



**Government
of Canada**

**Gouvernement
du Canada**

Prepared by the
Receiver General for Canada

Public Accounts of Canada

2019

Volume I

Summary Report and Consolidated Financial Statements

Canada

© Minister of Public Services and Procurement 2019

This document is available in alternative formats
on the Receiver General for Canada website at
www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html

Also available in PDF format from the
Government of Canada Publications

www.publications.gc.ca

P51-1E-PDF

ISSN 1483-8575

Cette publication est également disponible en français

Errata

Subsequent to the tabling of the Public Accounts of Canada, corrections were made in Volume I, Section 6, Public Service Death Benefit Account, page 203. The revised information is highlighted.

To Her Excellency

The Right Honourable Julie Payette
C.C., C.M.M., C.O.M., 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, 2019.

All of which is respectfully submitted.



Jean-Yves Duclos, P.C., M.P.
President of the Treasury Board

Ottawa, December 5, 2019

To The Honourable Jean-Yves Duclos, P.C., M.P.
President of the Treasury Board

Sir:

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, 2019, to be laid by you before the House of Commons.

Respectfully submitted,



Anita Anand, P.C., M.P.
Receiver General for Canada

Ottawa, December 5, 2019

To The Honourable Anita Anand, P.C., M.P.
Receiver General for Canada

Madam:

I have the honour to submit the Public Accounts of Canada for the year ended March 31, 2019.

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,



Bill Matthews
Deputy Receiver General for Canada

Ottawa, December 5, 2019

Volume I

Public Accounts of Canada 2018–2019

Table of contents

Section

	<i>Page</i>	
	<i>English</i>	<i>French</i>
Introduction		
1. Financial statements discussion and analysis.....	7	7
2. Consolidated financial statements of the Government of Canada and report of the Auditor General of Canada	45	45
3. Revenues, expenses and accumulated deficit.....	95	97
4. Consolidated accounts	111	113
5. Accounts payable and accrued liabilities	141	143
6. Interest-bearing debt.....	153	155
7. Cash and accounts receivable	255	259
8. Foreign exchange accounts.....	259	263
9. Loans, investments and advances	269	273
10. Non-financial assets.....	309	313
11. Contractual obligations, contractual rights and contingent liabilities.....	315	319
12. Index.....	371	375

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 2018–2019

Financial statements discussion and analysis

Table of contents

	<i>Page</i>
Financial statements discussion and analysis	8
Introduction	8
2019 financial highlights	8
Discussion and analysis	9
Economic developments.....	9
The budgetary balance.....	10
Revenues	11
Expenses	14
Comparison of actual results to budget projections	16
Accumulated deficit	18
Cash flow	32
Contractual obligations and contractual rights.....	33
Risks and uncertainties.....	33
Ten-year comparative financial information	35
Consolidated Statement of Operations and Accumulated Deficit—detailed	35
Consolidated Statement of Financial Position—detailed	36
Consolidated Statement of Change in Net Debt—detailed.....	37
Consolidated Statement of Cash Flow—detailed.....	38
Consolidated Statement of Non-Budgetary Transactions and of Non-Financial Assets—detailed.....	39
Consolidated Statement of Foreign Exchange, Unmatured Debt and Cash Transactions—detailed	40
Glossary of terms	41

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 www.fin.gc.ca/purl/afr-eng.asp.

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 Government's financial results can be found in the [Annual Financial Report of the Government of Canada—Fiscal Year 2018–2019](#), 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.

2019 financial highlights

- The Government posted a budgetary deficit of \$14.0 billion for the fiscal year ended March 31, 2019, compared to a budgetary deficit of \$19.0 billion in 2018.
- Revenues increased by \$21.0 billion, or 6.7%, from 2018. Program expenses increased by \$14.6 billion, or 4.7%, reflecting increases in all major categories of expenses. Public debt charges were up \$1.4 billion, or 6.3%.
- The accumulated deficit (the difference between total liabilities and total assets) stood at \$685.5 billion at March 31, 2019. The accumulated deficit-to-GDP (gross domestic product) ratio was 30.9%, down from 31.3% in the previous year.
- As reported by the International Monetary Fund (IMF), Canada's total government net debt-to-GDP ratio, which includes the net debt of the federal, provincial/territorial and local governments, as well as the net assets held in the Canada Pension Plan and Quebec Pension Plan, stood at 26.8% in 2018. This is the lowest level among Group of Seven (G7) countries, which the IMF expects will record an average net debt of 86.0% of GDP for the same year.

Discussion and analysis

Economic developments¹

The global economic expansion moderated in 2018 after two years of strong growth, which was broad-based across most regions of the world. Towards the end of the year, increased trade tensions, notably between the U.S. and China, and lower expectations for growth translated into increased financial market volatility, lower commodity prices, and a decline in government bond yields.

Against the backdrop of easing global growth, the Canadian economy moderated to a more sustainable pace in line with underlying fundamentals. Real GDP grew 1.9% in 2018 after the strong growth of 2017 (3.0%). Throughout the year the labour market continued to be strong. Since the fall of 2015, the economy has generated close to 1 million jobs with the unemployment rate reaching its lowest level in more than 40 years.

Supported by accommodative monetary and fiscal policy, consumer spending and business investment led Canadian economic growth in 2018, while lower global oil prices over the second half of the year and slower housing market activity weighed on the economy.

There was continued volatility in commodity markets over the year with the price of West Texas Intermediate crude oil increasing to nearly US\$70 per barrel in October, its highest level since before the oil shock, before retreating again to below US\$50 per barrel toward the end of 2018.

Canada's nominal GDP, the broadest measure of the tax base, grew 3.6% in 2018, down from 5.6% in 2017. Lower nominal growth was due to more moderate real GDP growth as well as lower GDP inflation, the latter reflecting a decrease in global and Canadian oil prices at the end of the year. Both real and nominal GDP growth in 2018 were in line with the Budget 2019 forecast.

Both short- and long-term interest rates in Canada continued to increase over most of 2018 as a result of increases in the Bank of Canada's policy target rate. However, interest rates across the yield curve remained historically low in 2018, and long-term interest rates began to subside towards the end of the year in response to expectations for easing monetary policy in the U.S., and overall economic uncertainty.

Going forward, there remain important uncertainties and risks in the global and domestic economies. 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. This practice has been supported by international organizations, such as the IMF.

¹ This section incorporates data available up to and including August 10, 2019. The annual results are on calendar year basis.

Average private sector forecasts

(in percentage)

	2017	2018	2019	2020
Real GDP growth				
Budget 2018	3.0	2.1	1.6	1.7
Budget 2019	3.0	1.9	1.8	1.6
Actual	3.0	1.9	–	–
Nominal GDP growth				
Budget 2018	5.6	4.1	3.5	3.8
Budget 2019	5.6	3.8	3.4	3.5
Actual	5.6	3.6	–	–
3-month Treasury bill rate				
Budget 2018	0.7	1.4	2.0	2.3
Budget 2019	0.7	1.4	1.9	2.2
Actual	0.7	1.4	–	–
10-year government bond rate				
Budget 2018	1.8	2.3	2.8	3.1
Budget 2019	1.8	2.3	2.4	2.7
Actual	1.8	2.3	–	–
Unemployment rate				
Budget 2018	6.4	6.0	6.0	6.1
Budget 2019	6.3	5.8	5.7	5.9
Actual	6.3	5.8	–	–
Consumer price index inflation				
Budget 2018	1.6	1.9	2.0	1.9
Budget 2019	1.6	2.3	1.9	2.0
Actual	1.6	2.3	–	–

Figures have been restated to reflect the historical revisions in the Canadian System of National Accounts as of the first quarter of 2019 released on May 31, 2019.

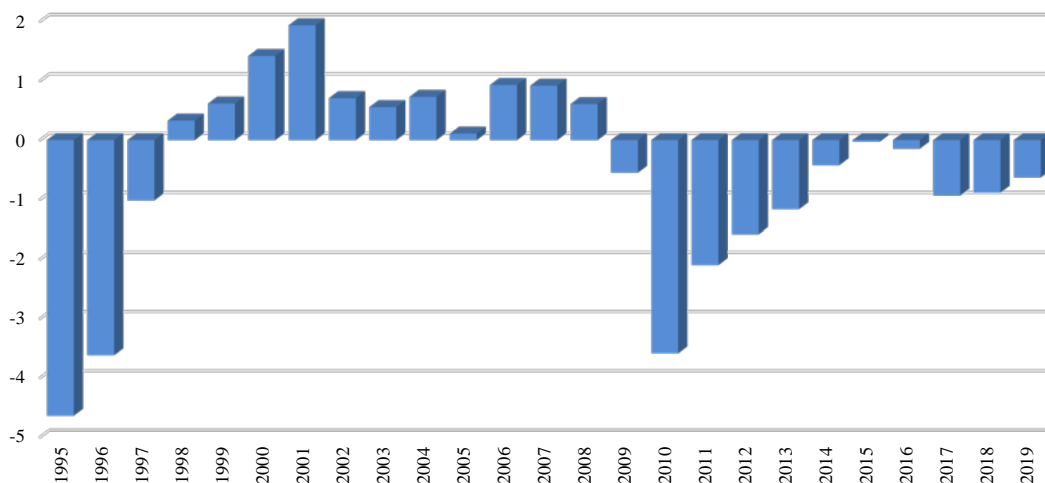
The budgetary balance

The budgetary balance is the difference between the Government's revenues and expenses over a fiscal year. It is one of the key measures of the Government's annual financial performance. The Government posted an annual deficit of \$14.0 billion in 2019, compared to a deficit of \$19.0 billion in 2018.

The following graph shows the Government's budgetary balance since 1995. 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 2019, the budgetary deficit was 0.6% of GDP, compared to a deficit of 0.9% of GDP a year earlier.

Annual surplus/deficit

(percentage of GDP)



Revenues were up \$21.0 billion, or 6.7%, from the prior year, reflecting increases in all streams, driven primarily by income tax revenues, other taxes and duties and other revenues.

Expenses were up \$16.0 billion, or 4.8%, from the prior year. Program expenses increased by \$14.6 billion, or 4.7%, primarily reflecting an increase in transfer payments. Public debt charges increased by \$1.4 billion, or 6.3%, from the prior year.

2019 financial highlights

(in millions of dollars)

	2019	2018
		Restated ¹
Consolidated Statement of Operations		
Revenues	332,218	311,216
Expenses		
Program expenses	322,916	308,288
Public debt charges	23,266	21,889
Total expenses	346,182	330,177
Annual deficit	(13,964)	(18,961)
<i>Percentage of GDP</i>	<i>(0.6)%</i>	<i>(0.9)%</i>
Consolidated Statement of Financial Position		
Liabilities		
Accounts payable and accrued liabilities	159,707	147,799
Interest-bearing debt	1,025,464	1,002,578
Total liabilities	1,185,171	1,150,377
Financial assets	413,047	397,490
Net debt	(772,124)	(752,887)
Non-financial assets	86,674	81,633
Accumulated deficit	(685,450)	(671,254)
<i>Percentage of GDP</i>	<i>30.9%</i>	<i>31.3%</i>

¹ Certain comparative figures have been restated. Information regarding this restatement can be found in Note 2 of the consolidated financial statements.

Revenues

Federal revenues can be broken down into four main categories: income tax revenues, other taxes and duties, Employment Insurance (EI) premium revenues and other revenues.

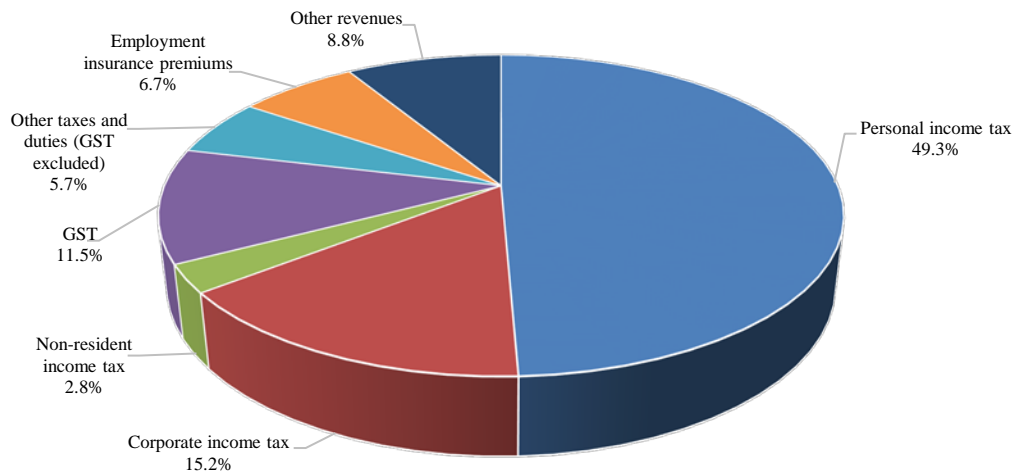
Within the income tax category, personal income tax revenues are the largest source of federal revenues, and accounted for 49.3% of total revenues in 2019 (down from 49.4% in 2018). Corporate income tax revenues are the second largest source of revenues, and accounted for 15.2% of total revenues in 2019 (down from 15.4% in 2018). Non-resident income tax revenues are a comparatively smaller source of revenues, accounting for only 2.8% of total revenues in 2019 (up from 2.5% in 2018).

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 11.5% of all federal revenues in 2019 (down from 11.8% in 2018). The share of the remaining components of other taxes and duties stood at 5.7% of total federal revenues (up from 5.5% in 2018).

EI premium revenues accounted for 6.7% of total federal revenues in 2019 (down slightly from 2018).

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 8.8% of total federal revenues in 2019 (up slightly from 2018).

Composition of revenues for 2019

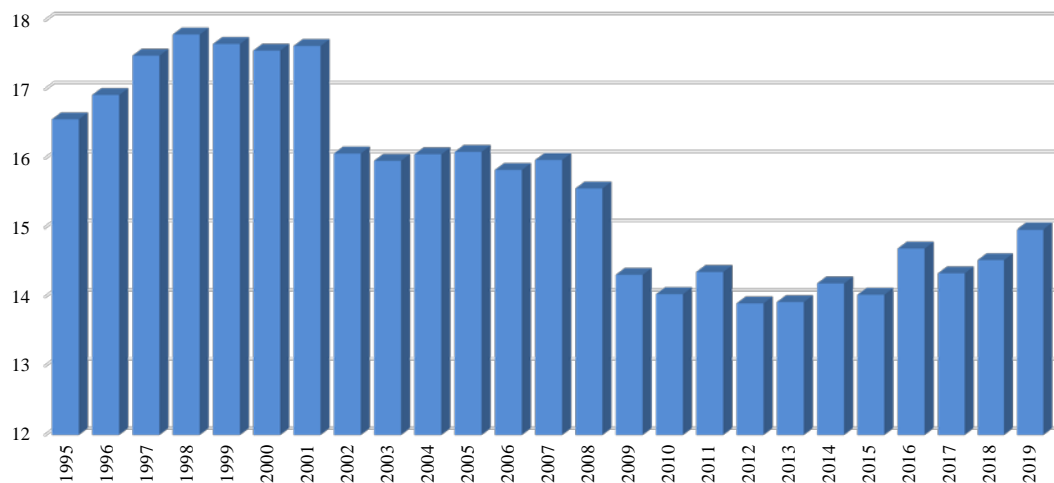


Numbers may not add to 100% due to rounding.

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 15.0% in 2019 (up from 14.5% in 2018). This increase primarily reflects growth in personal and corporate income tax revenues and other taxes and duties.

Revenue ratio

(revenues as a percentage of GDP)



The percentages of GDP from 2010 to 2018 have been restated to reflect the impact of a retroactive change in accounting treatment. Additional information regarding this restatement can be found in Note 2 of the consolidated financial statements.

Revenues compared to 2018

Total revenues amounted to \$332.2 billion in 2019, up \$21.0 billion, or 6.7%, from 2018. The following table compares revenues for 2019 to 2018.

Revenues

(in millions of dollars)

	2019	2018 Restated ¹	Change	
			\$	%
Income tax revenues				
Personal.....	163,881	153,619	10,262	6.7
Corporate.....	50,368	47,805	2,563	5.4
Non-resident.....	9,370	7,845	1,525	19.4
Total	223,619	209,269	14,350	6.9
Other taxes and duties				
Goods and services tax	38,221	36,751	1,470	4.0
Energy taxes	5,802	5,739	63	1.1
Customs import duties	6,881	5,416	1,465	27.0
Other excise taxes and duties.....	6,323	5,913	410	6.9
Total	57,227	53,819	3,408	6.3
Employment insurance premiums	22,295	21,140	1,155	5.5
Other revenues	29,077	26,988	2,089	7.7
Total revenues	332,218	311,216	21,002	6.7

¹ Certain comparative figures have been restated. Information regarding this restatement can be found in Note 2 of the consolidated financial statements.

- Personal income tax revenues increased by \$10.3 billion in 2019, or 6.7%, driven by high employment and a strong labour market.
- Corporate income tax revenues increased by \$2.6 billion, or 5.4%, reflecting growth in corporate earnings in a number of sectors including finance, manufacturing and wholesale trade.
- Non-resident income tax revenues are paid by non-residents on Canadian-sourced income. These revenues increased by \$1.5 billion, or 19.4%, largely reflecting growth in corporate earnings and dividends.
- Other taxes and duties increased by \$3.4 billion, or 6.3%. GST revenues grew by \$1.5 billion in 2019, or 4.0%, reflecting growth in retail sales. Energy taxes grew by \$0.1 billion, or 1.1%, primarily due to higher aviation fuel consumption in 2019. Customs import duties increased by \$1.5 billion, or 27.0%, largely due to the application of steel and aluminum retaliatory tariffs. Excluding the retaliatory tariffs, customs import duties grew by 5.6%. Other excise taxes and duties were up \$0.4 billion, or 6.9%, driven primarily by an increase in tobacco excise duties.
- EI premium revenues increased by \$1.2 billion, or 5.5%. This was due to an increase in insurable earnings and in the premium rate for 2018.
- Other revenues increased by \$2.1 billion, or 7.7%, largely reflecting an increase in interest and penalties revenues and a greater return on investments, both largely due to higher interest rates.

Expenses

Federal expenses can be broken down into three main categories: transfer payments, which account for roughly two-thirds of all federal spending, other expenses and public debt charges.

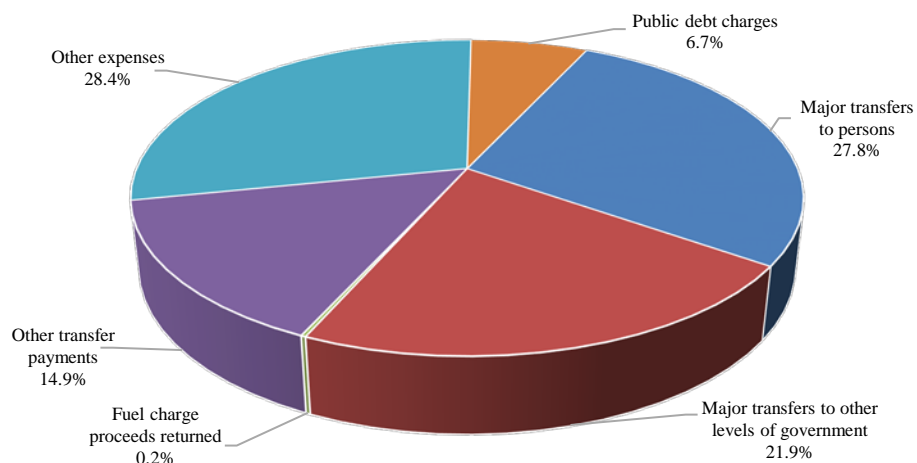
Transfer payments are classified under four categories:

- Major transfers to persons, which made up 27.8% of total expenses (down from 28.4% in 2018). This category consists of elderly, EI and children’s benefits.
- Major transfers to other levels of government—which include the Canada Health Transfer, the Canada Social Transfer, the home care and mental health transfers, fiscal arrangements (Equalization, transfers to the territories, a number of smaller transfer programs and the Quebec Abatement), and Gas Tax Fund transfers—made up 21.9% of total expenses in 2019 (up from 21.4% in 2018).
- Fuel charge proceeds returned, consisting of payments under the new federal carbon pollution pricing system, made up 0.2% of expenses.
- Other transfer payments, which include transfers to Aboriginal peoples, assistance to farmers, students and businesses, support for research and development, and international assistance, made up 14.9% of expenses (up from 14.3% in 2018).

Other expenses, which represent the operating expenses of the Government’s 130 departments, agencies, and consolidated Crown corporations and other entities, accounted for 28.4% of total expenses in 2019 (down from 29.3% in 2018).

Public debt charges made up the remaining 6.7% of total expenses in 2019 (up slightly from 2018).

Composition of expenses for 2019



Numbers may not add to 100% due to rounding.

Pricing carbon pollution while delivering Climate Action Incentive payments

The federal carbon pollution pricing system is composed of a fuel charge and an output-based pricing system. All direct proceeds from the federal fuel charge are returned to the jurisdiction of origin. In Ontario, New Brunswick, Manitoba and Saskatchewan, the bulk of proceeds are returned through Climate Action Incentive payments. Eligible individuals residing in these provinces can claim the payments through their personal income tax returns. A number of individuals have claimed the Climate Action Incentive payment before the fuel charge came into effect on April 1, 2019 by filing their tax returns before the end of the fiscal year (March 31, 2019). These payments, totaling \$0.7 billion, are expensed in the 2019 fiscal year. The corresponding proceeds will be collected in the 2020 fiscal year, offsetting this expense.

Expenses compared to 2018

Total expenses amounted to \$346.2 billion in 2019, up \$16.0 billion, or 4.8%, from 2018. The following table compares total expenses for 2019 to 2018.

Expenses

(in millions of dollars)

	2019	2018 Restated ¹	Change	
			\$	%
Transfer payments				
Major transfers to persons				
Elderly benefits.....	53,366	50,644	2,722	5.4
Employment insurance.....	18,888	19,715	(827)	(4.2)
Children's benefits	23,882	23,432	450	1.9
Total	96,136	93,791	2,345	2.5
Major transfers to other levels of government				
Federal transfer support for health and other social programs	52,729	50,872	1,857	3.7
Fiscal arrangements and other transfers	23,196	19,647	3,549	18.1
Total	75,925	70,519	5,406	7.7
Fuel charge proceeds returned	664	–	664	100.0
Other transfer payments	51,753	47,138	4,615	9.8
Total transfer payments	224,478	211,448	13,030	6.2
Other expenses	98,438	96,840	1,598	1.7
Total program expenses	322,916	308,288	14,628	4.7
Public debt charges	23,266	21,889	1,377	6.3
Total expenses	346,182	330,177	16,005	4.8

¹ Certain comparative figures have been restated. Information regarding this restatement can be found in Note 2 of the consolidated financial statements.

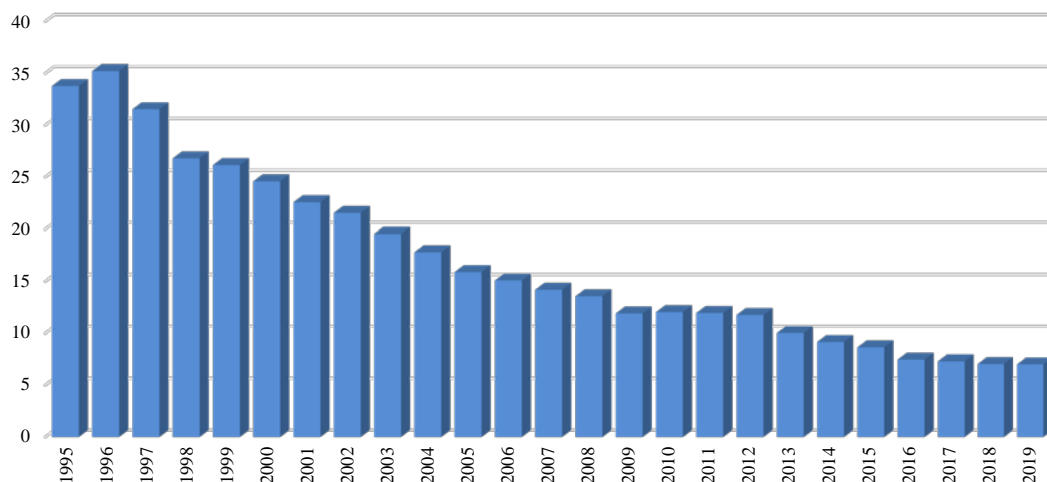
- Major transfers to persons increased by \$2.3 billion in 2019, reflecting increases in elderly and children's benefits. Elderly benefits increased by \$2.7 billion, or 5.4%, reflecting growth in the elderly population and changes in consumer prices, to which benefits are fully indexed. EI benefits decreased by \$0.8 billion, or 4.2%, reflecting stronger labour market conditions. Children's benefits increased by \$0.5 billion, or 1.9%, reflecting the indexation of the Canada Child Benefit, which took effect in July 2018.
- Major transfers to other levels of government increased by \$5.4 billion in 2019, primarily reflecting \$2.7 billion in legislated growth in the Canada Health Transfer, the Canada Social Transfer, Equalization transfers and transfers to the territories, as well as a one-time \$2.2-billion increase in transfers under the Gas Tax Fund.
- Other transfer payments increased by \$4.6 billion, or 9.8%, in 2019, reflecting increases across a number of departments and agencies, including higher transfers relating to infrastructure, \$1.0 billion in funding for the Green Municipal Fund announced in Budget 2019, and increased transfers to First Nations and assistance for students.
- Fuel charge proceeds returned began in 2019 and amounted to \$0.7 billion.
- Other expenses of departments, agencies, and consolidated Crown corporations and other entities increased by \$1.6 billion, or 1.7%.
- Public debt charges increased by \$1.4 billion, or 6.3%, reflecting a higher average effective interest rate on the stock of interest-bearing debt in 2019.

There has been a large shift in the composition of total expenses since the mid-1990s. Public debt charges were the largest component for most of the 1990s, given the large and increasing stock of interest-bearing debt and high average effective interest rates on that stock of debt. Since reaching a high of nearly 30% of total expenses in 1997, the share of public debt charges in total expenses has fallen by more than three-quarters.

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 lower the ratio, the more flexibility the Government has to address the key priorities of Canadians. The interest ratio has been decreasing in recent years, falling from a peak of 37.6% in 1991 to 7.0% in 2019. This means that, in 2019, the Government spent approximately 7 cents of every revenue dollar on interest on public debt.

Interest ratio

(public debt charges as a percentage of revenues)



The percentages of revenues from 2010 to 2018 have been restated to reflect the impact of a retroactive change in accounting treatment. Additional information regarding this restatement can be found in Note 2 of the consolidated financial statements.

Comparison of actual results to budget projections

Comparison to March 2019 budget plan

The \$14.0-billion deficit recorded in 2019 represents a \$0.9-billion improvement over the \$14.9-billion deficit projected in the March 2019 Budget.

- Overall, revenues were about equal to the March 2019 budget projections.
- Program expenses were \$0.6 billion lower than expected.
- Public debt charges were \$0.3 billion lower than forecast, reflecting a lower-than-expected average effective interest rate on the stock of interest-bearing debt.

Comparison of 2019 outcomes to March 2019 budget

(in millions of dollars)

	Projection	Actual	Difference
Revenues	332,209	332,218	9
Expenses			
Program expenses	323,502	322,916	(586)
Public debt charges	23,557	23,266	(291)
Total expenses	347,059	346,182	(877)
Annual deficit	(14,850)	(13,964)	886

Comparison to February 2018 budget plan

The 2019 budgetary deficit of \$14.0 billion represents a \$1.8-billion improvement relative to the \$15.8-billion deficit projected for 2019 in the February 2018 Budget. This improvement is due to higher-than-forecast revenues, offset in part by higher-than-forecast expenses.

- Revenues were \$11.5 billion, or 3.6%, higher than forecast in the February 2018 Budget, driven by stronger-than-expected growth in income tax revenues, reflecting high employment and stronger-than-expected corporate profits.
- Total expenses were \$9.6 billion, or 2.9%, higher than projected in the February 2018 Budget, with program expenses \$11.1 billion higher than forecast and public debt charges \$1.4 billion lower than forecast.
- Major transfers to persons were \$1.9 billion lower than forecast. This is largely as a result of lower-than-expected EI benefits reflecting a significant reduction in unemployment.
- Major transfers to other levels of government were \$2.3 billion higher than projected, due to a one-time \$2.2-billion increase in transfers under the Gas Tax Fund announced in Budget 2019.
- Direct program expenses, which are comprised of other transfer payments, other expenses, and fuel charge proceeds returned, were \$10.7 billion higher than projected in the February 2018 Budget. The variance from forecast was largely attributable to: higher-than-projected pension and other employee future benefit expenses, reflecting lower-than-expected discount rates used in valuing the associated benefit obligations under the Government’s new discount rate approach adopted in 2018; higher-than-expected impacts from claims and litigation; and measures announced after Budget 2018, including fuel charge proceeds returned, funding for the Green Municipal Fund, and the forgiveness of loans for comprehensive claims and negotiations.
- Public debt charges were \$1.4 billion lower than forecast in the February 2018 Budget, largely reflecting a lower-than-expected average effective interest rate on the stock of interest-bearing debt.

Comparison of 2019 outcomes to February 2018 budget

(in millions of dollars)

	Budget ¹	Actual	Difference
Revenues			
Income tax revenues.....	216,966	223,619	6,653
Other taxes and duties	55,366	57,227	1,861
Employment insurance premiums.....	21,716	22,295	579
Other revenues	26,711	29,077	2,366
Total revenues	320,759	332,218	11,459
Expenses			
Program expenses			
Major transfers to persons.....	98,059	96,136	(1,923)
Major transfers to other levels of government.....	73,616	75,925	2,309
Fuel charge proceeds returned	–	664	664
Other transfer payments	47,462	51,753	4,291
Other expenses.....	92,714	98,438	5,724
Total program expenses	311,851	322,916	11,065
Public debt charges	24,707	23,266	(1,441)
Total expenses	336,558	346,182	9,624
Annual deficit	(15,799)	(13,964)	1,835

¹ To enhance comparability with actual 2019 results, Budget 2018 projections have been adjusted. Information regarding this adjustment can be found in Note 3(d) of the consolidated financial statements.

Accumulated deficit

The accumulated deficit is the difference between the Government’s total liabilities and total assets. The annual change in the accumulated deficit is equal to the annual budgetary balance plus other comprehensive income or loss. Other comprehensive income or loss represents certain unrealized gains and losses on financial instruments and certain actuarial gains and losses related to pensions and other employee future benefits reported by enterprise Crown corporations and other government business enterprises. Based on Canadian public sector accounting standards, other comprehensive income or loss is not included in the Government’s annual budgetary balance, but is instead recorded directly to the Government’s Consolidated Statement of Accumulated Deficit and Consolidated Statement of Change in Net Debt.

Accumulated deficit

(in millions of dollars)

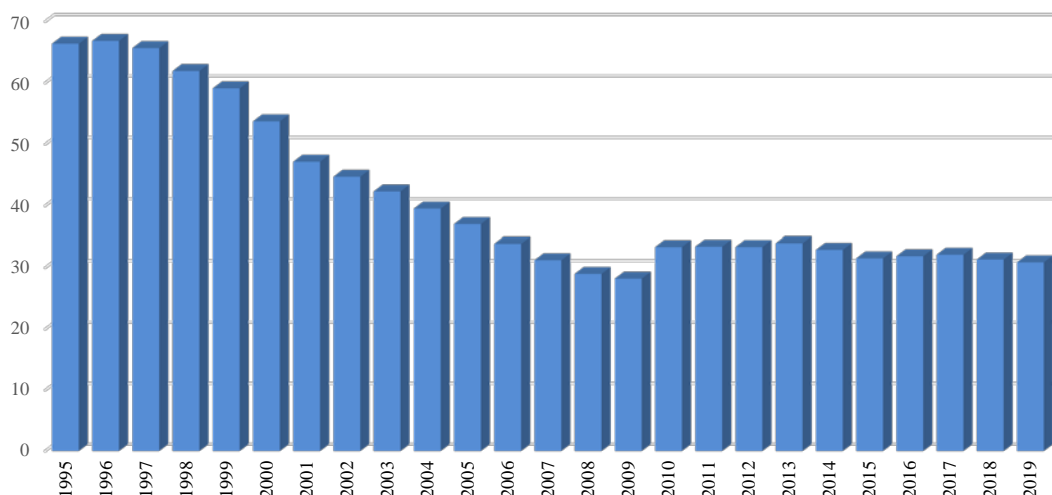
	2019	2018	Difference
Accumulated deficit at beginning of year	(671,254)	(651,540)	(19,714)
Annual deficit	(13,964)	(18,961)	4,997
Other comprehensive loss	(232)	(753)	521
Accumulated deficit at end of year	(685,450)	(671,254)	(14,196)

The accumulated deficit increased by \$14.2 billion in 2019, reflecting the \$14.0-billion budgetary deficit and a \$0.2-billion other comprehensive loss.

The accumulated deficit was 30.9% of GDP at March 31, 2019, compared to a post-World War II peak of 66.8% at March 31, 1996.

Accumulated deficit

(as a percentage of GDP)



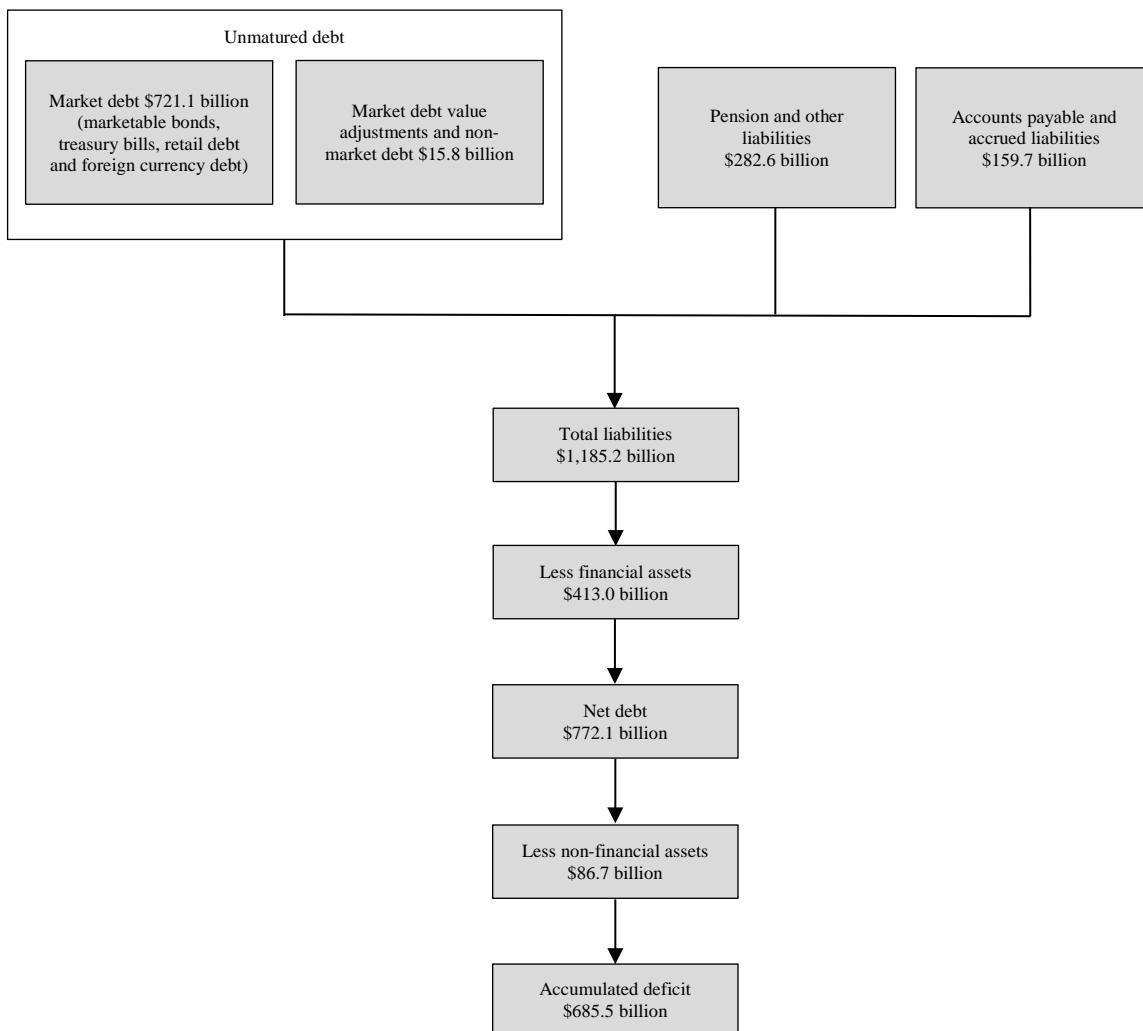
Measures of Government debt

The consolidated financial statements of the Government of Canada are presented on an accrual basis of accounting. On this basis, there are several generally accepted definitions of government debt.

