology Vendor (CTV).....	56	56	32	24	24	–	–	–	–	–
<i>PricewaterhouseCoopers Inc.</i>										
Transformation Programme Office (TPO).....	114	114	104	10	10	–	–	–	–	–
	876	876	417	459	261	66	66	66	–	–
<b>Fisheries, Oceans and the Canadian Coast Guard</b>										
<b>Department of Fisheries and Oceans</b>										
<i>Great Lakes Fishery Commission (GLFC)</i>										
2022-23 and 2023-24 Canadian Contribution to GLFC based on the 1954 Convention between Canada and the US.....	39	39	20	19	19	–	–	–	–	–
<i>PAL Aerospace Limited</i>										
Air surveillance services.....	133	133	87	46	15	15	16	–	–	–
	172	172	107	65	34	15	16	–	–	–
<b>Global Affairs</b>										
<b>Department of Foreign Affairs, Trade and Development</b>										
<i>Mercer (Canada) Limited</i>										
Services for improving the design and delivery of pensions and insurance benefits to locally- engaged staff.....	36	36	4	32	12	5	5	5	5	–

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>Health</b>										
<b>Department of Health</b>										
<i>KPMG Limited Liability Partnership</i>										
Management consulting .....	20	20	2	18	18	–	–	–	–	–
<b>Public Health Agency of Canada</b>										
<i>COVID-19 related contracts</i>										
<i>Laboratory supplies</i>										
Cepheid Canada .....	115	115	99	16	16	–	–	–	–	–
<i>Medical equipment</i>										
Aggregate (2 names withheld) .....	203	203	132	71	31	20	20	–	–	–
<i>Services and Labour</i>										
Vaccines and therapeutics (6 names withheld) .....	10,166	10,166	6,450	3,716	3,593	59	64	–	–	–
<i>Storage and Warehousing</i>										
<i>Services</i>										
Metro Supply Chain Group Inc .....	138	138	123	15	15	–	–	–	–	–
<i>Pharmaceutical and other medicinal products</i>										
Aggregate (2 names withheld) .....	2,642	2,642	–	2,642	339	389	379	364	364	807
Emergent Biosolutions .....	10	10	–	10	10	–	–	–	–	–
	13,294	13,294	6,806	6,488	4,022	468	463	364	364	807
<b>Immigration, Refugees and Citizenship</b>										
<b>Department of Citizenship and Immigration</b>										
<i>Canadian Bank Note Company Ltd</i>										
Purchase of passport materials .....	868	868	352	516	119	62	63	49	50	173
<i>Medavie Blue Cross</i>										
Administrative fees for temporary coverage of health-care benefits .....	85	85	20	65	21	14	15	15	–	–
<i>VF Worldwide Holdings Ltd</i>										
Global Network of Visa Application Centres including Biometric collection functions .....	243	243	157	86	86	–	–	–	–	–
<i>Xpera Risk Mitigation &amp; Investigation</i>										
Social and support services to support the arrival of Asylum Seekers in the Region of Quebec .....	13	13	–	13	13	–	–	–	–	–
	1,209	1,209	529	680	239	76	78	64	50	173
<b>Innovation, Science and Industry</b>										
<b>Canadian Space Agency</b>										
<i>Canadensys Aerospace Corporation</i>										
Lunar Rover Mission .....	43	43	4	39	6	14	13	6	–	–
<i>MacDonald, Dettwiler and Associates Ltd</i>										
Logistics and Sustaining Engineering Support for the International Space Station Mobile Servicing System .....	172	172	121	51	41	10	–	–	–	–
<i>MDA Geospatial Services Inc.</i>										
Satellite Flight Operations and Data Management Services .....	37	37	24	13	13	–	–	–	–	–
<b>Canadian Tourism Commission</b>										
Interpublic Group of Companies Canada .....	23	23	9	14	14	–	–	–	–	–
Rethink Communications .....	22	22	4	18	18	–	–	–	–	–
	297	297	162	135	92	24	13	6	–	–

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>Intergovernmental Affairs, Infrastructure and Communities</b>										
<b>Office of Infrastructure of Canada</b>										
<i>Signature on the St. Lawrence Group</i>										
Professional services to support systems modernization projects .....	20	20	1	19	6	7	3	3	–	–
New Bridge for the St. Lawrence Corridor Project .....	1,546	1,546	203	1,343	61	56	56	55	55	1,060
<b>Office of the Chief Electoral Officer</b>										
<i>IBM Canada Limited</i>										
Corporate and events hosting and operations management .....	107	107	83	24	24	–	–	–	–	–
Event Field Office Services .....	95	95	79	16	16	–	–	–	–	–
<b>The Jacques Cartier and Champlain Bridges Inc.</b>										
<i>NHSL Consortium</i>										
Deconstruction of original CH bridge .....	230	230	214	16	16	–	–	–	–	–
<i>Coentreprise CIMA+ / AECOM</i>										
Coentreprise CIMA+ / AECOM .....	15	15	3	12	2	2	1	1	6	–
<i>Construction Interlag Inc.</i>										
Construction Interlag Inc. ....	19	19	4	15	13	2	–	–	–	–
<i>Mohawk Bridge Consortium</i>										
Mohawk Bridge Consortium .....	13	13	2	11	7	4	–	–	–	–
<b>Windsor-Detroit Bridge Authority</b>										
<i>Gordie Howe International Bridge project</i>										
Bridging North America .....	1,997	1,997	407	1,590	116	131	24	24	25	1,270
Other contracts .....	68	68	53	15	9	2	4	–	–	–
	4,110	4,110	1,049	3,061	270	204	88	83	86	2,330
<b>Department of National Defence</b>										
<i>ADGA Group Consultants Inc</i>										
Engineering and Technical Support Services (ETSS) in the areas of satellite communications .....	14	14	–	14	3	5	6	–	–	–
Land Command Support System Weapon System Management .....	305	305	279	26	26	–	–	–	–	–
LC4ISR Professional Services .....	245	245	9	236	51	50	50	50	35	–
<i>Aliments BCI Foods Inc</i>										
Combat Ration Food Items .....	55	18	7	11	11	–	–	–	–	–
<i>Allied Wings Limited Partnership</i>										
Primary rotary wing and multi-engine pilot training, Portage la Prairie, Manitoba .....	1,828	1,763	1,354	409	91	91	92	94	41	–
<i>Arcfield Canada Corp</i>										
CF-18 Hornet Avionics Optimized Weapon System Support, Calgary, Alberta .....	487	425	390	35	35	–	–	–	–	–
<i>ATCO Frontec Ltd</i>										
Facilities maintenance, Calgary, Alberta .....	17	17	3	14	3	3	3	5	–	–
<i>ATCO Group</i>										
Facilities maintenance, Calgary, Alberta .....	127	125	71	54	18	18	18	–	–	–
<i>Babcock Canada Inc</i>										
Victoria Class in-service support contract, Ottawa, Ontario .....	1,754	1,754	1,485	269	130	100	39	–	–	–

**Table 11.3**  
**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>Bell Helicopter Textron Canada Limited</b>										
Optimized Weapon System Support, CH-146 Griffon .....	1,315	1,315	1,231	84	84	–	–	–	–	–
<b>Black &amp; McDonald Limited (Moncton)</b>										
Facilities Maintenance, Moncton.....	35	35	–	35	35	–	–	–	–	–
<b>BMT Fleet Technology Limited</b>										
Engineering, logistics and management support services .....	145	145	54	91	15	15	15	15	15	16
<b>Boeing, Pennsylvania</b>										
In-service support for the CH-147F Chinooks.....	2,598	2,227	2,210	17	4	3	3	3	4	–
<b>Bronswerk Marine Inc</b>										
Repair and Overhaul .....	24	24	4	20	7	8	5	–	–	–
<b>CAE Inc</b>										
Aircrew operational training services in support of the CC-130J Hercules and CH-147F Chinook aircrafts .....	633	633	424	209	20	24	24	25	26	90
Flight Simulator .....	69	69	7	62	13	21	13	13	2	–
Multi-Fleet Training Devices Maintenance Support.....	19	19	4	15	10	5	–	–	–	–
<b>CAE Military Aviation Training Inc</b>										
NATO flying training in Canada, Moose Jaw and Cold Lake .....	2,913	2,672	2,233	439	147	121	97	74	–	–
<b>Calian Ltd</b>										
Educational Services .....	48	48	19	29	8	8	8	5	–	–
Managing and recruiting health care providers.....	791	791	532	259	120	139	–	–	–	–
Professional Airworthiness, Engineering and Program Support Services (PAEPSS).....	17	17	3	14	6	5	3	–	–	–
<b>Canadian Base Operators Inc</b>										
Base & Logistic Services .....	157	149	23	126	16	16	16	16	15	47
<b>Cascade Aerospace Inc</b>										
CC-130 Hercules PAV Optimized Weapon System Management.....	1,601	1,100	1,028	72	36	36	–	–	–	–
<b>Chantier Davie Canada Inc</b>										
In-service support for Halifax Class Frigates.....	650	650	588	62	–	62	–	–	–	–
<b>Colt Canada</b>										
C6A1 General Purpose Machine Gun.....	86	86	66	20	19	1	–	–	–	–
<b>Corporation Fort Saint-Jean</b>										
Support to Royal Military College St-Jean .....	429	384	329	55	34	21	–	–	–	–
<b>Co-Ven-Co Ltd</b>										
Stocktaking and Inventory Management Program.....	34	18	4	14	7	7	–	–	–	–
<b>Department of Defense of the United States of America</b>										
To provide space segment in Advanced Extremely High Frequency band around the globe from +/- 70 degree latitude to DND/CAF.....	193	193	69	124	9	10	10	10	10	75
To provide space segment in L- band around the globe to DND/CAF .....	56	56	21	35	11	12	12	–	–	–
<b>DRS Technologies Canada Ltd</b>										
Interim Sirius - Repair and Overhaul.....	18	18	–	18	13	5	–	–	–	–

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>ENGIE Services inc.</b>										
Facilities Maintenance.....	29	28	10	18	5	5	5	3	–	–
<b>Evrupos Janitorial Services Lt</b>										
Facilities Maintenance.....	15	15	–	15	2	2	2	2	3	4
<b>Federal Fleet Services Inc</b>										
Interim Auxiliary Oiler Replenishment .....	807	807	614	193	92	101	–	–	–	–
<b>Fleetway Inc</b>										
In-service support for Halifax Class Frigates.....	168	168	99	69	25	25	19	–	–	–
<b>GEC Aviation Inc</b>										
Gas Turbine Overhaul Services, Marine.....	55	55	14	41	12	12	12	5	–	–
<b>General Dynamics Canada Ltd</b>										
Wheeled Light Armoured Vehicles Optimized Weapon Systems Support, phase 2 .....	1,402	1,168	1,099	69	17	17	18	17	–	–
<b>General Dynamics Land Systems Canada Corporation</b>										
Aircraft, Fixed Wing .....	72	72	8	64	10	10	11	11	11	11
Halifax Class Combat System In-Service Support Contract .....	182	182	24	158	26	26	26	26	26	28
<b>General Dynamics Mission Systems Canada</b>										
Land C4ISR Engineering and Integration .....	325	323	241	82	82	–	–	–	–	–
Underwater warfare suite upgrade.....	142	142	43	99	17	36	19	13	10	4
<b>Hawboldt Industries (1989) Limited; Hermanos Toimil Garcia SL in joint venture</b>										
Single articulated cranes.....	27	27	13	14	14	–	–	–	–	–
<b>Hewitt Equipment Ltd / Toromont Industries Ltd</b>										
Diesel Generator Set Replacement and ISS Project .....	79	79	68	11	2	2	2	2	2	1
<b>IBM Canada Limited</b>										
In-service support for the Defence Resource Management Information System .....	352	352	255	97	39	58	–	–	–	–
<b>IMP Group Ltd, Aerospace Division</b>										
CH-149 Cormorant Helicopter in Service Support Contract.....	2,141	2,120	1,895	225	127	98	–	–	–	–
CP-140 Aurora Aircraft Prime Air Vehicle - Optimized Weapon Systems Support .....	1,093	1,093	1,051	42	42	–	–	–	–	–
<b>Industries Ocean Inc</b>										
Naval large tug.....	96	96	42	54	52	2	–	–	–	–
<b>Intelligence Processing Tool (IPT)</b>										
Intelligence Processing Tool (IPT).....	34	28	16	12	6	6	–	–	–	–
<b>Irving Shipbuilding Inc</b>										
In-service support for Halifax Class Frigates.....	650	650	185	465	–	100	100	100	100	65
<b>Johnson Controls L.P. (Ottawa)</b>										
Facilities Maintenance.....	48	47	2	45	14	3	2	4	22	–

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>Kelowna Flightcraft Ltd</b>										
Repair & Overhaul Services and Spare Procurement .....	40	40	26	14	7	7	–	–	–	–
<b>Kraken Robotic Systems Inc</b>										
Remote Minehunting and Disposal System .....	40	40	1	39	15	20	4	–	–	–
Remote Minehunting and Disposal System (RMDS) - Repair and Overhaul .....	12	12	–	12	–	2	2	2	3	3
<b>Krauss-Maffei Wegmann GmbH &amp; Co. KG</b>										
Leopard 2 A6M Main Battle Tank Turret Conversion .....	49	49	–	49	–	19	30	–	–	–
Leopard 2 Main Battle Tank Repair & Overhaul .....	34	34	–	34	–	13	21	–	–	–
<b>L-3 Technologies MAS Inc</b>										
CC150 Polaris- Multi year I - SSC .....	607	607	522	85	71	14	–	–	–	–
CF-18 Hornet Aircraft System Engineering Support .....	2,584	2,165	1,773	392	135	134	123	–	–	–
CP-140 Aurora Aircraft Avionics, Optimized Weapon System Support .....	842	696	615	81	42	39	–	–	–	–
Maintenance, Repair, Modification, & Installation of Equipment related to Ships .....	59	59	17	42	14	12	12	4	–	–
<b>Lloyd's Register Canada Limited</b>										
Classification Society Support for Combatants .....	88	48	21	27	11	11	5	–	–	–
<b>Lockheed Martin Canada Inc</b>										
Combat Systems Integration .....	539	539	449	90	45	45	–	–	–	–
Repair and overhaul of the Reprogrammable Advanced Electronic Countermeasure Multimode Shipborne System .....	83	83	73	10	1	2	–	2	2	3
<b>Lockheed Martin Corporation</b>										
Fire Control Systems, Complete .....	70	70	17	53	13	13	13	14	–	–
In-service support for the CC130J Hercules fleet .....	4,974	4,974	4,239	735	174	227	227	107	–	–
<b>Logistik Unicorp Inc</b>										
Operational Clothing and Footwear Consolidated Contract .....	2,927	746	7	739	106	125	138	149	160	61
Non-Operational Clothing and Footwear Contract .....	2,112	415	88	327	84	81	81	81	–	–
<b>Metak Distributing Ltd</b>										
Demilitarization and disposal of Canadian Rocket Vehicle (CRV 7) Rocket Motors....	22	22	–	22	13	9	–	–	–	–
<b>Modis Canada Inc</b>										
Tier 2 Informatics Professional Service .....	13	13	–	13	5	5	3	–	–	–
<b>Nasittuq Corporation</b>										
Facilities management contract .....	400	139	17	122	18	19	20	21	22	22
Operation and Maintenance Services of a Technical/Scientific Facility .....	1,148	330	33	297	46	46	46	48	48	63
<b>NATO SeaSparrow Consortium</b>										
Point Defence Missile System In-Service Support .....	486	486	161	325	15	16	34	39	39	182

**Table 11.3**  
**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>NAV Canada</b>										
Contract for the provision of aeronautical products and licensed data and support for DND's role as part of the Canadian AIS.....	42	42	17	25	3	3	3	3	4	9
<b>Orenda Aerospace Corporation</b>										
F404 Propulsion Group interim support.....	368	368	254	114	40	40	17	17	—	—
<b>PricewaterhouseCoopers LLP</b>										
In-Service Support for the Defence Resource Information Management System (DRMIS).....	41	41	4	37	29	8	—	—	—	—
<b>Raytheon Canada Limited</b>										
Repair and overhaul of the Phalanx Close-in Weapon System.....	330	330	161	169	27	33	22	28	59	—
<b>Rheinmetall Canada Inc</b>										
Leopard 2 Turret Electronic and Optronic - Repair and Overhaul.....	30	13	—	13	13	—	—	—	—	—
<b>Saab Microwave Canada Ltd</b>										
SG180 Antenna Replacement.....	98	84	38	46	12	12	10	10	1	1
<b>Santé Montfort</b>										
Facilities and medical services.....	189	176	139	37	11	13	13	—	—	—
<b>SciWise Solutions Inc</b>										
RDS Handheld.....	13	13	—	13	13	—	—	—	—	—
<b>Select Global International Ltd</b>										
Training Services for the Advanced Distributed Combat Training System (ADCTS).....	25	25	1	24	5	5	5	5	4	—
<b>Serco Facilities Management Inc</b>										
Provision of services at Goose Bay, Newfoundland and Labrador.....	748	678	69	609	75	75	75	76	76	232
<b>Sikorsky International Operations Inc, Stratford, Connecticut</b>										
In-service support for maritime helicopters.....	5,828	5,828	1,316	4,512	158	143	126	129	131	3,825
<b>Simex Defence Inc</b>										
RA108 Headset Repair and Overhaul Contract.....	12	12	1	11	4	3	2	2	—	—
<b>SNC Lavalin Defence Programs Inc</b>										
In-service support for Maritime Coastal Defence Vessel.....	847	783	767	16	16	—	—	—	—	—
<b>Standard Aero Limited</b>										
T-56 Propulsion Group Sustainment of CC-130 Hercules and CP-140 Aurora.....	219	219	166	53	13	13	13	14	—	—
<b>Steadfast Inc</b>										
Chemical, Biological, Radiological and Nuclear Textile.....	15	13	—	13	13	—	—	—	—	—
<b>Thales Canada Inc</b>										
Arctic Offshore Patrol Ship and Joint Support Ship in-service support.....	5,000	800	181	619	125	140	160	170	24	—
Repair and overhaul of Periscopes.....	23	23	12	11	11	—	—	—	—	—
<b>Top Aces Inc</b>										
Combat Support Services for Operational Training and Readiness Requirements.....	417	417	189	228	55	56	56	60	1	—

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>Twenty20 Insight Inc</b>										
GLPS & T16-DI-1000 System Replacement .....	11	11	—	11	11	—	—	—	—	—
<b>United States Department of the Air Force</b>										
Engineering services with the United States Government.....	16	16	2	14	2	2	2	2	3	3
F117 engine sustainment support .....	166	139	46	93	19	19	19	12	12	12
In-service support for the CC-177 Globemaster III fleet, Warner Robins, Georgia.....	1,892	1,507	1,058	449	113	114	78	48	48	48
To provide space segment in X-band and Mil-Ka band around the globe from +/- 70 degree latitude to DND/CAF .....	581	581	442	139	49	33	14	2	3	38
<b>United States Department of the Navy</b>										
Ability to invest in the U.S. supply system and receive access to U.S. DoD stocks for RCAF Aircraft support .....	38	38	2	36	12	12	12	—	—	—
AN/BQQ10 - Repair and Overhaul .....	38	38	1	37	7	7	8	8	7	—
CF-18 Automatic Test Equipment Systems .....	15	15	3	12	6	6	—	—	—	—
FMS Case for software fixes .....	12	12	2	10	5	5	—	—	—	—
FMS Case to procure Aircraft Components Support .....	18	18	6	12	6	6	—	—	—	—
FMS Case to procure AMRAAM Missiles .....	378	378	115	263	43	119	63	38	—	—
Heavy weight torpedo upgrade.....	242	242	131	111	—	—	12	75	24	—
HEP AIM-9x.....	78	78	17	61	56	4	1	—	—	—
HEP Jsow-c.....	113	113	9	104	5	12	51	36	—	—
Lightweight torpedoes.....	41	41	10	31	18	13	—	—	—	—
Lightweight torpedoes upgrade .....	508	508	131	377	100	98	84	81	14	—
Naval multiband terminal international partner variant in-service support.....	22	22	7	15	7	8	—	—	—	—
Repair and overhaul ANBQQ10(V)7 .....	76	76	58	18	6	6	6	—	—	—
Repair and overhaul MK-48 torpedo .....	39	39	7	32	13	12	7	—	—	—
Telecommunications - Satellite Services .....	73	73	16	57	15	15	27	—	—	—
<b>United States Department of the Navy (NAVAIR)</b>										
Flares and Chaffs - Countermeasures .....	28	28	11	17	4	4	4	5	—	—
FMS Case for CF-18 In-service support (ISS) .....	16	16	—	16	4	4	4	4	—	—
FMS Case for CF-18 Program Management and technical services .....	43	43	4	39	10	10	10	9	—	—
Operation Training Devices - Repair .....	11	11	—	11	4	4	3	—	—	—
<b>United States Government</b>										
Memorandum of Understanding concerning the Battle Control System (BCS) Sustainment and Follow-on Development (SFD) Program .....	92	92	14	78	7	14	11	9	9	28
<b>Various contractors</b>										
Ammunition .....	1,020	1,018	515	503	336	78	41	28	12	8