Total liabilities of the Government consist of unmatured debt, or debt issued on the credit markets, pension and other future benefit liabilities, other interest-bearing liabilities, and accounts payable and accrued liabilities.

Net debt represents the total liabilities of the Government less its financial assets. Financial assets include cash and cash equivalents, accounts receivable, foreign exchange accounts, 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 tangible capital assets, such as land and buildings, inventories, and prepaid expenses and other. The accumulated deficit is the federal government's main measure of debt.



The Government’s total liabilities include interest-bearing debt and accounts payable and accrued liabilities. Total assets include both financial and non-financial assets, the latter consisting primarily of tangible capital assets. The following sections provide more details on each of these components.

Statement of financial position

(in millions of dollars)

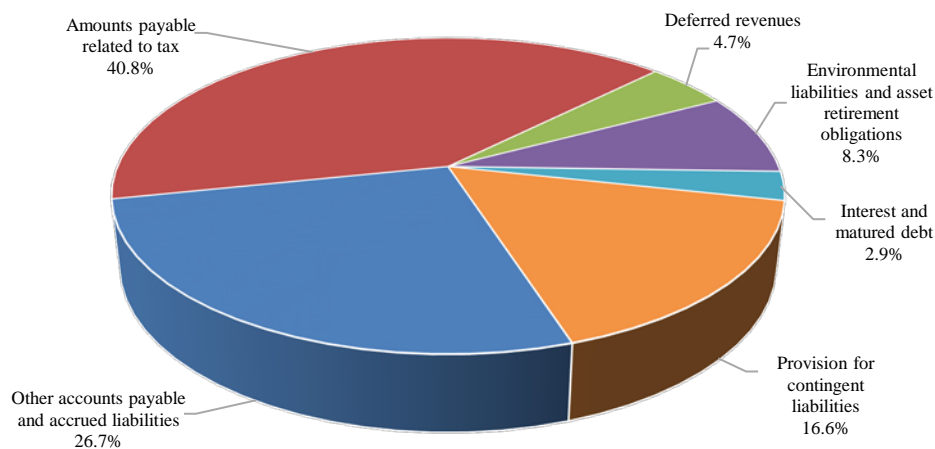
	2019	2018	Difference
		Restated ¹	
Liabilities			
Accounts payable and accrued liabilities	159,707	147,799	11,908
Interest-bearing debt			
Unmatured debt	736,915	721,201	15,714
Pensions and other future benefits.....	282,644	275,707	6,937
Other liabilities	5,905	5,670	235
Total	1,025,464	1,002,578	22,886
Total liabilities	1,185,171	1,150,377	34,794
Financial assets			
Cash and accounts receivable	177,041	172,057	4,984
Foreign exchange accounts.....	99,688	96,938	2,750
Loans, investments and advances	133,912	126,371	7,541
Public sector pension assets.....	2,406	2,124	282
Total financial assets	413,047	397,490	15,557
<i>Net debt</i>	<i>(772,124)</i>	<i>(752,887)</i>	<i>(19,237)</i>
Non-financial assets	86,674	81,633	5,041
Accumulated deficit.....	(685,450)	(671,254)	(14,196)

¹ Certain comparative figures have been restated. Information regarding this restatement can be found in Note 2 of the consolidated financial statements.

Accounts payable and accrued liabilities

The following chart shows accounts payable and accrued liabilities by category for 2019.

Accounts payable and accrued liabilities by category for 2019



Numbers may not add to 100% due to rounding.

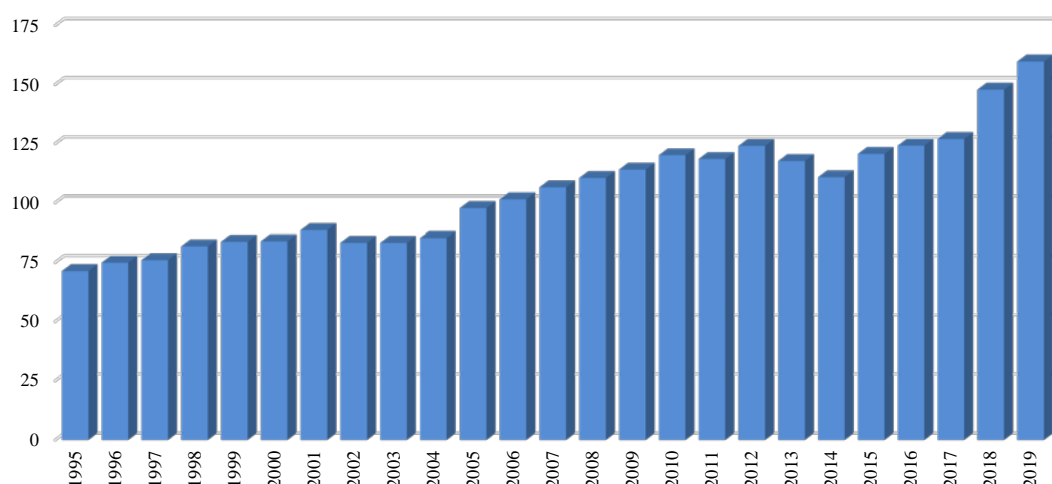
The Government's accounts payable and accrued liabilities consist of amounts payable related to tax based on assessments and estimates of refunds owing for tax assessments not completed by year-end; provisions for contingent liabilities, including guarantees provided by the Government and claims and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

At March 31, 2019, accounts payable and accrued liabilities totalled \$159.7 billion, up \$11.9 billion from March 31, 2018. This increase reflects growth in amounts payable related to tax, provisions for contingent liabilities, other accounts payable and accrued liabilities, environmental liabilities and asset retirement obligations, and interest and matured debt, partially offset by a decrease in deferred revenue.

- Amounts payable related to tax increased by \$3.3 billion in 2019, from \$61.9 billion at March 31, 2018, to \$65.2 billion at March 31, 2019. This increase reflects in part the Climate Action Incentive payments that were accrued at the end of the year.
- Provisions for contingent liabilities increased by \$3.4 billion, largely reflecting an increase in the Government's estimates of amounts required to settle various specific claims and pending and threatened litigation.
- Environmental liabilities and asset retirement obligations increased by \$0.9 billion in 2019, reflecting revisions to previously estimated provisions, net of remediation activities undertaken.
- Deferred revenue decreased by \$0.7 billion in 2019, primarily reflecting the recognition of previously deferred revenue related to spectrum licence auctions.
- Liabilities for interest and matured debt increased by \$4 million from the prior year.
- Other accounts payable and accrued liabilities increased by \$5.0 billion in 2019. Within this component, accounts payable increased by \$5.2 billion. This increase was attributable in large part to the accrual of \$3.2 billion in spending measures announced in Budget 2019, including a one-time \$2.2-billion top-up to the Gas Tax Fund and \$1.0 billion in funding for the Green Municipal Fund. Miscellaneous payroll deductions and other accounts payable increased by \$0.1 billion and \$21 million, respectively. Accrued salaries and benefits increased by \$0.1 billion, due mainly to an increase in allowances for vacation pay. These increases were somewhat offset by a \$0.4-billion decrease in liabilities under tax collection agreements, reflecting timing differences in payments to provinces, territories and Aboriginal governments, and a \$44-million decrease in notes payable to international organizations.

Accounts payable and accrued liabilities

(in billions of dollars)



Amounts for 2010 to 2018 have been restated to reflect the impact of a retroactive change in accounting treatment. Additional information regarding this restatement can be found in Note 2 of the consolidated financial statements.

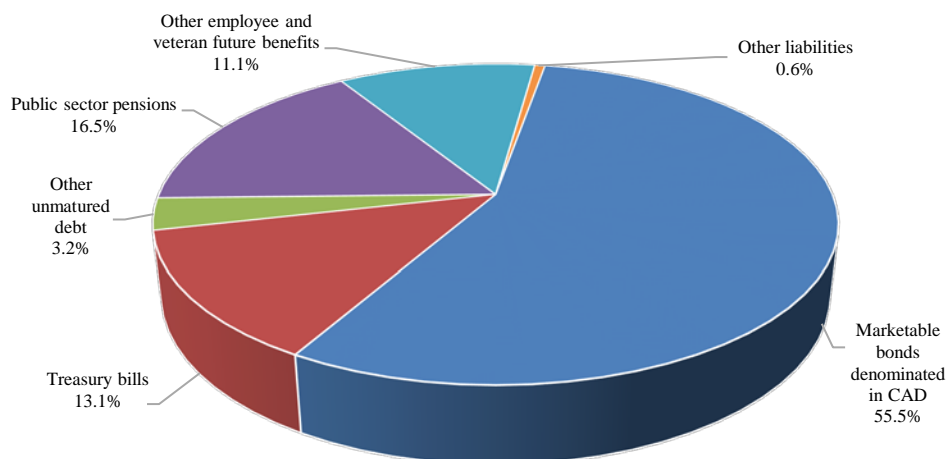
Interest-bearing debt

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, retail debt (Canada Savings Bonds and Canada Premium Bonds), foreign-currency-denominated debt, and obligations related to capital leases and public-private partnerships, amounted to 71.9% of interest-bearing debt at March 31, 2019.
- 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 16.5% of interest-bearing debt and other employee and veteran future benefits accounted for an additional 11.1% of interest-bearing debt.
- The remaining 0.6% 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 Canada Mortgage and Housing Corporation, the Business Development Bank of Canada and Farm Credit Canada through direct lending in order to reduce overall borrowing costs and improve the liquidity of the government securities market.

Interest-bearing debt by category for 2019



Numbers may not add to 100% due to rounding.

At March 31, 2019, interest-bearing debt totalled \$1,025.5 billion, up \$22.9 billion from March 31, 2018. Within interest-bearing debt, unmatured debt increased by \$15.7 billion, liabilities for pensions decreased by \$2.1 billion, liabilities for other employee and veteran future benefits increased by \$9.1 billion, and other liabilities increased by \$0.2 billion.

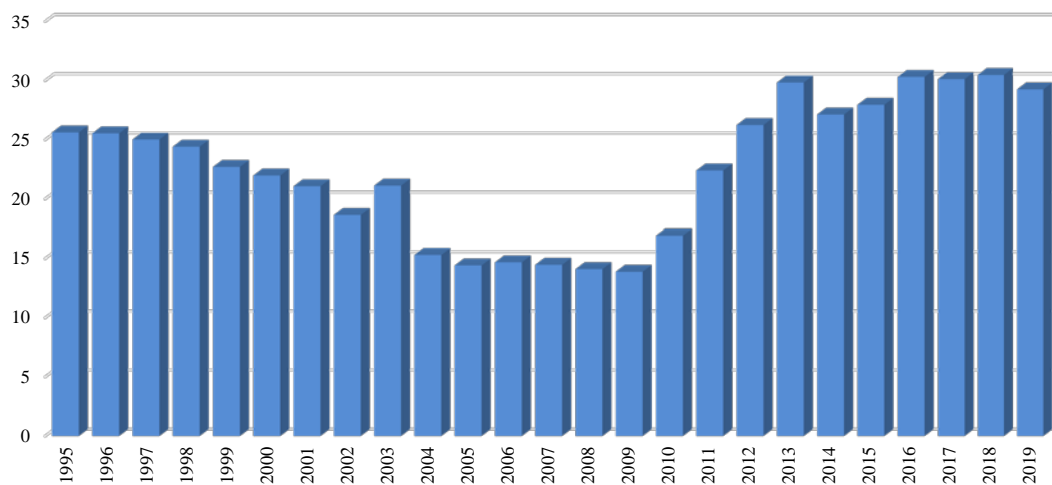
The \$15.7-billion increase in unmatured debt is largely attributable to a \$16.8-billion increase in market debt, reflecting increased borrowings to meet the financial needs of the Government. This increase was partially offset by a \$1.3-billion decrease in unamortized discounts and premiums on market debt.

The Bank of Canada and the Department of Finance Canada manage the Government's unmatured 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. Details on the Government's debt management objectives and principles are tabled annually in Parliament through the Department of Finance Canada's *Debt Management Strategy*.

Foreign holdings of the Government's unmatured debt are estimated at \$215.6 billion, representing approximately 29.3% of the Government's total unmatured debt.

Foreign holdings of Government of Canada unmatured debt

(as a percentage of unmatured debt)



Source: Statistics Canada

The Government's liabilities for pensions and other future benefits stood at \$282.6 billion at March 31, 2019, up \$6.9 billion from the prior year. These liabilities represent the estimated present value of pensions and other future benefits earned to March 31, 2019, 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 Canada Pension Plan (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 pensions and other employee and veteran future benefits

The Government's \$282.6-billion liability for pensions and other employee and veteran future benefits results from its promise to provide certain benefits to employees 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 recorded for the estimated cost of benefits earned by employees during the year. The Government uses an actuarial cost method (the projected accrued 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 pro-rated over employees' 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 service, on a present value basis. 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 post-employment benefits or compensated absences that do not vest or accumulate, 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, benefits provided to employees in the event of an accident or injury would be recorded when the accident or injury occurs.

Since April 1, 2000, amounts equal to contributions less 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 Public Sector Pension Investment Board (PSPIB) for investment. Pension assets held by the PSPIB are valued at a market-related value. The Government's accrued benefit obligations for 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 investments for funded pension benefits, and reported as part of public debt charges. Current service cost is recorded as part of other expenses on the Consolidated Statement of Operations and Accumulated 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 obligation.

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. 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 amortized 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 6 to 8 years.

For plan amendments, curtailments and settlements that affect accrued benefit obligations for services already rendered by employees, the change in the Government's obligations is reflected in the period of the amendment, curtailment or settlement and recorded as part of other expenses.

The following table illustrates the change in the Government's liabilities for pensions and other future benefits, net of public sector pension assets, in 2019.

Net pensions and other future benefit liabilities

(in millions of dollars)

	Pensions	Other future benefits	Total
Net future benefit liabilities at beginning of year	168,790	104,793	273,583
Add:			
Benefits earned during the year	7,305	6,807	14,112
Interest on accrued benefit obligations, net of the expected return on investments	3,509	3,272	6,781
Net actuarial losses recognized during the year	3,678	4,778	8,456
Plan amendments, curtailments, settlements and valuation allowance ¹	76	(12)	64
	14,568	14,845	29,413
Deduct:			
Benefits paid during the year	12,223	5,694	17,917
Transfers to the PSPIB and funds held in external trusts ²	3,930	–	3,930
Transfers to other plans and administrative expenses	829	82	911
	16,982	5,776	22,758
Net (decrease) increase	(2,414)	9,069	6,655
Net future benefit liabilities at end of year	166,376	113,862	280,238
Presented on the Consolidated Statement of Financial Position as:			
Public sector pension liabilities			168,782
Other employee and veteran future benefit liabilities			113,862
Total pension and other future benefit liabilities			282,644
Public sector pension assets			2,406
Net pensions and other future benefit liabilities			280,238

¹ Amounts shown include actuarial gains and losses recognized immediately upon plan amendments, settlements and curtailments.

² 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 Public Sector Pension Investment Board (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 increase in net liabilities for pensions and other future benefits in 2019 reflects the addition of \$14.1 billion in future benefits earned by employees during the year, as well as \$6.8 billion in net interest charges on the liabilities. The discount rates used in the measurement of unfunded pension and 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 rate used to value the Government's obligations for funded pension benefits, which relate to post-March 2000 service 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 is 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 \$8.5 billion in 2019 due to the amortization of actuarial gains and losses. As of March 31, 2019, the Government had net unamortized losses of \$83.3 billion. These losses will be amortized over time and recorded as part of other expenses and as an increase in the Government's liabilities.

The Government also recorded a \$0.1-billion increase in liabilities for pensions and other future benefits to reflect the net impact of plan amendments, curtailments, settlements and valuation allowance during the year.

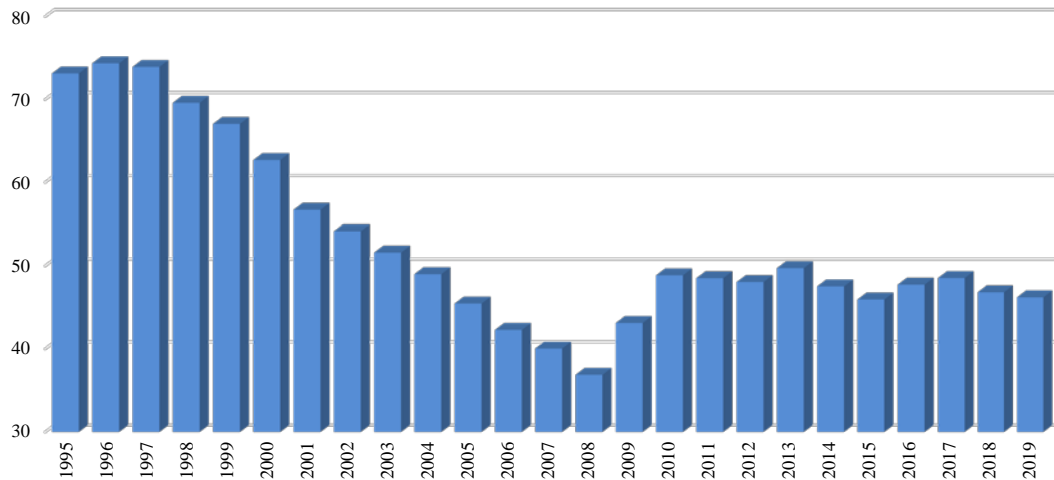
These increases were offset in part by reductions in the liabilities for benefits paid during the year (\$17.9 billion) and for net transfers to the PSPIB and funds held in external trusts for investment (\$3.9 billion).

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

Interest-bearing debt stood at 46.2% of GDP in 2019, down from 46.8% in 2018. This ratio is down over 28 percentage points from its high of 74.4% in 1996.

Interest-bearing debt

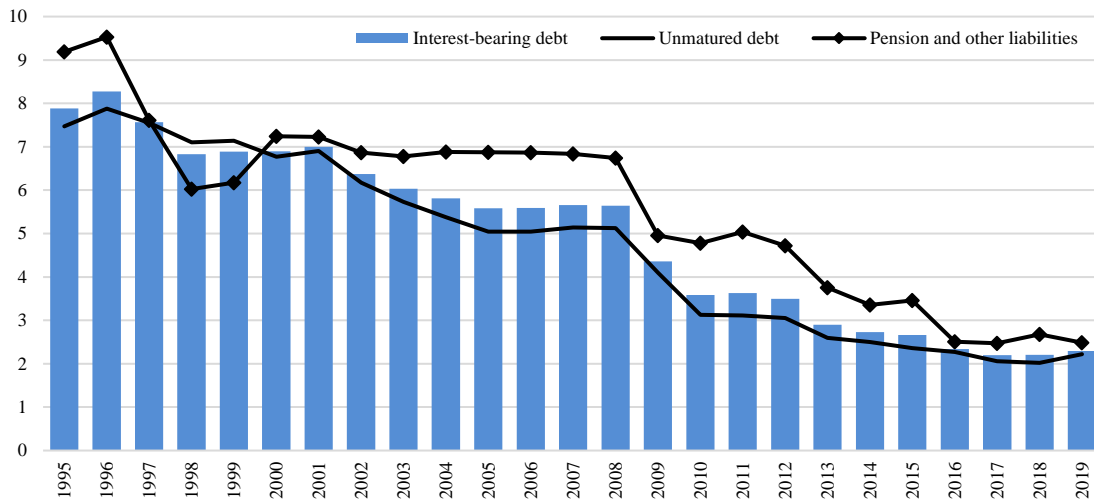
(as a percentage of GDP)



The average effective interest rate on the Government’s interest-bearing debt in 2019 was 2.3%, up from 2.2% in 2018. The average effective interest rate on unmatured debt in 2019 was 2.2%, while the average effective interest rate on pension and other liabilities was 2.5%, reflecting the longer average duration of these obligations.

Average effective interest rate on interest-bearing debt

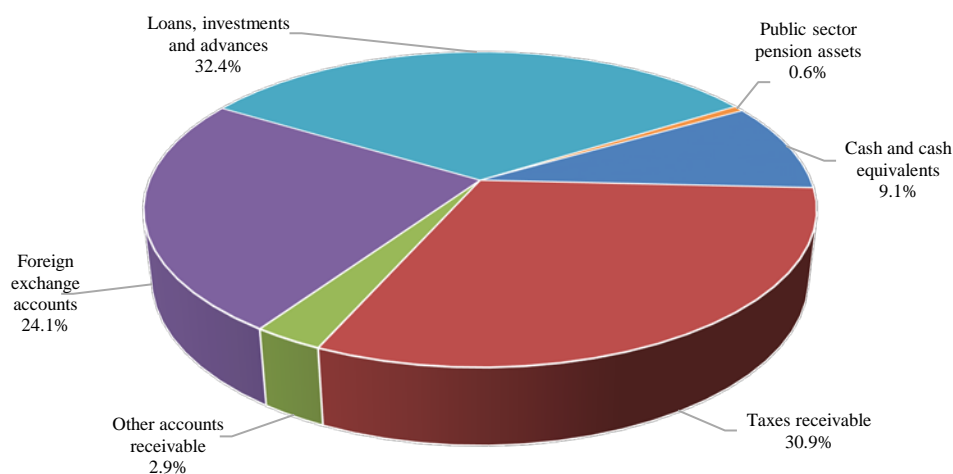
(in percentage)



Financial assets

Financial assets include cash on deposit with the Bank of Canada, chartered banks and other financial institutions, accounts receivable, foreign exchange accounts, loans, investments and advances, and public sector pension assets of consolidated Crown corporations and other entities. The Government's foreign exchange accounts 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 are available in the annual *Report on the Management of Canada's Official International Reserves*. 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, and loans under the Canada Student Loans Program.

Financial assets by category for 2019



Numbers may not add to 100% due to rounding.

At March 31, 2019, financial assets amounted to \$413.0 billion, up \$15.6 billion from March 31, 2018. The increase in financial assets reflects increases in cash and accounts receivable, foreign exchange accounts, loans, investments and advances, and public sector pension assets.

At March 31, 2019, cash and accounts receivable totalled \$177.0 billion, up \$5.0 billion from March 31, 2018. Within this component, cash and cash equivalents increased by \$3.0 billion. The balance of cash and cash equivalents includes \$20 billion which has been designated as a deposit held with respect to prudential liquidity management. 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. Taxes receivable increased by \$4.5 billion during 2019 to \$127.6 billion, reflecting growth in tax revenues and higher disputed arrears. Other accounts receivable decreased by \$2.5 billion, largely due to a \$1.6-billion decrease in cash collateral under International Swaps and Derivatives Association agreements in respect of outstanding cross-currency swap agreements and a \$1.0-billion decrease in dividends receivable from Canada Mortgage and Housing Corporation at year-end.

Loans, investments and advances in enterprise Crown corporations and other government business enterprises increased by \$7.4 billion in 2019. Investments in enterprise Crown corporations and other government business enterprises decreased by \$0.6 billion, as the \$5.9 billion in net profits recorded by these entities during 2019 were more than offset by \$0.2 billion in other comprehensive losses and \$6.4 billion in dividends paid to the Government. Net loans and advances were up \$8.0 billion, primarily reflecting a \$3.2-billion increase in loans to Crown corporations under the consolidated borrowing framework, and \$4.8-billion in financing to the Canada Development Investment Corporation (CDEV) from the Canada Account to fund the acquisition of the Trans Mountain entities, to finance construction activities for the expansion project, and to fund other corporate purposes.

Details of the Trans Mountain Pipeline Acquisition

On August 31, 2018, the Government of Canada purchased the entities that control the existing Trans Mountain Pipeline, its Expansion Project and related assets for \$4.4 billion.

The Trans Mountain entities are controlled by the Trans Mountain Corporation (TMC), which is a subsidiary of CDEV, an enterprise Crown corporation reporting to Parliament through the Minister of Finance. The consolidated equity of CDEV, which includes the Trans Mountain entities under TMC, is recorded as a government asset and reported under Loans, investments and advances on the Consolidated Statement of Financial Position.

The purchase of the Trans Mountain entities was financed through a loan to CDEV from the Canada Account, which is also reported under Loans, investments and advances. The balance of this loan amounted to \$4.8 billion as at March 31, 2019. Funding for this loan was provided through an increase in Government of Canada unmatured debt.

The Trans Mountain entities currently provide transportation and logistical services to shippers from the Western Canadian sedimentary basin and generate cash flows from tolls charged to these shippers. The Expansion Project is a capital project, which will significantly increase the capacity of the Trans Mountain pipeline system.

The Trans Mountain entities have significant commercial value and generate returns from existing operational assets. The net results attributable to Canada's holdings in the Trans Mountain entities are consolidated in CDEV's net income, which is included in Other revenues—Enterprise Crown corporations and other government business enterprises on the Consolidated Statement of Operations and Accumulated Deficit.

Construction and other associated expenditures related to the construction of the Expansion Project prior to its in-service date will be recorded as additions to the book value of the Project.

It is not the intention of the Government of Canada to be a long-term owner of the Trans Mountain entities.

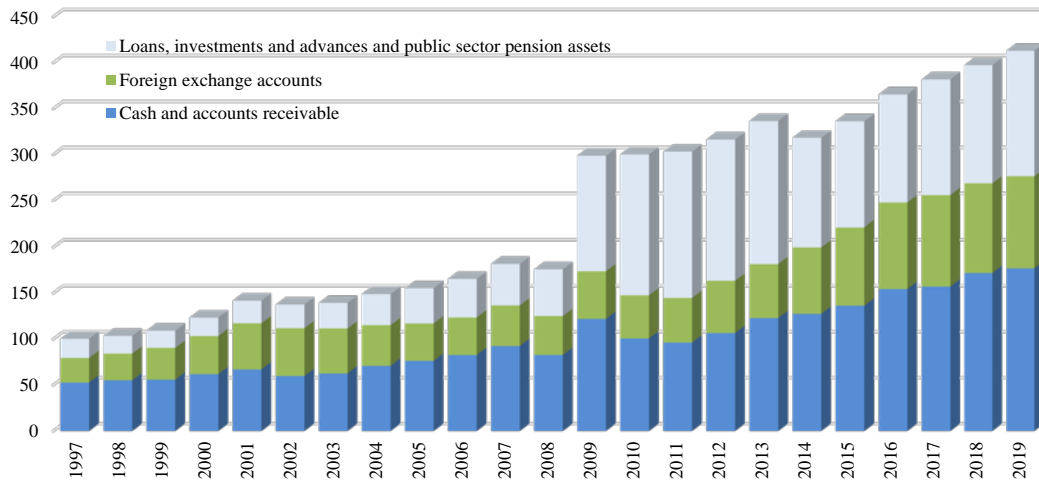
Other loans, investments and advances, and public sector pension assets increased by \$0.1 billion and \$0.3 billion, respectively.

Foreign exchange accounts increased by \$2.8 billion in 2019, totalling \$99.7 billion at March 31, 2019. The increase in foreign exchange accounts largely reflects a \$1.8-billion increase in foreign exchange reserves held in the Exchange Fund Account, due mainly to net revenues earned on investments in the Fund during the year, and a \$1.3-billion decrease in notes payable to the IMF.

Since the accumulated deficit reached its post-World War II peak of 66.8% of GDP at March 31, 1996, financial assets have increased by \$320.4 billion, mainly reflecting higher levels of cash and cash equivalents and accounts receivable (up \$124.5 billion), an increase in the foreign exchange accounts (up \$80.6 billion), and an increase in loans, investments and advances (up \$112.9 billion). The increase in cash and cash equivalents and accounts receivable is largely attributable to growth in taxes receivable, broadly in line with the growth in the applicable tax bases. 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, and the issuance of direct loans to Crown corporations under the Government's consolidated borrowing framework implemented in 2008.

Financial assets

(in billions of dollars)



Cash and accounts receivable amounts for 2010 to 2018 have been restated to reflect the impact of a retroactive change in accounting treatment. Additional information regarding this restatement can be found in Note 2 of the consolidated financial statements.

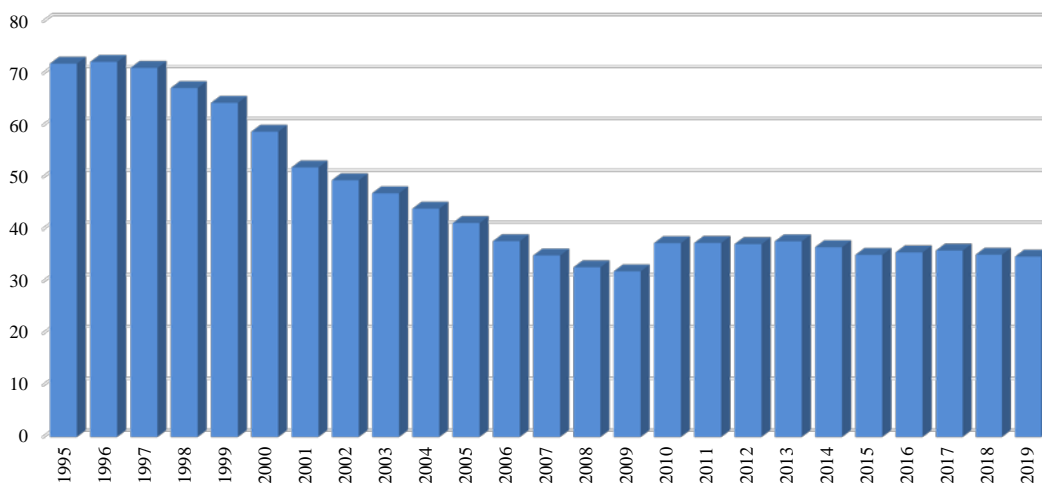
Net debt

The Government's net debt—its total liabilities less financial assets—stood at \$772.1 billion at March 31, 2019. Net debt was 34.8% of GDP, down 0.4 percentage points from a year earlier, and 37.4 percentage points below its peak of 72.2% at March 31, 1996.

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 percentage of GDP)



The percentages of GDP from 2015 to 2018 have been restated to reflect the impact of the retroactive change in accounting treatment. Additional information regarding this restatement can be found in Note 2 of the consolidated financial statements.

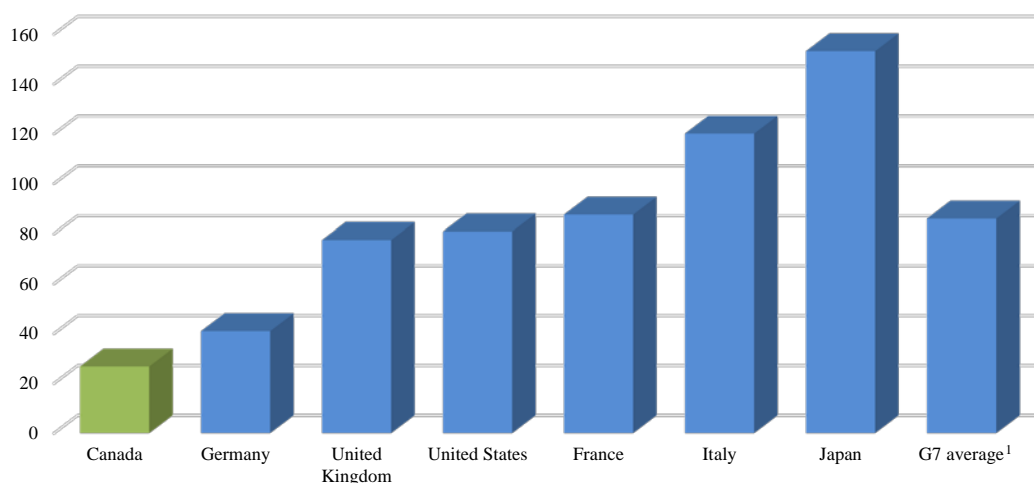
International comparisons of net debt

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, 2018

(as a percentage of GDP)



Source: IMF

¹ Weighted by nominal GDP converted to U.S. dollars at average market exchange rates.

Canada's total government net debt-to-GDP ratio stood at 26.8% in 2018, according to the IMF. This is the lowest level among G7 countries, which the IMF estimates will record an average net debt of 86.0% 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. Importantly, Canada's total government net debt-to-GDP ratio includes the net debt of the federal, provincial, territorial and local governments, as well as the net assets held by the Canada Pension Plan and Quebec Pension Plan, while excluding liabilities for public sector pensions and other employee future benefits.

Reconciliation of 2019 accumulated deficit-to-GDP ratio to calendar 2018 total government net debt-to-GDP ratio

(as a percentage of GDP)

	(% of GDP)
Accumulated deficit	30.9
Add: Non-financial assets	3.9
Net debt (Public Accounts basis)	34.8
Less:	
Liabilities for public sector pensions	(7.6)
Liabilities for other future benefits	(5.1)
National accounts/Public Accounts methodological differences and timing adjustments ¹	(2.8)
Total federal net debt (National Accounts basis)	19.3
Add: Net debt of provincial/territorial and local governments	20.6
Less: Net assets of the CPP/QPP	(13.1)
Total government net debt	26.8

Numbers may not add due to rounding.

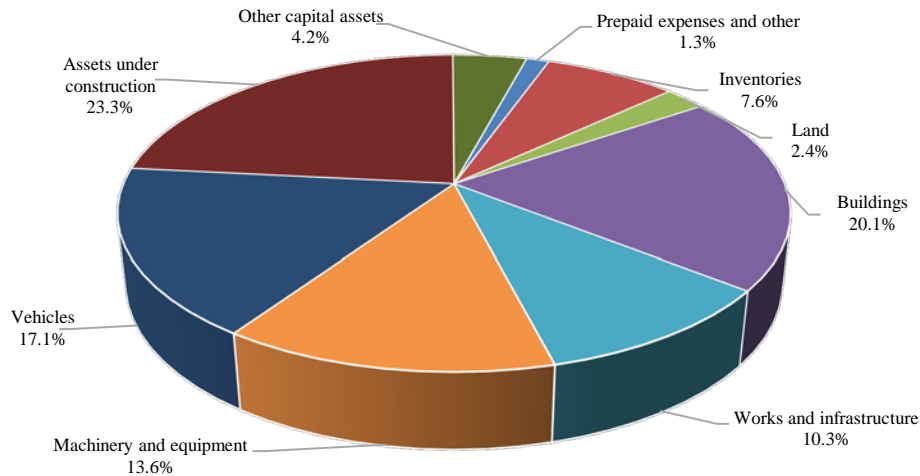
Source: Statistics Canada

¹ 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.

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 and other non-financial assets.

Non-financial assets by category for 2019



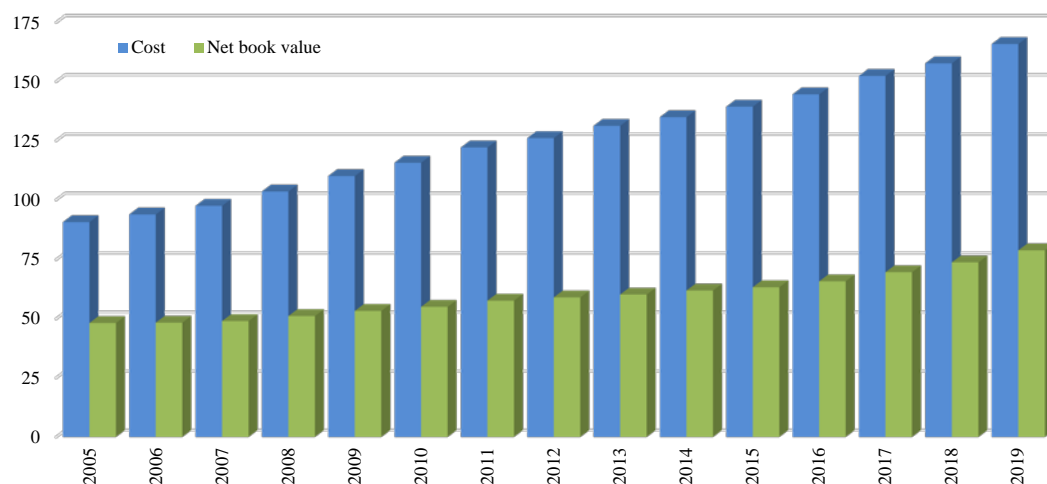
Numbers may not add to 100% due to rounding.

At March 31, 2019, non-financial assets stood at \$86.7 billion, up \$5.0 billion from a year earlier. Of this growth, \$5.1 billion relates to an increase in tangible capital assets, offset in part by a \$0.1-billion decrease in inventories.

At March 31, 2019, 60.5% of the original cost of the Government’s depreciable tangible capital assets had been amortized, a decrease of 0.2% from a year earlier. Depreciable tangible capital assets exclude land, and assets under construction, which are not yet available for use.

Tangible capital asset cost

(in billions of dollars)



The federal government has entered into a number of public-private partnerships (P3s) to design, build, finance and/or operate and maintain large infrastructure projects. Assets under construction totalled \$20.2 billion at March 31, 2019, some of which are being built using P3s in which the private sector finances the assets during construction. The Government's liability for these long-term financing arrangements is included in obligations under public-private partnerships reported in Note 9 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 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 2019, the Government had a total cash requirement of \$9.1 billion before financing activities, compared to a total cash requirement of \$7.8 billion before financing activities in 2018. Operating activities resulted in a net cash source of \$4.1 billion in 2019, compared to a net cash requirement of \$3.8 billion in 2018. Cash used by capital investment activities resulted in a net cash requirement of \$9.5 billion in 2019, compared to a net cash requirement of \$9.0 billion in 2018. Cash used by investing activities totalled \$3.7 billion in 2019, compared to a net cash source of \$5.0 billion in 2018.

Cash flow

(in millions of dollars)

	2019	2018
Cash provided (used) by operating activities.....	4,129	(3,777)
Cash used by capital investment activities	(9,545)	(8,954)
Cash (used) provided by investing activities	(3,693)	4,978
<i>Total cash used before financing activities.....</i>	<i>(9,109)</i>	<i>(7,753)</i>
Cash provided by financing activities	12,102	5,895
Net increase (decrease) in cash and cash equivalents	2,993	(1,858)
Cash and cash equivalents at beginning of year.....	34,642	36,500
Cash and cash equivalents at end of year	37,635	34,642

Financing activities generated a \$12.1-billion source of cash in 2019, resulting in an overall net increase in cash of \$3.0 billion. The level of cash and cash equivalents stood at \$37.6 billion at March 31, 2019.

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, 2019, future payments under contractual obligations totalled \$162.5 billion (\$137.9 billion as of March 31, 2018).

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 \$40.4 billion at March 31, 2019 (\$54.6 billion as of March 31, 2018).

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:

- outcomes from litigation, arbitration and negotiations with third parties, and the resolution of taxes under objection;
- identification and quantification of environmental liabilities;
- ageing tangible capital assets, including information technology infrastructure;
- costs associated with dismantling 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;
- demand for public services and changes in other expenses, including pension expense, that reflect actual experience that is significantly different from forecast;
- delays and unexpected cost increases associated with large-scale investment projects; and,
- unforeseen situations such as natural catastrophes.

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 future benefits, for which payments are made many years into the future and are dependent upon the evolution of factors such as wage increases, workforce composition, retirement rates and mortality rates. In developing its best estimates and assumptions, 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 pension and benefit obligations. Changes in these discount rates 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 Canada Mortgage and Housing Corporation; callable share capital in international financial institutions; and claims and pending and threatened litigation. As of March 31, 2019, the Government's contingent liabilities totalled roughly \$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. As of March 31, 2019, this provision totalled \$26.4 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 contingent liabilities and environmental liabilities are included in Note 7 and Note 8, respectively, of the consolidated financial statements of the Government of Canada. Note 18 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.

As noted in the Budget and related documents, and in the discussion on Economic Developments earlier in this section, the Government's revenues and expenses are 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 19, 2019 Budget, these show, for example, that:

- A one-year, 1-percentage-point increase/decrease in real GDP growth would raise/lower the budgetary balance by \$4.9 billion in the first year, \$4.9 billion in the second year, and \$5.1 billion in the fifth year.
- A one-year, 1-percentage-point increase/decrease in GDP inflation would raise/lower the budgetary balance by \$2.5 billion in the first year, \$2.0 billion in the second year, and \$1.1 billion in the fifth year.
- A sustained 100-basis-point decrease/increase in interest rates would raise/lower the budgetary balance by \$0.6 billion in the first year, \$1.4 billion in the second year, and \$2.7 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.

The Government manages risks to its fiscal projections due to changes in economic conditions by regularly surveying private sector economists on their views on the outlook for the Canadian economy and by monitoring its financial results on an ongoing basis to assess potential risks and guide its financial decisions.

The Government also prepares long-term economic and fiscal projections, which provide a broad analysis of its fiscal position, allowing the Government to respond more effectively to upcoming challenges and protect the long-term sustainability of public finances. The most recent version of these projections is available on the Department of Finance Canada’s website.

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 Deficit—detailed

(in millions of dollars)

	Year ended March 31 ^{1, 2, 3}									
	2010	2011	2012 ⁵	2013 ⁴	2014	2015	2016	2017	2018	2019
Revenues										
<i>Tax revenues</i>										
Income tax revenues										
Personal.....	105,040	114,661	120,537	125,728	130,811	135,743	144,897	143,680	153,619	163,881
Corporate.....	32,247	31,953	33,641	34,986	36,587	39,447	41,444	42,216	47,805	50,368
Non-resident.....	5,293	5,137	5,300	5,073	6,404	6,216	6,505	7,071	7,845	9,370
	<i>142,580</i>	<i>151,751</i>	<i>159,478</i>	<i>165,787</i>	<i>173,802</i>	<i>181,406</i>	<i>192,846</i>	<i>192,967</i>	<i>209,269</i>	<i>223,619</i>
Other taxes and duties										
Goods and services tax.....	26,947	28,379	28,370	28,821	30,998	31,349	32,952	34,368	36,751	38,221
Energy taxes.....	5,178	5,342	5,328	5,381	5,486	5,528	5,565	5,634	5,739	5,802
Customs import duties.....	3,490	3,520	3,862	3,979	4,239	4,581	5,372	5,478	5,416	6,881
Other excise taxes and duties.....	4,958	5,662	5,546	5,370	5,413	5,724	5,916	5,868	5,913	6,323
	<i>40,573</i>	<i>42,903</i>	<i>43,106</i>	<i>43,551</i>	<i>46,136</i>	<i>47,182</i>	<i>49,805</i>	<i>51,348</i>	<i>53,819</i>	<i>57,227</i>
Total tax revenues.....	183,153	194,654	202,584	209,338	219,938	228,588	242,651	244,315	263,088	280,846
<i>Employment insurance premiums.....</i>	<i>16,761</i>	<i>17,501</i>	<i>18,556</i>	<i>20,395</i>	<i>21,766</i>	<i>22,564</i>	<i>23,070</i>	<i>22,125</i>	<i>21,140</i>	<i>22,295</i>
<i>Other revenues</i>										
Enterprise Crown corporations and other government business enterprises.....	4,552	9,590	7,983	7,543	7,966	9,306	7,916	5,655	7,731	7,101
Other.....	14,498	15,701	15,890	15,632	18,660	18,092	16,649	16,640	17,784	20,309
Net foreign exchange.....	1,647	1,809	1,669	1,502	1,682	1,355	2,322	2,133	1,473	1,667
Total other revenues.....	20,697	27,100	25,542	24,677	28,308	28,753	26,887	24,428	26,988	29,077
Total revenues.....	220,611	239,255	246,682	254,410	270,012	279,905	292,608	290,868	311,216	332,218
Expenses										
<i>Program expenses</i>										
Transfer payments										
Old age security benefits, guaranteed income supplement and spouse's allowance.....	34,653	35,629	38,045	40,255	41,786	44,103	45,461	48,162	50,644	53,366
Major transfer payments to other levels of government										
Canada health transfer.....	24,820	26,031	27,174	28,912	30,543	32,114	34,025	36,057	37,124	38,568
Canada social transfer.....	10,858	11,179	11,514	11,860	12,215	12,582	12,959	13,348	13,748	14,161
Fiscal arrangements.....	13,490	13,826	15,259	15,595	15,610	16,271	16,893	17,145	17,575	17,929
Other major transfers.....	7,772	1,751	2,847	2,003	2,107	2,142	1,973	2,102	2,072	5,267
	<i>56,940</i>	<i>52,787</i>	<i>56,794</i>	<i>58,370</i>	<i>60,475</i>	<i>63,109</i>	<i>65,850</i>	<i>68,652</i>	<i>70,519</i>	<i>75,925</i>
Employment insurance.....	21,586	19,850	17,647	17,099	17,300	18,052	19,419	20,711	19,715	18,888
Children's benefits.....	12,340	12,656	12,726	12,975	13,136	14,303	18,025	22,065	23,432	23,882
Fuel charge proceeds returned.....	–	–	–	–	–	–	–	–	–	664
Other transfer payments.....	45,949	43,155	37,720	34,862	36,698	35,126	34,874	41,580	47,138	51,753
Total transfer payments.....	171,468	164,077	162,932	163,561	169,395	174,693	183,629	201,170	211,448	224,478
Other expenses.....	78,949	81,521	82,745	86,609	83,938	81,555	90,003	87,423	96,840	98,438
Total program expenses.....	250,417	245,598	245,677	250,170	253,333	256,248	273,632	288,593	308,288	322,916
<i>Public debt charges.....</i>	<i>26,562</i>	<i>28,610</i>	<i>29,038</i>	<i>25,533</i>	<i>24,729</i>	<i>24,207</i>	<i>21,837</i>	<i>21,232</i>	<i>21,889</i>	<i>23,266</i>
Total expenses.....	276,979	274,208	274,715	275,703	278,062	280,455	295,469	309,825	330,177	346,182
Annual deficit.....	(56,368)	(34,953)	(28,033)	(21,293)	(8,050)	(550)	(2,861)	(18,957)	(18,961)	(13,964)
Accumulated deficit at										
beginning of year—as previously reported.....	(463,710)	(519,097)	(551,668)	(591,040)	(609,391)	(611,881)	(612,330)	(615,986)	(631,899)	(671,254)
Accounting change and restatement—Public sector pensions.....	(4,236)	(5,006)	(6,587)	(8,341)	(11,219)	(14,119)	(16,580)	(18,454)	(19,641)	–
International Financial Reporting Standards (IFRS) transition adjustment.....	–	–	(3,337)	–	–	–	–	–	–	–
Other comprehensive (loss) income.....	211	2,142	(2,292)	64	2,660	(2,360)	(2,669)	1,857	(753)	(232)
Accumulated deficit at end of year.....	(524,103)	(556,914)	(591,917)	(620,610)	(626,000)	(628,910)	(634,440)	(651,540)	(671,254)	(685,450)

¹ The figures up to 2018 have been restated 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.

² Certain other comparative figures have been reclassified to conform to the current year's presentation.

³ 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.

⁴ The 2013 accumulated deficit at beginning of year has been adjusted to include the restatement amount of \$5,669 million and \$1,795 million for the buy-back of bonds and the loans expected to be repaid from future appropriations done in the course of the fiscal year 2014.

⁵ The 2012 accumulated deficit at beginning of year has been adjusted to include the restatement amount of \$1,341 million for accumulated sick leave entitlements that was done in the course of the fiscal year 2013.

Table 1.2
Government of Canada
Consolidated Statement of Financial Position—detailed

(in millions of dollars)

	As at March 31 ^{1,2}									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Liabilities										
<i>Accounts payable and accrued liabilities</i>										
Amounts payable related to tax	48,251	48,648	50,952	54,877	52,600	56,198	53,697	55,077	61,876	65,200
Other accounts payable and accrued liabilities	39,881	37,677	41,358	30,369	26,170	26,986	29,979	29,034	37,692	42,674
Provision for contingent liabilities	13,214	12,900	12,804	12,262	11,135	11,757	12,562	16,511	23,030	26,447
Environmental liabilities and asset retirement obligations	6,602	7,745	8,362	10,600	11,143	12,296	13,282	12,599	12,291	13,192
Deferred revenue	5,294	4,788	4,164	3,570	4,147	8,161	9,684	9,066	8,220	7,500
Interest and matured debt	6,853	6,733	6,379	5,955	5,585	5,240	4,922	4,663	4,690	4,694
<i>Total accounts payable and accrued liabilities</i>	120,095	118,491	124,019	117,633	110,780	120,638	124,126	126,950	147,799	159,707
<i>Interest-bearing debt</i>										
<i>Unmatured debt</i>										
Payable in Canadian currency										
Marketable bonds	367,962	416,080	448,140	469,039	473,319	487,881	504,068	536,280	574,968	569,526
Treasury bills	175,849	162,980	163,221	180,689	152,990	135,692	138,100	136,700	110,700	134,300
Retail debt	11,855	10,141	8,922	7,481	6,327	5,660	5,076	4,533	2,586	1,237
Bonds for Canada Pension Plan	452	27	11	–	–	–	–	–	–	–
<i>556,118</i>	<i>589,228</i>	<i>620,294</i>	<i>657,209</i>	<i>632,636</i>	<i>629,233</i>	<i>647,244</i>	<i>677,513</i>	<i>688,254</i>	<i>705,063</i>	
Payable in foreign currencies	8,243	7,628	10,715	10,802	16,030	20,267	22,482	17,609	16,049	16,011
Cross-currency swap revaluation	(4,233)	(5,091)	(4,448)	(3,419)	2,326	6,669	8,391	7,764	7,835	7,274
Unamortized discounts and premiums on market debt	(5,092)	(4,485)	(4,295)	3,231	3,184	4,296	5,047	5,322	3,467	2,163
Obligation related to capital leases	4,090	3,685	3,633	3,647	3,603	3,710	3,477	3,226	3,203	2,893
Obligation under public-private partnership	–	190	453	917	1,179	1,005	1,570	2,199	2,393	3,511
<i>Total unamatured debt</i>	<i>559,126</i>	<i>591,155</i>	<i>626,352</i>	<i>672,387</i>	<i>658,958</i>	<i>665,180</i>	<i>688,211</i>	<i>713,633</i>	<i>721,201</i>	<i>736,915</i>
<i>Pensions and other future benefits</i>										
Public sector pensions	147,849	152,722	157,252	162,886	167,281	169,244	170,681	171,447	170,914	168,782
Other employee and veteran future benefits	54,227	58,206	61,915	67,301	71,959	76,140	85,681	93,568	104,793	113,862
<i>Total pensions and other future benefits</i>	<i>202,076</i>	<i>210,928</i>	<i>219,167</i>	<i>230,187</i>	<i>239,240</i>	<i>245,384</i>	<i>256,362</i>	<i>265,015</i>	<i>275,707</i>	<i>282,644</i>
Canada Pension Plan Account	175	23	138	68	140	212	35	106	32	163
Other liabilities	6,412	6,292	6,795	5,978	5,774	5,790	5,567	5,583	5,638	5,742
<i>Total interest-bearing debt</i>	767,789	808,398	852,452	908,620	904,112	916,566	950,175	984,337	1,002,578	1,025,464
Total liabilities	887,884	926,889	976,471	1,026,253	1,014,892	1,037,204	1,074,301	1,111,287	1,150,377	1,185,171
Financial assets										
<i>Cash and accounts receivable</i>										
Cash and cash equivalents	28,450	14,323	17,143	27,341	31,429	34,999	38,570	36,500	34,642	37,635
Taxes receivable	69,063	78,626	86,006	92,115	92,489	98,499	105,848	110,514	123,035	127,561
Other accounts receivable	3,262	3,389	3,529	3,587	3,706	3,031	10,139	10,316	14,380	11,845
<i>Total cash and accounts receivable</i>	100,775	96,338	106,678	123,043	127,624	136,529	154,557	157,330	172,057	177,041
<i>Foreign exchange accounts</i>										
International reserves held in the Exchange Fund										
Account	53,701	54,041	62,141	63,381	77,365	91,961	101,379	106,668	105,430	107,200
International Monetary Fund—Subscriptions	9,823	9,792	9,842	9,694	10,883	11,129	20,170	19,892	20,647	20,449
International Monetary Fund—Loans	337	1,139	1,325	1,457	1,665	1,353	1,278	1,125	775	546
Less: International Monetary Fund—Notes payable and special drawing rights allocations	16,911	16,465	16,311	15,773	17,651	19,425	29,288	28,888	29,914	28,507
<i>Total foreign exchange accounts</i>	46,950	48,507	56,997	58,759	72,262	85,018	93,539	98,797	96,938	99,688
<i>Loans, investments and advances</i>										
Enterprise Crown corporations and other government business enterprises	129,523	135,673	130,662	131,785	94,815	89,375	91,116	99,427	100,775	108,169
Other loans, investments and advances	23,158	22,876	22,258	23,134	22,820	24,306	24,841	24,579	25,596	25,743
<i>Total loans, investments and advances</i>	152,681	158,549	152,920	154,919	117,635	113,681	115,957	124,006	126,371	133,912
<i>Public sector pension assets</i>	–	–	–	–	938	1,263	1,639	1,900	2,124	2,406
Total financial assets	300,406	303,394	316,595	336,721	318,459	336,491	365,692	382,033	397,490	413,047
Net Debt	(587,478)	(623,495)	(659,876)	(689,532)	(696,433)	(700,713)	(708,609)	(729,254)	(752,887)	(772,124)
Non-financial assets										
Tangible capital assets	55,054	57,668	59,047	60,241	61,942	63,347	65,838	69,676	73,835	78,942
Inventories	6,192	6,830	6,996	7,453	7,316	7,250	7,221	6,842	6,679	6,601
Prepaid expenses and other	2,129	2,083	1,916	1,228	1,175	1,206	1,110	1,196	1,119	1,131
<i>Total non-financial assets</i>	63,375	66,581	67,959	68,922	70,433	71,803	74,169	77,714	81,633	86,674
Accumulated deficit	(524,103)	(556,914)	(591,917)	(620,610)	(626,000)	(628,910)	(634,440)	(651,540)	(671,254)	(685,450)

¹ The figures up to 2018 have been restated 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.

² 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 ^{1, 2}									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net debt at beginning of year—as previously reported	(525,213)	(582,472)	(616,908)	(650,135)	(671,363)	(682,314)	(686,959)	(693,751)	(714,457)	(752,887)
Accounting changes and restatement										
Accumulated sick leave entitlements	—	—	(1,341)	(1,400)	—	—	—	—	—	—
Unamortized premiums and discounts on the buy-back of bonds	—	—	—	(5,669)	(5,387)	—	—	—	—	—
Loans expected to be repaid from future appropriations	—	—	—	(1,795)	(1,563)	—	—	—	—	—
Public sector pensions	(4,236)	(5,006)	(6,587)	(8,341)	(11,219)	(14,119)	(16,580)	(18,454)	(19,641)	—
Change in revenue recognition criteria	—	—	—	—	—	—	2,826	3,596	4,844	—
Net debt at beginning of year—as restated	(529,449)	(587,478)	(624,836)	(667,340)	(689,532)	(696,433)	(700,713)	(708,609)	(729,254)	(752,887)
International Financial Reporting Standards (IFRS) transition adjustment	—	—	(3,337)	—	—	—	—	—	—	—
Change in net debt during the year										
Annual deficit	(56,368)	(34,953)	(28,033)	(21,293)	(8,050)	(550)	(2,861)	(18,957)	(18,961)	(13,964)
Change due to tangible capital assets										
Acquisition of tangible capital assets	(7,136)	(8,061)	(6,976)	(7,175)	(7,129)	(7,204)	(8,015)	(8,547)	(9,793)	(11,134)
Amortization of tangible capital assets	4,418	4,756	4,859	5,184	4,865	5,090	5,049	5,168	5,261	5,643
Proceeds from disposal of tangible capital assets	297	447	664	407	875	954	632	421	266	465
Net loss (gain) on disposal of tangible capital assets, including adjustments	693	244	74	390	(312)	(245)	(157)	(880)	107	(81)
<i>Total change due to tangible capital assets</i>	(1,728)	(2,614)	(1,379)	(1,194)	(1,701)	(1,405)	(2,491)	(3,838)	(4,159)	(5,107)
Change due to inventories	156	(638)	(166)	(457)	137	66	29	379	163	78
Change due to prepaid expenses	(300)	46	167	688	53	(31)	96	(86)	77	(12)
Net increase in net debt due to operations	(58,240)	(38,159)	(29,411)	(22,256)	(9,561)	(1,920)	(5,227)	(22,502)	(22,880)	(19,005)
Other comprehensive (loss) income	211	2,142	(2,292)	64	2,660	(2,360)	(2,669)	1,857	(753)	(232)
Net increase in net debt	(58,029)	(36,017)	(31,703)	(22,192)	(6,901)	(4,280)	(7,896)	(20,645)	(23,633)	(19,237)
Net debt at end of year	(587,478)	(623,495)	(659,876)	(689,532)	(696,433)	(700,713)	(708,609)	(729,254)	(752,887)	(772,124)

¹ The figures up to 2018 have been restated 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.

² 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 ^{1, 2, 3}									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Operating activities										
Annual deficit	(56,368)	(34,953)	(28,033)	(21,293)	(8,050)	(550)	(2,861)	(18,957)	(18,961)	(13,964)
Non-cash items										
Share of annual profit in enterprise Crown corporations and other government business enterprises.....	(2,306)	(6,992)	(5,350)	(4,995)	(5,945)	(8,365)	(7,316)	(4,920)	(6,959)	(5,920)
Amortization of tangible capital assets.....	4,418	4,756	4,859	5,184	4,865	5,090	5,049	5,168	5,261	5,643
Net loss (gain) on disposal of tangible capital assets, including adjustments.....	693	244	74	390	(312)	(245)	(157)	(880)	107	(81)
Cross-currency swap revaluation.....	(7,923)	(858)	643	1,029	5,745	4,343	1,722	(627)	71	(561)
Pensions and other future benefit and interest expenses.....	22,339	23,131	22,668	25,737	24,549	21,817	26,491	25,884	29,588	25,662
Change in taxes receivable.....	2,848	(9,563)	(7,380)	(6,109)	(374)	(6,010)	(7,349)	(4,666)	(12,521)	(4,526)
Change in pensions and other future benefits.....	(14,719)	(14,279)	(15,770)	(14,717)	(16,434)	(15,998)	(15,889)	(17,492)	(19,120)	(19,007)
Change in foreign exchange accounts.....	4,759	(1,557)	(8,490)	(1,762)	(13,503)	(12,756)	(8,521)	(5,258)	1,859	(2,750)
Change in accounts payable and accrued liabilities.....	6,096	(1,604)	5,528	(6,386)	(6,853)	9,858	3,488	2,824	20,849	11,908
Change in cash collateral pledged to counterparties.....	—	—	—	—	—	—	(6,557)	(349)	(1,841)	1,622
Net change in other accounts.....	2,711	10	2,259	1,302	1,792	2,713	768	1,464	(2,110)	6,103
Cash used by operating activities	(37,452)	(41,665)	(28,992)	(21,620)	(14,520)	(103)	(11,132)	(17,809)	(3,777)	4,129
Capital investment activities										
Acquisition of tangible capital assets.....	(7,136)	(8,061)	(6,976)	(7,175)	(7,129)	(6,804)	(7,379)	(7,834)	(9,220)	(10,010)
Proceeds from disposal of tangible capital assets.....	297	447	664	407	875	954	632	421	266	465
Cash used by capital investment activities	(6,839)	(7,614)	(6,312)	(6,768)	(6,254)	(5,850)	(6,747)	(7,413)	(8,954)	(9,545)
Investing activities										
Enterprise Crown corporations and other government business enterprises										
Equity transactions.....	(3,226)	2,818	2,684	1,445	5,165	3,514	4,975	2,195	7,993	6,302
Issuance of loans and advances.....	(119,755)	(76,579)	(63,389)	(65,183)	(70,328)	(79,905)	(54,542)	(52,213)	(42,756)	(48,889)
Repayment of loans and advances.....	99,921	76,677	65,286	66,156	110,259	88,168	52,699	48,703	39,884	41,086
Issuance of other loans, investments and advances.....	(21,174)	(5,858)	(7,679)	(5,533)	(5,525)	(8,124)	(7,749)	(6,104)	(7,500)	(7,546)
Repayment of other loans, investments and advances.....	16,620	5,814	6,858	4,221	4,418	5,503	6,145	5,510	7,357	5,354
Cash provided (used) by investing activities	(27,614)	2,872	3,760	1,106	43,989	9,156	1,528	(1,909)	4,978	(3,693)
Total cash (used) generated before financing activities	(71,905)	(46,407)	(31,544)	(27,282)	23,215	3,203	(16,351)	(27,131)	(7,753)	(9,109)
Financing activities										
Issuance of Canadian currency borrowings.....	554,892	553,464	567,707	579,456	512,009	468,021	452,850	507,483	441,307	437,135
Repayment of Canadian currency borrowings.....	(499,383)	(520,569)	(536,430)	(542,063)	(536,364)	(471,891)	(435,143)	(477,549)	(433,801)	(424,926)
Issuance of foreign currency borrowings.....	22,212	8,195	12,743	7,782	12,011	16,961	26,817	21,702	15,847	19,631
Repayment of foreign currency borrowings.....	(24,351)	(8,810)	(9,656)	(7,695)	(6,783)	(12,724)	(24,602)	(26,575)	(17,458)	(19,738)
Cash provided (used) by financing activities	53,370	32,280	34,364	37,480	(19,127)	367	19,922	25,061	5,895	12,102
Net (decrease) increase in cash and cash equivalents	(18,535)	(14,127)	2,820	10,198	4,088	3,570	3,571	(2,070)	(1,858)	2,993
Cash and cash equivalents at beginning of year	46,985	28,450	14,323	17,143	27,341	31,429	34,999	38,570	36,500	34,642
Cash and cash equivalents at end of year	28,450	14,323	17,143	27,341	31,429	34,999	38,570	36,500	34,642	37,635

¹ The figures up to 2018 have been restated 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.

² 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.

³ Certain other comparative figures have been reclassified to conform to the current year's presentation.

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 ^{1,2}									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Loans, investments and advances										
Enterprise Crown corporations and other government business enterprises										
Loans and advances										
Canada Mortgage and Housing Corporation.....	(10,399)	2,693	2,974	3,472	41,951	10,465	177	720	1,124	592
Business Development Bank of Canada.....	(4,961)	(978)	662	(653)	(1,106)	(1,356)	(1,266)	(1,869)	(1,659)	(1,765)
Farm Credit Canada.....	(4,481)	(1,627)	(1,768)	(1,848)	(855)	(662)	(747)	(2,246)	(2,324)	(1,854)
Canadian Development Investment Corporation.....	–	–	–	–	–	–	–	–	–	(4,790)
Other.....	7	10	29	2	(59)	(185)	(7)	(115)	(13)	14
	(19,834)	98	1,897	973	39,931	8,262	(1,843)	(3,510)	(2,872)	(7,803)
Investments										
Share of annual profit.....	(2,306)	(6,992)	(5,350)	(4,995)	(5,945)	(8,365)	(7,316)	(4,920)	(6,959)	(5,920)
Other comprehensive loss (income).....	(211)	(2,142)	2,292	(64)	(2,660)	2,360	2,669	(1,857)	753	232
Dividends.....	1,391	2,818	2,028	1,445	5,215	2,341	4,002	2,320	8,058	6,427
Capital.....	(4,617)	–	656	–	(50)	1,030	973	(125)	(65)	(125)
Transition adjustment and other.....	–	–	3,337	–	–	143	–	–	–	–
	(5,743)	(6,316)	2,963	(3,614)	(3,440)	(2,491)	328	(4,582)	1,787	614
Total.....	(25,577)	(6,218)	4,860	(2,641)	36,491	5,771	(1,515)	(8,092)	(1,085)	(7,189)
Less:										
Loans expected to be repaid from future appropriations.....	(103)	(64)	(119)	(1,519)	(480)	353	221	218	264	204
Unamortized discounts and premiums.....	–	(4)	(32)	–	1	(22)	5	1	(1)	1
Total.....	(25,474)	(6,150)	5,011	(1,122)	36,970	5,440	(1,741)	(8,311)	(1,348)	(7,394)
Other loans, investments and advances										
Portfolio investments.....	2	–	12	5	–	10	5	–	5	–
National governments, including developing countries.....	235	69	40	18	(7)	(606)	22	(49)	78	55
International organizations.....	(454)	(826)	(704)	(885)	(900)	(1,039)	(972)	(703)	(888)	(989)
Provincial and territorial governments.....	590	257	(849)	803	849	765	693	126	(98)	(16)
Other loans, investments and advances.....	(4,926)	456	680	(1,254)	(1,049)	(1,751)	(1,352)	32	760	(1,242)
Total.....	(4,553)	(44)	(821)	(1,313)	(1,107)	(2,621)	(1,604)	(594)	(143)	(2,192)
Less: allowance for valuation.....	(2,440)	(326)	(1,439)	(436)	(1,421)	(1,135)	(1,069)	(856)	874	(2,045)
Total.....	(2,113)	282	618	(877)	314	(1,486)	(535)	262	(1,017)	(147)
Total loans, investments and advances.....	(27,587)	(5,868)	5,629	(1,999)	37,284	3,954	(2,276)	(8,049)	(2,365)	(7,541)
Pensions and other future benefits										
Public sector pensions.....	3,704	4,873	4,530	5,635	3,457	1,638	1,061	505	(757)	(2,414)
Other employee and veteran future benefits.....	3,916	3,979	3,707	5,386	4,658	4,181	9,541	7,887	11,225	9,069
Total pensions and other future benefits.....	7,620	8,852	8,237	11,021	8,115	5,819	10,602	8,392	10,468	6,655
Other liabilities										
Canada Pension Plan Account.....	85	(152)	115	(70)	72	72	(177)	71	(74)	131
Other liabilities.....	579	(120)	503	(817)	(204)	16	(223)	16	55	104
Total other liabilities.....	664	(272)	618	(887)	(132)	88	(400)	87	(19)	235
Non-financial assets										
Tangible capital assets.....	(1,728)	(2,614)	(1,379)	(1,194)	(1,701)	(1,405)	(2,491)	(3,838)	(4,159)	(5,107)
Inventories.....	156	(638)	(166)	(458)	137	66	29	379	163	78
Prepaid expenses and other.....	(300)	46	167	688	53	(31)	96	(86)	77	(12)
Total non-financial assets.....	(1,872)	(3,206)	(1,378)	(964)	(1,511)	(1,370)	(2,366)	(3,545)	(3,919)	(5,041)
Other transactions										
Taxes receivable.....	2,848	(9,563)	(7,380)	(6,109)	(374)	(6,010)	(7,349)	(4,666)	(12,521)	(4,526)
Other accounts receivable.....	(11)	(127)	(140)	(58)	(119)	675	(7,108)	(177)	(4,064)	2,535
Provincial, Territorial and Aboriginal Tax Agreements Account.....	1,438	241	2,688	(7,130)	(1,584)	951	2,780	(1,942)	5,034	(351)
Amounts payable related to tax.....	(2,594)	397	2,304	3,925	(2,277)	3,598	(2,501)	1,380	6,799	3,324
Other liabilities.....	7,252	(2,242)	536	(3,181)	(2,992)	5,309	3,208	3,386	9,016	8,936
Total other transactions.....	8,933	(11,294)	(1,992)	(12,553)	(7,346)	4,523	(10,970)	(2,019)	4,264	9,918
Total non-budgetary transactions and non-financial assets.....	(12,242)	(11,788)	11,114	(5,382)	36,410	13,014	(5,410)	(5,134)	8,429	4,226

¹ The figures up to 2018 have been restated 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.

² 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)

	Year ended March 31									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Foreign exchange accounts										
International reserves held in the Exchange Fund										
Account	(2,507)	(340)	(8,100)	(1,240)	(13,984)	(14,596)	(9,418)	(5,289)	1,238	(1,770)
International Monetary Fund—Subscriptions.....	2,188	31	(50)	148	(1,189)	(246)	(9,041)	278	(755)	198
International Monetary Fund—Loans.....	(337)	(802)	(186)	(132)	(208)	312	75	153	350	229
	(656)	(1,111)	(8,336)	(1,224)	(15,381)	(14,530)	(18,384)	(4,858)	833	(1,343)
Less: International Monetary Fund										
Special drawing rights allocations	(7,766)	30	(48)	139	(1,118)	(231)	(493)	150	(409)	107
Notes payable.....	2,351	416	202	398	(760)	(1,543)	(9,370)	250	(617)	1,300
	(5,415)	446	154	537	(1,878)	(1,774)	(9,863)	400	(1,026)	1,407
Total foreign exchange accounts.....	4,759	(1,557)	(8,490)	(1,761)	(13,503)	(12,756)	(8,521)	(5,258)	1,859	(2,750)
Unmatured debt										
Payable in Canadian currency										
Marketable bonds.....	72,776	48,118	32,060	20,899	4,280	14,562	16,187	32,212	38,688	(5,442)
Treasury bills.....	(16,426)	(12,869)	241	17,468	(27,699)	(17,298)	2,408	(1,400)	(26,000)	23,600
Retail debt.....	(677)	(1,714)	(1,219)	(1,441)	(1,154)	(667)	(584)	(543)	(1,947)	(1,349)
Bonds for Canada Pension Plan.....	(71)	(425)	(16)	(11)	—	—	—	—	—	—
	55,602	33,110	31,066	36,915	(24,573)	(3,403)	18,011	30,269	10,741	16,809
Payable in foreign currencies.....	(2,138)	(615)	3,087	87	5,228	4,237	2,215	(4,873)	(1,560)	(38)
Cross-currency swap revaluation	(7,923)	(858)	643	1,029	5,745	4,343	1,722	(627)	71	(561)
Unamortized discounts and premiums on										
market debt	(341)	607	190	7,526	(47)	1,112	751	275	(1,855)	(1,304)
Obligation related to capital leases.....	(94)	(405)	(52)	13	(44)	107	(233)	(251)	(23)	(310)
Obligation under public-private partnership.....	—	190	263	464	262	(174)	565	629	194	1,118
Total unamatured debt.....	45,106	32,029	35,197	46,034	(13,429)	6,222	23,031	25,422	7,568	15,714
Cash and cash equivalents at end of year										
In Canadian currency.....	28,124	13,902	16,493	27,130	31,415	34,716	36,022	35,353	34,110	36,840
In foreign currencies.....	326	421	650	211	14	283	2,548	1,147	532	795
Total cash and cash equivalents.....	28,450	14,323	17,143	27,341	31,429	34,999	38,570	36,500	34,642	37,635

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 www.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 which 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.

Enterprise Crown corporation

A corporation which 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.

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.

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.

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.

This page has been intentionally left blank.

Section 2

Public Accounts of Canada 2018–2019

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

Table of contents

	<i>Page</i>
Preface	46
Statement of responsibility	47
Auditor General of Canada—Independent Auditor’s Report.....	48
Consolidated financial statements of the Government of Canada	
Consolidated Statement of Operations and Accumulated Deficit	50
Consolidated Statement of Financial Position.....	51
Consolidated Statement of Change in Net Debt.....	52
Consolidated Statement of Cash Flow	53
Notes to the consolidated financial statements of the Government of Canada.....	54

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 2018–2019 Financial Audits*. This report is available on the web at:

http://www.oag-bvg.gc.ca/internet/English/parl_lpf_e_42210.html

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, accumulated deficit, 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 Her Majesty may only borrow as authorized by Acts 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 can borrow without specific parliamentary authority, although such borrowings are sometimes guaranteed by the Government with the authority of Parliament.

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

The first is the **Consolidated Statement of Operations and Accumulated Deficit**, which presents the Government's revenues, expenses, deficit or surplus, 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 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 fourth 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 so as 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.

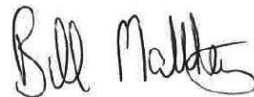
On behalf of the Government of Canada.



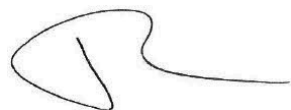
Peter Wallace
*Secretary of the Treasury
Board of Canada*



Paul Rochon
Deputy Minister of Finance



Bill Matthews
Deputy Receiver General for Canada



Roch Huppé
Comptroller General of Canada

September 4, 2019



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 2019, and the consolidated statement of operations and accumulated deficit, 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 2019, and the consolidated results of its operations, 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.

Other Information

Management is responsible for the other information. The other information comprises the information included in the *Public Accounts of Canada - 2019 - Volume 1*, 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.

Independent Auditor’s Report—concluded

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.

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.

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 revenues as explained in Note 2(a) to the consolidated financial statements, on a basis consistent with that of the preceding year.