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>Victoria Shipbuilding Limited</b>										
In-service support for Halifax Class										
Frigates.....	650	650	350	300	–	100	100	100	–	–
<b>Weir Canada Inc</b>										
Maritime systems and engineering .....	682	682	571	111	76	35	–	–	–	–
<b>Zodiac Hurricane Technologies Inc</b>										
DND R&O of Small Service Boats .....	17	17	6	11	4	4	3	–	–	–
Multi Role Boat (MRB) System .....	33	33	17	16	8	7	1	–	–	–
<b>Communications Security Establishment</b>										
<b>Plenary Properties</b>										
Public-private partnership arrangement to design, build, finance and maintain (35 years), Ottawa, Ontario.....										
	3,273	3,273	1,032	2,241	128	116	110	107	109	1,671
	65,976	54,007	34,083	19,924	4,078	3,559	2,562	2,038	1,137	6,550
<b>Natural Resources</b>										
<b>Atomic Energy of Canada Limited</b>										
Purchase orders.....	1,422	1,422	762	660	660	–	–	–	–	–
<b>Public Safety and Emergency Preparedness</b>										
<b>Canada Border Services Agency</b>										
<b>Corbel Management Corporation</b>										
Detention facility management services .....	88	88	31	57	7	6	6	7	7	24
<b>Correctional Service of Canada</b>										
<b>Community residential facilities</b>										
Aggregate.....	329	329	164	165	165	–	–	–	–	–
<b>Health Services</b>										
Aggregate.....	50	51	24	27	22	3	2	–	–	–
<b>Royal Canadian Mounted Police</b>										
<b>E-Comm Emergency Communications for Southwest British Columbia Incorporated</b>										
Radio services .....	36	36	–	36	17	19	–	–	–	–
<b>Various contracts</b>										
Radio services .....	115	115	38	77	10	10	10	10	10	27
Software.....	35	35	9	26	8	9	9	–	–	–
	653	654	266	388	229	47	27	17	17	51
<b>Public Services and Procurement</b>										
<b>Department of Public Works and Government Services</b>										
<b>Amex Bank of Canada</b>										
Card acceptance services.....										
	26	26	4	22	5	5	6	6	–	–
<b>BGIS Global Integrated Solutions Canada LP</b>										
Building maintenance services, Real Property-1.....										
	9,002	9,002	4,458	4,544	855	915	924	925	925	–
Building maintenance services, Real Property-2.....										
	1,569	1,569	869	700	350	350	–	–	–	–
<b>Dragage Océan DS Inc</b>										
Maintenance dredging, St Lawrence Seaway .....										
	33	33	21	12	4	4	4	–	–	–
<b>Energy Services Acquisition Program (ESAP)—Maintenance and repair services</b>										
Aggregate.....	17	17	16	1	1	–	–	–	–	–
Innovate Energy (paid through ESAP Project Co Limited Partnership) .....										
	2,085	2,085	79	2,006	30	26	26	43	47	1,834

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>ESIT Canada Enterprise Services Co, previously Hewlett-Packard (Canada) Company</b>										
Pension modernization .....	426	426	409	17	17	–	–	–	–	–
<b>Green Timbers Limited Partnership (paid through Computershare Investor Services Inc)</b>										
Public-Private Partnership Relocation Project—RCMP "E" Division relocation, Surrey, British Columbia .....	748	748	311	437	32	32	32	32	31	278
RCMP Forensic Laboratories, Surrey, British Columbia .....	27	27	4	23	1	1	1	1	2	17
<b>IBM Canada Ltd</b>										
In-service support for the Government of Canada pay system .....	146	132	66	66	66	–	–	–	–	–
<b>Moneris Solutions Corporation</b>										
Card acceptance services .....	662	662	236	426	100	65	60	65	65	71
<b>Open Text Corporation</b>										
Licence agreement .....	64	64	54	10	10	–	–	–	–	–
<b>Parsons Canada Ltd</b>										
Giant Mine Remediation .....	969	969	191	778	778	–	–	–	–	–
<b>Rayrock Remediation Project</b>										
Aggregate .....	2	2	1	1	1	–	–	–	–	–
Sanexen Services .....	60	60	11	49	22	19	8	–	–	–
<b>Ricoh Canada Inc</b>										
Print insert and mail workflow service .....	31	31	7	24	5	5	5	5	4	–
<b>Symcor Inc</b>										
Cheque Image Exchange Services .....	27	27	4	23	10	5	4	4	–	–
<b>Tax and operation and maintenance portion on leases</b>										
<b>131 Queen Street Limited and Morguard Corporation</b>										
Trusco Building, 131 Queen Street, Ottawa, Ontario .....	118	118	97	21	6	6	6	3	–	–
<b>2237800 Ontario Ltd</b>										
395 Terminal Avenue, Ottawa, Ontario .....	46	46	32	14	3	3	3	3	2	–
<b>6149626 Canada Inc</b>										
Place Vincent Massey, 351 Saint-Joseph Boulevard, Gatineau, Quebec .....	102	102	47	55	3	4	4	4	4	36
<b>6979637 Canada Inc (Parent company— Broccolini Construction)</b>										
455 De la Carrière Boulevard, Gatineau, Quebec .....	201	201	66	135	8	8	8	9	9	93
<b>8424934 Canada Inc</b>										
2 Victoria Street, Miramichi, New Brunswick .....	40	40	9	31	1	2	2	2	2	22
<b>A N Inc and Cominar Real Estate Investment</b>										
550 de la Cité Boulevard, Gatineau, Quebec .....	48	48	5	43	3	3	3	3	3	28
<b>Chambers Building Inc</b>										
40 Elgin Street, Ottawa, Ontario .....	44	43	3	40	2	2	2	2	2	30

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>Computershare Trust Company of Canada</b>										
Canada Place Building, 9700 Jasper Avenue, Edmonton, Alberta .....	428	428	227	201	20	20	20	21	21	99
Harry Hays Building, 220 - 4th Avenue, Calgary, Alberta .....	228	228	126	102	10	10	10	10	11	51
Joseph Shepard Building, 4900 Yonge Street, Toronto, Ontario .....	266	266	149	117	11	12	12	12	12	58
RCMP Building, 4225 Dorchester Boulevard West, Westmount, Quebec .....	129	129	70	59	6	6	6	6	6	29
Revenue Canada Building, 305 René-Lévesque Boulevard West, Montréal, Quebec .....	169	169	86	83	8	8	9	9	9	40
Skyline Complex, 1400 Merivale Road, Ottawa, Ontario .....	423	423	246	177	17	18	18	18	18	88
Thomas D'Arcy McGee Building, 90 Sparks Street, Ottawa, Ontario .....	288	288	169	119	12	12	12	12	12	59
<b>Consortium GM Développement, OGESCO Construction, Pierre Martin &amp; Associés, Design &amp; Architecture</b>										
1550 d'Estimauville Avenue, Québec, Quebec .....	69	69	35	34	3	4	4	4	4	15
<b>Minto Commercial Properties Inc</b>										
Mercury Centre, 3000 Merivale Road, Ottawa, Ontario .....	251	251	145	106	11	11	12	12	12	48
<b>Outcore Equities Inc and Slate Holdings (CANADA) ULC</b>										
191 Laurier Avenue West, Ottawa, Ontario .....	27	27	2	25	3	3	3	3	2	11
<b>Pomerleau, Keviar and Québec Inc</b>										
2575 Ste-Anne Boulevard, Québec, Quebec .....	48	48	16	32	2	2	2	3	3	20
<b>Société d'habitation et de développement de Montréal</b>										
1501, De Bleury Street, Montréal, Québec .....	47	47	8	39	2	2	2	2	3	28
<b>The Canada Life Assurance Company</b>										
James Michael Flaherty Building, 90 Elgin Street, Ottawa, Ontario .....	308	308	96	212	11	11	11	12	12	155
Judicial Complex, 180 Queen Street West, Toronto, Ontario .....	80	80	68	12	4	4	4	–	–	–
<b>Shared Services Canada</b>										
<b>2Keys Corporation</b>										
Government of Canada branded cyber authentication service .....	44	44	28	16	16	–	–	–	–	–
<b>Bell Canada</b>										
Government of Canada Network wide area network international services, stream 3 .....	141	141	117	24	24	–	–	–	–	–
Local access service .....	680	680	626	54	54	–	–	–	–	–
<b>Bell Conferencing Inc</b>										
Telephone and voice services .....	94	94	84	10	6	4	–	–	–	–
<b>Bell Mobility</b>										
Government cellular services .....	563	563	515	48	48	–	–	–	–	–