Sylvain Ricard, CPA, CA
Interim Auditor General of Canada

Ottawa, Canada
4 September 2019

Government of Canada

Consolidated Statement of Operations and Accumulated Deficit
for the year ended March 31, 2019

(in millions of dollars)

	2019		2018
	Budget (Note 3d)	Actual	Actual Restated (Note 2a)
Revenues (Note 4 and Note 20)			
<i>Tax revenues</i>			
Income tax revenues			
Personal.....	161,353	163,881	153,619
Corporate.....	47,348	50,368	47,805
Non-resident.....	8,265	9,370	7,845
Total income tax revenues	216,966	223,619	209,269
Other taxes and duties	55,366	57,227	53,819
Total tax revenues	272,332	280,846	263,088
Employment insurance premiums	21,716	22,295	21,140
<i>Other revenues</i>			
Enterprise Crown corporations and other government business enterprises.....	6,650	7,101	7,731
Other.....	17,918	20,309	17,784
Net foreign exchange.....	2,143	1,667	1,473
Total other revenues	26,711	29,077	26,988
Total revenues	320,759	332,218	311,216
Expenses (Note 5 and Note 20)			
<i>Program expenses</i>			
Transfer payments			
Old age security benefits, guaranteed income supplement and spouse's allowance.....	53,637	53,366	50,644
Major transfer payments to other levels of government.....	73,616	75,925	70,519
Employment insurance.....	20,714	18,888	19,715
Children's benefits.....	23,708	23,882	23,432
Fuel charge proceeds returned.....	–	664	–
Other transfer payments.....	47,462	51,753	47,138
Total transfer payments	219,137	224,478	211,448
Other expenses	92,714	98,438	96,840
Total program expenses	311,851	322,916	308,288
Public debt charges	24,707	23,266	21,889
Total expenses	336,558	346,182	330,177
Annual deficit	(15,799)	(13,964)	(18,961)
Accumulated deficit at beginning of year	(671,254)	(671,254)	(651,540)
Other comprehensive loss (Note 6 and Note 15)	–	(232)	(753)
Accumulated deficit at end of year (Note 6)	(687,053)	(685,450)	(671,254)

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, 2019

(in millions of dollars)

	2019	2018 Restated (Note 2a)
Liabilities		
<i>Accounts payable and accrued liabilities</i>		
Amounts payable related to tax	65,200	61,876
Other accounts payable and accrued liabilities	42,674	37,692
Provision for contingent liabilities (Note 7)	26,447	23,030
Environmental liabilities and asset retirement obligations (Note 8).....	13,192	12,291
Deferred revenue	7,500	8,220
Interest and matured debt	4,694	4,690
Total accounts payable and accrued liabilities	159,707	147,799
<i>Interest-bearing debt</i>		
Unmatured debt (Note 9)	736,915	721,201
Pensions and other future benefits		
Public sector pensions (Note 10)	168,782	170,914
Other employee and veteran future benefits (Note 10)	113,862	104,793
Total pensions and other future benefits	282,644	275,707
Other liabilities (Note 11)	5,905	5,670
Total interest-bearing debt	1,025,464	1,002,578
Total liabilities	1,185,171	1,150,377
Financial assets		
<i>Cash and accounts receivable</i>		
Cash and cash equivalents (Note 12).....	37,635	34,642
Taxes receivable (Note 13)	127,561	123,035
Other accounts receivable (Note 13)	11,845	14,380
Total cash and accounts receivable	177,041	172,057
<i>Foreign exchange accounts (Note 14)</i>	99,688	96,938
<i>Loans, investments and advances</i>		
Enterprise Crown corporations and other government business enterprises (Note 15)	108,169	100,775
Other loans, investments and advances (Note 16)	25,743	25,596
Total loans, investments and advances	133,912	126,371
<i>Public sector pension assets (Note 10)</i>	2,406	2,124
Total financial assets	413,047	397,490
Net debt	(772,124)	(752,887)
Non-financial assets		
Tangible capital assets (Note 17).....	78,942	73,835
Inventories (Note 17).....	6,601	6,679
Prepaid expenses and other.....	1,131	1,119
Total non-financial assets	86,674	81,633
Accumulated deficit (Note 6)	(685,450)	(671,254)
Contractual obligations and contractual rights (Note 19)		

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, 2019

(in millions of dollars)

	2019		2018
	Budget (Note 3d)	Actual	Actual Restated (Note 2a)
Net debt at beginning of year	(752,887)	(752,887)	(729,254)
Change in net debt during the year			
Annual deficit	(15,799)	(13,964)	(18,961)
Changes due to tangible capital assets			
Acquisition of tangible capital assets	(9,045)	(11,134)	(9,793)
Amortization of tangible capital assets	5,599	5,643	5,261
Proceeds from disposal of tangible capital assets	449	465	266
Net (gain) loss on disposal of tangible capital assets, including adjustments	–	(81)	107
Total change due to tangible capital assets	(2,997)	(5,107)	(4,159)
Change due to inventories	–	78	163
Change due to prepaid expenses	–	(12)	77
Net increase in net debt due to operations	(18,796)	(19,005)	(22,880)
Other comprehensive loss (Note 6 and Note 15)	–	(232)	(753)
Net increase in net debt	(18,796)	(19,237)	(23,633)
Net debt at end of year	(771,683)	(772,124)	(752,887)

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, 2019

(in millions of dollars)

	2019	2018
		Restated (Note 2a)
Operating activities		
Annual deficit	(13,964)	(18,961)
Non-cash items		
Share of annual profit in enterprise Crown corporations and other government business enterprises	(5,920)	(6,959)
Amortization of tangible capital assets	5,643	5,261
Net (gain) loss on disposal of tangible capital assets, including adjustments	(81)	107
Cross-currency swap revaluation	(561)	71
Pensions and other future benefit and interest expenses	25,662	29,588
Change in taxes receivable	(4,526)	(12,521)
Pensions and other future benefit payments	(19,007)	(19,120)
Change in foreign exchange accounts	(2,750)	1,859
Change in accounts payable and accrued liabilities	11,908	20,849
Net change in cash collateral	1,622	(1,841)
Net change in other accounts	6,103	(2,110)
Cash provided (used) by operating activities	4,129	(3,777)
Capital investment activities		
Acquisition of tangible capital assets	(10,010)	(9,220)
Proceeds from disposal of tangible capital assets	465	266
Cash used by capital investment activities	(9,545)	(8,954)
Investing activities		
Enterprise Crown corporations and other government business enterprises		
Equity transactions	6,302	7,993
Issuance of loans and advances	(48,889)	(42,756)
Repayment of loans and advances	41,086	39,884
Issuance of other loans, investments and advances	(7,546)	(7,500)
Repayment of other loans, investments and advances	5,354	7,357
Cash (used) provided by investing activities	(3,693)	4,978
Financing activities		
Issuance of Canadian currency borrowings	437,135	441,307
Repayment of Canadian currency borrowings	(424,926)	(433,801)
Issuance of foreign currency borrowings	19,631	15,847
Repayment of foreign currency borrowings	(19,738)	(17,458)
Cash provided by financing activities	12,102	5,895
Net increase (decrease) in cash and cash equivalents	2,993	(1,858)
Cash and cash equivalents at beginning of year	34,642	36,500
Cash and cash equivalents at end of year (Note 12)	37,635	34,642
Supplementary information		
Cash used for interest	14,747	13,411

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. Other organizations not listed in the *Financial Administration Act* may also meet the definition of control and are 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. The consolidated Crown corporations that receive significant funding from the Government include Atomic Energy of Canada Limited, Canada Infrastructure Bank, Canadian Air Transport Security Authority, Canadian Broadcasting Corporation 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.

The Government has adopted a new presentation format for its notes to the consolidated financial statements to enhance the readers understanding of the Government of Canada's consolidated financial statements. The Government has moved the significant accounting policy and measurement uncertainty disclosures from Note 1 to the related financial statement note in order for readers to be able to find all relevant information associated to the financial statement line item or class of transaction in one place.

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. Gains and losses resulting from foreign currency translation are reported on the Consolidated Statement of Operations and Accumulated Deficit according to the activities to which they relate. Net gains and losses relating to the foreign exchange accounts, foreign debt, swap and foreign exchange forward agreement revaluations are presented with investment revenues from foreign exchange accounts under net foreign exchange revenues. Net 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 foreign exchange gains and losses relating to transfer payments are reported in the transfer payment expenses under other transfer payments. Net foreign exchange gains and losses relating to departmental sale or purchase of goods or services in foreign currency are reported under other expenses.

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.

A material measurement uncertainty 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 a material measurement uncertainty exists with respect to the reported amounts for public sector pensions and other employee and veteran future benefits (Note 10). Measurement uncertainty due to estimates and assumptions also exists in the provision for contingent liabilities (Note 7); the accrual of tax revenues and the related amounts receivable and payable and the allowance for doubtful accounts (Note 4 and Note 13); environmental liabilities and asset retirement obligations (Note 8); enterprise Crown corporations and other government business enterprises (Note 15); other loans, investments and advances (Note 16); the expected useful life of tangible capital assets (Note 17); and, contractual rights (Note 19b). 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.

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)
- contingent liabilities (Note 7)
- environmental liabilities and asset retirement obligations (Note 8)
- unmatured debt (Note 9)
- public sector pensions and other employee and veteran future benefits (Note 10)
- taxes and other accounts receivable (Note 13)
- foreign exchange accounts (Note 14)
- enterprise Crown corporations and other government business enterprises (Note 15)
- other loans, investments and advances (Note 16)
- tangible capital assets and inventories (Note 17)
- contractual obligations and contractual rights (Note 19)
- segmented information (Note 20)

2. Restatement and reclassification of comparative information

(a) Change in revenue recognition criteria for the Crown corporations

As the result of the introduction of a new standard, the Government reviewed its accounting policy, which required a reassessment of how the consolidated Crown corporations recognize revenue. This new standard established comprehensive guidance to determine if transactions should be accounted for as an agent or a principal.

This had a significant impact on the Canadian Commercial Corporation for its commercial contracting activities. Based on a review of the new standard, it was concluded that, given that the Canadian Commercial Corporation's contracting activities involve arranging for goods or services to be transferred to foreign buyers, it does not control the underlying goods or services provided by Canadian exporters. Therefore, the method in which these activities are reported was changed from the Corporation acting as a principal to an agent as it results in a more appropriate presentation of these transactions in the consolidated financial statements.

As an agent, the Canadian Commercial Corporation recognizes revenue for the services it provides to Canadian exporters. However, with respect to the commercial trading transactions, it no longer recognizes gross revenue from foreign buyers and related costs in the Statement of Operations and Accumulated Deficit. Associated accounts payable, deferred revenue, accounts receivable and prepaid expenses related with these transactions are also no longer recognized in the Consolidated Statement of Financial Position.

The Government applied this change on a retroactive basis with a restatement of prior year balances. There were no changes to the accumulated deficit. A reconciliation of the restatement for the significant consolidated financial statement line items is as follows:

(in millions of dollars)

	2018		
	As previously reported	Effect of change in accounting policy	As restated
Consolidated Statement of Operations and Accumulated Deficit			
Other revenues—other	20,174	(2,390)	17,784
Total revenues	313,606	(2,390)	311,216
Other expenses	99,230	(2,390)	96,840
Total expenses	332,567	(2,390)	330,177
Consolidated Statement of Financial Position			
Other accounts payable and accrued liabilities	44,576	(6,884)	37,692
Deferred revenue	8,361	(141)	8,220
Total liabilities	1,157,402	(7,025)	1,150,377
Other accounts receivable	15,529	(1,149)	14,380
Total financial assets	398,639	(1,149)	397,490
Net debt	(758,763)	5,876	(752,887)
Prepaid expenses and other	6,995	(5,876)	1,119
Total non-financial assets	87,509	(5,876)	81,633
Consolidated Statement of Change in Net Debt			
Net debt at beginning of year	(734,098)	4,844	(729,254)
Change due to prepaid expense	(955)	1,032	77
Net increase in net debt due to operations	(23,912)	1,032	(22,880)
Net increase in net debt	(24,665)	1,032	(23,633)
Net debt at end of year	(758,763)	5,876	(752,887)
Consolidated Statement of Cash Flow			
Change in accounts payable and accrued liabilities	21,241	(392)	20,849
Net change in other accounts	(2,502)	392	(2,110)

(b) Comparative information

Certain comparative figures have been reclassified to conform to the current year's presentation. In particular, the Government has changed the presentation of the Consolidated Statement of Cash Flow to segregate cash from non-cash items related to pensions and other future benefits which were presented on a net basis in previous years and disclosed as a change in pensions and other future benefits. In addition, the presentation of other taxes and duties were condensed to streamline the Consolidated Statement of Operations and Accumulated Deficit. The details of other taxes and duties can now be found in Note 4(a) which results in no loss of information.

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. 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)

	2019	2018
		Restated ¹ (Note 2a)
Annual spending limits voted by Parliament	123,595	115,035
Expenditures permitted under other legislation	169,463	160,209
Total budgetary expenditures authorized	293,058	275,244
Less: amounts available for use in subsequent years and amounts that have lapsed	16,217	13,841
Total net budgetary expenditures	276,841	261,403
Effect of consolidation and full accrual accounting	69,341	68,774
Total expenses¹	346,182	330,177

¹ Details on the restatement are provided in Note 2a of this section.

The use of budgetary expenditure authorities reported in the preceding table differs from the total expenses reported in the Consolidated Statement of Operations and Accumulated 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 \$231,653 million (\$213,557 million in 2018) was authorized for loans, investments and advances. A net amount of \$50,784 million (\$41,332 million in 2018) was used, an amount of \$375 million (\$1,070 million in 2018) lapsed and an amount of \$180,494 million (\$171,155 million in 2018) 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

There were no over-expenditures of spending authorities in 2019.

(c) Borrowing authorities

Authority to borrow is granted through Part IV of the *Financial Administration Act* (FAA) and the *Borrowing Authority Act* (BAA).

Under the FAA and the BAA, the Minister of Finance (the Minister) may borrow money on behalf of Her Majesty in Right of Canada with the authorization of the Governor in Council (GIC). 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 of \$1,168,000 million specified in the BAA. As at March 31, 2019, these borrowings totalled \$1,015,813 million (\$996,625 million in 2018).

Additionally, Part IV of the FAA gives the Minister, with the approval of the GIC, the power to carry out borrowings that have been authorized by Parliament, and empowers the GIC to authorize the Minister to borrow for the specific purposes of refinancing outstanding debt, extinguishing or reducing liabilities, and making payments in extraordinary circumstances, such as natural disasters.

The GIC specifies a maximum amount of borrowing for the given fiscal year. In 2019, the GIC specified \$300,000 million (\$335,000 million in 2018) to be the maximum aggregate amount of principal that may be borrowed by the Minister during that fiscal year. The maximum aggregate amount of principal is the sum of *i*) the maximum stock of treasury bills anticipated to be outstanding during the year, *ii*) the total value of refinanced and anticipated new issuances of marketable bonds and retail debt and *iii*) an amount to facilitate intra-year management of the debt and foreign exchange accounts. During the year, \$240,708 million was borrowed (\$254,269 million in 2018).

(d) Source of budget amounts

The budget amounts included in the Consolidated Statement of Operations and Accumulated Deficit and the Consolidated Statement of Change in Net Debt are derived from the amounts that were budgeted for 2019 in the February 2018 Budget Plan (Budget 2018). To enhance comparability with actual 2019 results, Budget 2018 amounts have been adjusted to reflect the change in the discount rate methodology used in determining the present value of the Government's unfunded pension obligations introduced in the *Public Accounts of Canada 2018*. This adjustment has resulted in a \$2,311 million increase in projected other expenses, a \$1,615 million decrease in projected public debt charges, and a \$696 million net increase in the projected 2019 annual deficit. Budget 2018 amounts have also been adjusted to reflect a change in the accounting for commercial trading transactions by the Canadian Commercial Corporation in 2019. This adjustment has resulted in a \$2,655 million decrease in projected other expenses and a \$2,655 million decrease in projected other revenues, with no net impact on the projected 2019 annual deficit.

Since actual opening balances of the accumulated deficit and net debt were not available at the time of preparation of Budget 2018, the corresponding amounts in the budget column have been adjusted to the actual closing balances of the previous year.

4. Revenues

The Government has three major types of revenues: tax revenues, employment insurance premiums, and other revenues. Tax revenues is comprised of income tax revenues from personal, corporate and non-resident taxes, and other taxes and duties. Other revenues are mainly comprised of consolidated Crown corporation 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
<p>Revenues</p> <p>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 below tax revenue streams:</p> <ul style="list-style-type: none"> – Income tax revenue is recognized when the taxpayer has earned the income subject to the tax. – Domestic goods and services tax (GST) 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 <i>Excise Tax Act</i>. – Excise duties revenue is recognized when the taxpayer manufactures goods taxable under the <i>Excise Act</i> and the <i>Excise Act, 2001</i>. <p>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. Annual 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.</p> <p>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 are disclosed in Note 4b to the consolidated financial statements.</p> <p>Tax expenditures that reduce taxes paid or payable are considered tax concessions and are netted against the applicable tax revenue. Tax expenditures that provide a financial benefit through the tax system, and are not related to the relief of taxes paid or payable, are shown as other transfer payments and are not netted against tax revenue.</p> <p>Tax revenues that were not collected at year end and refunds that were not yet disbursed are reported respectively as taxes receivable (Note 13) 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.</p> <p>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.</p> <p>The following policies are applied for non-tax revenue streams:</p> <ul style="list-style-type: none"> – Employment Insurance premiums are recognized as revenue in the period the insurable earnings are earned. – Other revenues are recognized in the period the transactions or events giving rise to the respective revenues occurred. – Spectrum licence fees are recognized as 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.
Measurement uncertainty
<p>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. Key assumptions used in estimating tax revenues are tax instalments, historical information on refund rates, payments received on filing tax returns, and amounts receivable assessed. 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.</p>

(a) Other taxes and duties:

(in millions of dollars)

	2019	2018
Goods and services tax.....	38,221	36,751
Energy taxes	5,802	5,739
Customs import duties	6,881	5,416
Other excise taxes and duties	6,323	5,913
Total other taxes and duties.....	57,227	53,819

(b) Federal tax objections:

As of March 31, 2019, \$16,068 million of federal taxes were under objection (\$14,065 million for 2018).

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, as well as utilization of inventories and 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 include interest, servicing costs, costs of issuing new borrowings, amortization of premiums and discounts 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.

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.</p> <p>Other expenses are generally recorded when goods are received or services are rendered. Public sector pensions and other employee and veteran future benefits 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 plan amendments, curtailments and settlements are recorded when approved or paid.</p> <p>Public debt charges are recorded when incurred.</p>
Measurement uncertainty
<p>Measurement uncertainties that impact expenses are described in the following consolidated financial statement notes: contingent liabilities (Note 7), environmental liabilities and asset retirement obligations (Note 8), public sector pensions and other employee and veteran future benefits (Note 10), and tangible capital assets and inventories (Note 17).</p>

Expenses in the Consolidated Statement of Operations and Accumulated 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 and fiscal arrangements pursuant to the *Federal-Provincial Fiscal Arrangements Act*. Other major transfers include contributions under the federal Gas Tax Fund program and the Home Care and Mental Health Transfer.

(in millions of dollars)

	2019	2018
Canada health transfer.....	38,568	37,124
Canada social transfer.....	14,161	13,748
Fiscal arrangements	17,929	17,575
Other major transfers	5,267	2,072
Total major transfer payments to other levels of government.....	75,925	70,519

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.

(b) Employment insurance

Pursuant to the *Employment Insurance Act*, employment insurance includes income benefits and support measures paid to individuals of \$16,717 million (\$17,666 million in 2018) and payments to provinces and territories related to Labour Market Development Agreements of \$2,171 million (\$2,049 million in 2018).

(c) Fuel charge proceeds returned

As part of the federal carbon pollution pricing system, the Government will return all direct proceeds from the fuel charge to the jurisdiction of origin in the following manner:

- For jurisdictions that voluntarily adopt the federal carbon pollution pricing system, directly to the governments of those jurisdictions beginning in 2020; and
- For other jurisdictions that do not meet the federal benchmark requirements:
 - i. Directly to individuals and families through Climate Action Incentive (CAI) payments starting with the 2018 taxation year. These payments are provided for under the *Income Tax Act* and are delivered through the personal income tax system. In 2019, \$664 million of CAI payments were made by the Government, and;
 - ii. To particularly affected sectors including schools, hospitals, small and medium-sized enterprises, colleges and universities, municipalities, non-profit organizations, and Indigenous communities beginning in 2020.

(d) Other transfer payments

Other transfer payments totalling \$51,753 million (\$47,138 million in 2018) include various amounts paid through federal programs which 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. Details can be found in Table 3.6 of Section 3 (unaudited) of this volume.

(e) Public debt charges

(in millions of dollars)

	2019	2018
Public debt charges related to unmatured debt		
Interest on unmatured debt	13,017	12,499
Amortization of discounts on Canada and Treasury bills.....	1,958	1,029
Amortization of premiums and discounts on all other debts	1,086	969
Cross currency swap revaluation	(133)	(282)
Servicing costs and costs of issuing new borrowings.....	8	13
Interest on capital lease obligations	175	186
Interest on obligations under public-private partnerships.....	80	81
Total.....	16,191	14,495
Interest expense related to pensions and other employee and veteran future benefits	6,781	7,138
Other liabilities	294	256
Total public debt charges	23,266	21,889

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

(f) 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 20. The following table presents the total expenses by segment after the elimination of internal transactions:

(in millions of dollars)

	2019	2018
		Restated ¹ (Note 2a)
Ministries		
Agriculture and Agri-Food	2,572	2,425
Canadian Heritage and Multiculturalism ²	4,275	4,437
Crown-Indigenous Relations	7,900	9,709
Democratic Institutions ²	179	125
Environment and Climate Change	2,375	2,030
Families, Children and Social Development.....	84,306	82,692
Finance.....	95,297	91,008
Fisheries, Oceans and the Canadian Coast Guard.....	2,584	2,081
Global Affairs ¹	7,085	6,450
Health.....	5,048	3,854
Immigration, Refugees and Citizenship	2,889	2,634
Indigenous Services.....	11,547	10,646
Infrastructure and Communities	8,210	4,148
Innovation, Science and Economic Development ²	5,268	5,391
Justice	1,825	1,733
National Defence.....	31,997	32,311
National Revenue	36,795	34,839
Natural Resources	3,733	2,559
Office of the Governor General's Secretary	22	24
Parliament	731	725
Privy Council ²	355	342
Public Safety and Emergency Preparedness	13,128	12,237
Public Services and Procurement ²	4,863	5,056
Science ²	2,199	2,000
Transport	3,186	2,970
Treasury Board.....	6,721	3,882
Veterans Affairs	1,141	984
Women and Gender Equality ²	71	43
Provision for valuation and other items.....	(120)	2,842
Total expenses	346,182	330,177

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

¹ Details on the restatement are provided in Note 2a of this section.² Comparative figures have been reclassified to conform to the current year's presentation.

(g) 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	2019	2018
		Restated ¹ (Note 2a)
Transfer payments	224,478	211,448
Other expenses		
Personnel.....	57,682	60,294
Transportation and communications.....	3,046	2,800
Information	371	299
Professional and special services.....	11,036	10,404
Rentals	2,717	2,298
Repair and maintenance	3,527	3,277
Utilities, materials and supplies.....	3,312	3,228
Other subsidies and expenses ¹	10,929	8,868
Amortization of tangible capital assets.....	5,643	5,261
Net loss on disposal of assets.....	175	111
Total other expenses.....	98,438	96,840
Total program expenses	322,916	308,288
Public debt charges	23,266	21,889
Total expenses	346,182	330,177

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.

¹ Details on the restatement are provided in Note 2a of this section.

6. Accumulated deficit

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 and accumulated other comprehensive income included in the accumulated deficit:

(in millions of dollars)

	2019	2018
Accumulated deficit, excluding consolidated specified purpose accounts and accumulated other comprehensive income ¹	(692,171)	(675,848)
Consolidated specified purpose accounts		
Employment Insurance Operating Account	4,916	2,951
Other insurance accounts	756	735
Other consolidated accounts	380	357
	(686,119)	(671,805)
Accumulated other comprehensive income	669	551
Accumulated deficit	(685,450)	(671,254)

¹ Included in this amount are actuarial gains and losses on pensions and other employee future benefits of enterprise Crown corporations and other government business enterprises which are a part of other comprehensive income but recorded directly to accumulated deficit and therefore are not a component of accumulated other comprehensive income.

Accumulated other comprehensive income

For enterprise Crown corporations and other government business enterprises recorded under the modified equity method, certain unrealized gains and losses on financial instruments and certain actuarial gains and losses related to pensions and other employee future benefits are recorded in other comprehensive loss or income in accordance with International Financial Reporting Standards (IFRS). The unrealized gains and losses on financial instruments reflect changes in the fair value of financial assets measured at fair value through other comprehensive income, or derivative instruments used in hedging activities and are excluded from the calculation of profit or loss until realized. Actuarial gains and losses related to pensions and other employee future benefits reflect differences between the actual and expected returns on plan assets as well as the difference between actual and expected experience and changes in actuarial assumptions used to determine the present value of the benefit obligations. These actuarial gains and losses are recorded directly to retained earnings without reclassification to profit or loss in a subsequent period.

Other comprehensive loss or 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.

The following table presents the different components of other comprehensive income as well as accumulated other comprehensive income included in the Government's accumulated deficit:

(in millions of dollars)

	2019	2018
Accumulated other comprehensive income at beginning of year	551	1,294
Other comprehensive loss		
Net change in unrealized gains (losses) on financial instruments measured at fair value through other comprehensive income	137	(721)
Net change in fair value of derivatives designated as hedges	(19)	(22)
Actuarial losses on pensions and other employee future benefits	(350)	(10)
Total	(232)	(753)
Less: Actuarial losses on pensions and other employee future benefits recorded directly to accumulated deficit	(350)	(10)
Accumulated other comprehensive income at end of year	669	551

7. 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, recent settlements 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)

	2019	2018
Claims		
Pending and threatened litigation and other claims	11,192	9,181
Specific claims	9,099	8,151
Comprehensive land claims	5,879	5,420
Provision for guarantees provided by the Government	277	278
Total provision recorded	26,447	23,030

(a) Claims

The Government's estimated provision for claims 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. Claims for which the outcome is not determinable and for which an amount has not been accrued are estimated at approximately \$8,528 million (\$10,053 million in 2018).

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 are recorded 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 567 (545 in 2018) 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 74 (73 in 2018) 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)

	2019	2018
	Principal amount outstanding	Principal amount outstanding
Guarantees with an authorized limit (2019 limit: \$409,125; 2018 limit: \$407,498).....	256,602	261,664
Guarantees with no authorized limit (including borrowings of agent enterprise Crown corporations and other government business enterprises).....	294,734	291,469
Total	551,336	553,133
Less: provision for guarantees.....	277	278
Net exposure under guarantees	551,059	552,855

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

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 Canada, or the Supreme Court of Canada. As of March 31, 2019, \$4,467 million (\$5,404 million in 2018) was being appealed to the courts. 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, 2019, the callable share capital amounts to \$34,750 million (\$32,030 million in 2018). No payments (nil in 2018) 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 deposited 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. At March 31, 2019, total insurance in force amounts to \$1,772,785 million (\$1,754,457 million in 2018). The Government expects that all four corporations will cover the cost of both current claims and possible future claims.

8. 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 amount required to retire tangible capital assets at the end of their useful lives.

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. 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 remediation.</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 an agreement, contract, legislation, or a constructive or equitable obligation for the Government to incur retirement costs for a tangible capital asset; 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 costs to retire an asset are normally capitalized and amortized over the asset's estimated remaining useful life. If the asset is fully amortized, its retirement costs are expensed. The Asset retirement obligation is the present value of estimated future cash flows required to retire the assets where amounts can be reasonably estimated and is expected to be settled as the related sites, facilities or assets are removed from service. The estimated future cash flows are adjusted for inflation using the Consensus forecasts and Bank of Canada historical and target inflation rates. The discount rate is a weighted average rate of the Government's cost of borrowing for the period to settlement of the obligation calculated at the date of the initial recognition of the obligation and on subsequent changes to expected cash flows.</p> <p>The recorded liabilities are adjusted each year, as required, for present value adjustments, inflation, new obligations, and changes in management estimates and actual costs incurred.</p> <p>If the likelihood of the Government's responsibility is not determinable, a contingent liability is disclosed in the notes to the consolidated statements.</p>
Measurement uncertainty
<p>Environmental liabilities and asset retirement obligations are subject to measurement uncertainty due to the evolving technologies used in remediation activities of contaminated sites or asset retirements, the use of discounted present value of future estimated costs, and the fact that not all sites have had a complete assessment of the extent and nature of remediation or asset retirement 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 environmental liabilities recorded.</p>

Environmental liabilities and asset retirement obligations include:

(in millions of dollars)

	2019	2018
Gross remediation liability for contaminated sites.....	6,478	5,710
Less expected recoveries	(23)	(23)
Net remediation liability for contaminated sites	6,455	5,687
Other environmental liabilities	115	122
Asset retirement obligations	6,622	6,482
Total environmental liabilities and asset retirement obligations	13,192	12,291

(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 7,011 sites (7,242 sites in 2018) where contamination may exist and assessment, remediation and monitoring may be required. Of these, the Government has identified 2,433 sites (2,326 sites in 2018), where action is required and for which a gross liability of \$6,230 million (\$5,447 million in 2018) 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 3,673 unassessed sites (3,944 sites in 2018), of which 1,478 sites (2,088 sites in 2018) are projected to proceed to remediation and for which an estimated liability of \$248 million (\$263 million in 2018) has been recorded. These two estimates combined, totalling \$6,478 million (\$5,710 million in 2018), 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 905 sites (972 sites in 2018), 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 2.2% (1.9% in 2018). 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 2019 discount rates range from 1.55% (1.79% in 2018) for 2-year term to 1.92% (2.24% in 2018) for a 30 or greater year term.

(in millions of dollars)

	2019					2018				
	Total number of sites	Number of sites with a liability	Estimated liability	Estimated total undiscounted expenditures	Estimated recoveries	Total number of sites	Number of sites with a liability	Estimated liability	Estimated total undiscounted expenditures	Estimated recoveries
Former mineral exploration sites ¹	129	109	3,325	6,168	23	140	102	2,909	5,469	23
Radioactive material ²	9	7	1,059	1,172	–	9	8	994	1,113	–
Military and former military sites ³	449	210	437	539	–	411	211	446	533	–
Fuel related practices ⁴	1,769	1,186	387	377	–	1,787	1,178	355	370	–
Marine facilities/aquatic sites ⁵	2,453	1,118	525	548	–	2,730	1,565	354	353	–
Landfill/waste sites ⁶	1,063	715	252	212	–	1,077	810	264	221	–
Other ⁷	1,139	566	493	511	–	1,088	540	388	433	–
Total	7,011	3,911	6,478	9,527	23	7,242	4,414	5,710	8,492	23

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

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

³ 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.

⁴ 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).

⁵ 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.

⁶ 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.

⁷ 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, 589 sites (600 sites in 2018) 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.

(b) Other environmental liabilities

The Government has identified approximately 532 unexploded explosive ordnance (UXO) suspected sites (643 in 2018) for which clearance action may be necessary. Of these sites, 43 (43 in 2018) are confirmed UXO affected sites. Based on management's best estimates, a liability of \$115 million (\$122 million in 2018) has been recorded for clearance action on 9 of the confirmed UXO sites (10 in 2018). Remediation has been done on 7 of the sites (7 in 2018) and they will be closed in the next fiscal year. The remaining 523 suspect sites (633 in 2018) 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 31 of them, indeterminable for 54 and unlikely for the 438 remaining.

(c) Asset retirement obligations

The asset retirement obligation is \$6,622 million (\$6,482 million in 2018) of which Atomic Energy of Canada Ltd. has recorded \$6,614 million (\$6,473 million in 2018) for nuclear facility decommissioning.

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

(in millions of dollars)

	2019	2018
Opening balance	6,482	6,498
Liabilities settled	(353)	(310)
Liabilities incurred during the year	–	3
Revision in estimate	242	39
Accretion expense ¹	251	252
Closing balance	6,622	6,482

¹ 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 plan projects comprising the liability are \$15,901 million (\$15,933 million at March 31, 2018).

Key assumptions used in determining the provision are as follows:

	2019	2018
Weighted average discount rate	3.84%	3.88%
Discount period	145 years	146 years
Long-term rate of inflation	1.70%	1.70%

The Government's ongoing efforts to assess contaminated sites, UXO affected sites and asset retirement obligations may result in additional environmental liabilities.

9. Unmatured debt

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

Significant accounting policies
<p>Market debt is recorded at face value and is adjusted by discounts and premiums which are amortized on a straight-line basis over the term to maturity of the respective debt instrument.</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 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, the carrying amount of the debt is adjusted for any amounts paid on the exchange, and the unamortized premiums or discounts relating to the original debt and arising on the exchange transaction are amortized over the remaining term to maturity of the replacement debt on a straight-line basis. The Government's holdings of its own securities, if any, are deducted from market debt to report unamatured debt owed to external parties.</p> <p>Cross currency swap revaluations consist of unrealized gains or losses due to fluctuations in the foreign exchange value of the cross currency swaps entered into by the Government.</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>
Measurement uncertainty
<p>There are no significant measurement uncertainties related to unamatured debt.</p>

Unmatured debt includes:

(in millions of dollars)

	2019	2018
Market debt		
Payable in Canadian currency	705,063	688,254
Payable in foreign currencies.....	16,011	16,049
Total.....	721,074	704,303
Unamortized discounts and premiums on market debt	2,163	3,467
Market debt including unamortized discounts and premiums	723,237	707,770
Cross currency swap revaluations	7,274	7,835
Obligation related to capital leases.....	2,893	3,203
Obligation under public-private partnerships	3,511	2,393
Total unamatured debt	736,915	721,201

Unamortized discounts result from Treasury bills and Canada bills which are issued at a discount in lieu of interest. Discounts or premiums also result from the Government's bond buyback program and from issuance of market debt when the face value of the instrument issued differs from the proceeds received. The unamortized portion represents the amount of premium and discount that has not yet been recorded to public debt charges.

At March 31, 2019, the fair value of market debt including unamortized discounts and premiums is \$757,260 million (\$730,732 million in 2018). For marketable bonds denominated in Canadian dollars and foreign currencies, treasury bills issued in Canadian dollars, retail debt, Canada bills and medium-term notes issued in US dollars and Euros, fair values are established using market quotes or the discounted cash flow calculated using year-end market interest and exchange rates.

The Government has entered into individual cross-currency swap contracts with various counterparties. 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.

Included in Cross-currency swap revaluations is \$988 million (\$947 million at March 31, 2018) related to individual cross-currency swap contracts that have a net foreign-exchange asset value to the Government upon revaluation and \$8,262 million (\$8,782 million at March 31, 2018) relating to individual cross-currency swap contracts that have a net foreign-exchange liability value, resulting in an overall cross-currency swap net liability revaluation of \$7,274 million (\$7,835 million at March 31, 2018).

(a) Market debt

The following table presents the contractual maturity of debt issues and interest rates by currency and type of instrument at gross value (in Canadian dollars) and the effective average annual interest rates as at March 31, 2019:

(in millions of dollars)

Maturing year	Marketable bonds					Canada bills	Medium-term notes		Total
	CAD	USD	Euro	Treasury bills	Retail debt ¹	USD	USD	Euro	
2020.....	77,743	4	2,998	134,300	698	2,699	1,236	–	219,678
2021.....	110,637	–	–	–	207	–	768	225	111,837
2022.....	67,308	4,009	–	–	332	–	67	–	71,716
2023.....	43,506	4,009	–	–	–	–	–	–	47,515
2024.....	40,559	–	–	–	–	–	–	–	40,559
2025 and subsequent.....	229,416	–	–	–	–	–	–	–	229,416
	569,169	8,022	2,998	134,300	1,237	2,699	2,071	225	720,721
Less: Government holdings of unmatured debt and consolidation adjustment ²	(357)	4	–	–	–	–	–	–	(353)
Total market debt.....	569,526	8,018	2,998	134,300	1,237	2,699	2,071	225	721,074
Nature of interest rate ³	Fixed ⁴	Fixed	Fixed	Variable	Variable	Variable	Fixed and variable	Fixed	
Effective weighted average annual interest rates.....	2.27	2.32	3.50	1.79	0.71	2.44	2.46	0.15	
Range of interest rates.....	0.50 - 10.50	2.00 - 8.80	3.50	1.63 - 2.17	0.50 - 1.25	2.37 - 2.57	1.28 - 2.80	0.15	

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

¹ Includes \$749 million of Canada savings bonds having fixed dates of maturity which are redeemable on demand.

² Includes \$4 million of securities held for the retirement of unmatured debt, \$3 million of securities held by consolidated Crown corporations and other entities and \$360 million of borrowings by consolidated agent Crown corporations.

³ 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.

⁴ Includes real return bonds which have a variable component based on the consumer price index.

(b) Obligation related to capital leases

The total obligation related to capital leases as at March 31, 2019, is \$2,893 million (\$3,203 million in 2018). Interest on this obligation of \$175 million (\$185 million in 2018) is reported in the Consolidated Statement of Operations and Accumulated Deficit as part of public debt charges. At March 31, future minimum lease payments are summarized as follows:

(in millions of dollars)

Year	2019
2020.....	425
2021.....	369
2022.....	339
2023.....	321
2024.....	317
2025 and subsequent.....	2,641
Total minimum lease payments.....	4,412
Less: imputed interest at the average discount rate of 5.27%.....	1,519
Obligation related to capital leases.....	2,893

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.

10. Public sector pensions and other employee and veteran future benefits

The accrued benefit obligations in respect of public sector pension and other employee and veteran future benefit plans are presented net of pension assets and unrecognized net actuarial gain or loss, 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 of the plans 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 a plan 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 plan curtailment or settlement.</p> <p>Pension 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. Pension assets also include investments held in external trusts by consolidated Crown corporations and other entities.</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 benefits. 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>

(a) Overview of benefit plans

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 years 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

The pension plans 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' funds 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 \$3,254 million (\$1,942 million in 2018) of which \$86 million (\$146 million in 2018) represents regular employer contributions, \$3,107 million (\$1,735 million in 2018) represents special employer contributions, and \$61 million (\$61 million in 2018) represents employee contributions.

iii. Other future benefits

Other employee and veteran future benefit plans 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 \$456 million (\$395 million in 2018). 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 assumptions underlying the valuations are based on the actuary's best estimates.