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>BMC Software Canada Inc</b>										
Enterprise information technology service management (ITSM) tool solution .....	37	37	22	15	13	2	–	–	–	–
<b>Computacenter Teramach Inc</b>										
Hardware maintenance and support renewal .....	20	20	–	20	20	–	–	–	–	–
<b>Defence Construction Canada</b>										
Public private partnership, Enterprise Data Centre Borden .....	83	83	20	63	4	4	4	4	3	44
<b>Equinix</b>										
Data centre co-location services .....	62	62	20	42	8	8	8	8	8	2
<b>IBM Canada Ltd</b>										
Hosted contact centre services .....	87	87	60	27	10	10	7	–	–	–
License/Maintenance fees for operating system and utility software related to servers, storage, peripherals and components .....	439	439	224	215	101	100	14	–	–	–
Supercomputer renewal, Dorval, Quebec .....	109	109	91	18	10	8	–	–	–	–
<b>Inmarsat Solutions Canada Inc</b>										
Communications/Network services .....	53	53	34	19	19	–	–	–	–	–
<b>Kyndryl Canada Limited</b>										
Computer Equipment - Servers .....	23	23	5	18	3	3	3	3	3	3
Service desk - Enterprise command centre - Data centre .....	31	31	12	19	19	–	–	–	–	–
<b>Microsoft Canada Inc.</b>										
License/Maintenance fees for Client Software .....	537	537	132	405	136	134	135	–	–	–
Microsoft Enterprise agreement .....	557	557	483	74	25	24	25	–	–	–
<b>Rogers Communications Canada Inc</b>										
Toll-free network services .....	69	69	52	17	5	6	6	–	–	–
<b>Telesat Canada</b>										
Communications and network services .....	38	38	12	26	4	4	4	4	4	6
<b>Telus Communications Company</b>										
Communications and network services .....	169	169	129	40	40	–	–	–	–	–
Government Enterprise Network Services .....	341	341	231	110	28	33	34	15	–	–
<b>Unisys Canada Inc</b>										
Mainframe .....	55	55	31	24	6	6	6	6	–	–
<b>Zayo Canada Inc</b>										
Digital channel communication services for combined transmission .....	105	105	77	28	28	–	–	–	–	–
<b>National Capital Commission</b>										
Capital Property Guardians .....	14	14	3	11	1	2	2	2	2	2
	23,605	23,590	11,451	12,139	3,061	1,926	1,471	1,273	1,241	3,167
<b>Transport</b>										
<b>Canadian Air Transport Security Authority</b>										
Allied Universal Security Services of Canada .....	1,299	1,299	1,120	179	179	–	–	–	–	–
Garda Security Screening Inc—Central .....	2,088	2,088	1,743	345	345	–	–	–	–	–
Garda Security Screening Inc—Prairies .....	1,469	1,469	1,249	220	220	–	–	–	–	–
K'(Prime) Technologies Inc. ....	98	98	2	96	18	19	19	19	18	3
Leidos Security Detection & Automation, Inc. ....	89	89	74	15	4	4	4	3	–	–
Securitas Transport Aviation Security Ltd .....	1,522	1,522	1,263	259	259	–	–	–	–	–
Smiths Detection Montreal Inc. ....	248	248	233	15	–	4	4	4	3	–
Sun Life Assurance Company of Canada .....	25	25	6	19	7	7	5	–	–	–

**Table 11.3**  
**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>VIA Rail Canada Inc.</b>										
Canadian National Railway Company .....	12	12	2	10	10	–	–	–	–	–
<b>Siemens</b>										
Technical services .....	356	356	2	354	5	11	25	26	68	219
	<b>7,206</b>	<b>7,206</b>	<b>5,694</b>	<b>1,512</b>	<b>1,047</b>	<b>45</b>	<b>57</b>	<b>52</b>	<b>89</b>	<b>222</b>
<b>Treasury Board</b>										
<b>Treasury Board Secretariat</b>										
<b>SAP Canada Inc</b>										
Licenses and professional services agreement .....	374	374	162	212	29	26	26	26	26	79
<b>Sun Life Assurance Company of Canada</b>										
Pensioners' Dental Services Plan (Administrative services) .....	94	94	78	16	16	–	–	–	–	–
Public Service Health Care Plan (Administrative services) .....	441	441	417	24	24	–	–	–	–	–
<b>The Canada Life Assurance Company</b>										
Public Service Health Care Plan (Administrative services) .....	447	447	–	447	45	31	39	51	58	223
	<b>1,356</b>	<b>1,356</b>	<b>657</b>	<b>699</b>	<b>114</b>	<b>57</b>	<b>65</b>	<b>77</b>	<b>84</b>	<b>302</b>
Total—Purchases .....	120,859	108,876	62,239	46,637	14,177	6,558	4,954	4,090	3,114	13,744
<b>Total—Capital assets and purchases .....</b>	<b>168,164</b>	<b>151,408</b>	<b>85,409</b>	<b>65,999</b>	<b>22,527</b>	<b>11,145</b>	<b>7,742</b>	<b>5,430</b>	<b>3,706</b>	<b>15,449</b>
<b>Operating leases</b>										
<b>Canadian Heritage</b>										
<b>Canada Council for the Arts</b>										
Office accommodation, 150 Elgin Street, Ottawa, Ontario .....	92	92	43	49	4	4	4	5	5	27
<b>Canadian Broadcasting Corporation</b>										
Morguard .....	144	144	83	61	6	6	6	5	5	33
Regina .....	13	13	2	11	–	–	1	1	1	8
Société en commandite La Nouvelle Maison .....	660	660	312	348	13	13	13	13	13	283
<b>Canadian Museum of Immigration at Pier 21</b>										
1055 Marginal Road, Halifax, Nova Scotia .....	69	69	17	52	1	2	2	2	2	43
	<b>978</b>	<b>978</b>	<b>457</b>	<b>521</b>	<b>24</b>	<b>25</b>	<b>26</b>	<b>26</b>	<b>26</b>	<b>394</b>
<b>Environment and Climate Change</b>										
<b>Department of the Environment</b>										
<b>Capilano Indian Reserve No. 5, Squamish First Nation, Vancouver, British Columbia</b>										
Lease of land—Pacific Environmental Center .....	692	692	314	378	18	18	18	18	18	288
<b>Global Affairs</b>										
<b>Department of Foreign Affairs, Trade and Development</b>										
<b>237 Park Owner LLC.</b>										
Chancery, New York, United States .....	169	169	33	136	8	8	8	8	9	95
<b>AG Insurance S.A.</b>										
Chancery, Brussels, Belgium .....	21	21	9	12	1	1	2	2	2	4

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>Main Business Administration for Services to the Diplomatic Corps (GlavUpDK)</b>										
Moscou, Russia.....	57	57	41	16	3	3	3	3	4	–
<b>Pacific Grace limited</b>										
Hong Kong, Hong Kong.....	21	21	–	21	3	3	4	4	4	3
<b>Shanghai JingAn Century Property Dv</b>										
Chancery, Shanghai, China.....	16	16	3	13	3	3	3	3	–	1
<b>Canadian Commercial Corporation</b>										
Office space.....	23	23	9	14	1	1	2	2	2	6
<b>International Development Research Centre</b>										
World Exchange Plaza, 45 O'Connor Street, Ottawa.....	78	78	1	77	4	4	4	4	4	57
	385	385	96	289	23	23	26	26	25	166
<b>Public Safety and Emergency Preparedness</b>										
<b>Royal Canadian Mounted Police</b>										
<b>Government of Alberta</b>										
Alberta First Responders Radio Communications System.....	385	385	169	216	24	24	24	24	24	96
<b>Government of Manitoba</b>										
Manitoba Public Safety Communications Service Agreement.....	71	71	10	61	7	7	7	7	6	27
	456	456	179	277	31	31	31	31	30	123
<b>Public Services and Procurement</b>										
<b>Department of Public Works and Government Services</b>										
<b>100-130 Colonnade Road Reginal Inc (Cushman and Wakefield Ottawa)</b>										
130 Colonnade Road, Ottawa, Ontario.....	20	20	3	17	2	3	3	3	3	3
<b>1301986 Ontario Inc</b>										
405 Terminal Avenue, Ottawa, Ontario.....	50	44	14	30	5	5	5	5	4	6
<b>160 Elgin Portfolio Inc and 160 Elgin Leaseholds Inc</b>										
Place Bell Canada, 160 Elgin Street, Ottawa, Ontario.....	62	62	30	32	8	4	4	4	4	8
<b>22 Varennes Regional Inc</b>										
22 de Varennes Street, Gatineau, Quebec.....	12	12	1	11	2	2	2	3	2	–
<b>25 Nicholas Properties Ltd</b>										
25 Nicholas Street, Ottawa, Ontario.....	44	31	15	16	4	4	5	3	–	–
<b>3352200 Canada Inc</b>										
840 Howe Street, Vancouver, British Columbia.....	67	67	23	44	6	7	7	7	7	10
<b>35 Fitzgerald Building Inc and 25 Fitzgerald Building Inc</b>										
25 Fitzgerald Road, Ottawa, Ontario.....	17	17	1	16	3	3	3	4	3	–
<b>519719 Ontario Inc</b>										
1600 Star Top Road, Ottawa, Ontario.....	58	46	4	42	5	6	6	6	6	13
<b>800 Burrard Limited Partnership</b>										
800 Burrard Street, Vancouver, British Columbia.....	94	65	43	22	10	10	2	–	–	–
<b>9182071 Canada Inc and 10064963 Canada Inc</b>										
2215 Gladwin Crescent, Ottawa, Ontario.....	27	20	2	18	3	3	3	3	4	2
<b>9197397 Canada Inc</b>										
2204 Walkley Road, Ottawa, Ontario.....	16	12	2	10	1	1	1	2	2	3

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—concluded

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>AIMCo Realty investors LP, DD Acquisitions Partnership and Chefoo Holdings Ltd</b>										
1138 Melville Street, Vancouver, British Columbia .....	82	64	17	47	8	8	8	8	9	6
<b>Arnon Corporation</b>										
785 Carling Avenue, Ottawa, Ontario .....	27	27	13	14	3	3	3	3	2	–
<b>Bona Building &amp; Management Company Ltd</b>										
155 McArthur Avenue, Ottawa, Ontario .....	29	18	1	17	4	4	4	3	2	–
1625 Vanier Parkway, Ottawa, Ontario .....	115	58	18	40	6	6	7	7	5	9
Place Vanier - Towers A and B, 333 and 355 North River Road, Ottawa, Ontario .....	125	61	9	52	12	12	12	13	3	–
Vanier Building, 222 Nepean Street, Ottawa, Ontario .....	31	31	8	23	3	3	3	3	3	8
<b>Bona Building &amp; Management Company Ltd and Bona Building &amp; Management Company Ltd as trustee</b>										
285 Coventry Road, Ottawa, Ontario .....	33	16	6	10	3	3	3	1	–	–
295 Coventry Road, Ottawa, Ontario .....	33	16	6	10	3	3	3	1	–	–
<b>Capital City Shopping Centre Limited</b>										
Billings Bridge Office Tower, 2323 Riverside Drive, Ottawa, Ontario .....	24	24	14	10	2	3	3	2	–	–
<b>Chambers Building (Ottawa) Inc, c/o Allied Properties</b>										
Chambers Building, 40 Elgin Street, Ottawa, Ontario .....	24	18	5	13	1	3	3	3	3	–
<b>City Centre Equities Inc and Harvard Developments Inc</b>										
2010-12th Avenue Regina, Saskatchewan .....	55	41	27	14	2	3	3	3	3	–
<b>Colonnade Bridgeport Realty Inc</b>										
Holland Cross Complex Towers A and B, 11 Holland Avenue, Ottawa, Ontario and 1600 Scott Street, Ottawa, Ontario .....	58	39	12	27	3	3	4	4	4	9
<b>Concert Realty Services Inc</b>										
Canada Revenue Agency Tax Services Office Lease .....	78	78	31	47	5	5	5	5	6	21
<b>CPVC Place de Ville Nominee Inc</b>										
320 Queen Street, Ottawa, Ontario .....	477	473	358	115	36	16	16	16	17	14
330 Sparks Street, Ottawa, Ontario .....	162	68	–	68	4	22	23	19	–	–
<b>Crestpoint Real Estate Investment Limited Partnership</b>										
121 King Street West, Toronto, Ontario .....	111	70	20	50	7	7	7	7	22	–
<b>Desjardins Financial Security Life Assurance Company and SWBC MEC 2 Ltd</b>										
2, Robert Speck Parkway, Mississauga, Ontario .....	26	26	5	21	2	2	3	3	11	–
<b>Dilawri Property Holdings Ltd</b>										
2525 Lancaster Road, Ottawa, Ontario .....	17	17	4	13	2	2	2	2	2	3
<b>Donald Bondy and Earl Brewer, in joint venture</b>										
81 Regent Street, Fredericton, New Brunswick .....	16	13	3	10	1	1	1	1	2	4
<b>Dream Office LP</b>										
74 Victoria Street, Toronto, Ontario .....	17	17	4	13	6	7	–	–	–	–

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—concluded

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>GTA Office Inc c/o Slate Office II LP</b>										
100-2599 Speakman Drive, Mississauga, Ontario .....	15	12	2	10	1	1	1	1	6	–
<b>Hantom Holdings Inc</b>										
100 Metcalfe Street, Ottawa, Ontario .....	72	61	8	53	5	6	6	6	6	24
<b>HOOPP Realty Inc</b>										
ATB Place, North Tower, 10025 Jasper Avenue, Edmonton, Alberta .....	24	19	2	17	1	1	2	2	3	8
<b>Jones Lang and Lasalle Real Estate Services Inc on behalf of Canada Post Corporation</b>										
750 Heron Road, Ottawa, Ontario .....	350	164	149	15	9	6	–	–	–	–
<b>Kidinks Holdings Inc and Crestpoint Real Estate (234 Laurier) Inc</b>										
234 Laurier Avenue West, Ottawa, Ontario.....	97	97	–	97	3	3	4	8	8	71
<b>KLT 3250 Lapiniere Inc</b>										
3250 Lapinière Boulevard, Brossard, Quebec .....	25	20	–	20	–	–	1	1	1	17
<b>Larco Investments Limited</b>										
1 Front Street, Toronto, Ontario .....	100	100	89	11	11	–	–	–	–	–
<b>LCPF Realty Inc and Southland Park Inc, c/o Lasalle Investment Management (Canada)</b>										
Southland Park 1, 10201 Southport Road South West, Calgary, Alberta .....	20	16	2	14	2	2	2	2	2	4
<b>Leima Holdings Limited</b>										
Leima Building, 410 Laurier Avenue West, Ottawa, Ontario .....	26	26	10	16	2	3	3	3	2	3
<b>Les Cours Pointe St-Charles Inc</b>										
Environment and Climate Change Canada, 1870 Le Ber Street, Montreal, Quebec .....	26	13	1	12	1	1	1	1	2	6
<b>Lord Realty (Quebec) Limited Partnership</b>										
Immigration and Refugee Board of Canada and Canada Economic Development, 800 René-Lévesque Boulevard West, Montreal, Quebec .....	47	35	12	23	4	4	4	5	3	3
<b>MDL Real Estate Income Fund LP</b>										
3427 Faithfull Avenue, Saskatoon, Saskatchewan .....	25	25	13	12	1	2	2	2	2	3
<b>Mega-Centre Guzzo Pont Viau Inc</b>										
1041 des Laurentides boulevard, Laval, Quebec.....	47	38	–	38	–	–	2	2	2	32
<b>Minto (Kent St) Inc, I G Investment Management Ltd and LCPF Realty Inc</b>										
180, Kent Street, Ottawa, Ontario .....	42	42	16	26	5	5	5	5	4	2
<b>Minto Commercial Properties Inc, I G Investment Management Ltd and LCPF Realty Inc</b>										
Canada Building, 344 Slater Street and Enterprise Building, 427 Laurier Avenue West, Ottawa, Ontario .....	21	21	6	15	2	2	2	2	2	5
<b>MJ (5001 Yonge) Limited Partnership</b>										
5001 Yonge Street, Toronto, Ontario .....	28	28	–	28	8	9	10	1	–	–

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—concluded

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2029 and subsequent years
					2024	2025	2026	2027	2028	
<b>Morguard Investments Ltd</b>										
Heritage Place Building, 155 Queen Street, Ottawa, Ontario .....	113	113	39	74	10	11	11	11	12	19
<b>Morguard (Jean Edmonds) Limited and 10938629 Canada Inc</b>										
Jean Edmonds Building, North Tower, 300 Slater Street, Ottawa, Ontario .....	95	95	66	29	10	11	8	–	–	–
Jean Edmonds Building, South Tower, 365 Laurier Avenue West, Ottawa, Ontario .....	90	90	63	27	10	10	7	–	–	–
<b>Morguard Real Estate Investment Trust</b>										
7575 - 8th Street North-East, Calgary, Alberta .....	45	45	27	18	3	3	3	3	3	3
<b>OMNI Property Management Inc</b>										
1611 Main Street, Vancouver, British Columbia .....	93	68	39	29	4	5	5	5	5	5
<b>OPB (Centre 10) Inc</b>										
517 - 10th Avenue South West, Calgary, Alberta .....	132	100	66	34	7	6	6	6	6	3
<b>Orlando Corporation</b>										
5800 Hurontario Street, Mississauga, Ontario .....	33	33	20	13	8	5	–	–	–	–
<b>Oxford Properties Group Inc and OREC (RAC) Holdings Inc</b>										
120 Adelaide Street West and 101 Richmond Street West, Toronto, Ontario...	168	81	38	43	8	8	8	8	9	2
<b>Place Bonaventure Property Management Inc</b>										
Place Bonaventure, 800 de la Gauchetière Street West, Montréal, Quebec .....	20	20	9	11	2	2	2	2	2	1
<b>Place d'Orleans Holdings Inc</b>										
110 Place d'Orleans Drive, Ottawa, Ontario .....	21	18	5	13	2	2	1	2	2	4
<b>Place Montcalm (Phase III) S E N C</b>										
70 Crémazie Street, Gatineau, Quebec .....	90	53	31	22	4	5	5	5	3	–
<b>Priority Asset Management Inc</b>										
9240 - 49th Street, Edmonton, Alberta .....	101	51	32	19	3	3	3	4	4	2
<b>QPI/NCCP Plateau Development L P</b>										
Building 5302, Qulliq Court, Iqaluit, Nunavut .....	19	17	–	17	–	–	1	1	1	14
<b>Roscourt Investments Inc</b>										
30 McGill Street, Montréal, Quebec.....	30	30	14	16	4	4	4	4	–	–
<b>S E C Promenade du Portage</b>										
60 Laval Street, Gatineau, Quebec .....	21	21	4	17	2	2	2	2	2	7
<b>South Laurel Lands Development</b>										
13763 - 96th Ave, Surrey, British Columbia .....	14	14	1	13	1	1	1	2	2	6
<b>Station Lands Ltd</b>										
Epcor Tower, 10423 - 101st Street, Edmonton, Alberta.....	66	63	26	37	5	6	6	6	6	8
<b>Sun Life Assurance Company of Canada and Ontario Holdings Limited</b>										
Sun Life Financial Centre, 50 O'Connor Street, Ottawa, Ontario .....	208	191	82	109	19	20	20	15	14	21
<b>Surrey CC Properties Inc</b>										
13450 - 102nd Avenue, Surrey, British Columbia .....	31	31	20	11	3	3	3	2	–	–

Table 11.3

## Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2023—concluded

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2024	2025	2026	2027	2028	2029 and subsequent years
<b>The Cadillac Fairview Corporation Limited</b>										
IBM Tower, 701 West Georgia Street, Vancouver, British Columbia .....	32	32	11	21	3	3	4	4	4	3
<b>The Canada Life Assurance Company</b>										
219 Laurier Avenue West, Ottawa, Ontario.....	77	77	26	51	5	5	5	5	6	25
255 Albert Street, Ottawa, Ontario .....	34	34	1	33	3	3	3	3	4	17
269 Laurier Avenue West, Ottawa, Ontario.....	119	90	28	62	14	15	9	5	6	13
Centennial Towers, 200 Kent Street, Ottawa, Ontario .....	231	179	133	46	16	17	13	–	–	–
<b>The Manitoba Public Insurance Corporation</b>										
Cityplace Building, 234 Donald Street, Winnipeg, Manitoba .....	57	44	–	44	1	1	3	5	4	30
<b>TNC 340 Laurier Ltd</b>										
Sir Wilfrid Laurier Building, 340 Laurier Avenue West, Ottawa, Ontario .....	85	85	23	62	10	10	10	10	11	11
<b>TNC 400 Cumberland Ltd</b>										
Cumberland Place Building, 400 Cumberland Street, Ottawa, Ontario .....	43	28	–	28	3	5	5	5	6	4
<b>Unimet Investments Limited</b>										
Natural Resources Canada, 607 Robson Street, Vancouver, British Columbia .....	13	13	1	12	1	1	1	1	2	6
<b>Whiterock 655 Bay Street Toronto Inc</b>										
655, Bay Street, Toronto, Ontario .....	32	32	–	32	2	4	4	5	5	12
<b>Windmill Dream Ontario GP 211 Inc</b>										
125 Zaida Eddy Private, Ottawa, Ontario .....	157	114	8	106	7	7	8	8	8	68
<b>Winnipeg Square Leaseco Inc</b>										
Commodity Exchange and Winnipeg Square, 360 Main Street, Winnipeg, Manitoba .....	42	42	9	33	4	4	4	4	5	12
<b>York Realty Inc</b>										
7390 - 64th Street SE, Calgary, Alberta.....	22	15	–	15	–	1	1	1	1	11
<b>Z V Holdings Corporation</b>										
2, Constellation Drive, Ottawa, Ontario .....	38	26	7	19	3	3	3	4	4	2
	5,344	4,233	1,838	2,395	394	395	368	323	309	606
<b>Transport</b>										
<b>Canadian Air Transport Security Authority</b>										
Sun Life Assurance Company of Canada .....	62	62	49	13	3	2	3	3	2	–
<b>Marine Atlantic Inc.</b>										
Agreement to lease new vessel .....	118	118	–	118	2	24	24	24	24	20
MV Atlantic Vision .....	131	131	113	18	16	2	–	–	–	–
<b>VIA Rail Canada Inc.</b>										
<b>City of Toronto</b>										
Union Station .....	210	210	66	144	4	4	4	4	5	123
<b>SITQ lease</b>										
Place Ville-Marie C20130535 .....	24	24	–	24	–	2	2	2	2	16
	545	545	228	317	25	34	33	33	33	159
<b>Total—Operating leases .....</b>										
	8,400	7,289	3,112	4,177	515	526	502	457	441	1,736
<b>Grand total.....</b>										
	460,816	441,944	211,701	230,243	72,254	44,797	34,833	19,224	16,186	42,949

<sup>1</sup> Future expenditures that the government has committed to as part of a legal settlement.