The most recent triennial actuarial valuations were conducted as at March 31, 2016, for the Canadian Forces—Regular Force, Canadian Forces—Reserve Force, the Members of Parliament and the federally appointed judges pension plans; as at March 31, 2017, for the public service pension plan; and as at March 31, 2018, for the Royal Canadian Mounted Police pension plan for, which the valuation is currently in progress.

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 pension and other employee and veteran future benefit plans 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 or any in-progress 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) Changes to benefit plans

i. Plan amendments

No amendments occurred this year.

In 2018, amendments to veteran future benefits resulted in a one-time past service cost reduction of \$1,625 million plus a one-time past service cost of \$4,305 million, for a net one-time past service cost of \$2,680 million, and the immediate recognition of a previously unrecognized net actuarial loss of \$1,625 million.

ii. Plan curtailments

In 2019, former employees of Atomic Energy of Canada Limited working at Canadian Nuclear Laboratories ceased active participation in the public service pension plan. The impact of this curtailment was a one-time past service cost reduction of \$124 million and the immediate recognition of a previously unrecognized net actuarial gain of \$111 million for the public service pension plan. As well, there was a one-time past service cost reduction of \$28 million and the immediate recognition of a previously unrecognized net actuarial loss of \$16 million in regards to retirement benefits under the public service health care plan.

In 2018, the curtailment of veteran Supplementary Retirement Benefit resulted in a one-time past service cost reduction of \$162 million and the immediate recognition of a previously unrecognized net actuarial loss of \$14 million.

iii. Plan settlements

In 2019, payments of \$5 million (\$275 million in 2018) were made to employees affected by the curtailments of severance benefits in prior years who opted to cash out the full or partial value of their accumulated benefits. The settlements had no impact on settlement costs in 2019 (one-time past service cost reduction of \$60 million and immediate recognition of a previously unrecognized net actuarial gain of \$2 million in 2018).

(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 were as follows:

(in millions of dollars)

	2019				2018			
	Pension benefits			Other future benefits	Pension benefits			Other future benefits
	Funded	Unfunded	Total		Funded	Unfunded	Total	
Accrued benefit obligations at beginning of year	138,495	198,000	336,495	147,283	130,356	200,950	331,306	129,880
Benefits earned	6,872	433	7,305	6,807	6,835	340	7,175	5,968
Interest on average accrued benefit obligations	7,040	4,248	11,288	3,272	6,398	4,335	10,733	3,116
Benefits paid	(3,680)	(9,037)	(12,717)	(5,695)	(3,293)	(8,930)	(12,223)	(6,045)
Administrative expenses	(77)	(66)	(143)	(82)	(71)	(77)	(148)	(80)
Net transfers to other plans	(619)	(64)	(683)	–	(496)	(77)	(573)	–
Plan amendments	–	–	–	–	–	–	–	2,680
Plan curtailments	(108)	(16)	(124)	(28)	–	–	–	(162)
Plan settlements	–	–	–	–	–	–	–	(60)
Actuarial (gains) losses	1,144	10,657	11,801	27,437	(1,234)	1,459	225	11,986
Accrued benefit obligations at end of year	149,067	204,155	353,222	178,994	138,495	198,000	336,495	147,283

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

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 were as follows:

(in millions of dollars)

	2019		2018	
	Funded pension benefits	Other future benefits	Funded pension benefits	Other future benefits
Investments at beginning of year	152,306	1	135,943	2
Expected return on average value of investments	7,779	–	6,712	–
Contributions				
Employees	3,499	–	3,328	–
Public Service corporations, territorial governments and Crown corporations and other entities	294	–	306	–
Government	3,633	–	3,815	–
Benefits paid, transfers and others	(3,982)	–	(3,810)	(1)
Actuarial gains	4,860	–	6,012	–
Investments at end of year	168,389	1	152,306	1
Contributions receivable from employees for past service	632	–	528	–
Total pension and other future benefit assets at end of year	169,021	1	152,834	1

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

At March 31, 2019, the market value of the investments is \$179,263 million (\$164,027 million in 2018). In 2019, the actual return on investments is \$11,794 million (\$14,340 million in 2018) and the actual rate of return on investments calculated on a time-weighted basis was 7.5% (10.1% in 2018) during 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)

	2019				2018			
	Pension benefits			Other future benefits	Pension benefits			Other future benefits
	Funded	Unfunded	Total		Funded	Unfunded	Total	
Accrued benefit obligations	149,067	204,155	353,222	178,994	138,495	198,000	336,495	147,283
Less: Pension assets	169,021	–	169,021	1	152,834	–	152,834	1
Subtotal	(19,954)	204,155	184,201	178,993	(14,339)	198,000	183,661	147,282
Plus: Unrecognized net actuarial gain (less loss)	17,914	(36,128)	(18,214)	(65,129)	15,261	(30,205)	(14,944)	(42,486)
Less:								
Contributions after measurement date up to March 31	10	–	10	–	15	–	15	–
Benefits paid after measurement date up to March 31	–	–	–	2	–	–	–	3
Subtotal	(2,050)	168,027	165,977	113,862	907	167,795	168,702	104,793
Plus: Valuation allowance	399	–	399	–	88	–	88	–
Net future benefit liabilities (assets)	(1,651)	168,027	166,376	113,862	995	167,795	168,790	104,793

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

Public sector pension liabilities ¹	755	168,027	168,782	–	3,119	167,795	170,914	–
Other employee and veteran future benefit liabilities	–	–	–	113,862	–	–	–	104,793
Less: Public sector pension assets ¹	2,406	–	2,406	–	2,124	–	2,124	–
Net future benefit liabilities (assets)	(1,651)	168,027	166,376	113,862	995	167,795	168,790	104,793

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

¹ Public sector pension liabilities represent pension plans that were in a net liability position as at the date of the Statement of Financial Position, whereas public sector pension assets represent pension plans that were in a net asset position as at the date of the Statement of Financial Position.

(f) Benefit and interest expenses

The cost of public sector pension and other employee and veteran future benefit plans is comprised of benefit and interest expenses. The components are as follows:

(in millions of dollars)

	2019				2018			
	Pension benefits			Other future benefits	Pension benefits			Other future benefits
	Funded	Unfunded	Total		Funded	Unfunded	Total	
Benefit expense								
Benefits earned, net of employee contributions	3,178	376	3,554	6,807	3,311	274	3,585	5,968
Actuarial (gains) losses recognized during the year	(1,056)	4,734	3,678	4,778	(552)	5,096	4,544	4,171
Plan amendments	–	–	–	–	–	–	–	2,680
Plan curtailments	(108)	(16)	(124)	(28)	–	–	–	(162)
Plan settlements	–	–	–	–	–	–	–	(60)
Actuarial (gains) losses recognized following plan amendments, curtailments and settlements	(111)	–	(111)	16	–	–	–	1,637
Valuation allowance	311	–	311	–	88	–	88	–
Total	2,214	5,094	7,308	11,573	2,847	5,370	8,217	14,234
Interest expense								
Interest on average accrued benefit obligations	7,040	4,248	11,288	3,272	6,398	4,335	10,733	3,116
Expected return on average market-related value of investments	(7,779)	–	(7,779)	–	(6,712)	–	(6,712)	–
Total	(739)	4,248	3,509	3,272	(314)	4,335	4,021	3,116

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

(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 or any in-progress actuarial valuations for funding purposes. 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 reflect 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 plans, as well as the related benefit and interest expenses for the year, were as follows:

	2019		2018	
	Accrued benefit obligations	Benefit and interest expenses	Accrued benefit obligations	Benefit and interest expenses
Discount rates				
Funded pension benefits ¹	5.8%	5.0%	5.8%	4.8%
Unfunded pension benefits ²	1.9%	2.2%	2.2%	2.2%
Other employee and veteran future benefits ²	1.9%	2.2%	2.2%	2.4%
Expected rate of return on investments	–	5.0%	–	4.8%
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	5.5%	5.9%	5.9%	5.4%
Cost trend rate is expected to stabilize at	4.8%	4.8%	4.8%	4.8%
Year that the rate is expected to stabilize	2029	2028	2028	2027

¹ In regards to funded pensions 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 2030 (6.0% by 2028 in 2018).

² 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, plan amendments, plan curtailments, plan settlements and the interest expense.

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 5.3% to 6.3% (5.3% to 6.4% in 2018) for the funded pension benefits, discount rates ranging from 2.2% to 3.3% (2.2% to 3.5% in 2018) for the unfunded pension benefits and discount rates ranging from 2.1% to 3.5% (2.2% to 3.5% in 2018) for the other employee future benefits. The long-term general wage increase ranged from 2.8% to 3.8% (2.8% to 3.8% in 2018). The long-term inflation rate has remained consistent at 2.0% (2.0% in 2018).

The expected average remaining service life (EARSL) of the employees represent periods ranging from 4 to 23 years (4 to 23 years in 2018) according to the plan in question; more specifically, from 12 to 15 years (12 to 15 years in 2018) 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 6 to 7 years (6 to 8 years in 2018).

(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)

	2019			2018		
	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	(22,400)	(25,900)	(32,500)	(21,100)	(24,900)	(25,800)
Decrease of 1% in discount rates	29,100	32,600	45,100	27,500	31,300	36,300
Increase of 1% in rate of inflation	19,700	29,600	41,000	18,400	28,300	32,600
Decrease of 1% in rate of inflation	(16,200)	(24,200)	(30,000)	(15,000)	(23,200)	(23,400)
Increase of 1% in general wage increase	7,000	1,000	300	6,700	1,100	300
Decrease of 1% in general wage increase	(6,200)	(1,000)	(300)	(5,900)	(1,100)	(300)
Increase of 1% in assumed health care cost trend rates	–	–	10,100	–	–	9,100
Decrease of 1% in assumed health care cost trend rates	–	–	(7,300)	–	–	(6,300)

11. Other liabilities

Other liabilities include:

(in millions of dollars)

	2019	2018
Canada Pension Plan Accounts	163	32
Others		
Government Annuities Account	123	135
Deposit and trust accounts	1,356	1,326
Other specified purpose accounts	4,263	4,177
	<u>5,742</u>	<u>5,638</u>
Total other liabilities	5,905	5,670

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 employees, employers and self-employed workers contributions, as well as investments 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. At March 31, 2019, the fair value of the CPP's consolidated net assets is \$396,480 million (\$360,997 million in 2018) for the CPP Account and \$536 million (nil in 2018) 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 \$163 million (\$32 million in 2018) 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 \$152 million (\$32 million in 2018) and the Additional CPP Account balance of \$11 million (nil in 2018).

(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. To the extent that the funds received are represented by negotiable securities, these are deducted from the corresponding accounts to show the Government's net liability. Certain accounts earn interest which is charged to interest on the public debt. One of the largest deposit and trust accounts is the Indian band funds account in the amount of \$580 million (\$591 million in 2018). This account was established 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 \$3,800 million (\$3,715 million in 2018). This account was established under the *Public Service Superannuation Act* to provide life insurance to contributing members of the public service.

12. 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)

	2019	2018
Cash ¹	29,190	28,096
Cash equivalents	8,445	6,546
Total cash and cash equivalents	37,635	34,642

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

¹ Included in cash is \$20,000 million (\$20,000 million in 2018) which has been designated as a deposit held at the Bank of Canada with respect to prudential liquidity management undertaken by the Government.

13. Taxes and other accounts receivable

Taxes receivable include taxes, interest, penalties, and other revenues assessed or estimated but not yet collected as at March 31. These accrued receivables are not due until the next fiscal year. 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.

Other accounts receivable represent billed or accrued financial claims arising from amounts owed to the Government at year end, and cash collateral pledged to counterparties.

Significant accounting policies
<p>Tax revenues that were not collected at year end are reported as taxes receivable on the Consolidated Statement of Financial Position.</p> <p>Taxes and other accounts receivables are measured at amortized cost.</p> <p>The allowance for doubtful accounts is management's best estimate of the uncollectible amounts that have been assessed, including the related interest and penalties. 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 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 \$10 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>Tax 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, payments received on filing tax returns, and amounts receivable assessed.</p>

The Government has established an allowance for doubtful accounts of \$14,559 million (\$14,345 million in 2018) and has recorded a bad debt expense of \$3,766 million (\$3,325 million in 2018).

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

(in millions of dollars)

	2019			2018		
	Total taxes receivable	Allowance for doubtful accounts	Net	Total taxes receivable	Allowance for doubtful accounts	Net
Income taxes receivable						
Individuals.....	70,466	7,561	62,905	67,172	7,242	59,930
Employers.....	21,993	1,152	20,841	21,449	1,101	20,348
Corporations.....	20,297	2,976	17,321	20,175	3,066	17,109
Non-residents.....	2,027	97	1,930	2,019	137	1,882
Goods and services tax receivable.....	24,595	2,492	22,103	23,881	2,441	21,440
Customs import duties receivable.....	809	80	729	636	59	577
Other excise taxes and duties receivable.....	1,933	201	1,732	2,048	299	1,749
Total.....	142,120	14,559	127,561	137,380	14,345	123,035

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

Billed or accrued financial claims arising from amounts owed to the Government total \$6,136 million (\$6,959 million in 2018—restated refer to note 2a) and are presented net of an allowance for doubtful accounts of \$1,454 million (\$1,295 million in 2018). Further details can be found in Section 7 (unaudited) of this volume.

Cash collateral pledged to counterparties of \$7,163 million (\$8,716 million in 2018) 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 18.

14. Foreign exchange accounts

Foreign exchange accounts represent financial claims and obligations of the Government as a result of Canada's foreign exchange operations. The investments held in the Exchange Fund Account are to provide general liquidity and to promote orderly conditions in the foreign exchange market for the Canadian dollar.

Significant accounting policies
<p>Short-term deposits, marketable securities and special drawing rights held in the foreign exchange accounts are recorded at cost. Marketable securities are adjusted for amortization of purchase discounts and premiums. Purchases and sales of securities are recorded at the settlement date. Transaction costs are expensed as incurred for all classes of financial instruments.</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 foreign exchange accounts. 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>Investment income earned with respect to foreign exchange accounts, as well as write-downs to reflect other-than-temporary declines in the value of securities, are included in net foreign exchange revenues.</p> <p>Canada's subscriptions to the capital of the International Monetary Fund and loans to the International Monetary Fund are recorded at cost.</p>
Measurement uncertainty
<p>There are no significant measurement uncertainties related to foreign exchange accounts.</p>

As at March 31, 2019, the fair value of the marketable securities held in the Exchange Fund Account is \$91,051 million (\$92,837 million in 2018), established using market quotes or other available market information. Further details on these investments are provided in the unaudited financial statements of the Exchange Fund Account in Section 8 of this volume.

Subscriptions and loans to the International Monetary Fund (IMF) and special drawing rights allocations are denominated in special drawing rights (SDR). The SDR serves as the unit of account for the IMF and its value is based on a basket of key international currencies (US dollar, Euro, Japanese yen, British pound sterling and Chinese renminbi). Canada participates in two lending arrangements with the IMF along with a group of other member countries. Collectively, maximum direct lending under these arrangements is limited to no more than the equivalent of SDR 12,074 million (\$22,397 million) at March 31, 2019.

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

(in millions of dollars)

	2019	2018
International reserves held in the Exchange Fund Account		
Cash and cash equivalents		
US dollar	4,904	878
Euro	250	114
British pound sterling	450	140
Japanese yen	6	143
Short-term deposits—US dollar	268	—
Total	5,878	1,275
Marketable securities ¹		
US dollar	59,234	61,336
Euro	17,646	20,620
British pound sterling	9,775	10,433
Japanese yen	3,678	1,216
Total	90,333	93,605
Special drawing rights	10,989	10,550
Total international reserves held in the Exchange Fund Account	107,200	105,430
International Monetary Fund		
Subscriptions	20,449	20,647
Loans	546	775
Total	128,195	126,852
Less: International Monetary Fund		
Special drawing rights allocations	11,108	11,215
Notes payable	17,399	18,699
Total	28,507	29,914
Total foreign exchange accounts	99,688	96,938

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

¹ Interest earned on marketable securities was \$1,492 million (\$1,107 million in 2018).

15. 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 equity is reduced by dividends received and adjusted to include the annual profits and losses of these corporations, after 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 directly to the Government's accumulated deficit and net debt.</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 which 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 that are expected to be repaid through future appropriation 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>

(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)

	2019	2018
Investments		
Canada Mortgage and Housing Corporation	14,952	16,894
Export Development Canada	9,449	9,773
Farm Credit Canada	6,429	6,060
Business Development Bank of Canada	7,714	6,717
Canada Port Authorities	3,499	3,255
Canada Deposit Insurance Corporation	2,985	2,322
Canada Development Investment Corporation	320	464
Canada Post Corporation	(972)	(338)
Other	1,285	1,128
Total investments	45,661	46,275
Loans and advances		
Farm Credit Canada	29,862	28,008
Business Development Bank of Canada	22,235	20,470
Canada Mortgage and Housing Corporation	8,095	8,687
Canada Development Investment Corporation	4,790	–
Other	454	468
Total loans and advances	65,436	57,633
Less:		
Loans expected to be repaid from future appropriations	2,885	3,089
Unamortized discounts and premiums	43	44
	2,928	3,133
Total loans, investments and advances to enterprise Crown corporations and other government business enterprises.....	108,169	100,775

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)

	2019			2018		
	Third Parties	Government, Crown corporations and other entities	Total	Third Parties	Government, Crown corporations and other entities	Total
						Restated ¹
Assets						
Financial assets.....	415,876	116,038	531,914	409,717	111,399	521,116
Non-financial assets.....	17,537		17,537	9,799	–	9,799
Total assets.....	433,413	116,038	549,451	419,516	111,399	530,915
Liabilities.....	412,800	90,492	503,292	402,501	81,650	484,151
Equity of Canada as reported.....			46,159			46,764
Elimination adjustments.....			(498)			(489)
Equity of Canada.....			45,661			46,275
Revenues.....	26,997	4,542	31,539	24,701	4,845	29,546
Expenses.....	23,551	2,298	25,849	21,666	1,748	23,414
Profit as reported.....			5,690			6,132
Adjustments and others.....			230			827
Profit.....			5,920			6,959
Other changes in equity						
Other comprehensive income (loss).....			(232)			(753)
Dividends ²			(6,427)			(8,058)
Capital ³			125			65
			(614)			(1,787)
Equity of Canada at beginning of year.....			46,275			48,062
Equity of Canada at end of year.....			45,661			46,275
Contractual obligations ¹			50,950			50,366
Contingent liabilities.....			3,877			2,983

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

¹ In 2019, the Government identified that the disclosure for contractual obligations for enterprise Crown corporations and other government business enterprises was incorrectly reported. The 2018 comparative figure for contractual obligations has been corrected from \$64,994 million to \$50,366 million.

² Amounts reported as dividends include \$3,680 million (\$5,675 million in 2018) from Canada Mortgage and Housing Corporation, \$1,010 million (\$969 million in 2018) from Export Development Canada, \$1,169 million (\$951 million in 2018) from the Bank of Canada and \$364 million (\$308 million in 2018) from Farm Credit Canada.

³ Amounts reported as capital include a purchase of common shares of \$125 million (\$65 million in 2018) from Business Development Bank of 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 2019, CFMWS administered estimated revenues and expenses of \$410 million (\$440 million in 2018) and \$405 million (\$436 million in 2018) respectively and had net equity of \$784 million at March 31, 2019 (\$777 million at March 31, 2018). These amounts are excluded from the consolidated financial statements of the Government of Canada.

16. Other loans, investments and advances

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

Significant accounting policies
<p>Other loans, investments and advances are initially recorded at cost and are discounted to reflect their concessionary terms or their net recoverable value. Concessionary terms include cases where loans are made on a long-term, low interest or interest-free basis.</p> <p>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. The allowance for valuation for other loans, investments and advances, reflects the possibility of losses associated with potential default. 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, other loans, investments and advances are written off. Subsequent recoveries are recorded as revenue when received.</p>
Measurement uncertainty
<p>Other loans, investments and advances are subject to measurement uncertainty due to the use of estimates relating to the allowance for valuation 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 discount rate, 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>

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

(in millions of dollars)

	2019	2018
National governments, including developing countries and international organizations		
National governments including developing countries	882	937
International organizations	23,741	22,752
Total	24,623	23,689
Other loans, investments and advances		
Loans for the development of export trade	446	739
Provincial and territorial governments	407	391
Unconditionally repayable contributions	3,732	3,516
Other loans, investments and advances	25,939	24,619
Total	30,524	29,265
Total	55,147	52,954
Less: allowance for valuation	29,404	27,358
Total other loans, investments and advances	25,743	25,596

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

Interest earned on other loans, investments and advances was \$1,010 million (\$838 million in 2018).

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

(in millions of dollars)

	2019		2018	
	Loans, investments and advances in base currency	Foreign exchange rate	Loans, investments and advances in CAD	Loans, investments and advances in CAD
Canadian dollar.....	51,235		51,235	49,075
US dollar.....	2,715	1.3362	3,628	3,603
Special drawing rights	144	1.8550	267	257
Various other currencies			17	19
Total			55,147	52,954

Loans to national governments consist mainly of loans for financial assistance totalling \$400 million (\$400 million in 2018), international development assistance to developing countries totalling \$85 million (\$109 million in 2018), and development of export trade totalling \$397 million (\$527 million in 2018) which are administered by Export Development Canada. Certain loans are non-interest bearing and others bear interest at rates varying from 0.1% to 10.3%. These loans are repayable over 1 to 28 years, with final instalments due in 2045.

Loans, investments and advances to international organizations include subscriptions to the share capital of international banks totalling \$15,098 million (\$14,360 million in 2018) as well as loans and advances to associations and other international organizations totalling \$8,644 million (\$8,392 million in 2018). These subscriptions are composed of both paid-in and callable capital. The majority of 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. Most loans and advances to international organizations are made to banks and associations that use these funds to make loans to developing countries at significantly concessionary terms.

Loans for the development of export trade are either non-interest bearing or bear interest at rates varying from 1.0% to 9.0% and are administered by Export Development Canada. Collateral of \$189 million (\$228 million in 2018) is held on these loans and they are repayable over 1 to 4 years with final instalments due in 2022.

Loans to provinces and territories include loans made under relief acts and other legislation. Loans totalling \$403 million (\$388 million in 2018) are non-interest bearing and will be repaid by reducing transfer payments over 1 to 8 years.

Unconditionally repayable contributions are in substance loans aimed at stimulating economic development or for assistance. They bear various interest rates, some of which have concessional terms, and are repayable at various due dates with final instalments due within 4 to 25 years of initial disbursement.

Other loans, investments and advances include loans under the Canada Student Loans Program, and other investments in bonds, market funds and fixed income securities. Loans under the Canada Student Loans Program of \$21,164 million (\$19,960 million in 2018) are provided interest-free to full-time students and afterward bear interest at either a variable prime rate plus 2.5% or a fixed prime rate plus 5.0%. The repayment period is generally 10 years. Other investments were \$2,289 million (\$2,121 million in 2018).

17. 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 retrospectively 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 allowances for pricing errors and the value of dormant inventory.</p>

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 ¹	10 to 60 years
Works and infrastructure ²	10 to 80 years
Machinery and equipment	2 to 30 years
Vehicles	2 to 40 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

¹ Except for some building components, which are amortized up to 125 years.

² Except for the Confederation Bridge, which is amortized over 100 years.

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 2019 ²	Net book value 2018
	Opening balance	Acquisitions	Disposals	Adjustments ¹	Closing balance	Opening balance	Amortization expense	Disposals	Adjustments	Closing balance		
Land.....	1,814	286	(14)	14	2,100	–	–	–	–	–	2,100	1,814
Buildings	32,811	84	(178)	2,448	35,165	16,987	920	(154)	(30)	17,723	17,442	15,824
Works and infrastructure	17,710	291	(104)	975	18,872	9,458	519	(84)	13	9,906	8,966	8,252
Machinery and equipment.....	37,168	925	(1,073)	1,494	38,514	26,069	1,948	(940)	(308)	26,769	11,745	11,099
Vehicles	42,257	254	(484)	863	42,890	26,999	1,854	(457)	(331)	28,065	14,825	15,258
Leasehold improvements.....	3,298	27	(31)	183	3,477	2,171	173	(28)	23	2,339	1,138	1,127
Assets under construction.....	17,760	9,200 ³	(74)	(6,698)	20,188	–	–	–	–	–	20,188	17,760
Assets under capital leases	4,902	67 ³	(309)	8	4,668	2,201	229	(299)	(1)	2,130	2,538	2,701
Total	157,720	11,134	(2,267)	(713)	165,874	83,885	5,643	(1,962)	(634)	86,932	78,942	73,835

¹ Adjustments include assets under construction of \$6,472 million (\$4,374 million in 2018) that were transferred to other categories upon completion of the assets.

² The Government has \$83 million (\$20 million in 2018) in net book value of capital assets with an original acquisition cost of \$1,743 million (\$2,005 million in 2018) that have been declared surplus. Upon physical disposal, the government's investment in the tangible capital asset will be removed.

³ Acquisitions of \$1,115 million (\$206 million in 2018) in assets under construction through public-private partnership arrangements, including \$85 million (\$70 million in 2018) in interest, and \$8 million (\$367 million in 2018) in assets under capital leases do not involve the use of cash and are therefore excluded from the Consolidated Statement of Cash Flow.

18. 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) Derivative financial instruments

i. Swap agreements

Government debt is issued at both fixed and variable interest rates and is denominated in Canadian dollars, US dollars and Euros. The Government has entered into cross currency swap agreements to facilitate management of its debt structure. 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 interest paid or payable and the interest received or receivable on all swap transactions are recorded as part of public debt charges. Unrealized gains or losses due to fluctuations in the foreign exchange value of the swaps are presented in the cross currency swap revaluation account and are recognized as part of net foreign exchange revenues in the Consolidated Statement of Operations and Accumulated Deficit.

The Government enters into two-way Credit Support Annex agreements for cross currency swaps with certain counterparties pursuant to International Swaps and Derivatives Association (ISDA) master agreements. Under the terms of those agreements, the Government may be required to pledge and/or receive eligible collateral relating to obligations to the counterparties. 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. At March 31, 2019, cash collateral pledged of \$7,163 million (\$8,716 million in 2018) is recorded in other accounts receivable, and cash collateral received of \$165 million (\$96 million in 2018) is recorded in other liabilities. In addition, the Government holds collateral in securities from counterparties with a nominal amount of \$2,207 million and fair value of \$2,602 million (nominal amount of \$2,086 million and fair value of \$2,456 million in 2018), which has not been recognized in the statement of financial position as the Government does not obtain economic ownership unless the pledgor defaults.

Cross currency swaps with contractual principal amounts outstanding at March 31, stated in Canadian dollars, are as follows:

(in millions of dollars)

Maturing year	2019
2020.....	6,881
2021.....	11,340
2022.....	7,281
2023.....	7,351
2024.....	10,312
2025 and subsequent.....	39,979
Total.....	83,144

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 typically funds these loans with US dollars. 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.

Unrealized gains or losses due to fluctuations in the foreign exchange value of these agreements are recorded in accounts payable and accrued liabilities and are recognized as part of the net foreign exchange revenues in the Consolidated Statement of Operations and Accumulated Deficit.

The notional principal amount of a foreign-exchange forward agreement refers to the principal amount used to calculate contractual cash flows. This amount does not represent an asset or liability, and is not included in the Consolidated Statement of Financial Position. Foreign-exchange forward agreements outstanding at March 31, with notional principal amounts in Canadian dollars of \$2,065 million (\$1,291 million at March 31, 2018), mature during the next fiscal year.

iii. Credit risk related to swap and foreign-exchange forward agreements

The Government manages its exposure to credit risk by dealing principally with financial institutions having acceptable credit ratings, based on external credit ratings and internal credit analysis, in accordance with the *Statement of Investment Policy for the Government of Canada*.

Credit risk is also managed through collateral provisions in swap and foreign-exchange forward agreements. Collateral pledged by counterparties to the Government may be liquidated in the event of default to mitigate credit losses.

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	2019	2018
A+.....	28,050	27,390
A.....	37,966	21,628
A-.....	19,193	32,285
Total.....	85,209	81,303

(b) Managing foreign currency and interest rate risks and sensitivity analysis to foreign currency exposures

Foreign currency and interest rate risks are managed using a strategy of matching the duration and the currency of the foreign exchange accounts assets and the related foreign currency borrowings of the Government. At March 31, 2019, assets within the foreign exchange accounts and their related foreign currency borrowings substantially offset each other on a market value basis. Accordingly, the impact of price changes affecting these assets and the liabilities funding these assets naturally offset each other, resulting in no significant impact to the Government's net debt.

Assets related to the IMF are only partially matched by related foreign currency borrowings as they are denominated in SDRs, however, foreign-exchange risks relating to loans to the IMF have been managed through entering into various foreign-exchange forward agreements.

The majority of the government foreign currency assets and related liabilities are held in four currency portfolios: the US dollar, the Euro, the British pound sterling and the Japanese yen. At March 31, 2019, a 1% appreciation in the Canadian dollar as compared to the US dollar, the Euro, the British pound sterling and the Japanese yen would result in a foreign exchange loss of \$2 million due to the exposure of the Euro portfolio. There is no significant exposure related to the US Dollar, the British pound sterling and the Japanese yen portfolios.

The net foreign exchange gain included in net foreign exchange revenues, other revenues and other expenses on the Consolidated Statement of Operations and Accumulated Deficit amounts to \$31 million (net foreign exchange gain of \$54 million in 2018).

(c) Fair value information

The carrying values of other accounts payable and accrued liabilities, interest and matured debt, cash and cash equivalents, other accounts receivable and other loans, investments and advances are assumed to approximate their fair values due to their short-term to maturity or allowances recorded to reduce their carrying values to amounts that approximate their estimated realizable values.

The following table presents the fair value of derivative financial instruments with contractual or notional principal amounts outstanding at March 31:

(in millions of dollars)

	2019		2018	
	Principal amount	Fair value	Principal amount	Fair value
Cross currency swaps.....	83,144	(7,033)	80,012	(8,391)
Foreign-exchange forward agreements.....	2,065	11	1,291	–
Total.....	85,209	(7,022)	81,303	(8,391)

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.

19. 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.

Significant accounting policies
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.
Measurement uncertainty
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 to be made in:	Transfer payment agreements	Capital assets and purchases	Operating leases	International organizations ¹	Total
2020.....	31,018	12,413	477	1,755	45,663
2021.....	19,144	9,096	495	1,185	29,920
2022.....	14,698	7,236	446	391	22,771
2023.....	10,457	3,585	378	188	14,608
2024.....	6,627	2,243	305	103	9,278
2025 and subsequent.....	23,232	13,721	2,181	1,123	40,257
Total.....	105,176	48,294	4,282	4,745	162,497

¹ 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 to be received in:	Sales of goods and services	Leases of property	Royalties and revenue/profit-sharing arrangements	Other	Total
2020.....	2,365	447	2	423	3,237
2021.....	2,429	481	3	55	2,968
2022.....	2,494	498	2	52	3,046
2023.....	2,555	507	2	49	3,113
2024.....	2,621	523	1	41	3,186
2025 and subsequent.....	23,852	611	10	425	24,898
Total.....	36,316	3,067	20	1,045	40,448

In addition, the Government is entitled to future interest revenues on investments, loans and advances. Additional information is disclosed in Note 14 and Note 16.

20. 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 15.

Significant accounting policies
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.
Measurement uncertainty
There are no significant measurement uncertainties related to segmented information.

Public Accounts of Canada 2018–2019

The five main ministries are reported separately and the others are grouped together with 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)

	2019								Total
	Families, Children and Social Development	Finance	National Defence	National Revenue	Public Safety and Emergency Preparedness	Other ministries	Enterprise Crown corporations and other government business enterprises	Adjust- ments ¹	
Revenues									
Tax revenues									
Income tax revenues	–	–	–	223,619	–	–	–	–	223,619
Other taxes and duties	–	–	–	21,879	35,348	–	–	–	57,227
Total tax revenues	–	–	–	245,498	35,348	–	–	–	280,846
Employment insurance premiums	22,698	–	–	–	–	–	–	(403)	22,295
Other revenues									
Enterprise Crown corporations and other government business enterprises	–	–	–	–	–	–	7,101	–	7,101
Other	3,091	1,284	422	6,695	2,649	20,382	–	(14,214)	20,309
Net foreign exchange	–	1,667	–	–	–	–	–	–	1,667
Total other revenues	3,091	2,951	422	6,695	2,649	20,382	7,101	(14,214)	29,077
Total revenues	25,789	2,951	422	252,193	37,997	20,382	7,101	(14,617)	332,218
Expenses									
Program expenses									
Transfer payments									
Old age security benefits, guaranteed income supplement and spouse's allowance	53,366	–	–	–	–	–	–	–	53,366
Major transfer payments to other levels of government	–	70,734	–	–	–	5,191	–	–	75,925
Employment insurance	18,888	–	–	–	–	–	–	–	18,888
Children's benefits	17	–	–	23,865	–	–	–	–	23,882
Fuel charge proceeds returned	–	–	–	664	–	–	–	–	664
Other transfer payments	8,899	1,012	209	3,737	1,132	37,182	–	(418)	51,753
Total transfer payments	81,170	71,746	209	28,266	1,132	42,373	–	(418)	224,478
Other expenses	4,956	1,095	31,923	8,963	12,247	53,445	–	(14,191)	98,438
Total program expenses	86,126	72,841	32,132	37,229	13,379	95,818	–	(14,609)	322,916
Public debt charges	–	23,020	74	–	1	179	–	(8)	23,266
Total expenses	86,126	95,861	32,206	37,229	13,380	95,997	–	(14,617)	346,182

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

¹ Represents consolidation adjustments to eliminate internal transactions.

(in millions of dollars)

	2018								Total
	Families, Children and Social Development	Finance	National Defence	National Revenue	Public Safety and Emergency Preparedness	Other ministries	Enterprise Crown corporations and other government business enterprises	Adjust- ments ¹	
						Restated ² (Note 2a)			Restated ² (Note 2a)
Revenues									
Tax revenues									
Income tax revenues	–	–	–	209,269	–	–	–	–	209,269
Other taxes and duties	–	–	–	21,798	32,021	–	–	–	53,819
Total tax revenues	–	–	–	231,067	32,021	–	–	–	263,088
Employment insurance premiums	21,533	–	–	–	–	–	–	(393)	21,140
Other revenues									
Enterprise Crown corporations and other government business enterprises	–	–	–	–	–	–	7,731	–	7,731
Other ²	3,002	932	430	4,906	2,757	19,521	–	(13,764)	17,784
Net foreign exchange	–	1,473	–	–	–	–	–	–	1,473
Total other revenues	3,002	2,405	430	4,906	2,757	19,521	7,731	(13,764)	26,988
Total revenues	24,535	2,405	430	235,973	34,778	19,521	7,731	(14,157)	311,216
Expenses									
Program expenses									
Transfer payments									
Old age security benefits, guaranteed income supplement and spouse's allowance	50,644	–	–	–	–	–	–	–	50,644
Major transfer payments to other levels of government	–	68,447	–	–	–	2,072	–	–	70,519
Employment insurance	19,715	–	–	–	–	–	–	–	19,715
Children's benefits	13	–	–	23,419	–	–	–	–	23,432
Fuel charge proceeds returned	–	–	–	–	–	–	–	–	–
Other transfer payments	9,088	411	155	3,622	918	33,296	–	(352)	47,138
Total transfer payments	79,460	68,858	155	27,041	918	35,368	–	(352)	211,448
Other expenses²	5,117	531	32,297	8,075	11,586	53,033	–	(13,799)	96,840
Total program expenses	84,577	69,389	32,452	35,116	12,504	88,401	–	(14,151)	308,288
Public debt charges	–	21,629	79	–	1	186	–	(6)	21,889
Total expenses	84,577	91,018	32,531	35,116	12,505	88,587	–	(14,157)	330,177

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

¹ Represents consolidation adjustments to eliminate internal transactions.² Details on the restatement are provided in Note 2a of this section.

This page has been intentionally left blank.

Section 3

*Public Accounts of Canada
2018–2019*

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

Table of contents

	<i>Page</i>
Revenues.....	97
Tax revenues.....	98
Employment insurance premiums.....	99
Other revenues.....	100
Return on investments	101
Expenses	102
Accounting for expenses.....	102
Expenses by segment.....	104
Government's cost of operations	104
Expenses by object	107
Expenditures under statutory authorities	108

This page has been intentionally left blank.

Revenues, expenses and accumulated deficit

Table 3.1
Revenues, expenses and accumulated deficit

(in millions of dollars)

	2019	2018 Restated ¹
Revenues		
Tax revenues, Table 3.2.....	280,846	263,088
Employment insurance premiums.....	22,295	21,140
Other revenues ¹ , Table 3.4.....	29,077	26,988
Total revenues.....	332,218	311,216
Expenses		
Transfer payments.....	224,478	211,448
Other expenses ¹	98,438	96,840
Total program expenses.....	322,916	308,288
Public debt charges, Table 3.8.....	23,266	21,889
Total expenses, Table 3.6.....	346,182	330,177
Annual deficit.....	(13,964)	(18,961)
Accumulated deficit at beginning of year.....	(671,254)	(651,540)
Other comprehensive (loss) income.....	(232)	(753)
Accumulated deficit at end of year.....	(685,450)	(671,254)

¹ Details on the restatement are provided in Note 2 in Section 2 of this volume.

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)

	2019	2018
Tax revenues		
Income tax revenues		
Personal	163,881	153,619
Corporate	50,368	47,805
Non-resident	9,370	7,845
Total income tax revenues	223,619	209,269
Other taxes and duties		
Goods and services tax, Table 3.3	38,221	36,751
Energy taxes		
Excise tax—Gasoline	4,483	4,501
Excise tax—Aviation gasoline and diesel fuel.....	1,319	1,238
Total energy taxes	5,802	5,739
Customs import duties	6,881	5,416
Other excise taxes and duties		
Excise duties	5,228	4,857
Air travellers security charge.....	872	823
Other miscellaneous excise taxes and duties.....	223	233
Total other excise taxes and duties	6,323	5,913
Total other taxes and duties	57,227	53,819
Total tax revenues ¹	280,846	263,088

¹ 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)

	2019	2018
GST	45,392	43,687
Less: remission order for the GST paid and accrued by ministries on or for goods and services purchased from outside parties	2,494	2,357
Gross GST from outside parties	42,898	41,330
Less: quarterly tax credits	4,677	4,579
Net GST from outside parties	38,221	36,751

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 and tobacco products. In addition, excise taxes are imposed on other items such as passenger vehicle air conditioners. 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)

	2019	2018 Restated ¹
Other revenues		
Enterprise Crown corporations and other government business enterprises		
Share of annual profit	5,920	6,959
Interest and other	1,181	772
<i>Total enterprise Crown corporations and other government business enterprises</i>	<i>7,101</i>	<i>7,731</i>
Other programs		
Return on investments, Table 3.5	1,806	1,316
Sales of goods and services		
Rights and privileges	2,322	2,824
Lease and use of public property	778	746
Services of a regulatory nature	1,780	1,622
Services of a non-regulatory nature	4,014	4,515
Sales of goods and information products ¹	1,218	1,307
Other fees and charges	806	847
<i>Total sales of goods and services</i>	<i>10,918</i>	<i>11,861</i>
Miscellaneous		
Interest and penalties	6,171	4,352
Other	1,414	255
<i>Total miscellaneous</i>	<i>7,585</i>	<i>4,607</i>
<i>Total other programs</i>	<i>20,309</i>	<i>17,784</i>
Net foreign exchange		
Exchange Fund Account	1,480	1,713
International Monetary Fund	164	(212)
Other	23	(28)
<i>Total net foreign exchange</i>	<i>1,667</i>	<i>1,473</i>
Total other revenues²	29,077	26,988

¹ Details on the restatement are provided in Note 2 in Section 2 of this volume.² 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 ministry in Volume II of the Public Accounts of Canada.

Net foreign exchange

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 investments¹

(in millions of dollars)

	2019	2018
Cash and accounts receivable		
Interest on bank deposits	738	418
Loans, investments and advances		
National governments including developing countries	24	11
International organizations	3	6
Other loans, investments and advances	964	908
Total loans, investments and advances	991	925
Other accounts	1	– ²
Total ministerial return on investments	1,730	1,343
Net gain (loss) on exchange	25	(61)
Accrual of other revenues	52	38
Total return on investments	1,807	1,320
Elimination of return on investments internal to the Government	(1)	(4)
Total external return on investments	1,806	1,316

¹ 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.² Less than \$500,000.

Expenses

Expenses consist of all charges which enter into 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 are recorded when incurred. They include interest, servicing costs, costs of issuing new borrowings, amortization of premiums and discounts 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 ¹		Other transfer payments ²	
	2019	2018	2019	2018
Ministries				
Agriculture and Agri-Food	–	–	1,397	1,258
Canadian Heritage and Multiculturalism ³	–	–	1,182	1,257
Crown-Indigenous Relations	–	–	5,543	6,483
Democratic Institutions ³	–	–	1	2
Environment and Climate Change	–	–	429	222
Families, Children and Social Development	72,272	70,372	8,899	9,088
Finance	70,734	68,447	1,012	411
Fisheries, Oceans and the Canadian Coast Guard	–	–	182	127
Global Affairs ⁴	–	–	4,679	4,300
Health	849	–	1,930	1,631
Immigration, Refugees and Citizenship	–	–	1,434	1,296
Indigenous Services	–	–	9,731	8,778
Infrastructure and Communities	4,341	2,072	3,330	1,536
Innovation, Science and Economic Development ⁵	–	–	2,636	2,851
Justice	–	–	400	381
National Defence	–	–	209	155
National Revenue	23,865	23,419	4,401	3,622
Natural Resources	–	–	1,717	909
Office of the Governor General's Secretary	–	–	–	–
Parliament	–	–	1	2
Privy Council ³	–	–	7	–
Public Safety and Emergency Preparedness	–	–	1,132	918
Public Services and Procurement ³	–	–	–	(1)
Science ³	–	–	2,106	1,917
Transport	–	–	212	213
Treasury Board	–	–	1	1
Veterans Affairs	–	–	21	24
Women and Gender Equality ³	–	–	29	21
Provision for valuation and other items	–	–	(204)	(264)
Total expenses⁵	172,061	164,310	52,417	47,138

¹ Includes transfer payments of \$53,366 million (\$50,644 million in 2018) for old age security benefits, the guaranteed income supplement and the spouse's allowance; \$75,925 million (\$70,519 million in 2018) to other levels of government; \$18,888 million (\$19,715 million in 2018) for employment insurance and \$23,882 million (\$23,432 million in 2018) for children's benefits. Additional information is provided in Table 3.7 of this section.

² Includes transfer payments of \$664 million (nil in 2018) for fuel charge proceeds returned.

³ Comparative figures have been reclassified to conform to the current year's presentation.

⁴ Comparative figures have been restated. Details on the restatement are provided in Note 2 in Section 2 of this volume.

⁵ Additional information is provided in Table 2a in Section 1 of Volume II of the Public Accounts of Canada.

⁶ 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 ⁶		Total expenses	
2019	2018	2019	2018	2019	2018	2019	2018
			Restated ⁴				
1,397	1,258	1,175	1,167	–	–	2,572	2,425
1,182	1,257	3,090	3,177	3	3	4,275	4,437
5,543	6,483	2,357	3,226	–	–	7,900	9,709
1	2	178	123	–	–	179	125
429	222	1,946	1,807	–	1	2,375	2,030
81,171	79,460	3,135	3,232	–	–	84,306	82,692
71,746	68,858	539	527	23,012	21,623	95,297	91,008
182	127	2,402	1,954	–	–	2,584	2,081
4,679	4,300	2,406	2,150	–	–	7,085	6,450
2,779	1,631	2,269	2,223	–	–	5,048	3,854
1,434	1,296	1,455	1,338	–	–	2,889	2,634
9,731	8,778	1,816	1,868	–	–	11,547	10,646
7,671	3,608	539	540	–	–	8,210	4,148
2,636	2,851	2,632	2,540	–	–	5,268	5,391
400	381	1,425	1,352	–	–	1,825	1,733
209	155	31,714	32,077	74	79	31,997	32,311
28,266	27,041	8,529	7,798	–	–	36,795	34,839
1,717	909	2,015	1,649	1	1	3,733	2,559
–	–	22	24	–	–	22	24
1	2	730	723	–	–	731	725
7	–	348	342	–	–	355	342
1,132	918	11,995	11,318	1	1	13,128	12,237
–	(1)	4,730	4,918	133	139	4,863	5,056
2,106	1,917	93	83	–	–	2,199	2,000
212	213	2,932	2,715	42	42	3,186	2,970
1	1	6,720	3,881	–	–	6,721	3,882
21	24	1,120	960	–	–	1,141	984
29	21	42	22	–	–	71	43
(204)	(264)	84	3,106	–	–	(120)	2,842
224,478	211,448	98,438	96,840	23,266	21,889	346,182	330,177

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 and 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 interest, servicing costs, costs of issuing new borrowings, amortization of premiums and discounts 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 ¹	Employment Insurance	Fiscal arrangements	Quebec Abatement ²	Canada Health Transfer	Canada Social Transfer	Other major transfers ³	Children's benefits	Total
Newfoundland and Labrador..	2019	1,086	1,169	10	–	535	202	45	–	3,047
	2018	1,025	1,227	14	–	536	199	31	–	3,032
Prince Edward Island	2019	263	270	419	–	158	58	20	–	1,188
	2018	251	266	392	–	155	57	–	–	1,121
Nova Scotia	2019	1,723	917	1,954	–	1,000	367	158	–	6,119
	2018	1,638	909	1,825	–	965	357	56	–	5,750
New Brunswick	2019	1,485	977	1,876	–	814	299	65	–	5,516
	2018	1,405	1,003	1,768	–	770	285	46	–	5,277
Quebec.....	2019	14,775	3,703	11,738	(5,046)	8,679	3,185	696	–	37,730
	2018	14,024	3,876	11,155	(4,739)	8,487	3,144	481	–	36,428
Ontario.....	2019	20,158	5,953	972	–	14,851	5,450	1,148	–	48,532
	2018	19,113	6,057	1,548	–	14,364	5,316	782	–	47,180
Manitoba.....	2019	1,797	682	2,040	–	1,413	518	103	–	6,553
	2018	1,712	658	1,834	–	1,354	501	69	–	6,128
Saskatchewan.....	2019	1,537	647	2	–	1,203	442	89	–	3,920
	2018	1,465	685	12	–	1,176	435	59	–	3,832
Alberta.....	2019	4,544	2,336	2	–	4,461	1,638	328	–	13,309
	2018	4,226	2,675	40	–	4,325	1,601	219	–	13,086
British Columbia.....	2019	7,545	2,133	3	–	5,325	1,955	393	–	17,354
	2018	7,108	2,261	43	–	4,868	1,807	266	–	16,353
Total provinces	2019	54,913	18,787	19,016	(5,046)	38,439	14,114	3,045	–	143,268
	2018	51,967	19,617	18,631	(4,739)	37,000	13,702	2,009	–	138,187
Northwest Territories	2019	33	26	1,256	–	47	17	18	–	1,397
	2018	94	33	1,233	–	45	17	63	–	1,485
Nunavut	2019	11	33	1,579	–	39	14	16	–	1,692
	2018	10	27	1,530	–	39	14	–	–	1,620
Yukon Territory	2019	32	34	950	–	43	16	17	–	1,092
	2018	31	31	920	–	40	15	–	–	1,037
International.....	2019	299	8	–	–	–	–	–	–	307
	2018	273	7	–	–	–	–	–	–	280
Total expenses for provinces and territories ...	2019	55,288	18,888	22,801	(5,046)	38,568	14,161	3,096	–	147,756
	2018	52,375	19,715	22,314	(4,739)	37,124	13,748	2,072	–	142,609
Accrual and other adjustments	2019	(1,922)	–	174	–	–	–	2,171	–	423
	2018	(1,731)	–	–	–	–	–	–	–	(1,731)
Subtotal.....	2019	53,366	18,888	22,975	(5,046)	38,568	14,161	5,267	–	148,179
	2018	50,644	19,715	22,314	(4,739)	37,124	13,748	2,072	–	140,878
Transfers made through the tax system.....	2019	–	–	–	–	–	–	–	23,882	23,882
	2018	–	–	–	–	–	–	–	23,432	23,432
Total major transfer payments	2019	53,366	18,888	22,975	(5,046)	38,568	14,161	5,267	23,882	172,061
	2018	50,644	19,715	22,314	(4,739)	37,124	13,748	2,072	23,432	164,310

¹ Includes the guaranteed income supplement and the spouse's allowance.

² The Quebec Abatement is comprised of federal tax abated under the Alternative Payments for Standing Programs and the Youth Allowance Program of that province.

³ Includes the contributions under the federal Gas Tax Fund program of \$4,341 million (\$2,072 million in 2018).

Public debt charges

Public debt charges include the interest on unmatured debt and on pensions, other future benefits and other liabilities, the amortization of premiums and discounts on unmatured debt, and the servicing costs and the costs of issuing new borrowings.

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 charges¹**

(in millions of dollars)

	2019	2018
Unmatured debt		
Interest on:		
Marketable bonds	12,952	12,440
Retail debt	16	27
Medium-term notes.....	49	32
	<u>13,017</u>	<u>12,499</u>
Amortization of discounts on Canada and Treasury bills		
Treasury bills.....	1,899	994
Canada bills	59	35
	<u>1,958</u>	<u>1,029</u>
Amortization of premiums and discounts on all other debts		
Marketable bonds	340	119
Foreign bonds	5	7
Real return bonds.....	(124)	(126)
Consumer price index adjustments on real return bonds	865	970
	<u>1,086</u>	<u>970</u>
Cross-currency swap revaluation	(133)	(282)
Servicing costs and costs of issuing new borrowings.....	8	13
Interest on capital lease obligations	175	185
Interest on obligations under public-private partnerships.....	80	81
Total public debt charges related to unmatured debt	<u>16,191</u>	<u>14,495</u>
Pensions and other future benefits		
Interest on:		
Public sector pensions—Superannuation accounts.....	6,005	6,347
Allowance for pension adjustments	(2,319)	(2,169)
Consolidated Crown corporations and other entities pensions.....	(177)	(156)
	<u>3,509</u>	<u>4,022</u>
Other employee and veteran future benefits		
Public Service Health Care Plan and Pensioners' Dental Service Plan.....	800	826
Severance and other benefits	42	53
Accumulated sick leave entitlements.....	37	42
Worker's compensation	37	36
Veterans' disability and other future benefits.....	2,021	1,869
Royal Canadian Mounted Police disability and other future benefits.....	326	281
Consolidated Crown corporations and other entities.....	9	9
	<u>3,272</u>	<u>3,116</u>
Total public debt charges related to pensions and other future benefits	<u>6,781</u>	<u>7,138</u>
Other liabilities		
Canada Pension Plan	5	3
Government Annuities Account	7	8
Deposit and trust accounts.....	18	16
Other specified purpose accounts	153	159
Other liabilities.....	111	70
Total public debt charges related to other liabilities	<u>294</u>	<u>256</u>
Consolidated specified purpose accounts		
Interest	8	6
Total public debt charges related to consolidated specified purpose accounts	<u>8</u>	<u>6</u>
Total public debt charges before consolidation adjustments.....	<u>23,274</u>	<u>21,895</u>
Less: consolidation adjustments	8	6
Total public debt charges ^{1 2}	<u>23,266</u>	<u>21,889</u>

Table 3.8
Public debt charges¹—concluded

(in millions of dollars)

	2019	2018
Comprised of:		
Total public debt charges under statutory authorities before accrual and other adjustments and consolidation adjustments	22,243	20,838
Accrual and other adjustments	1,031	1,057
Consolidation adjustments	(8)	(6)
Total public debt charges	23,266	21,889

¹ A summary is provided in Table 2a in Section 1 of Volume II of the Public Accounts of Canada.

² Additional details are provided in Section 7 of Volume III of the Public Accounts of Canada.

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 object¹

(in millions of dollars)

	Total net expenditures	Reconciliation	Total expenses
Transfer payments	174,523	49,955	224,478
Other expenses			
Personnel	46,132	11,550	57,682
Transportation and communications	3,070	(24)	3,046
Information	387	(16)	371
Professional and special services	12,940	(1,904)	11,036
Rentals	3,462	(745)	2,717
Repair and maintenance	3,608	(81)	3,527
Utilities, materials and supplies	3,050	262	3,312
Acquisition of land, buildings and works	2,378	(2,378)	–
Acquisition of machinery and equipment	6,307	(6,307)	–
Other subsidies and expenses	9,991	938	10,929
Amortization of tangible capital assets	–	5,643	5,643
Net loss on disposal of assets	–	175	175
Total other expenses	91,325	7,113	98,438
Public debt charges	22,454	812	23,266
Total gross expenses	288,302	57,880	346,182
Revenues netted against expenditures	(11,461)	11,461	–
Total expenses	276,841	69,341	346,182

¹ 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)

	2019	2018
Old Age Security payments (<i>Old Age Security Act</i>)	40,424	38,410
Canada Health Transfer (Part V.1— <i>Federal-Provincial Fiscal Arrangements Act</i>)	38,567	37,124
Public debt charges	22,244	20,838
Fiscal Equalization (Part I— <i>Federal-Provincial Fiscal Arrangements Act</i>)	18,958	18,254
Canada Social Transfer (Part V.1— <i>Federal-Provincial Fiscal Arrangements Act</i>)	14,161	13,748
Guaranteed Income Supplement payments (<i>Old Age Security Act</i>)	12,404	11,658
Territorial Financing (Part I.1— <i>Federal-Provincial Fiscal Arrangements Act</i>)	3,785	3,682
Gas Tax Fund	2,200	2,100
Canada Student Grants to qualifying full and part-time students pursuant to the <i>Canada Student Financial Assistance Act</i>	1,538	1,323
Payments related to the direct financing arrangement under the <i>Canada Student Financial Assistance Act</i>	965	798
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	911	899
Contribution payments for the AgriInsurance program	665	652
Distribution of fuel charge	664	–
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	583	556
Allowance payments (<i>Old Age Security Act</i>)	562	545
Payments to Canada Infrastructure Bank	553	11
Payments to International Development Association	442	442
Youth Allowances Recovery (<i>Federal-Provincial Fiscal Revision Act, 1964</i>)	(914)	(857)
Alternative Payments for Standing Programs (Part VI— <i>Federal-Provincial Fiscal Arrangements Act</i>)	(4,132)	(3,883)
Total	154,580	146,300
Superannuation, supplementary retirement benefits, death benefits and other pensions ¹		
Public Service		
Government's contributions to the Public Service Pension Plan and the Retirement Compensation Arrangements Account	5,522	2,589
Government's contributions to the Canada and the Quebec pension plans	454	735
Government's contribution to the Employment Insurance Operating Account	308	290
Government's contributions to the Death Benefit Account	15	15
Total	6,299	3,629
Canadian Forces		
Government's contribution to the Canadian Forces Pension Plan and the Retirement Compensation Arrangements Account	1,007	2,870
Government's contribution to the Canada and the Quebec pension plans	199	201
Government's contribution as employer to the Employment Insurance Operating Account	76	77
Statutory payments under the <i>Supplementary Retirement Benefits Act</i>	1	1
Government's contribution to the Death Benefit Account	2	3
Total	1,285	3,152

Table 3.10
Expenditures under statutory authorities—concluded

(in millions of dollars)

	2019	2018
Royal Canadian Mounted Police		
Government's contribution to the Royal Canadian Mounted Police Pension Plan and the Retirement Compensation Arrangements Account	269	276
Government's contribution to the Canada and the Quebec pension plans	61	60
Government's contribution as employer to the Employment Insurance Operating Account	20	25
Statutory payments under the <i>Supplementary Retirement Benefits Act</i>	5	6
Total	355	367
Shared Services Canada		
Government's contribution to the Canada and the Quebec pension plans	3	3
Government's contribution to the Employment Insurance Operation Account, the Royal Canadian Mounted Police Pension Plan and the Retirement Compensation Arrangements Account	1	1
Total	4	4
All other statutory expenditures ²	4,534	4,263
Total ministerial expenditures under statutory authorities ³	167,057	157,715

¹ Details related to other pension accounts, such as the Members of Parliament Retiring Allowances Account, are not included.

² Comparative figures have been reclassified to conform to the current year's presentation.

³ 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.

This page has been intentionally left blank.

Section 4

Public Accounts of Canada 2018–2019

Consolidated accounts as at March 31

Table of contents

	<i>Page</i>
Consolidated Crown corporations and other entities	113
Summary financial statements of consolidated Crown corporations and other entities.....	113
Borrowing by consolidated agent Crown corporations	118
Contingent liabilities of consolidated Crown corporations and other entities	118
Financial assistance under budgetary appropriations to consolidated Crown corporations	119
Consolidated specified purpose accounts	120
Insurance accounts.....	122
Other consolidated specified purpose accounts.....	124
Endowment principal.....	125
Supplementary statement	
Employment Insurance Operating Account	126

This page has been intentionally left blank.

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, 2019

(in thousands of dollars)

Consolidated Crown corporations and other entities	Assets			Total assets
	Financial		Non-financial	
	Third parties	Government, Crown corporations and other entities		
Crown corporations¹				
Atomic Energy of Canada Limited	172,731	85,802	841,978	1,100,511
Canada Council for the Arts	445,136	311	29,473	474,920
Canada Infrastructure Bank	491,914	1,362	1,629	494,905
Canadian Air Transport Security Authority	101,382	141,068	489,797	732,247
Canadian Broadcasting Corporation	1,631,439	163,527	1,096,841	2,891,807
Canadian Commercial Corporation	84,670	1,533	2,929	89,132
Canadian Dairy Commission	9,568	–	158,182	167,750
Canadian Museum for Human Rights	11,657	92	292,016	303,765
Canadian Museum of History	79,133	11,109	228,279	318,521
Canadian Museum of Immigration at Pier 21	13,397	332	13,628	27,357
Canadian Museum of Nature	24,030	274	177,131	201,435
Canadian Race Relations Foundation	28,093	2,383	37	30,513
Canadian Tourism Commission.....	43,017	1,889	2,737	47,643
Defence Construction (1951) Limited	30,325	21,321	2,247	53,893
International Development Research Centre.....	72,117	1,708	6,612	80,437
Marine Atlantic Inc.	157,428	13,404	443,708	614,540
National Arts Centre Corporation.....	37,568	1,345	227,253	266,166
National Capital Commission.....	191,177	4,724	669,247	865,148
National Gallery of Canada	14,447	1,037	87,425	102,909
National Museum of Science and Technology.....	49,613	3,426	256,139	309,178
Standards Council of Canada.....	8,970	1,047	2,585	12,602
Telefilm Canada	7,443	56,644	7,179	71,266
The Federal Bridge Corporation Limited.....	33,167	368	396,254	429,789
The Jacques Cartier and Champlain Bridges Inc.....	51,353	1,750	590,807	643,910
VIA Rail Canada Inc.	462,528	38,339	1,072,117	1,572,984
Windsor-Detroit Bridge Authority.....	264,004	14,049	1,123,963	1,402,016
Total—Crown corporations.....	4,516,307	568,844	8,220,193	13,305,344
Conversion to the Government accounting basis for consolidation purposes.....	(57,456)	–	(86,045)	(143,501)
Net Crown corporations on the Government accounting basis	4,458,851	568,844	8,134,148	13,161,843
Other entities²				
Canada Foundation for Innovation	191,653	34,372	4,184	230,209
Canada Foundation for Sustainable Development Technology.....	16,715	–	1,205	17,920
First Nations Market Housing Fund.....	322,235	39,910	302	362,447
St. Lawrence Seaway Management Corporation	195,197	20,520	16,245	231,962
Capital Fund Trust	2,368	10,940	–	13,308
Employee Termination Benefits Trust Fund	1,018	3	–	1,021
Total—Other entities	729,186	105,745	21,936	856,867
Conversion to the Government accounting basis for consolidation purposes.....	2,283	(191)	–	2,092
Net other entities on the Government accounting basis	731,469	105,554	21,936	858,959
Total	5,190,320	674,398	8,156,084	14,020,802

¹ All Crown corporations listed at the margin in this table are parent Crown corporations.

² 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							
–	7,821,512	284	7,821,796	(7,185,997)	449,712	15,000	(6,721,285)	1,100,511
–	138,007	1,792	139,799	335,121	–	–	335,121	474,920
–	2,901	1,604	4,505	490,400	–	–	490,400	494,905
–	177,917	1,394	179,311	552,936	–	–	552,936	732,247
291,846	598,867	(6,937)	883,776	2,008,031	–	–	2,008,031	2,891,807
–	48,061	19,722	67,783	11,349	10,000	–	21,349	89,132
5,638	61,656	100,456	167,750	–	–	–	–	167,750
–	157,065	137,101	294,166	9,599	–	–	9,599	303,765
–	29,325	220,637	249,962	68,559	–	–	68,559	318,521
–	9,457	13,670	23,127	4,230	–	–	4,230	27,357
–	40,077	163,511	203,588	(2,153)	–	–	(2,153)	201,435
–	439	–	439	30,074	–	–	30,074	30,513
–	19,868	67	19,935	27,708	–	–	27,708	47,643
–	43,721	718	44,439	9,454	–	–	9,454	53,893
–	44,562	21,730	66,292	14,145	–	–	14,145	80,437
–	105,975	2,994	108,969	505,571	–	–	505,571	614,540
–	26,338	245,178	271,516	(5,350)	–	–	(5,350)	266,166
–	191,952	4,143	196,095	669,053	–	–	669,053	865,148
–	8,364	91,762	100,126	2,783	–	–	2,783	102,909
–	21,495	274,240	295,735	13,443	–	–	13,443	309,178
–	5,996	45	6,041	6,561	–	–	6,561	12,602
–	57,344	111	57,455	13,811	–	–	13,811	71,266
62,546	23,427	107,770	193,743	236,046	–	–	236,046	429,789
–	76,583	1,431	78,014	565,896	–	–	565,896	643,910
–	233,961	1,022,858	1,256,819	306,865	–	9,300	316,165	1,572,984
–	730,631	–	730,631	671,385	–	–	671,385	1,402,016
360,030	10,675,501	2,426,281	13,461,812	(640,480)	459,712	24,300	(156,468)	13,305,344
–	(12,160)	(2,134,804)	(2,146,964)	2,487,475	(459,712)	(24,300)	2,003,463	(143,501)
360,030	10,663,341	291,477	11,314,848	1,846,995	–	–	1,846,995	13,161,843
–	1,295	228,914	230,209	–	–	–	–	230,209
–	3,906	14,014	17,920	–	–	–	–	17,920
–	58,739	303,708	362,447	–	–	–	–	362,447
–	107,822	9,207	117,029	114,933	–	–	114,933	231,962
–	2	13,306	13,308	–	–	–	–	13,308
–	3	1,018	1,021	–	–	–	–	1,021
–	171,767	570,167	741,934	114,933	–	–	114,933	856,867
–	–	(556,940)	(556,940)	559,032	–	–	559,032	2,092
–	171,767	13,227	184,994	673,965	–	–	673,965	858,959
360,030	10,835,108	304,704	11,499,842	2,520,960	–	–	2,520,960	14,020,802

Table 4.2
Revenues, expenses and other changes in equity of consolidated Crown corporations
and other entities for the year ended March 31, 2019

(in thousands of dollars)

Consolidated Crown corporations and other entities	Revenues			Total
	Third parties	Government, Crown corporations and other entities		
		Financial assistance	Other	
Crown corporations				
Atomic Energy of Canada Limited	111,089	829,233	2,568	942,890
Canada Council for the Arts	16,743	292,991	1,100	310,834
Canada Infrastructure Bank	2,737	560,376	–	563,113
Canadian Air Transport Security Authority	13,487	813,926	–	827,413
Canadian Broadcasting Corporation	488,211	1,210,831	1,935	1,700,977
Canadian Commercial Corporation	28,952	–	2,169	31,121
Canadian Dairy Commission	350,941	3,979	–	354,920
Canadian Museum for Human Rights	11,456	30,282	–	41,738
Canadian Museum of History	20,128	81,029	1,129	102,286
Canadian Museum of Immigration at Pier 21	3,483	9,982	126	13,591
Canadian Museum of Nature	11,287	34,763	76	46,126
Canadian Race Relations Foundation	530	–	203	733
Canadian Tourism Commission	27,159	95,655	762	123,576
Defence Construction (1951) Limited	708	–	114,220	114,928
International Development Research Centre	36,574	140,366	18,892	195,832
Marine Atlantic Inc.	111,818	125,668	–	237,486
National Arts Centre Corporation	33,587	49,047	2,855	85,489
National Capital Commission	35,796	109,309	10,621	155,726
National Gallery of Canada	17,584	51,586	527	69,697
National Museum of Science and Technology	14,187	36,583	2,050	52,820
Standards Council of Canada	10,199	17,974	829	29,002
Telefilm Canada	24,010	101,899	511	126,420
The Federal Bridge Corporation Limited	42,783	3,395	–	46,178
The Jacques Cartier and Champlain Bridges Inc.	1,703	161,330	–	163,033
VIA Rail Canada Inc.	395,769	374,229	2,635	772,633
Windsor-Detroit Bridge Authority	5,045	345,052	5,948	356,045
Total—Crown corporations	1,815,966	5,479,485	169,156	7,464,607
Conversion to the Government accounting basis for consolidation purposes	9,675	77,428	–	87,103
Total on the Government accounting basis	1,825,641	5,556,913	169,156	7,551,710
Consolidation adjustments	967	(5,556,913)	(169,156)	(5,725,102)
Net amount—Crown corporations	1,826,608	–	–	1,826,608
Other entities				
Canada Foundation for Innovation	5,465	394,462	608	400,535
Canada Foundation for Sustainable Development Technology	698	104,249	–	104,947
First Nations Market Housing Fund	10,287	–	977	11,264
St. Lawrence Seaway Management Corporation	82,505	1,799	47,294	131,598
Capital Fund Trust	91	52,000	(3,842)	48,249
Employee Termination Benefits Trust Fund	21	–	1	22
Total—Other entities	99,067	552,510	45,038	696,615
Conversion to the Government accounting basis for consolidation purposes	(32,393)	(75,317)	(191)	(107,901)
Total on the Government accounting basis	66,674	477,193	44,847	588,714
Consolidation adjustments	1,394	(477,193)	(44,847)	(520,646)
Net amount—Other entities	68,068	–	–	68,068
Total	1,894,676	–	–	1,894,676

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	
1,118,767	3,006	1,121,773	(178,883)	(6,869,098)	–	1,007	–	325,689	(6,721,285)
309,006	1,127	310,133	701	324,254	–	10,166	–	–	335,121
72,755	–	72,755	490,358	42	–	–	–	–	490,400
762,946	18,845	781,791	45,622	507,315	(1)	–	–	–	552,936
1,746,209	1,684	1,747,893	(46,916)	2,052,821	2,126	–	–	–	2,008,031
23,022	3,982	27,004	4,117	23,571	(6,339)	–	–	–	21,349
356,216	2,374	358,590	(3,670)	–	3,670	–	–	–	–
39,222	2,085	41,307	431	9,168	–	–	–	–	9,599
87,514	12,852	100,366	1,920	66,639	–	–	–	–	68,559
10,219	2,621	12,840	751	3,810	(257)	(74)	–	–	4,230
41,196	2,929	44,125	2,001	(4,154)	–	–	–	–	(2,153)
1,066	–	1,066	(333)	29,452	–	955	–	–	30,074
131,055	1,241	132,296	(8,720)	36,745	–	(317)	–	–	27,708
115,137	(28)	115,109	(181)	9,808	–	(173)	–	–	9,454
202,686	2,958	205,644	(9,812)	23,957	–	–	–	–	14,145
238,534	–	238,534	(1,048)	508,704	–	(2,085)	–	–	505,571
82,954	2,290	85,244	245	(5,595)	–	–	–	–	(5,350)
126,597	7,976	134,573	21,153	646,900	1,000	–	–	–	669,053
61,812	7,388	69,200	497	2,358	(72)	–	–	–	2,783
45,960	6,634	52,594	226	13,217	–	–	–	–	13,443
26,656	71	26,727	2,275	4,286	–	–	–	–	6,561
132,666	2,033	134,699	(8,279)	22,090	–	–	–	–	13,811
47,758	–	47,758	(1,580)	237,424	(278)	480	–	–	236,046
156,466	–	156,466	6,567	559,329	–	–	–	–	565,896
726,696	9,321	736,017	36,616	279,549	–	–	–	–	316,165
226,857	–	226,857	129,188	536,437	(3)	5,763	–	–	671,385
6,889,972	91,389	6,981,361	483,246	(980,971)	(154)	15,722	–	325,689	(156,468)
(185,270)	5,565	(179,705)	266,808	2,077,912	154	(15,722)	–	(325,689)	2,003,463
6,704,702	96,954	6,801,656	750,054	1,096,941	–	–	–	–	1,846,995
3,022	(96,954)	(93,932)	(5,631,170)	–	5,631,170	–	–	–	–
6,707,724	–	6,707,724	(4,881,116)	1,096,941	5,631,170	–	–	–	1,846,995
400,503	32	400,535	–	–	–	–	–	–	–
104,947	–	104,947	–	–	–	–	–	–	–
10,287	977	11,264	–	–	–	–	–	–	–
112,974	200	113,174	18,424	96,509	–	–	–	–	114,933
2	48,247	48,249	–	–	–	–	–	–	–
2	20	22	–	–	–	–	–	–	–
628,715	49,476	678,191	18,424	96,509	–	–	–	–	114,933
953	(953)	–	(107,901)	666,933	–	–	–	–	559,032
629,668	48,523	678,191	(89,477)	763,442	–	–	–	–	673,965
979	(48,523)	(47,544)	(473,102)	–	473,102	–	–	–	–
630,647	–	630,647	(562,579)	763,442	473,102	–	–	–	673,965
7,338,371	–	7,338,371	(5,443,695)	1,860,383	6,104,272	–	–	–	2,520,960

Borrowings by consolidated agent Crown corporations

Table 4.3
Borrowings by consolidated agent Crown corporations

(in thousands of dollars)

	April 1, 2018	Borrowings and other credits	Repayments and other charges	March 31, 2019
Canadian Broadcasting Corporation.....	316,580	19,778	44,512	291,846
Canadian Dairy Commission	6,253	82,676	83,291	5,638
The Federal Bridge Corporation Limited	70,903	–	8,357	62,546
Total	393,736	102,454	136,160	360,030

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)

	2019
Pending and threatened litigation and other claims—Provision accrued.....	36,022
Pending and threatened litigation and other claims—Disclosure only	22,527

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, 2019

(in thousands of dollars)

	Program expenditures vote	Operating expenditures vote	Capital expenditures vote	Financial assistance under budgetary appropriations ¹
Agent Crown corporations				
Atomic Energy of Canada Limited	829,233	–	–	829,233
Canadian Air Transport Security Authority	817,771	–	–	817,771
Canadian Broadcasting Corporation	–	1,097,822	113,009	1,210,831
Canadian Dairy Commission	3,979	–	–	3,979
Canadian Museum for Human Rights	25,336	–	–	25,336
Canadian Museum of History	76,247	–	–	76,247
Canadian Museum of Immigration at Pier 21	8,241	–	–	8,241
Canadian Museum of Nature	31,115	–	–	31,115
Canadian Tourism Commission	98,683	–	–	98,683
National Capital Commission	–	72,193	37,295	109,488
National Gallery of Canada	–	43,461	8,000	51,461
National Museum of Science and Technology	30,243	–	–	30,243
Telefilm Canada	101,899	–	–	101,899
The Federal Bridge Corporation Limited	3,464	–	–	3,464
The Jacques Cartier and Champlain Bridges Inc.	166,798	–	–	166,798
Total—Agent Crown corporations	2,193,009	1,213,476	158,304	3,564,789
Non-agent Crown corporations				
Canada Council for the Arts	292,791	–	–	292,791
Canada Infrastructure Bank	552,862	–	–	552,862
International Development Research Centre	140,366	–	–	140,366
Marine Atlantic Inc.	125,945	–	–	125,945
National Arts Centre Corporation	35,439	–	–	35,439
Standards Council of Canada	17,974	–	–	17,974
VIA Rail Canada Inc.	496,247	–	–	496,247
Windsor-Detroit Bridge Authority	330,500	–	–	330,500
Total—Non-agent Crown corporations	1,992,124	–	–	1,992,124
Total	4,185,133	1,213,476	158,304	5,556,913

¹ 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)

	Revenues and other credits		Expenses and other debits		March 31, 2019	
	April 1, 2018	External transactions	Internal transactions	External transactions		Internal transactions
Insurance accounts						
Agriculture and Agri-Food						
Department of Agriculture and Agri-Food						
Crop Reinsurance Fund	576,801,678	571,763	–	–	–	577,373,441
Less: Interest-bearing loans	277,514,751	–	–	–	–	277,514,751
	299,286,927	571,763	–	–	–	299,858,690
Agricultural Commodities Stabilization						
Accounts.....	646,510	–	–	–	–	646,510
	299,933,437	571,763	–	–	–	300,505,200
Families, Children and Social Development						
Department of Employment and Social Development						
Employment Insurance Operating Account, Table 4.7.....	2,951,357,681	22,378,165,486	403,478,641	19,172,505,680	1,644,849,123	4,915,647,005
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	4,298,981	140,464	–	–	–	4,439,445
Transport						
Department of Transport						
Fund for railway accidents involving designated goods						
	17,834,874	21,640,936	668,335	503,987	72,033	39,568,125
Ship-Source Oil Pollution Fund	412,203,667	2,234,410	7,567,430	2,406,554	8,134,233	411,464,720
	430,038,541	23,875,346	8,235,765	2,910,541	8,206,266	451,032,845
Total insurance accounts	3,685,702,329	22,402,753,059	411,714,406	19,175,416,221	1,653,055,389	5,671,698,184

Table 4.6
Consolidated specified purpose accounts—concluded

(in dollars)

	April 1, 2018	Revenues and other credits		Expenses and other debits		March 31, 2019
		External transactions	Internal transactions	External transactions	Internal transactions	
Other consolidated specified purpose accounts						
Canadian Heritage and Multiculturalism						
The National Battlefields Commission						
Trust Fund.....	919,243	270,092	–	14,606	–	1,174,729
Crown-Indigenous Relations						
Department of Indian Affairs and Northern Development						
Environmental Studies Research Fund	768,984	–	286,103	–	768,984	286,103
Environment and Climate Change						
Department of the Environment						
Court Award Deposits						
Other than Environmental Damages Fund .	418,566	102,196	–	11,569	–	509,193
Environmental Damages Fund	25,320,133	4,387,028	3,207,416	3,411,716	267,590	29,235,271
Parks Canada Agency						
New Parks and Historic Sites Account	39,843,447	1,240,681	44,298,158	27,643,695	133,150	57,605,441
	65,582,146	5,729,905	47,505,574	31,066,980	400,740	87,349,905
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						
<i>Species at Risk Act</i>	35,000	–	–	–	–	35,000
Supplementary Fish Fines Account	1,618,899	802,275	–	120,414	–	2,300,760
	1,653,899	802,275	–	120,414	–	2,335,760
Natural Resources						
Department of Natural Resources						
Environmental Studies Research Fund	4,637,019	2,855,958	–	1,140,153	618,586	5,734,238
Public Services and Procurement						
Department of Public Works and Government Services						
Seized Property Proceeds Account	27,107,832	24,460,860	–	24,823,409	–	26,745,283
Transport						
Department of Transport						
Fines for the Transportation of Dangerous Goods						
	4,113,754	–	–	–	–	4,113,754
Total other consolidated specified purpose accounts	351,006,341	34,119,090	47,791,677	57,165,562	1,788,310	373,963,236
Endowment principal						
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 Economic development						
National Research Council of Canada						
H.L. Holmes Fund.....	5,258,897	54,535	–	–	–	5,313,432
W.G. Schneider Fund	30,000	–	–	–	–	30,000
	5,288,897	54,535	–	–	–	5,343,432
Science						
Social Sciences and Humanities						
Research Council						
Queen's Fellowship Fund.....	250,000	–	–	–	–	250,000
Total endowment principal	5,838,897	54,535	–	–	–	5,893,432
Total	4,042,547,567	22,436,926,684	459,506,083	19,232,581,783	1,654,843,699	6,051,554,852

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 \$1.66 from January 1, 2018, to December 31, 2018, for employees without a Provincial Parental Insurance Plan and \$1.30 for the others. From January 1, 2019, to March 31, 2019, the rate was \$1.62 for employees without a Provincial Parental Insurance Plan and \$1.25 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 2019 calendar year is \$53,100 (\$51,700 in 2018).