## International contractual obligations

International contractual obligations reported in this table include transfer payments, and loans and advances to international organizations as well as loans for the development of export trade (administered by Export Development Canada), if any, which Canada has agreed to disburse in the future. Future paid-in share capital represents commitments made by Canada for future purchases of non-budgetary share capital in international organizations. The amounts reported in Table 11.4 as undisbursed loans and advances and as future paid-in share capital exclude notes that have been issued and that are still unpaid as at March 31, 2023.

Table 11.4 presents information that is summarized in Note 22 to the consolidated financial statements in Section 2 of this volume.

**Table 11.4**  
**International contractual obligations**

(in millions of dollars)<sup>1</sup>

	Transfer payments	Undisbursed loans and advances	Future paid-in share capital	Total
<b>Budgetary transfer payments, loans and advances</b>				
Finance				
Department of Finance				
Multilateral Debt Relief Initiative				
African Development Fund.....	403			403
International Development Association .....	825			825
Replenishment of the International Development Association				
Subscriptions and contributions .....	974			974
	2,202	–	–	2,202
Global Affairs				
Department of Foreign Affairs, Trade and Development				
African Development Fund .....		369		369
Asian Development Fund .....		60		60
Caribbean Development Bank—Special Development Fund.....		41		41
Development, peace and security programming .....	2,914			2,914
Global Environment Facility Trust Fund .....		132		132
International Fund for Agricultural Development.....		25		25
	2,914	627	–	3,541
Health				
Canadian Institutes of Health Research				
Grants for research projects and personnel support .....	13			13
Immigration, Refugees and Citizenship				
Department of Citizenship and Immigration				
International Organization for Migration.....	56			56
United Nations High Commissioner for Refugees .....	10			10
	66	–	–	66
Innovation, Science and Industry				
Department of Industry				
International Telecommunication Union .....	29			29
Canadian Space Agency				
European Space Agency.....	178			178
National Research Council of Canada				
Canada-France-Hawaii Telescope Corporation .....	31			31
The National Science Foundation.....	40			40
TMT International Observatory LLC .....	134			134
	412	–	–	412
<b>Total .....</b>	<b>5,607</b>	<b>627</b>	<b>–</b>	<b>6,234</b>

<sup>1</sup> Foreign currencies were translated into Canadian dollars using the closing rates of exchange at March 31, 2023 (\$1 USD = \$1.3516 CAD; 1 SDR = \$1.8181 CAD; 1 EUR = \$1.4657 CAD).

## Contractual rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future. These contractual rights can be classified into four categories: sales of goods and services, leases of property, royalties and revenue/profit-sharing arrangements and others.

All contractual rights of \$10 million or more per contract or per portfolio of agreements that are similar in nature outstanding at year-end are reported.

In accordance with the government's significant accounting policies, the contractual rights of consolidated Crown corporations are included with those of the government.

**Table 11.5**  
**Sales of goods and services, leases of property, royalties and revenue/profit-sharing arrangements and other contractual rights as at March 31, 2023**

(in millions of dollars)

	Outstanding revenue to be earned by March 31						2029 and subsequent years
	Outstanding revenue <sup>1</sup>	2024	2025	2026	2027	2028	
<b>Sales of goods and services</b>							
Environment and Climate Change							
Department of Environment and Climate Change.....	53	13	14	14	12	–	–
Global Affairs							
Canadian Commercial Corporation.....	28	16	5	5	–	–	2
Public Safety							
Royal Canadian Mounted Police.....	26,701	2,840	2,856	2,892	2,927	2,963	12,223
Total—Sales of goods and services.....	26,782	2,869	2,875	2,911	2,939	2,963	12,225
<b>Leases of property</b>							
Canadian Heritage							
Canadian Broadcasting Corporation.....	388	11	10	11	11	11	334
Environment and Climate Change							
Parks Canada Agency <sup>2</sup> .....	327	15	15	14	14	14	255
Public Services and Procurement							
National Capital Commission.....	100	2	2	2	2	2	90
Transport							
Department of Transport <sup>3</sup> .....	2,271	416	448	460	469	478	–
Total—Leases of property.....	3,086	444	475	487	496	505	679
<b>Royalties and revenue/profit-sharing arrangements</b>							
Innovation, Science and Economic Development							
National Research Council of Canada <sup>3</sup> .....	29	3	3	3	2	2	16
Total—Royalties and revenue/profit-sharing arrangements.....	29	3	3	3	2	2	16
<b>Other</b>							
Agriculture and Agri-Food							
Department of Agriculture and Agri-Food.....	166	26	23	16	15	15	71
Environment and Climate Change							
Parks Canada Agency <sup>2</sup> .....	24	4	4	4	3	3	6
Employment, Workforce Development and Disability Inclusion							
Department of Employment and Social Development.....	501	501	–	–	–	–	–
Innovation, Science and Industry							
Department of Industry.....	90	13	12	12	11	9	33
National Defence							
Department of National Defence.....	31	–	–	–	–	–	31
Total—Other.....	812	544	39	32	29	27	141
Contractual rights subject to non-disclosure clauses.....	175	2	2	3	3	3	162
Total.....	30,884	3,862	3,394	3,436	3,469	3,500	13,223

<sup>1</sup> The amounts reflected in outstanding revenue are incomplete because of the degree of uncertainty surrounding a number of contracts. Estimates of future revenue have been provided where the degree of certainty allows for reasonable estimates to be made.

<sup>2</sup> There are agreements that are perpetual in nature, i.e. there is no end date. Five years' future revenues have been estimated; revenues beyond that have not been estimated due to uncertainty.

<sup>3</sup> There are agreements where the department or Crown corporation is entitled to future revenue based on a percentage of revenue or profits of the other party to the agreement, or based on receiving an amount for each unit of goods sold. Estimates of future revenue have been provided where the degree of certainty allows for reasonable estimates to be made.

## Contingent liabilities

The contingent liabilities of the government are grouped into: guarantees provided by the government, international organizations, pending and threatened litigation and other claims, assessed taxes under appeal and insurance programs of agent enterprise Crown corporations. Additional information regarding each category is provided below.

For details of contingent liabilities of consolidated Crown corporations, refer to Table 4.4 in Section 4 of this volume. Particulars of contingent liabilities of enterprise Crown corporations and other government business enterprises are not consolidated with those of the government but details of these contingencies may be found in Table 9.7 of Section 9 of this volume.

## Guarantees

Losses on guarantees are recorded in the accounts when it is likely that a payment will be made to honour a guarantee and when the amount of the anticipated loss can be reasonably estimated. The amount of the allowance is determined by taking into consideration the nature of the guarantee, loss experience and the use of other measurement techniques. Borrowings of enterprise Crown corporations and other government business enterprises are recorded as liabilities for the portion not expected to be repaid directly by these corporations.

Table 11.6 lists the outstanding guarantees and is summarized in Note 8 to the consolidated financial statements in Section 2 of this volume. The authorized limits indicated in Table 11.6 represent the aggregate total of various types of authorities of government bodies as stipulated in legislation, legal agreements or other documents that may be in force at any one time.

**Table 11.6**  
**Guarantees provided by the government as at March 31, 2023**

(in millions of dollars)

	Authorized limit (where applicable)	Principal amount outstanding
Guaranteed borrowings of enterprise Crown corporations and other government business enterprises		
Agent enterprise Crown corporations .....		317,834 <sup>1</sup>
Other guarantees provided by the government		
Loan guarantees		
Agriculture and Agri-Food		
Department of Agriculture and Agri-Food		
Advance Payments Program— <i>Agricultural Marketing Programs Act</i> .....	7,500	1,436
Loans to farmers under the <i>Canadian Agricultural Loans Act</i> .....	3,000	79
Employment, Workforce Development and Disability Inclusion		
Department of Employment and Social Development		
<i>Canada Student Loans Act</i> .....	10,782	– <sup>2</sup>
Finance		
Department of Finance		
European Bank for Reconstruction and Development .....	53	53
International Bank for Reconstruction and Development .....	159	159
Global Affairs		
Export Development Canada—Canada Account		
Canada Development Investment Corporation—Trans Mountain Corporation .....	11,500	9,646 <sup>1</sup>
Indigenous Services		
Department of Indigenous Services		
Indian Economic Development Guarantee Program .....	60	– <sup>2</sup>
On-Reserve Housing Guarantee Program .....	2,200	
Canada Mortgage and Housing Corporation .....		1,655
Other approved lenders .....		286
Innovation, Science and Industry		
Department of Industry		
<i>Canada Small Business Financing Act</i> .....	4,063	1,137
College of Patent Agents and Trademark Agents .....	1	–
Natural Resources		
Department of Natural Resources		
Lower Churchill Hydro Electric Projects .....	10,200	8,892
Total—Loan guarantees .....	49,518	23,343

**Table 11.6**  
**Guarantees provided by the government as at March 31, 2023—concluded**

(in millions of dollars)

	Authorized limit (where applicable)	Principal amount outstanding
Insurance programs managed by the government		
Canadian Heritage		
Department of Canadian Heritage		
<i>Canada Travelling Exhibitions Indemnification Act</i> .....	3,000	—
Finance		
Department of Finance		
Mortgage or Hypothecary Insurance Protection .....	350,000	261,211
Natural Resources		
Department of Natural Resources		
Nuclear Liability Account .....	—	—
Total—Insurance programs managed by the government.....	353,000	261,211
Other explicit guarantees		
Agriculture and Agri-Food		
Department of Agriculture and Agri-Food		
Price Pooling Program— <i>Agricultural Marketing Programs Act</i> .....	—	—
Total—Other explicit guarantees .....	—	—
Total—Gross guarantees .....	402,518	602,388
Less: allowance for guarantees .....		473
Net exposure under guarantees .....		601,915

This table excludes insurance programs operated by agent enterprise Crown corporations. Information on these programs is disclosed in Note 8 to the consolidated financial statements in Section 2 of this volume and additional information is provided in Table 11.8 of this section.