Table 4.7
Transactions in the Employment Insurance Operating Account

(in millions of dollars)

	2019	2018
Revenues		
Premiums		
Employers and employees ¹	22,699	21,533
Penalties and interest revenue.....	83	81
	<u>22,782</u>	<u>21,614</u>
Expenses		
Benefits	16,717	17,666
Transfers to the provinces—Part II.....	2,171	2,049
Administration costs.....	1,641	1,686
Administration cost transferred to provinces	189	192
Bad debts.....	99	69
	<u>20,817</u>	<u>21,662</u>
Net change	1,965	(48)
Balance at beginning of year.....	2,951	2,999
Balance at end of year.....	<u>4,916</u>	<u>2,951</u>

¹ 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 \$403 million (\$394 million in 2018).

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 a continuation of the Nuclear Liability Reinsurance Account under the previous *Nuclear Liability Act*. It 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.

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. Following the land acquisitions of the Commission, funds remained in the account and increased over a period of years as a result of interest earned, while the Commission was listed in Schedule C of the *Financial Administration Act*, prior to September 1, 1984.

Environmental Studies Research Fund—Department of Indian Affairs and Northern Development

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.

Court Award 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 account was established pursuant to the *Parks Canada Agency Act* primarily to make payments to be used to acquire real property or immovables related to, or to develop or maintain, any national park, national historic site, national marine conservation area or other protected heritage area that is being established, enlarged or designated.

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 Her 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 the residue of 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 (the 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 of the Commission, 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, 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 Families, Children and Social Development.

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.

Graham Flack
*Deputy Minister
Employment and Social Development Canada
and Chairperson of the Canada Employment Insurance Commission*

Mark Perlman, CPA, CMA
*Chief Financial Officer
Employment and Social Development Canada*

Gatineau, Canada
August 27, 2019

Employment Insurance Operating Account—*continued*

Independent Auditor's Report

To the Minister of Families, Children and Social Development

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 2019, and the statement of operations and accumulated surplus, statement of change in net financial assets 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 2019, and the results of its operations, changes in its net financial assets, 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.

Nathalie Chartrand, CPA, CA
Principal
for the Interim Auditor General of Canada

Ottawa, Canada
27 August 2019

Employment Insurance Operating Account—*continued*Statement of financial position
as at March 31

(in thousands of dollars)

	2019	2018
Financial assets		
Balance of the account with Receiver General for Canada	2,698,319	1,039,001
Premiums receivable (Note 7)	2,120,052	1,857,496
Benefit overpayments and penalties receivable (Note 3)	494,891	460,539
Benefit repayments receivable from higher income claimants	432,284	437,907
	<u>5,745,546</u>	<u>3,794,943</u>
Liabilities		
Benefits payable	784,384	781,323
Other accounts payable (Note 4).....	45,515	62,262
	<u>829,899</u>	<u>843,585</u>
Net financial assets and accumulated surplus	<u>4,915,647</u>	<u>2,951,358</u>

Contractual obligations (Note 10)

Contingent liabilities (Note 12)

The accompanying notes and schedules are an integral part of these financial statements.

Approved by:

Graham Flack
Deputy Minister
Employment and Social Development Canada
and Chairperson of the Canada Employment Insurance Commission

Mark Perlman, CPA, CMA
Chief Financial Officer
Employment and Social Development Canada

Employment Insurance Operating Account—continued**Statement of operations and accumulated surplus
for the year ended March 31**

(in thousands of dollars)

	Budget 2019	Actual 2019	Actual 2018
	(Note 6)		
Revenues			
Premiums (Note 7)	22,278,000	22,698,401	21,532,975
Penalties (Note 3)	61,000	62,021	64,357
Interest (Note 3)	22,000	21,222	16,637
	22,361,000	22,781,644	21,613,969
Expenses			
Benefits and support measures (Schedule I)			
Income benefits (Note 8)	18,850,000	16,866,292	17,855,630
Transfers to provinces and territories related to Labour			
Market Development Agreements (LMDA)	2,215,000	2,170,960	2,048,593
Support measures	124,141	136,960	119,218
Benefit repayments from higher income claimants	(265,000)	(286,247)	(308,560)
	20,924,141	18,887,965	19,714,881
Administration costs (Note 9)	1,676,390	1,830,404	1,877,823
Bad debts	50,000	98,986	69,262
	22,650,531	20,817,355	21,661,966
Net surplus (deficit) for the year	(289,531)	1,964,289	(47,997)
Accumulated surplus—beginning of year	2,951,358	2,951,358	2,999,355
Accumulated surplus—end of year	2,661,827	4,915,647	2,951,358

The accompanying notes and schedules are an integral part of these financial statements.

**Statement of change in net financial assets
for the year ended March 31**

(in thousands of dollars)

	Budget 2019	Actual 2019	Actual 2018
	(Note 6)		
Net surplus (deficit) for the year	(289,531)	1,964,289	(47,997)
Net financial assets—beginning of year	2,951,358	2,951,358	2,999,355
Net financial assets—end of year	2,661,827	4,915,647	2,951,358

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)

	2019	2018
Operating activities		
Cash receipts		
Premiums.....	22,435,846	21,234,971
Recoveries of benefit overpayments, penalties and interest.....	344,300	355,907
Benefit repayments received from higher income claimants	291,870	257,868
	<u>23,072,016</u>	<u>21,848,746</u>
Cash payments		
Income benefits.....	(17,213,520)	(18,282,948)
Transfers to provinces and territories related to LMDA	(2,188,798)	(1,971,305)
Support measures.....	(138,199)	(119,729)
Administration costs	(1,872,181)	(1,832,830)
	<u>(21,412,698)</u>	<u>(22,206,812)</u>
Net change in balance of the account with Receiver General for Canada	1,659,318	(358,066)
Balance of the account with Receiver General for Canada		
Beginning of year.....	1,039,001	1,397,067
End of year	2,698,319	1,039,001

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, 2019

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, 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 these financial statements, the Consolidated Revenue Fund is represented by the Balance of the account with 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.

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 employment benefits and support measures established under Part II of 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.

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 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 period 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) Benefits and support measures

Benefits and support measures include income benefits (or benefits under Part I of the Act) and employment benefits and support measures (benefits under Part II of the Act). Those benefit expenses 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.

Income benefits provide temporary income support to claimants while they look for work. Income benefits includes self-employed fishers and work-sharing agreements for temporary work shortages. It also includes special benefits such as maternity, parental, sickness, family caregiver and compassionate care benefits. Income 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. Overpayments established during the year are deducted from these expenses.

Employment Insurance Operating Account—continued**Notes to the financial statements for the year ended March 31, 2019—continued**

The rates for income benefits are set on a calendar year basis. The maximum rate is \$562 per week for the period from January to December 2019, and \$547 per week for January to December 2018 (\$543 per week for 2017). 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.

Transfer payments to the provinces and territories under the LMDA are made pursuant to section 63 of the Act. Similar to the employment benefits and support measures, 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 and recorded as a reduction of expenses.

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 year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement and the transfer is authorized.

Claimants with income levels higher than those stated in the Act have to repay benefits received. 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 surplus and Schedule I as benefit repayments from higher income claimants.

(d) 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 on behalf of the Commission. 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.

(e) 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.

(f) 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.

Employment Insurance Operating Account—continued

Notes to the financial statements for the year ended March 31, 2019—continued

(g) 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, benefit repayments, allowance for doubtful accounts, estimated overpayments and underpayments of benefits disclosed in Note 8, contingent liabilities and the amounts presented in Schedule II. Actual results could differ significantly from those estimates.

3. Benefit overpayments and penalties receivable

(in thousands of dollars)

	2019	2018
Benefit overpayments receivable	706,263	629,092
Penalties receivable.....	188,724	168,289
	894,987	797,381
Less: allowance for doubtful accounts	400,096	336,842
	494,891	460,539

Overpayments on claims processed during the current and preceding years are detected through a verification process. These overpayments are accounted for by reducing the benefit expenses during the year in which they are established.

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.

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.

Interest is charged on outstanding EI debts caused through misrepresentation. This includes overpayments and penalties. As per section 56.1(3) of the *Employment Insurance Regulations*, the rate of interest charged to EI claimants, employers or third parties on outstanding debts is equal to 3% above the average bank rate.

(in thousands of dollars)

	2019	2018
Benefit overpayments receivable—beginning of year.....	629,092	576,444
Benefit overpayments established.....	394,395	391,632
Interest accrued	18,039	14,232
Reimbursement	(302,860)	(318,777)
Uncollectible benefit overpayments receivable written off.....	(32,403)	(34,439)
Benefit overpayments receivable—end of year	706,263	629,092
Penalties receivable—beginning of year	168,289	143,980
Penalties imposed	62,021	64,357
Interest accrued	7,735	5,734
Reimbursement	(41,440)	(37,130)
Uncollectible penalties written off.....	(7,881)	(8,652)
Penalties receivable—end of year	188,724	168,289

During 2019, the Account charged a total \$25.8 million (\$19.9 million in 2018) of interest. The interest revenue presented in the Statement of operations and accumulated surplus (\$21.2 million in 2019 and \$16.6 million in 2018) is net of interest charged on accounts receivable deemed unrecoverable (\$4.6 million in 2019 and \$3.3 million in 2018). The allowance for doubtful accounts was increased by this amount.

Employment Insurance Operating Account—continued

Notes to the financial statements for the year ended March 31, 2019—continued

4. Other accounts payable

(in thousands of dollars)

	2019	2018
Accounts payable—Related parties		
Administration costs payable to federal government departments	12,612	49,657
Amounts payable to ESDC related to LMDA	1,018	5,751
Tax deductions on benefits due to CRA	27,805	5,267
Other deductions	1,322	343
	42,757	61,018
Accounts payable—External parties		
Assignments of benefits due to social services organizations	1,133	922
Tax deductions on benefits due to Quebec	1,625	322
	2,758	1,244
	45,515	62,262

5. 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 are usually recovered over a period longer than one year. As interest is only applicable to overpayments caused through misrepresentation and on penalties, and as the allowance for doubtful accounts reduces the carrying value, the benefit overpayments and penalties receivable is assumed to approximate its fair value.

All of these financial assets and liabilities arose in the normal course of business.

6. Comparison of results against budget

The budget amounts included in the Statement of operations and accumulated surplus and Schedule I—Benefits and support measures are part of the amounts reported in the Employment and Social Development Canada's future oriented consolidated financial statements, which are included in the 2018–2019 Departmental Plan.

Employment Insurance Operating Account—continued

Notes to the financial statements for the year ended March 31, 2019—continued

7. 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 and benefits repayments receivable from higher income claimants which are due from CRA. CRA collects premiums from employers, employees and from higher income claimants 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. The benefit repayments receivable are cashed on a monthly basis based on the actual amounts received by CRA from the higher income claimants during the previous month.

Premium revenue of \$22,698 million (\$21,533 million in 2018) 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 2019 includes \$7,750 million in forecasted premium revenue for the 3-month period from January to March 2019 (\$7,757 million in 2018), or approximately 34.40% (35.17% in 2018) of the total forecast premium revenue of \$22,529 million for calendar year 2019 (\$22,057 million for 2018), net of reductions and refunds. This estimate is based on the forecasted total insurable earnings of \$642,776 million in calendar year 2019 (\$612,873 million in 2018). The total insurable earnings forecasts are mainly dependent upon the projected growth in both employment (0.85% in 2019 and 1.38% in 2018) and average wages (3.05% in 2019 and 1.74% in 2018).

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 2019
Employment growth	+/- 0.1%	+/- \$8 million
Average wages.....	+/- 0.1%	+/- \$3 million

Actual premium revenue for calendar years 2018 and 2019 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 2017, as known and recorded at the time of the preparation of these financial statements is a decrease in revenue of \$103.4 million (\$188.0 million decrease for calendar year 2016 in 2018 financial statements).

For the 2019 calendar year, premium rate for each \$100 of insurable earnings was set under section 66 of the Act at 1.62 (1.66 in 2018 and 1.63 in 2017) 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 1.25 for 2019 (1.30 in 2018 and 1.27 in 2017). The employers must pay 1.4 times the amount of the employee's premiums. The annual maximum insurable earnings for 2019 is \$53,100 (\$51,700 in 2018 and \$51,300 in 2017).

Employment Insurance premiums include the employer's share of premiums paid by the federal government of \$403.5 million (\$393.4 million in 2018).

Employment Insurance Operating Account—continued

Notes to the financial statements for the year ended March 31, 2019—continued

8. Estimated overpayments and underpayments of benefits

The verification of 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.

In order to measure the accuracy of benefit payments, ESDC has a program in place which establishes an annual payment accuracy rate and estimates, through statistical extrapolation, the most likely value of incorrect benefit payouts.

For benefits paid during the twelve months ended March 31, 2019, these undetected overpayments and underpayments are estimated to be \$605.8 million and \$135.3 million respectively (\$677.5 million and \$96.6 million in 2018). The annual payment accuracy rate (which is comprised of three error sources: claimant, employer and administrative) and estimated value of errors are used by ESDC to assess the quality of decisions and the need, if any, to improve its systems and practices of processing claims.

The overpayments established during the year, as indicated in Note 3, are not directly linked to the above noted estimated overpayments and underpayments of benefits for the same period.

9. Administration costs

(in thousands of dollars)

	2019	2018
Administration costs—Related parties		
Employment and Social Development Canada		
Personnel related costs	950,279	985,067
Non-personnel related costs	379,276	383,982
Canada Revenue Agency		
Collection of premiums and rulings	212,755	214,534
Treasury Board Secretariat		
Health Insurance Plan and Public Service Insurance	83,323	92,639
Administrative Tribunals Support Service of Canada		
Social Security Tribunal	18,209	14,200
Courts Administration Services		
Courts Administration Services	1,007	1,017
	1,644,849	1,691,439
Deduct: Recovery of costs from the Canada Pension Plan for maintaining the social insurance number registry	4,140	5,255
	1,640,709	1,686,184
Administration costs—External parties		
Administration costs incurred by provinces and territories under the LMDA	189,695	191,639
	1,830,404	1,877,823

Employment Insurance Operating Account—continued

Notes to the financial statements for the year ended March 31, 2019—concluded

10. 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)

	2020	2021	2022	2023	2024 and thereafter	Total
Related parties						
Administration costs.....	1,885,512	–	–	–	–	1,885,512
External parties						
Transfers to provinces and territories, including administration costs, related to LMDA.....	2,327,740	–	–	–	–	2,327,740
Other transfer payments	48,806	42,379	27,270	23,331	138,392	280,178
Total.....	4,262,058	42,379	27,270	23,331	138,392	4,493,430

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 eight 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 2021 cannot be reasonably estimated.

ESDC entered into agreements with recipients of the Indigenous Skills and Employment Training (ISET) Program designed to help Indigenous people improve their skills and find employment. Contractual obligations related to the signed agreements have been included in Other transfer payments in the table above. Agreements that were signed after March 31, 2019 have not been included. These agreements will be ongoing for the next 10 years.

11. 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 4, Note 7, Note 9 and Note 10.

There were no significant transactions with key management personnel and their close family members that have occurred at a value different from which they would have been arrived at if the parties were unrelated.

The Account receives audit services without charge from the Office of the Auditor General of Canada. The value of these audit services are not material for the purpose of the Account's financial statements and have not been recorded.

12. 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 is estimated at \$33.4 million as at March 31, 2019 (\$27.6 million in 2018).

A judicial review application to the Federal Court and a policy grievance were filed by the bargaining agent with respect to ESDC decision not to pay retroactivity for certain employees. This may result in administration costs being charged to the Account. The judicial review application and the grievance are seeking salary retroactivity following the classification grievance committee report and recommendation and its application. The outcome of this claim is not determinable at this time.

Employment Insurance Operating Account—continued

Schedule I—Benefits and support measures
for the year ended March 31

(in thousands of dollars)

	Budget 2019 (Note 6)	Actual 2019	Actual 2018
Part I—Income benefits			
Income support			
Regular.....	12,409,000	10,639,258	11,750,954
Fishing.....	332,000	332,784	326,940
Work-sharing.....	24,000	5,775	12,892
	12,765,000	10,977,817	12,090,786
Special benefits			
Parental.....	2,872,000	2,750,600	2,783,673
Sickness.....	1,716,000	1,781,315	1,681,642
Maternity.....	1,234,000	1,191,599	1,175,287
Family caregiver.....	164,000	80,982	31,649
Compassionate care.....	66,000	52,805	61,613
Adoption.....	22,000	21,273	21,319
Self-employment.....	11,000	9,901	9,661
	6,085,000	5,888,475	5,764,844
Total income benefits.....	18,850,000	16,866,292	17,855,630
Less: benefit repayments from higher income claimants.....	265,000	286,247	308,560
Total part I.....	18,585,000	16,580,045	17,547,070
Part II—Employment benefits and support measures			
Employment benefits			
Transfer payments to provinces and territories related to LMDA.....	2,215,000	2,170,960	2,048,593
Support measures			
Labour market partnerships.....	121,596	133,295	112,630
Research and innovation.....	2,545	3,665	6,588
	124,141	136,960	119,218
Total part II.....	2,339,141	2,307,920	2,167,811
Total benefits and support measures.....	20,924,141	18,887,965	19,714,881

Employment Insurance Operating Account—concluded**Schedule II—Statement of operations and accumulated surplus
for the period of January 1st to December 31st**

(in thousands of dollars)

	2018	2017
Revenues		
Premiums	22,692,297	21,082,938
Penalties	62,547	65,594
Interest	19,971	15,368
	<u>22,774,815</u>	<u>21,163,900</u>
Expenses		
Income benefits	17,200,768	18,268,655
Transfers to provinces and territories related to LMDA.....	2,140,484	2,067,610
Support measures	127,000	112,827
Benefits repayments from higher income claimants	(298,854)	(285,917)
	<u>19,169,398</u>	<u>20,163,175</u>
Administration costs.....	1,842,056	1,852,450
Bad debts.....	91,555	59,927
	<u>21,103,009</u>	<u>22,075,552</u>
Net surplus (deficit) for the period	1,671,806	(911,652)
Accumulated surplus—beginning of period.....	1,602,201	2,513,853
Accumulated surplus—end of period	3,274,007	1,602,201

The estimates provided in this Schedule for calendar year 2018 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. The mechanism for setting the Employment Insurance premium rate is designed to ensure that revenues and expenditures break even over a seven year period.

Section 5

*Public Accounts of Canada
2018–2019*

Accounts payable and accrued liabilities as at March 31

Table of contents

	<i>Page</i>
Other accounts payable and accrued liabilities	142
Deferred revenues	146
Amounts payable related to tax	150
Environmental liabilities and asset retirement obligations.....	151
Interest and matured debt	152

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)

	2019	2018
		Restated ¹
Other accounts payable and accrued liabilities, Table 5.2	42,673,872,539	37,691,698,680
Deferred revenues, Table 5.5	7,500,380,171	8,220,306,659
Amounts payable related to tax, Table 5.6	65,200,486,882	61,875,955,006
Provision for contingent liabilities	26,447,057,841	23,029,439,044
Environmental liabilities and asset retirement obligations, Table 5.7	13,192,330,277	12,291,069,498
Interest and matured debt, Table 5.9	4,693,715,213	4,690,402,629
Total	159,707,842,923	147,798,871,516

¹ Details on the restatement can be found in Note 2 of Section 2 of this volume.

Other accounts payable and accrued liabilities

Table 5.2
Other accounts payable and accrued liabilities

(in dollars)

	2019	2018
		Restated ¹
Accounts payable	28,026,025,457	22,946,774,759
Add: consolidation adjustment ²	1,460,940,143	1,348,374,360
	29,486,965,600	24,295,149,119
Accrued salaries and benefits	5,215,246,318	5,104,848,495
Notes payable to international organizations, Table 5.3	195,955,069	240,249,239
Provincial, Territorial and Aboriginal Tax Agreements Account, Table 5.4	7,067,872,435	7,419,117,814
Miscellaneous payroll deductions	180,564,779	125,895,328
Other	527,268,338	506,438,685
Total	42,673,872,539	37,691,698,680

¹ Details on the restatement can be found in Note 2 of Section 2 of this volume.

² Additional information on the consolidated Crown corporations and other entities is provided in Section 4 of this volume.

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.

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, 2018	Receipts and other credits		Payments and other charges		March 31, 2019
		Note issuances	Revaluation ¹	Note encashment	Revaluation ¹	
Department of Finance						
Asian Infrastructure Investment Bank	205,216,352	–	7,847,009	53,440,909	–	159,622,452
International Bank for Reconstruction and Development (World Bank)	30,899,532	–	1,146,382	–	–	32,045,914
Multilateral Investment Guarantee Agency	4,133,355	–	153,348	–	–	4,286,703
Total	240,249,239	–	9,146,739	53,440,909	–	195,955,069

¹ Notes denominated in foreign currencies are translated into Canadian dollars at the year-end closing rates of exchange.

Provincial, Territorial and Aboriginal Tax Agreements Account

This account records taxes administered by the Government of Canada on behalf of provinces, territories, and aboriginal 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 aboriginal 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 Ontario, New Brunswick, Nova Scotia, Newfoundland and Labrador 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. Effective April 1, 2013, the province of British Columbia returned to the provincial sales tax regime.

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 Aboriginal Tax Agreements Account

(in dollars)

	April 1, 2018	Receipts and other credits	Payments and other charges	March 31, 2019
Total personal income tax administered by the Government of Canada	5,551,993,805	74,027,984,793		79,579,978,598
Less: payments to provinces, territories and Aboriginal governments				
Newfoundland and Labrador			1,547,123,267	1,547,123,267
Prince Edward Island			404,390,525	404,390,525
Nova Scotia			2,746,001,479	2,746,001,479
New Brunswick			1,787,195,544	1,787,195,544
Ontario			38,787,890,130	38,787,890,130
Manitoba			3,421,117,729	3,421,117,729
Saskatchewan			2,248,817,946	2,248,817,946
Alberta			11,728,625,346	11,728,625,346
British Columbia			11,233,097,086	11,233,097,086
Yukon			78,344,588	78,344,588
Northwest Territories			89,144,116	89,144,116
Nunavut			36,397,984	36,397,984
Aboriginal governments			26,551,801	26,551,801
			<i>74,134,697,541</i>	<i>74,134,697,541</i>
Total personal income tax on hand	5,551,993,805	74,027,984,793	74,134,697,541	5,445,281,057
Total corporate income tax administered by the Government of Canada	4,932,478,405	22,708,776,898		27,641,255,303
Less: payments to provinces and territories				
Newfoundland and Labrador			283,825,484	283,825,484
Prince Edward Island			104,176,057	104,176,057
Nova Scotia			564,037,771	564,037,771
New Brunswick			442,621,099	442,621,099
Ontario			16,241,216,486	16,241,216,486
Quebec			49,741,984	49,741,984
Manitoba			554,515,363	554,515,363
Saskatchewan			729,363,923	729,363,923
Alberta			126,871,029	126,871,029
British Columbia			3,994,002,631	3,994,002,631
Yukon			10,524,606	10,524,606
Northwest Territories			22,576,552	22,576,552
Nunavut			29,460,624	29,460,624
			<i>23,152,933,609</i>	<i>23,152,933,609</i>
Total corporate income tax on hand	4,932,478,405	22,708,776,898	23,152,933,609	4,488,321,694
Total harmonized sales tax administered by the Government of Canada	(3,065,354,396)	31,340,168,120		28,274,813,724
Less: payments to provinces and territories				
Newfoundland and Labrador			1,062,709,905	1,062,709,905
Prince Edward Island			297,546,054	297,546,054
Nova Scotia			1,859,818,686	1,859,818,686
New Brunswick			1,520,748,143	1,520,748,143
Ontario			26,459,972,009	26,459,972,009
British Columbia			7,143,403	7,143,403
			<i>31,207,938,200</i>	<i>31,207,938,200</i>
Total harmonized sales tax on hand	(3,065,354,396)	31,340,168,120	31,207,938,200	(2,933,124,476)

Table 5.4
Provincial, Territorial and Aboriginal Tax Agreements Account—concluded

(in dollars)

	April 1, 2018	Receipts and other credits	Payments and other charges	March 31, 2019
Total cannabis tax administered by the Government of Canada	–	76,040,081		76,040,081
Less: payments to provinces and territories				
Newfoundland and Labrador			37,615	37,615
Prince Edward Island			69,222	69,222
Nova Scotia			386,799	386,799
New Brunswick			204,409	204,409
Ontario			2,490,180	2,490,180
Quebec			1,173,694	1,173,694
Saskatchewan			208,365	208,365
Alberta			2,678,221	2,678,221
British Columbia			1,339,775	1,339,775
Yukon			39,928	39,928
Northwest Territories			10,892	10,892
Nunavut			6,821	6,821
			<i>8,645,921</i>	<i>8,645,921</i>
Total cannabis tax on hand	–	76,040,081	8,645,921	67,394,160
Total First Nations sales tax administered by the Government of Canada	–	7,803,173	–	7,803,173
Less: payments to Aboriginal governments	–	–	7,803,173	7,803,173
Total First Nations sales tax on hand	–	7,803,173	7,803,173	–
Total First Nations goods and services sales tax administered by the Government of Canada	–	20,944,938	–	20,944,938
Less: payments to Aboriginal governments	–	–	20,944,938	20,944,938
Total First Nations goods and services sales tax on hand	–	20,944,938	20,944,938	–
Total	7,419,117,814	128,181,718,003	128,532,963,382	7,067,872,435

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, 2018	Receipts and other credits	Payments and other charges	March 31, 2019
Deferred revenues				
Immigration, Refugees and Citizenship				
Department of Citizenship and Immigration				
Service fees for immigration and citizenship	478,097,111	1,086,586,441	1,024,449,769	540,233,783
Innovation, Science and Economic Development				
Department of Industry				
Canadian Intellectual Property Office Revolving Fund	64,858,672	130,133,412	126,376,963	68,615,121
Spectrum licence fees	7,219,737,444	155,032,763	905,407,195	6,469,363,012
	7,284,596,116	285,166,175	1,031,784,158	6,537,978,133
Other deferred revenues ¹	408,940,974	920,232,886	960,343,145	368,830,715
Total	8,171,634,201	2,291,985,502	3,016,577,072	7,447,042,631
Other deferred revenues—Specified purpose accounts				
Donation and bequest accounts				
Agriculture and Agri-Food				
Department of Agriculture and Agri-Food				
Shared-cost agreements—Research	17,710,658	3,225,159	8,283,145	12,652,672
Canadian Heritage and Multiculturalism				
Library and Archives of Canada				
Special Operating Account	2,089,757	695,452	1,722,935	1,062,274
National Film Board				
Gift to the Crown	12,850	52,000	14,638	50,212
	2,102,607	747,452	1,737,573	1,112,486
Environment and Climate Change				
Department of the Environment				
Endangered species—Donations	8,948	986	—	9,934
Miscellaneous projects deposits	16,089,956	18,418,381	8,074,251	26,434,086
	16,098,904	18,419,367	8,074,251	26,444,020
Families, Children and Social Development				
Canadian Centre for Occupational Health and Safety				
Donations	113,152	—	—	113,152
Fisheries, Oceans and the Canadian Coast Guard				
Department of Fisheries and Oceans				
Restricted donations	2,620	—	1,373	1,247
Health				
Canadian Institutes of Health Research				
Donations for research	2,892,018	926,895	1,001,567	2,817,346
Innovation, Science and Economic Development				
Department of Industry				
Deposits from non-government organizations	3,165,718	1,780,135	1,099,431	3,846,422
Prime Minister's Awards	680	50,000	—	50,680
	3,166,398	1,830,135	1,099,431	3,897,102
Canadian Space Agency				
RADARSAT-2	5,058	—	2,860	2,198
RADARSAT-2—Data satellite	27,803	1,837,205	1,865,007	1
	32,861	1,837,205	1,867,867	2,199
	3,199,259	3,667,340	2,967,298	3,899,301
National Defence				
Department of National Defence				
Corporate sponsorships and donations	39,130	134,711	150,922	22,919

Table 5.5
Deferred revenues—concluded

(in dollars)

	April 1, 2018	Receipts and other credits	Payments and other charges	March 31, 2019
Office of the Governor General's Secretary				
Cost-sharing agreements and other collaborative agreements	144,822	1,114	1,184	144,752
Donations—Rideau Hall	25,163	–	5,342	19,821
	<i>169,985</i>	<i>1,114</i>	<i>6,526</i>	<i>164,573</i>
Public Safety and Emergency Preparedness				
Royal Canadian Mounted Police				
Civil Remedies Grant Program	1,005	–	576	429
Mounted Police Foundation	290,622	–	–	290,622
Royal Canadian Mounted Police Pipe Band (NCR)	7,163	–	–	7,163
Sponsorship Agreement—Contributions.....	168,653	–	–	168,653
	<i>467,443</i>	<i>–</i>	<i>576</i>	<i>466,867</i>
Science				
Social Sciences and Humanities Research Council				
Trust Fund	365,035	2,827	159,194	208,668
Transport				
Department of Transport				
Shared-cost agreements—Transportation research and development	400,701	1,445,195	1,120,352	725,544
Veterans Affairs				
Department of Veterans Affairs				
Restricted donations				
Canadian Memorial	800	–	800	–
Visitor Education Centre, Vimy Memorial	5,000,000	–	396,996	4,603,004
Wounded Warrior Fund	849	–	149	700
	<i>5,001,649</i>	<i>–</i>	<i>397,945</i>	<i>4,603,704</i>
Total—Donation and bequest accounts	48,563,161	28,570,060	23,900,722	53,232,499
Endowment interest accounts				
Environment and Climate Change				
Parks Canada Agency				
Laurier House—Interest (Mackenzie King Trust Account)	–	4,388	4,388	–
Health				
Canadian Institutes of Health Research				
Endowments for health research	3,001	1,035	–	4,036
Innovation, Science and Economic Development				
National Research Council of Canada				
H.L. Holmes Fund	–	100,000	100,000	–
Science				
Social Sciences and Humanities Research Council				
Queen's Fellowship Fund	106,296	4,709	10,000	101,005
Total—Endowment interest accounts	109,297	110,132	114,388	105,041
Total—Other deferred revenues—Specified purpose accounts	48,672,458	28,680,192	24,015,110	53,337,540
Total—Deferred revenues	8,220,306,659	2,320,665,694	3,040,592,182	7,500,380,171

¹ Certain comparative figures have been restated. Details on the restatement can be found in Note 2 of Section 2 of this volume.

Service fees for immigration and citizenship

This account was established to record fees, rights and privileges derived from the *Citizenship Act* and regulations and the *Immigration and Refugee Protection Act* and regulations. Recognition of earned revenue related to fees, rights and privileges is deferred until the application is finalized.

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 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 an animated film on immigration from the point of view of children.

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.

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.

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.

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.

Civil Remedies Grant Program

This account was established to record grants received under the authority of the British Columbia *Civil Forfeiture Act*. These grants are used for the procurement of specialized police equipment and training.

Mounted Police Foundation

This account was established to record funds received from the Mounted Police Foundation which will be used to cover expenses related to community policing, educational, promotional and public relations projects throughout Canada.

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.

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.

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—Canadian Memorial

This account was established to record directed donations for the purpose of management and maintenance of the Canadian Memorial in Green Park, London, United Kingdom.

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.

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)

	2019	2018
Personal and non-resident income tax	36,803,289,851	35,369,801,219
Corporate income tax	14,923,539,650	13,710,199,662
Goods and services tax	13,395,173,889	12,714,967,677
Customs import duties and excise taxes and duties	78,483,492	80,986,448
Total	65,200,486,882	61,875,955,006

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 obligations

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 and asset retirement obligations

(in dollars)

	2019	2018
Remediation liabilities for contaminated sites		
Agriculture and Agri-Food		
Department of Agriculture and Agri-Food	5,978,858	6,630,455
Canadian Heritage and Multiculturalism		
Canadian Broadcasting Corporation.....	352,000	367,000
National Capital Commission	65,354,000	49,884,000
	<i>65,706,000</i>	<i>50,251,000</i>
Crown-Indigenous Relations		
Department of Indian Affairs and Northern Development	3,772,146,710	3,343,532,437
Environment and Climate Change		
Department of the Environment	213,611,159	194,163,433
Parks Canada Agency	76,892,665	58,050,670
	<i>290,503,824</i>	<i>252,214,103</i>
Fisheries, Oceans and the Canadian Coast Guard		
Department of Fisheries and Oceans	226,345,681	129,545,542
Global Affairs		
Department of Foreign Affairs, Trade and Development	15,934	15,591
Health		
Department of Health.....	–	38,713
Indigenous Services		
Department of Indigenous Services Canada	38,534	–
Infrastructure and Communities		
The Jacques-Cartier and Champlain Bridges Inc.....	26,592,000	24,402,000
Windsor-Detroit Bridge Authority	19,523,000	15,468,000
	<i>46,115,000</i>	<i>39,870,000</i>
Innovation, Science and Economic Development		
National Research Council of Canada.....	3,458,402	3,224,044
National Defence		
Department of National Defence.....	526,425,304	491,413,076
Natural Resources		
Department of Natural Resources	1,800,845	1,755,936
Atomic Energy of Canada Limited	1,054,978,000	988,243,000
	<i>1,056,778,845</i>	<i>989,998,936</i>
Public Safety and Emergency Preparedness		
Canada Border Services Agency.....	1,317,794	1,187,743
Correctional Service of Canada.....	3,211,004	3,203,237
Royal Canadian Mounted Police.....	11,088,614	9,693,093
	<i>15,617,412</i>	<i>14,084,073</i>
Public Services and Procurement		
Department of Public Works and Government Services.....	239,334,375	218,431,732
Transport		
Department of Transport.....	228,297,858	171,038,656
VIA Rail Canada Inc.....	1,312,000	200,000
	<i>229,609,858</i>	<i>171,238,656</i>
Gross remediation liability for contaminated sites	6,478,074,737	5,710,488,358
Less expected recoveries—Department of Indian Affairs and Northern Development	23,161,964	23,431,315
Net remediation liability of contaminated sites.....	<u>6,454,912,773</u>	<u>5,687,057,043</u>
Other environmental liabilities		
National Defence		
Department of National Defence (unexploded explosive ordnance affected sites)	115,201,168	122,124,589
Asset retirement obligations		
Natural Resources		
Atomic Energy of Canada Limited (nuclear facility decommissioning)	6,613,955,000	6,473,301,000
Others.....	8,261,336	8,586,866
Total asset retirement obligations	<u>6,622,216,336</u>	<u>6,481,887,866</u>
Total environmental liabilities and asset retirement obligations	<u>13,192,330,277</u>	<u>12,291,069,498</u>

Changes in liability for remediation of contaminated sites**Table 5.8**
Changes in liability for remediation of contaminated sites

(in dollars)

	2019	2018
Opening balance	5,710,488,358	5,944,513,687
Less: Expenditures reducing opening liabilities	583,549,885	538,751,252
Add:		
Changes in estimated remediation costs	1,127,718,946	253,777,187
New liability for sites not previously recorded	223,417,318	50,948,736
Closing balance (gross)	6,478,074,737	5,710,488,358
Expected recoveries	23,161,964	23,431,315
Closing balance (net)	6,454,912,773	5,687,057,043

In addition to expenditures reducing liabilities previously recorded, the government spent another \$36,910,534 (\$30,987,709 in 2018) remediation costs on its contaminated sites when these costs became known in the year.