<sup>1</sup> Details can be found in Table 9.5, Section 9 of this volume.

<sup>2</sup> Less than \$500,000

### Advance Payments Program—*Agricultural Marketing Programs Act*

The Advance Payments Program (APP) is a federal loan guarantee program which provides producers with access to cash advances over their production and marketing period. The cash advances are based on the anticipated value of the eligible agricultural products being produced or that are in storage. The program is administered by participating producer organizations (APP administrators) and the federal guarantee helps these organizations obtain financing for the cash advances at lower interest rates.

Under the APP, a producer can obtain a cash advance of up to \$1.0 million. While the federal government typically pays the interest on the first \$100,000, the interest-free limit has been increased to \$250,000 for the 2022 program year (and to \$350,000 for the 2023 program year). Producers are required to repay their advances as they sell their products, with up to 18 months to fully repay advances on most agricultural products (up to 24 months on cattle and bison). By improving producers' cash flow throughout the year, the APP helps crop and livestock producers meet their financial obligations and benefit from the best market conditions.

### Loans to farmers under the *Canadian Agricultural Loans Act*

The *Canadian Agricultural Loans Act* (CALA) program is a financial loan guarantee program that gives farmers easier access to credit. Farmers can use these loans to establish, improve, and develop farms; while Agricultural co-operatives may also access loans to process, distribute, or market the products of farming. Lenders, such as banks, credit unions and caisses populaires, issue and administer loans under the CALA program.

Through the CALA, the Government of Canada is supporting the renewal of the agricultural sector and enabling co-operatives to better seize market opportunities. This program guarantees 95% of the value of loans provided to farms and cooperatives by financial institutions. For individual applicants, including corporations, the maximum amount for a CALA loan is \$500,000. Most loans are repayable within ten years; for loans on land purchases, the repayment period is 15 years.

### *Canada Student Loans Act*

Loans provided by financial institutions between 1964 and August 1995, under the *Canada Student Loans Act*, are fully guaranteed by the Department of Employment and Social Development (ESDC) to the lenders. ESDC reimburses the lenders for the outstanding principal, accrued interest and costs in the event of default, permanent disability or death of the borrower. ESDC bears all risks associated with guaranteed loans.

### **European Bank for Reconstruction and Development**

Pursuant to section 8.3(3)b of the *Bretton Woods and Related Agreements Act*, the Minister of Finance, by order of the Governor in Council, authorized a partial loan guarantee in the amount of €36.5 million EUR to the European Bank for Reconstruction and Development (EBRD) in respect of a €300 million EUR credit facility entered into between the EBRD and Naftogaz, Ukraine's state owned oil and gas company. The EBRD's credit facility to Naftogaz also carries a full guarantee from the Government of Ukraine.

Under the terms of the guarantee agreement, the Government of Canada has guaranteed a pro-rata share of any unpaid amounts by the borrower (interest and principal), up to a fixed aggregate amount of €36.5 million EUR. At this point, no losses are anticipated with respect to this guarantee and no provision has been made.

### **International Bank for Reconstruction and Development**

Pursuant to section 8.3(1) of the *Bretton Woods and Related Agreements Act*, the Minister of Finance, by order of the Governor in Council, authorized a partial loan guarantee in the amount of \$118 million USD to the International Bank for Reconstruction and Development (IBRD) in respect to a \$1,443.82 million USD loan entered into between the IBRD and the Republic of Iraq.

Under this guarantee, the Minister would make payment to the IBRD in the event that the Republic of Iraq is more than six months late in meeting a scheduled interest or principal payment to the IBRD. The Minister would only be required to pay a pro-rata share of the loan repayment that is past due, up to a fixed aggregate amount of \$118 million USD. In the event that any portion of the guarantee is called, Canada would receive a claim from the IBRD against the Republic of Iraq and would have the option to pursue recovery. At this point, no losses are anticipated with respect to this guarantee and no provision has been made.

### **Trans Mountain Corporation**

On April 25, 2022, the Trans Mountain Corporation (TMC), a wholly owned subsidiary of the Canada Development Investment Corporation, changed its status to a non-agent Crown corporation to allow for borrowings from parties other than the Government of Canada. On April 29, 2022, TMC entered into a one-year senior unsecured revolving facility for \$10B with a syndicate of lenders (Syndicated Facility). The Canada Account issued a loan guarantee to TMC on its Syndicated Facility, which matures August 31, 2025, with a total authorized limit of \$10B. On March 24, 2023, TMC's Syndicated Facility was amended, and the loan guarantee was revised accordingly to \$11.5B. Prior to the amendment, the guarantee fee was 5% per annum less the daily weighted average interest rate per annum payable by TMC in accordance with the Syndicated Facility. The amended guarantee fee is accrued at a fixed rate based on the outstanding balance under the Syndicated Credit Agreement.

### **Indian Economic Development Guarantee Program**

This program authorizes the department to guarantee loans for non-incorporated Indian businesses on a risk-sharing basis with commercial lenders because security restrictions in the *Indian Act* prevent the mortgage and seizure of property located on reserves. Guarantees are provided for various types of borrowers whose activities contribute to the economic development of Indians and enable them to develop long-term credit relationships with mainstream financial institutions.

Loans issued under this program cannot exceed a term of 15 years and the line of credit must be renewed every year. Interest rates on guaranteed loans are consistent with rates provided by lending institutions to commercial businesses, which are usually based on a spread from the prime lending rate. Any security pledged for a guaranteed loan may not be released by the lending institution without the prior approval of the Minister of Indigenous Services.

### **On-Reserve Housing Guarantee Program**

This program authorizes the Department of Indigenous Services to guarantee loans to individuals and Indian bands to assist in the purchase of housing on reserves because security restrictions in the *Indian Act* prevent the mortgage and seizure of property located on reserves. These loan guarantees enable status Indians residing on reserves, Band councils, or their delegated authorities, to secure housing loans without giving the lending institution rights to the property.

Loans under this program are issued by registered lending institutions and Canada Mortgage and Housing Corporation. Payments of principal and interest for loans issued under this program are amortized over a period up to 25 years. The interest rates on the guaranteed loans are consistent with conventional mortgage interest rates offered by the major banks. The total guarantee loans amount authorized by the department cannot exceed \$2.2 billion.

### **Canada Small Business Financing Act**

The *Canada Small Business Financing Act* includes loans registered since April 1, 1999. In collaboration with financial institutions, the programs offered under this Act is designed to help Canadian small and medium-sized enterprises (SMEs) get access to loan that would not otherwise have been available or would only have been available under less favourable terms. In the event a registered loan default, the government pays 85% of the net eligible losses. To be eligible, SMEs must be for-profit businesses with revenues not exceeding \$10 million per year.

## College of Patent Agents and Trademark Agents

The Minister of Innovation, Science and Industry has the authority under section 14(1)(b) of the *Department of Industry Act* to authorize a loan guarantee to facilitate the implementation of any program or project of the Minister. The College of Patent Agents and Trademark Agents was established in federal legislation in December 2018 to act as the professional regulator for patent agents and trademark agents. The guarantee was provided on a line of credit up to \$1,000,000 to support the College's preparations prior to the full coming into force of its legislation, at which point it would have authority to collect fees.

## Lower Churchill Hydroelectric Projects

From 2013 to 2017, the Government of Canada guaranteed a total of \$9.2 billion in debt issued to support the construction of the Lower Churchill Hydroelectric Projects, including two projects sponsored by Nalcor Energy ([1] Muskrat Falls and Labrador Transmission Assets and [2] Labrador-Island Link) and one project sponsored by Emera Inc. (Maritime Link).

Interest payments on these bonds began immediately after issuance, occurring every six months on June 1 and December 1 of every year. Principal repayments began in 2020. In some cases, principal repayments are made directly to bondholders every six months; in other cases, the entire principal amount of the bond is repaid on the maturity date – in these cases, funds are gradually set aside every six months to ensure that the full principal amount can be paid on the maturity date.

In March 2022, the Government of Canada issued a subsequent federal loan guarantee for \$1 billion in debt. The proceeds of this debt issuance will be used to make principal repayments for the Muskrat Falls and Labrador Transmission Assets project that come due on or before June 1, 2029. Interest payments on this subsequent guarantee began on June 1, 2022 and will occur every six months until the debt is retired. The principal amounts will be repaid beginning on December 1, 2037, with the final payment occurring on June 1, 2057.

Among the many safeguards put in place to protect Canada's interests, all the project entities' shares, assets and agreements have been pledged as security to Canada.

The net amount of debt remaining outstanding, having been reduced by both principal repayments to bond holders as well as funds held in escrow for future principal repayments, is \$8,891,525,522 as at March 31, 2023.

## Canada Travelling Exhibitions Indemnification Act

Pursuant to Section 3(1) of the *Canada Travelling Exhibitions Indemnification Act* (the Act) the Minister of Canadian Heritage is authorized to enter into indemnification agreements with owners of objects or appurtenances on loan to travelling exhibitions in Canada. Under the Act, maximum levels of liability are established including: no more than \$600 million in respect of each travelling exhibition and; no more than \$3 billion at any given time in respect of all travelling exhibitions. The Canada Travelling Exhibitions Indemnification Regulations set out specific requirements to be met when owners are seeking indemnification agreements with the Minister. The Regulations also set limitations on the scope of indemnity, establish deductibles, define maximums for and period of coverage, set requirements for condition reporting, outline a claims procedure and provide for dispute resolution, among other things. Applicants may include institutions organizing or participating in travelling exhibitions who apply on behalf of owners. Upon approval of an application by the Minister, the owner of an object or appurtenance included in the particular travelling exhibition may enter into an indemnification agreement with the Minister.

## Mortgage or Hypothecary Insurance Protection

The *Protection of Residential Mortgage or Hypothecary Insurance Act* (PRMHIA) received Royal Assent on June 26, 2011, and came into force on January 1, 2013.

The PRMHIA authorizes the Minister of Finance to provide protection in respect of certain mortgage or hypothecary insurance contracts written by approved mortgage insurers. Under the PRMHIA, a payment in respect of this guarantee would only be made if a winding-up order were made in respect of an approved mortgage insurer that had written an insurance contract guaranteed under the PRMHIA. In that case, the Minister would honour lender claims for insured mortgages in default, subject to: (a) any proceeds the beneficiary has received from the underlying property or the insurer's liquidation, and (b) a deductible of 10% of the original principal amount of the insured mortgage.

As at March 31, 2023, the aggregate outstanding principal amount of loans that are guaranteed under the PRMHIA is estimated at \$297.0 billion (\$292.6 billion in 2022). Any payment by the Minister is subject to a deductible equal to 10% of the original principal amount of these loans, or \$35.8 billion (\$34.9 billion in 2022). The principal amount outstanding presented within Table 11.6 does not refer to anticipated losses or payments in respect of the guarantee. No provision has been made in these accounts for payments under the guarantee.

As at March 31, 2023, there are two approved mortgage insurers under the PRMHIA: Sagen Mortgage Insurance Company Canada (formerly Genworth Financial Mortgage Insurance Company Canada) and Canada Guaranty Mortgage Insurance Company.

## **Nuclear Liability Account**

Under the *Nuclear Liability and Compensation Act* (NLCA), which entered into force on January 1, 2017, and replaced the *Nuclear Liability Act* (NLA), now repealed, operators of designated nuclear installations are required to maintain financial security against the liability imposed on them by the NLCA.

The NLCA establishes that the operator’s liability for damages resulting from a nuclear incident is limited to \$1 billion. This amount applies to the “Power Reactor Class” of nuclear installations prescribed in the Nuclear Liability and Compensation Regulations (NLCR). Lower liability amounts for lower-risk installations, based on their commensurate risk, are prescribed in the NLCR. The Minister of Natural Resources is required to review the operator’s liability limit at least once every five years, and the government may increase the limit by regulation.

Financial security covers all the categories of damage that are compensable under the NLCA, with the exception of damage arising from routine emissions, and bodily injury occurring 10 to 30 years after a nuclear incident. Through the indemnity agreement, entered into with 9 operators, the federal government covers the liability associated with the two exceptions. It also covers the difference between the lower liability amount prescribed in NLCR for lower-risk installations and, as applicable, the \$1 billion liability assigned in the NLCA. The federal government charges each operator an annual fee for providing this indemnity coverage.

The Department of Natural Resources administers the Nuclear Liability Account (Account) on behalf of the federal government through a consolidated specified purpose account. This Account is a continuation of the Nuclear Liability Reinsurance Account under the repealed NLA. All fees paid by the operators of nuclear installations are credited to this Account. The closing balance of this Account as at March 31, 2023, is \$5,041,310. Any claims under an indemnity agreement could be up to the level of the liability amount assigned in the NLCA; however, there is no limit to the number of incidents to which the indemnity could apply. There have been no claims against – or payments out of – the Account since its creation under the NLA.

## **Price Pooling Program—*Agricultural Marketing Programs Act***

The Price Pooling Program provides a price guarantee that protects marketing agencies and producers against unanticipated declines in the market price of their products. Program participants use the price guarantee as security in obtaining credit from lending institutions. This credit allows the marketing agency to improve cash flow of producers through an initial payment for products delivered. It also provides equal returns to producers for products of like grades, varieties and types. This program is designed to assist and encourage cooperative marketing of eligible agricultural products, including processed products.

## International organizations

Within contingent liabilities, callable share capital represents the portion of Canada's capital subscriptions that has not yet been paid-in. Callable capital is subject to call by offshore banks in the event that they were unable to meet their obligations.

Table 11.7 details the contingent liabilities for international organizations and is summarized in Note 8 to the consolidated financial statements in Section 2 of this volume.

**Table 11.7**  
**International organizations—Contingent liabilities**

(in millions of dollars)<sup>1</sup>

	2023	2022
<b>Non-budgetary share capital and loans</b>		
Callable share capital		
Finance		
Department of Finance		
Asian Infrastructure Investment Bank.....	1,076	996
European Bank for Reconstruction and Development.....	1,184	1,117
International Bank for Reconstruction and Development (World Bank).....	10,650	9,851
Multilateral Investment Guarantee Agency.....	62	57
	<i>12,972</i>	<i>12,021</i>
Global Affairs		
Department of Foreign Affairs, Trade and Development		
African Development Bank.....	9,805	9,144
Asian Development Bank.....	8,600	7,955
Caribbean Development Bank.....	165	153
Inter-American Development Bank.....	8,919	8,249
	<i>27,489</i>	<i>25,501</i>
<b>Total</b> .....	<b>40,461</b>	<b>37,522</b>

<sup>1</sup> Foreign currencies were translated into Canadian dollars using the closing rates of exchange at March 31, 2023 (\$1 USD = \$1.3516 CAD; 1 SDR = \$1.8181 CAD; 1 EUR = \$1.4657 CAD).

## Pending and threatened litigation and other claims

Refer to Note 8 to the consolidated financial statements in Section 2 of this volume for information on pending and threatened litigation and other claims.

## Assessed taxes under appeal

Refer to Note 8 to the consolidated financial statements in Section 2 of this volume for information on assessed taxes under appeal.

## Insurance programs of agent enterprise Crown corporations

An insurance program is a program where the insured, an outside party, pays an insurance fee which is credited to an insurance fund or provision. The amount of the fee is based on the estimated amount of insurance fund or provision needed to meet future claims. The Canada Deposit Insurance Corporation, Canada Mortgage and Housing Corporation, Export Development Canada and Farm Credit Canada currently operate insurance programs as agents of His Majesty. Insurance programs operated by private corporations such as employee group insurance, dental plans, etc., are not included in this definition.

The insurance programs are intended to operate on a self-sustaining basis. However, in the event the corporations have insufficient funds, the government will have to provide financing. The government expects that all four corporations will cover the cost of both current claims and possible future claims.

**Table 11.8**  
**Summary of insurance programs of agent enterprise Crown corporations**  
**for the year ended March 31, 2023**

(in millions of dollars)

	Canada Deposit Insurance Corporation <sup>1</sup>		Canada Mortgage and Housing Corporation <sup>2</sup>				Export Development Canada <sup>3</sup>		Farm Credit Canada <sup>4</sup>	
	2023	2022	Mortgage Insurance Fund		Mortgage-Backed Securities Guarantee Fund		2023	2022	2023	2022
			2023	2022	2023	2022				
Insurance in force as at reporting date...	1,081,987	1,025,235	400,000	394,000	481,000	460,000	33,572	28,556	5,041	5,100
Opening balance of Fund .....	5,383	3,842	10,583	10,919	1,516	1,552	<sup>3</sup>	<sup>3</sup>	16	21
Revenues for the period										
Premiums and fees .....	815	772	25	1,401	763	737	265	254	25	26
Interest on loans .....	–	–	–	–	5,515	4,208	–	–	–	–
Investment income .....	125	93	303	279	39	39	–	–	–	–
Other revenues .....	–	–	891	(2)	8	14	–	172	–	–
Total revenues.....	940	865	1,219	1,678	6,325	4,998	265	426	25	26
Expenses for the period										
Loss on/provision for claims .....	200	(750)	–	(134)	–	–	–	–	8	8
Interest on borrowings .....	–	–	–	–	5,506	4,199	–	–	–	–
Administrative expenses.....	81	68	170	312	67	69	–	–	7	7
Other expenses (includes taxes).....	11	6	335	377	189	183	151	–	11	15
Total expenses .....	292	(676)	505	555	5,762	4,451	151	–	26	30
Net income or (loss) for the period.....	648	1,541	714	1,123	563	547	114	426	(1)	(4)
Adjustments .....	–	–	(57)	(1,459)	(577)	(583)	–	–	–	–
Closing balance of Fund .....	6,031	5,383	11,240	10,583	1,502	1,516	<sup>3</sup>	<sup>3</sup>	15	17
Net claims during the period <sup>5</sup> .....			71	116			118	30	8	8
Five year average of net claims paid .....			155	204			149	156	7	6

Certain comparative figures have been reclassified to conform to the current year's presentation

<sup>1</sup> The Canada Deposit Insurance Corporation (CDIC) provides insurance on deposits placed with member banks and trust and loan companies for up to \$100,000 per depositor, per institution. The Corporation is funded by premiums assessed against its member institutions.

<sup>2</sup> Canada Mortgage and Housing Corporation (CMHC) administers two funds: the Mortgage Insurance Fund (MIF) and the Mortgage-Backed Securities Guarantee Fund (MBSGF). The MIF provides insurance for a fee, to lending institutions to cover mortgage lending on Canadian housing. Besides establishing a framework of confidence for mortgage lending by lending institutions, the Fund facilitates an adequate supply of mortgage funds by reducing the risk to lenders and by encouraging the secondary market trading of mortgages, to make housing more accessible for Canadians. An actuarial study of the MIF is produced as of September 30 of each year. The Corporation determines provisions for claims and unearned premiums at December 31 using valuation factors taking into account new business, claims and interest for the last quarter. The MBSGF supports two CMHC guarantee products: *National Housing Act* (NHA) Mortgage-Backed Securities and Canada Mortgage Bonds.

The Mortgage-Backed Securities (MBS) program was implemented in 1987. For a guarantee fee paid by approved financial institutions, CMHC and ultimately the government guarantee timely payment of monthly principal and interest to MBS investors who participate in a pool of insured residential mortgages which have been repackaged by the financial institution into investments which can be sold to investors in denominations as low as \$1,000. The Canada Mortgage Bond (CMB) program was implemented in 2001. Under this program, bonds are issued by a special purpose trust known as Canada Housing Trust and sold to investors in denominations as low as \$1,000. The proceeds of the bonds are used to purchase mortgages packaged into newly issued NHA MBS. Canada Mortgage Bonds of \$261,664 million (\$258,831 million in 2022) including accrued interest, issued by the Trust carry the full faith and credit of the Government of Canada. The timely payment of semi-annual interest and principal at maturity is guaranteed by the Government of Canada through CMHC.

<sup>3</sup> Export Development Canada (EDC) provides export and foreign investment insurance to Canadian businesses to facilitate and develop export trade. The insurance program has been adequate to provide for the full cost of claims experienced to date and for the cost of future claims established based on previous claims experience. The Corporation does not maintain a separate fund for its insurance program and therefore the balance of the fund is not available. EDC maintains an allowance for claims on insurance which is based on an actuarial review of net loss experience and potential net losses. The balance of the allowance is \$247 million (\$530 million in 2022).

<sup>4</sup> Farm Credit Canada sells group creditor life and accident insurance to its customers through a program administered by a major insurance provider and Farm Credit Canada's risk of the insurance program is limited.

<sup>5</sup> Refers to the difference between claims and amounts received from sales of related assets and other recoveries.

Additional financial information relating to these corporations may be found in the annual *Inventory of Federal Organizations and Interests*. This information is also summarized in Note 8 to the consolidated financial statements in Section 2 of this volume.

# Section 12

*Public Accounts of Canada*  
*2022–2023*

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