Interest and matured debt**Table 5.9**
Interest and matured debt

(in dollars)

	2019	2018
Interest due	420,313,885	558,722,245
Interest accrued	3,728,409,761	3,659,281,340
Matured debt	544,991,567	472,399,044
Total	4,693,715,213	4,690,402,629

Interest due

Interest due is the interest on the bonded debt, which is due and payable but has not been redeemed by bond holders.

Interest accrued

Interest accrued is the interest accumulated as at March 31 on the bonded debt and certain other liabilities, that is not payable until a future date.

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.

Section 6

Public Accounts of Canada 2018–2019

Interest-bearing debt as at March 31

Table of contents

	<i>Page</i>
Unmatured debt	
Marketable bonds	155
Treasury bills	157
Retail debt.....	158
Canada bills	159
Medium-term notes.....	159
Unamortized discounts and premiums on market debt.....	160
Cross-currency swap revaluation	160
Interest rates.....	160
Maturity of Government debt	161
Statement of all borrowing transactions on behalf of Her Majesty	162
Obligation related to capital leases	162
Pensions and other future benefits	
Public sector pensions.....	167
Other employee and veteran future benefits.....	186
Other liabilities	
Canada Pension Plan.....	188
Government Annuities Account.....	190
Deposit and trust accounts	191
Other specified purpose accounts.....	199
Supplementary statements	
Canada Pension Plan.....	210
Government Annuities Account.....	237
Royal Canadian Mounted Police (Dependants) Pension Fund.....	247

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, 2018	Receipts and other credits	Payments and other charges	March 31, 2019
Unmatured debt¹				
Payable in Canadian currency				
Marketable bonds, Table 6.2.....	574,968,343,000	101,943,811,750	107,385,667,000	569,526,487,750
Treasury bills, Table 6.3.....	110,700,000,000	340,400,000,000	316,800,000,000	134,300,000,000
Retail debt, Table 6.4.....	2,585,645,315	75,637,433	1,424,467,209	1,236,815,539
	<i>688,253,988,315</i>	<i>442,419,449,183</i>	<i>425,610,134,209</i>	<i>705,063,303,289</i>
Payable in foreign currencies				
Marketable bonds, Table 6.2.....	10,901,505,621	4,172,478,359	4,058,881,093	11,015,102,887
Canada bills, Table 6.5.....	2,590,690,240	15,639,146,548	15,530,561,797	2,699,274,991
Medium-term notes, Table 6.6.....	2,556,915,000	61,130,000	322,100,000	2,295,945,000
	<i>16,049,110,861</i>	<i>19,872,754,907</i>	<i>19,911,542,890</i>	<i>16,010,322,878</i>
Total—Market debt.....	704,303,099,176	462,292,204,090	445,521,677,099	721,073,626,167
Unamortized discounts and premiums on market debt, Table 6.7.....	3,466,833,608	3,209,257,693	4,513,293,595	2,162,797,706
Total—Market debt including unamortized discounts and premiums.....	707,769,932,784	465,501,461,783	450,034,970,694	723,236,423,873
Cross-currency swap revaluation.....	7,834,922,434	—	561,433,336	7,273,489,098
Obligation related to capital leases, Table 6.12.....	3,202,324,348	8,232,663	317,240,599	2,893,316,412
Obligation under public-private partnerships.....	2,393,208,872	1,130,088,663	12,071,135	3,511,226,400
Total—Unmatured debt.....	721,200,388,438	466,639,783,109	450,925,715,764	736,914,455,783
Pensions, other future benefits and other liabilities				
Public sector pensions, Table 6.15.....	170,913,900,135	22,036,908,864	24,168,261,249	168,782,547,750
Other employee and veteran future benefits, Table 6.28.....	104,793,309,000	14,875,258,000	5,806,769,000	113,861,798,000
Other liabilities				
Canada Pension Plan Accounts, Table 6.29.....	31,863,746	81,061,037,707	80,929,664,586	163,236,867
Government Annuities Account.....	134,645,885	6,878,459	18,581,822	122,942,522
Deposit and trust accounts, Table 6.30.....	1,326,752,619	893,754,049	865,150,258	1,355,356,410
Other specified purpose accounts, Table 6.33.....	4,176,991,913	2,635,700,261	2,549,615,507	4,263,076,667
	<i>5,670,254,163</i>	<i>84,597,370,476</i>	<i>84,363,012,173</i>	<i>5,904,612,466</i>
Total—Pensions, other future benefits and other liabilities.....	281,377,463,298	121,509,537,340	114,338,042,422	288,548,958,216
Total.....	1,002,577,851,736	588,149,320,449	565,263,758,186	1,025,463,413,999

¹ 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, can be found in Table 6.11.

Unmatured debt

Unmatured debt represents financial obligations resulting from certificates of indebtedness issued by the Government of Canada that have not yet become due, cross-currency swap revaluation and unamortized discounts and premiums on market debt, obligations related to capital leases and obligations under public-private partnerships.

The Government's holdings of its own securities have been deducted from unmaturred debt, to report the amount of the Government's liabilities to outside parties.

Marketable bonds

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; and
- 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 year-end balances of marketable bonds payable in foreign currencies were translated into Canadian dollars using the closing rates of exchange at March 31, 2019.

Table 6.2
Marketable bonds

(in dollars)

	April 1, 2018	Receipts and other credits ¹	Payments and other charges ¹	March 31, 2019
Payable in Canadian currency				
Matured 2018–2019	64,713,981,000	–	64,713,981,000	–
Maturing				
2019–2020	116,261,000,000	–	38,518,367,000	77,742,633,000
2020–2021	74,767,361,000	39,000,000,000	3,130,000,000	110,637,361,000
2021–2022	49,988,149,000	17,319,801,250	–	67,307,950,250
2022–2023	43,506,022,000	–	–	43,506,022,000
2023–2024	16,558,552,000	24,000,000,000	–	40,558,552,000
2024–2025	13,800,000,000	–	–	13,800,000,000
2025–2026	15,403,156,000	–	–	15,403,156,000
2026–2027	21,370,957,500	114,922,500	–	21,485,880,000
2027–2028	19,035,975,000	–	–	19,035,975,000
2028–2029	9,000,000,000	4,500,000,000	–	13,500,000,000
2029–2030	10,883,378,000	9,000,000,000	–	19,883,378,000
2031–2032	8,357,104,000	122,032,000	–	8,479,136,000
2033–2034	12,338,905,000	–	65,000,000	12,273,905,000
2036–2037	7,478,991,000	109,219,500	–	7,588,210,500
2037–2038	12,631,295,000	–	130,521,000	12,500,774,000
2041–2042	22,928,616,500	113,249,500	690,209,000	22,351,657,000
2044–2045	8,770,454,000	128,051,000	–	8,898,505,000
2045–2046	16,400,000,000	–	–	16,400,000,000
2047–2048	8,223,369,000	120,120,000	–	8,343,489,000
2048–2049	14,900,000,000	–	–	14,900,000,000
2050–2051	2,228,842,000	2,293,962,000	–	4,522,804,000
2051–2052	1,500,000,000	3,800,000,000	–	5,300,000,000
2064–2065	4,750,000,000	–	–	4,750,000,000
	575,796,108,000	100,621,357,750	107,248,078,000	569,169,387,750
Less:				
Government holdings of unmatured debt	1,220,000,000	(1,220,000,000)	–	–
Consolidation adjustment ²	(392,235,000)	(102,454,000)	(137,589,000)	(357,100,000)
	827,765,000	(1,322,454,000)	(137,589,000)	(357,100,000)
Total marketable bonds payable in Canadian currency	574,968,343,000	101,943,811,750	107,385,667,000	569,526,487,750
Payable in foreign currencies				
Matured 2018–2019	3,885,917,472	–	3,885,917,472	–
Maturing				
2019–2020	3,175,109,400	167,300	172,800,000	3,002,476,700
2021–2022	–	4,008,600,000	–	4,008,600,000
2022–2023	3,865,200,000	143,400,000	–	4,008,600,000
	10,926,226,872	4,152,167,300	4,058,717,472	11,019,676,700
Less: Government's holdings and securities				
held for the retirement of unmatured debt ³	24,721,251	20,311,059	163,621	4,573,813
Total marketable bonds payable in foreign currencies	10,901,505,621	4,172,478,359	4,058,881,093	11,015,102,887
Total	585,869,848,621	106,116,290,109	111,444,548,093	580,541,590,637

¹ These columns include the translation of marketable bonds payable in foreign currencies to Canadian dollars using the closing rates of exchange at March 31.

² Includes \$2,930,000 of securities held by consolidated Crown corporations and other entities and \$360,030,000 of borrowings by consolidated agent Crown corporations. Additional information on consolidated Crown corporations and other entities is provided in Section 4 of this volume.

³ These securities were assumed by the Government of Canada on February 5, 2001, upon the dissolution of Petro-Canada Limited. These are presented as a deduction from the foreign currency unmatured debt since they are held specifically for the repayment of the corresponding liabilities assumed upon the dissolution of the Corporation.

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; and
- bought and sold on the open market.

The balance at March 31, 2019 consists of \$41,900 million in three-month bills; \$27,300 million in six-month bills; \$59,600 million in 364-day bills; and \$5,500 million in odd-issue bills.

Table 6.3
Treasury bills

(in dollars)

	April 1, 2018	Receipts and other credits	Payments and other charges	March 31, 2019
Three-month bills.....	30,800,000,000	152,800,000,000	141,700,000,000	41,900,000,000
Six-month bills.....	21,900,000,000	59,600,000,000	54,200,000,000	27,300,000,000
Other bills	58,000,000,000	128,000,000,000	120,900,000,000	65,100,000,000
	110,700,000,000	340,400,000,000	316,800,000,000	134,300,000,000
Less: Consolidation adjustment ¹	–	–	–	–
Total	110,700,000,000	340,400,000,000	316,800,000,000	134,300,000,000

¹ Represents securities held by consolidated Crown corporations and other entities. Additional information is provided in Section 4 of this volume.

Retail debt

Retail debt includes Canada savings bonds and Canada premium bonds which are interest-bearing certificates of indebtedness issued by the Government of Canada, and have the following characteristics:

- issued to Canadian residents;
- issued in Canadian currency only;
- registered in the name of the holder;
- fixed dates of maturity;
- not marketable;
- not subject to call before maturity;
- term to maturity of three years or more;
- Canada savings bonds are redeemable on demand by the holder, with accrued interest calculated to the end of the previous month (no interest is paid if redeemed during the first 3 months following the date of issue); and
- Canada premium bonds are redeemable in full or partially on any annual anniversary of the issue date and during the 30 days thereafter by the holder, with accrued interest if applicable.

Table 6.4
Retail debt

(in dollars)

	April 1, 2018	Receipts and other credits	Payments and other charges	March 31, 2019
Canada savings bonds (CSB)				
Matured 2018–2019	702,229,469	–	702,229,469	–
Maturing				
2019–2020	607,533,130	–	158,114,764	449,418,366
2020–2021	137,629,599	–	20,990,949	116,638,650
2021–2022	180,996,747	37,654,111	35,233,910	183,416,948
	<i>1,628,388,945</i>	<i>37,654,111</i>	<i>916,569,092</i>	<i>749,473,964</i>
Canada premium bonds (CPB)				
Matured 2018–2019	415,887,808	–	415,887,808	–
Maturing				
2019–2020	287,532,422	–	39,028,354	248,504,068
2020–2021	108,500,662	–	18,227,756	90,272,906
2021–2022	145,335,478	37,983,322	34,754,199	148,564,601
	<i>957,256,370</i>	<i>37,983,322</i>	<i>507,898,117</i>	<i>487,341,575</i>
Total	2,585,645,315	75,637,433	1,424,467,209	1,236,815,539

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; and
- 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, 2019.

Table 6.5
Canada bills

(in dollars)

	April 1, 2018	Receipts and other credits	Payments and other charges	March 31, 2019
Canada bills before revaluation.....	2,478,437,687	15,626,291,875	15,530,561,797	2,574,167,765
Exchange valuation adjustment.....	112,252,553	12,854,673	–	125,107,226
Total	2,590,690,240	15,639,146,548	15,530,561,797	2,699,274,991

Medium-term notes

Medium-term notes are issued by the Government of Canada in the foreign markets under the Government's foreign currency borrowing program, and thus provide Canada with an additional source of medium-term foreign funds.

The year-end balances of medium-term notes payable in US dollars and Euros were translated into Canadian dollars using the closing rate of exchange of the appropriate currency at March 31, 2019.

Table 6.6
Medium-term notes

(in dollars)

	April 1, 2018	Receipts and other credits	Payments and other charges	March 31, 2019
Payable in foreign currencies				
Matured 2018–2019	322,100,000	–	322,100,000	–
Maturing				
2019–2020	1,191,770,000	44,215,000	–	1,235,985,000
2020–2021	978,625,000	14,525,000	–	993,150,000
2021–2022	64,420,000	2,390,000	–	66,810,000
Total	2,556,915,000	61,130,000	322,100,000	2,295,945,000

Unamortized discounts and premiums on market debt

The unamortized discounts and premiums on market debt have the following characteristics:

- unamortized discounts on Canada bills records the portion of the discounts on outstanding Canada bills which has not yet been charged to expenses. Discounts are amortized over the life of the bills;
- unamortized discounts on treasury bills records the portion of the discounts on outstanding treasury bills which has not yet been charged to expenses. Discounts are amortized over the life of the bills; and
- unamortized discounts and premiums on marketable bonds records the portion of the discounts and premiums on outstanding marketable bonds which has not yet been charged to expenses. Discounts and premiums are amortized over the life of the bonds.

Table 6.7
Unamortized discounts and premiums on market debt

(in dollars)

	April 1, 2018	Receipts and other credits	Payments and other charges	March 31, 2019
Unamortized discounts on Canada bills	(6,593,399)	58,818,533	60,562,321	(8,337,187)
Unamortized discounts on treasury bills.....	(436,281,323)	1,899,172,771	2,207,460,231	(744,568,783)
Unamortized discounts and premiums on marketable bonds	3,909,708,330	1,251,266,389	2,245,271,043	2,915,703,676
Total	3,466,833,608	3,209,257,693	4,513,293,595	2,162,797,706

Cross-currency swap revaluation

This represents the unrealized gains or losses due to fluctuations in the foreign exchange value of the cross-currency swaps.

Interest rates

Table 6.8 sets out market debt as at March 31, for each of the years 2015 to 2019 inclusively, with the average rate of interest thereon. For purposes of comparison, market debt is classified as marketable bonds, treasury bills, retail debt, Canada bills and medium-term notes.

Table 6.8
Market debt as at March 31, from 2015 to 2019, with the average rate of interest thereon

(in millions of dollars)

	Marketable bonds		Treasury bills		Retail debt		Canada bills		Medium-term notes		Total market debt	
	Amount outstanding	Average interest rate %	Amount outstanding	Average interest rate %	Amount outstanding	Average interest rate %	Amount outstanding	Average interest rate %	Amount outstanding	Average interest rate %	Amount outstanding	Average interest rate %
2019...	580,542	2.28	134,300	1.79	1,237	0.71	2,699	2.44	2,296	2.23	721,074	2.18
2018...	585,870	2.18	110,700	1.16	2,585	0.63	2,591	1.61	2,557	1.70	704,303	2.01
2017...	547,761	2.25	136,700	0.54	4,533	0.66	3,521	0.77	2,607	1.06	695,122	1.89
2016...	519,373	2.47	138,100	0.50	5,076	0.67	4,748	0.43	2,429	0.67	669,726	2.03
2015...	502,635	2.70	135,692	0.81	5,660	0.71	3,789	0.08	1,724	0.35	649,500	2.27

The interest rate in effect at March 31 is used where various rates of interest are applicable.

Table 6.9
Treasury bills average yields at tender

(in percentage)

Year ended March 31	High	Low	Last issue
Three-month bills			
2019	1.73	1.12	1.65
2018	1.21	0.52	1.09
2017	0.55	0.46	0.51
2016	0.67	0.37	0.46
2015	0.95	0.47	0.53
Six-month bills			
2019	1.93	1.33	1.68
2018	1.37	0.56	1.28
2017	0.58	0.51	0.55
2016	0.69	0.37	0.51
2015	0.98	0.45	0.54
364-days bills			
2019	2.17	1.64	1.70
2018	1.63	0.62	1.60
2017	0.65	0.50	0.64
2016	0.72	0.38	0.54
2015	1.02	0.43	0.53
Other bills			
2019	1.76	1.10	1.71
2018	1.20	0.48	1.20
2017	0.58	0.46	0.53
2016	0.67	0.45	0.53
2015	0.98	0.68	0.71

Maturity of Government debt

Table 6.10
Maturity of Government debt

(in millions of dollars)

	Marketable bonds		Treasury bills		Retail debt		Canada bills		Medium-term notes		Total market debt	
	Average interest rate %		Average interest rate %		Average interest rate %		Average interest rate %		Average interest rate %		Average interest rate %	
	Amount	rate %	Amount	rate %	Amount	rate %	Amount	rate %	Amount	rate %	Amount	rate %
2020.....	80,745	1.61	134,300	1.79	698	0.71	2,699	2.44	1,236	2.36	219,678	1.73
2021.....	110,637	1.60	–	–	207	0.71	–	–	993	2.04	111,837	1.61
2022.....	71,316	1.76	–	–	332	0.66	–	–	67	2.65	71,715	1.76
2023.....	47,515	1.88	–	–	–	–	–	–	–	–	47,515	1.87
2024.....	40,559	2.25	–	–	–	–	–	–	–	–	40,559	2.25
2025–2029.....	83,225	2.56	–	–	–	–	–	–	–	–	83,225	2.56
2030–2034.....	40,636	4.61	–	–	–	–	–	–	–	–	40,636	4.61
2035–2039.....	20,089	4.25	–	–	–	–	–	–	–	–	20,089	4.25
2040–2044.....	22,352	3.30	–	–	–	–	–	–	–	–	22,352	3.30
2045–2049.....	48,542	2.52	–	–	–	–	–	–	–	–	48,542	2.52
2050–2054.....	9,823	1.31	–	–	–	–	–	–	–	–	9,823	1.31
2065–2069.....	4,750	2.75	–	–	–	–	–	–	–	–	4,750	2.75
	580,189	2.28	134,300	1.79	1,237	0.71	2,699	2.44	2,296	2.23	720,721	2.18
Less: Government's holdings and consolidation adjustment ¹	(353)		–		–		–		–		(353)	
Total	580,542	2.28	134,300	1.79	1,237	0.71	2,699	2.44	2,296	2.23	721,074	2.18

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, can be found in Table 6.11.

¹ Includes government's holdings and securities held for the retirement of unmatured debt (Marketable bonds – \$4 million with an average interest rate of 9.0%) and consolidation adjustments.

Statement of all borrowing transactions on behalf of Her Majesty

Included in the following table are borrowings by the Government for general purposes and borrowings by agent enterprise Crown corporations. Borrowings by non-agent enterprise Crown corporations and other government business enterprises are not included because such borrowings are not on behalf of Her Majesty.

Table 6.11
Statement of all borrowing transactions on behalf of Her Majesty

(in millions of dollars)

	April 1, 2018	Issues/ Borrowings	Retirements	March 31, 2019
Market debt of the Government of Canada ¹	704,303	462,293	445,522	721,074
Cross-currency swap revaluation	7,835	–	561	7,274
Unamortized discounts and premiums on market debt ¹	3,467	3,209	4,513	2,163
Obligation related to capital leases ¹	3,202	8	317	2,893
Obligation under public-private partnerships	2,393	1,130	12	3,511
	721,200	466,640	450,925	736,915
Borrowings of enterprise Crown corporations designated as agents of Her Majesty	291,469	83,943	80,678	294,734
Total	1,012,669	550,583	531,603	1,031,649

¹ Details can be found in this section.

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 6.12
Obligation related to capital leases

(in dollars)

	April 1, 2018	Net changes	March 31, 2019
Land	2,598,591	(1,182,340)	1,416,251
Buildings	2,343,473,195	(167,032,535)	2,176,440,660
Works and infrastructure	464,036,724	(24,047,853)	439,988,871
Machinery and equipment	286,540,349	(51,834,131)	234,706,218
Vehicles	105,675,489	(64,911,077)	40,764,412
Total	3,202,324,348	(309,007,936)	2,893,316,412

Capital leases

Table 6.13
Details of obligation related to capital leases

(in thousands of dollars)

	Inception date	Lease term in years	Discount rate % ¹	Total estimated remaining minimum lease payments	Less: imputed interest using the discount rate	Net obligations under capital lease arrangements
Canadian Heritage and Multiculturalism						
Canadian Broadcasting Corporation						
7067 Chebucto Rd, Halifax	June 2015	7	3.23	6,112	352	5,760
Canadian Museum of Nature						
Natural Heritage Building, Gatineau	Sept 1996	35	9.88	43,750	18,742	25,008
Canadian Race Relations Foundation						
Capital leases less than \$10,000,000				3	–	3
National Film Board						
Capital leases less than \$10,000,000				111	3	108
Environment and Climate Change						
Department of the Environment						
Carleton University, Ottawa—						
National Wildlife Research Centre	May 2002	25	5.63	10,400	2,208	8,192
Parks Canada Agency						
Capital leases less than \$10,000,000				2,504	468	2,036
National Defence						
Department of National Defence						
Edmonton Armoury—North	Dec 2000	20	5.62	2,358	112	2,246
Edmonton Armoury—South	May 2001	20	6.07	4,365	269	4,096
Longue Pointe Supply Depot	Nov 1994	35	7.74	36,021	11,488	24,533
Milit-Air Capital Lease (NFTC) (Lease 1 of 2)	Dec 1999	20	5.78	31,453	883	30,570
Milit-Air Capital Lease (NFTC) (Lease 2 of 2)	Oct 2003	17	5.87	10,798	604	10,194
Montfort Hospital—Health Services	Oct 2003	17	5.26	28,703	3,738	24,965
Other capital leases less than \$10,000,000				65	–	65
				113,763	17,094	96,669
Natural Resources						
Department of Natural Resources						
183 Longwood Drive, Hamilton	Nov 2010	25	1.65	72,646	9,146	63,500
Public Safety and Emergency Preparedness						
Royal Canadian Mounted Police						
RCMP Detachment, Cornwall	Aug 2009	25	5.54	17,668	5,804	11,864
Other capital leases less than \$10,000,000				1,779	328	1,451
				19,447	6,132	13,315
Public Services and Procurement						
Department of Public Works and Government Services						
111 Lombard Avenue, Winnipeg	Nov 2014	20	2.69	18,024	3,314	14,710
1550 d'Estimauville Avenue, Quebec	Nov 2011	20	8.24	54,909	20,800	34,109
1600 Star Top Road, Ottawa	July 2004	15	7.15	765	9	756
181 Queen Street, Ottawa	March 2004	20	10.65	18,872	4,228	14,644
2 Victoria Avenue, Miramichi	Jan 2018	20	3.46	57,248	15,179	42,069
22 Eddy Street, Gatineau	March 2013	25	7.89	228,540	111,102	117,438
2575 Sainte-Anne Boulevard, Quebec	April 2015	20	10.32	35,222	18,011	17,211
269 Laurier Avenue, Ottawa	Sept 2005	15	4.18	8,276	254	8,022
30 Victoria Street, Gatineau	June 2013	25	7.89	229,515	111,876	117,639
351 Saint-Joseph Boulevard, Gatineau (Lease 1 of 3)	July 2011	25	5.28	62,429	21,581	40,848
351 Saint-Joseph Boulevard, Gatineau (Lease 2 of 3)	Dec 2011	25	7.33	16,159	7,068	9,091
351 Saint-Joseph Boulevard, Gatineau (Lease 3 of 3)	Aug 2014	12	2.45	7,322	626	6,696
395 Terminal Avenue, Ottawa	Jan 2013	15	2.67	38,977	4,256	34,721
455 de la Carrière Boulevard, Gatineau	Nov 2012	25	6.86	171,810	75,886	95,924
90 Elgin Street, Ottawa	Nov 2014	25	7.23	402,134	193,236	208,898
Canada Place Building, Edmonton	Oct 2007	25	4.44	268,789	69,656	199,133
Canada Post Place, Ottawa	Dec 2004	15	4.91	2,046	37	2,009

Table 6.13
Details of obligation related to capital leases—concluded

(in thousands of dollars)

	Inception date	Lease term in years	Discount rate % ¹	Total estimated remaining minimum lease payments	Less: imputed interest using the discount rate	Net obligations under capital lease arrangements
Fontaine Building, Gatineau	Jan 2008	15	5.82	12,424	1,287	11,137
Guy Favreau Complex, Montreal	Jan 2004	30	3.17	37,103	7,495	29,608
Harry Hays Building, Calgary	Oct 2007	25	4.44	266,158	68,984	197,174
Joseph Shepard Building, Toronto	Oct 2007	25	4.44	184,039	47,703	136,336
Judicial Complex, Toronto	April 2006	20	11.40	45,103	14,406	30,697
Library Square (Block 56), Vancouver	May 1995	25	9.68	7,222	392	6,830
Maritime Centre, Halifax	Jan 2010	15	6.26	9,438	1,538	7,900
Mercury Centre, Ottawa	Jan 2007	25	4.50	82,891	19,918	62,973
Montcalm Place, Tower II, Gatineau	April 2012	15	2.64	14,416	1,433	12,983
Queen Square, Dartmouth	Sept 2011	10	3.18	3,223	125	3,098
RCMP Building, Montreal	Oct 2007	25	4.44	46,340	12,039	34,301
Revenue Canada Building, Montreal	Oct 2007	25	4.44	94,128	24,404	69,724
Skyline Complex, Ottawa	Oct 2007	25	4.44	208,366	54,063	154,303
Thomas D'Arcy McGee Building, Ottawa	Oct 2007	25	4.44	162,290	42,046	120,244
Trusco Building, Ottawa	Sept 2006	20	4.28	51,519	7,443	44,076
Other capital leases less than \$10,000,000				141,480	22,642	118,838
				2,987,177	983,037	2,004,140
Defence Construction (1951) Limited						
Capital leases less than \$10,000,000				152	5	147
Shared Services Canada						
IBM—Mainframes	Jan 2018	4	1.89	76,500	1,871	74,629
Supercomputer—Meteorological Service of Canada	July 2017	8	1.44	165,859	6,657	159,202
				242,359	8,528	233,831
Transport						
Department of Transport						
Confederation Bridge, Borden-Carleton	May 1997	35	6.16	913,023	473,034	439,989
Other ministries						
Capital leases less than \$10,000,000				637	19	618
Total				4,412,084	1,518,768	2,893,316

¹ 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 6.14

Minimum lease payments related to capital leases

(in thousands of dollars)

	Payments due by March 31						Total
	2020	2021	2022	2023	2024	2025 and subsequent	
Canadian Heritage and Multiculturalism							
Canadian Broadcasting Corporation							
Remaining payments.....	706	690	690	4,026	—	—	6,112
Imputed interest.....	123	110	97	22	—	—	352
	583	580	593	4,004	—	—	5,760
Canadian Museum of Nature							
Remaining payments.....	3,500	3,500	3,500	3,500	3,500	26,250	43,750
Imputed interest.....	2,435	2,325	2,203	2,068	1,919	7,792	18,742
	1,065	1,175	1,297	1,432	1,581	18,458	25,008
Canadian Race Relations Foundation							
Remaining payments.....	—	—	1	1	1	—	3
Imputed interest.....	—	—	—	—	—	—	—
	—	—	1	1	1	—	3
National Film Board							
Remaining payments.....	44	45	22	—	—	—	111
Imputed interest.....	2	1	—	—	—	—	3
	42	44	22	—	—	—	108
Environment and Climate Change							
Department of the Environment							
Remaining payments.....	1,300	1,300	1,300	1,300	1,300	3,900	10,400
Imputed interest.....	461	414	364	312	256	401	2,208
	839	886	936	988	1,044	3,499	8,192
Parks Canada Agency							
Remaining payments.....	508	403	403	403	402	385	2,504
Imputed interest.....	115	94	74	52	29	104	468
	393	309	329	351	373	281	2,036
National Defence							
Department of National Defence							
Remaining payments.....	49,837	14,248	7,636	7,561	7,561	26,920	113,763
Imputed interest.....	4,481	2,746	2,276	1,986	1,677	3,928	17,094
	45,356	11,502	5,360	5,575	5,884	22,992	96,669
Natural Resources							
Department of Natural Resources							
Remaining payments.....	4,372	4,372	4,372	4,372	4,372	50,786	72,646
Imputed interest.....	1,023	967	910	853	794	4,599	9,146
	3,349	3,405	3,462	3,519	3,578	46,187	63,500
Public Safety and Emergency Preparedness							
Royal Canadian Mounted Police							
Remaining payments.....	1,774	1,490	1,206	1,206	1,206	12,565	19,447
Imputed interest.....	699	651	617	583	548	3,034	6,132
	1,075	839	589	623	658	9,531	13,315
Public Services and Procurement							
Department of Public Works and Government Services							
Remaining payments.....	237,735	217,060	207,643	204,479	204,918	1,915,342	2,987,177
Imputed interest.....	107,812	101,209	95,207	89,135	82,686	506,988	983,037
	129,923	115,851	112,436	115,344	122,232	1,408,354	2,004,140

Table 6.14
Minimum lease payments related to capital leases—concluded

(in thousands of dollars)

	Payments due by March 31						Total
	2020	2021	2022	2023	2024	2025 and subsequent	
Defence Construction (1951) Limited							
Remaining payments	83	48	19	2	–	–	152
Imputed interest.....	3	2	–	–	–	–	5
	80	46	19	2	–	–	147
Shared Services Canada							
Remaining payments	57,788	62,390	47,091	28,090	26,857	20,143	242,359
Imputed interest.....	3,292	2,329	1,418	874	495	120	8,528
	54,496	60,061	45,673	27,216	26,362	20,023	233,831
Transport							
Department of Transport							
Remaining payments	66,999	63,871	64,835	65,815	66,809	584,694	913,023
Imputed interest.....	41,856	37,583	37,351	37,080	36,766	282,398	473,034
	25,143	26,288	27,484	28,735	30,043	302,296	439,989
Other ministries							
Remaining payments	280	201	118	37	1	–	637
Imputed interest	11	7	1	–	–	–	19
	269	194	117	37	1	–	618
Total	262,613	221,180	198,318	187,827	191,757	1,831,621	2,893,316
Summary							
Remaining payments	424,926	369,618	338,836	320,792	316,927	2,640,985	4,412,084
Imputed interest	162,313	148,438	140,518	132,965	125,170	809,364	1,518,768
Net obligation	262,613	221,180	198,318	187,827	191,757	1,831,621	2,893,316

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 and unrecognized net actuarial gain or loss, 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 in an 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 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 the benefits offered under the Canadian Forces—Reserve Force pension plan which 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 the 2019 fiscal year, 9.8% (9.5% in 2018) of salary up to the Yearly Maximum Pensionable Earnings (YMPE) for the CPP or QPP and 12.1% (11.7% in 2018) of salary above the YMPE; and
- for the last three months of the 2019 fiscal year, 9.6% (9.8% in 2018) of salary up to the YMPE and 11.8% (12.1% in 2018) of salary above the YMPE.

Public service Group 2 pension plan members contributed:

- for the first nine months of the 2019 fiscal year, 8.8% (8.4% in 2018) of salary up to the YMPE for the CPP or QPP and 10.5% (9.9% in 2018) of salary above the YMPE; and
- for the last three months of the 2019 fiscal year, 8.7% (8.8% in 2018) of salary up to the YMPE and 10.2% (10.5% in 2018) 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 related to increasing the normal age of retirement from 60 to 65.

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 2019, the employer contribution rates were about 1.0, 1.5 and 1.2 (1.0, 1.4 and 1.2 respectively in 2018) times the current year's employee contribution for the plans under the *Public Service Superannuation Act*, the *Canadian Forces Superannuation Act* (Regular Force pension plan) and the *Royal Canadian Mounted Police Superannuation Act*, respectively. For 2019, the employer contribution rate was about 2.2 (2.1 in 2018) times the current year's employee contribution for the Reserve Force pension plan.

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 approximately 4.0% (4.2% in 2018).

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 2019 fiscal year, plan members contributed at a rate of 19.4% (19.5% in 2018) of their salary for the first nine months and a rate of approximately 19.5% (19.4% in 2018) 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:

	2019	2018
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 2019 was approximately 2.9% (2.4% in 2018).

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 totals 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 \$170 million (\$159 million in 2018). At March 31, 2019, the portion of the pension liability recorded through an allowance account for the judges' pension plan amounted to \$3,105 million (\$2,732 million in 2018).

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 entrants.

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:

Canadian Forces—Regular Force—March 31, 2016;

Canadian Forces—Reserve Force—March 31, 2016;

Members of Parliament—March 31, 2016;

Federally appointed judges—March 31, 2016;

Public Service—March 31, 2017; and,

Royal Canadian Mounted Police—March 31, 2018, valuation currently in-progress.

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.

To address actuarial deficiencies, no adjustment (\$340 million in 2018) was made to the Public Service Pension Fund Account, \$3,107 million (nil in 2018) was credited to the Public Service Superannuation Account, \$145 million (\$145 million in 2018) was credited to the Canadian Forces Pension Fund Account, no adjustment (\$1,813 million in 2018) was made to the Canadian Forces Superannuation Accounts, \$5.3 million (\$5.3 million in 2018) was credited to the Reserve Force Pension Fund Account, \$9 million (\$9 million in 2018) was credited to the Royal Canadian Mounted Police Pension Fund Account, and no adjustment (\$40.7 million in 2018) was made to the Members of Parliament Retiring Allowances Account. To address actuarial excesses, no adjustment (\$118.9 million in 2018) was debited from the Members of Parliament Retirement Compensation Arrangements Account. The actuarial adjustments recorded in pension fund accounts are transferred to the PSPIB for investment. To address deficiencies, the consolidated Crown corporations and other entities made special funding payments of \$8 million (\$25 million in 2018).

Table 6.15 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 6.15
Public sector pensions

(in millions of dollars)

	April 1, 2018	Receipts and other credits	Payments and other charges	March 31, 2019
Funded pension benefits				
Public Service Pension Fund Account, Table 6.18	315	5,254	5,552	17
Allowance for pension adjustments	1,669	219	2,124	(236)
<i>Subtotal</i>	<i>1,984</i>	<i>5,473</i>	<i>7,676</i>	<i>(219)</i>
Canadian Forces Pension Fund Account, Table 6.20	165	1,551	1,605	111
Allowance for pension adjustments	790	17	226	581
<i>Subtotal</i>	<i>955</i>	<i>1,568</i>	<i>1,831</i>	<i>692</i>
Reserve Force Pension Fund Account, Table 6.21	(83)	66	107	(124)
Allowance for pension adjustments	120	43	82	81
<i>Subtotal</i>	<i>37</i>	<i>109</i>	<i>189</i>	<i>(43)</i>
Royal Canadian Mounted Police Pension Fund Account, Table 6.23	2	499	500	1
Allowance for pension adjustments	141	18	97	62
<i>Subtotal</i>	<i>143</i>	<i>517</i>	<i>597</i>	<i>63</i>
Total pension fund accounts	399	7,370	7,764	5
Total allowance for pension adjustments	2,720	297	2,529	488
Net pension benefit liabilities related to funded plans sponsored by the Government	3,119	7,667	10,293	493
Pension benefit assets related to funded plans sponsored by consolidated Crown corporations and other entities	(2,124)	388	408	(2,144)
Net pension benefit liabilities related to funded plans	995	8,055	10,701	(1,651)
Unfunded pension benefits				
Public Service Superannuation Account, Table 6.17	92,536	6,712	5,548	93,700
Allowance for pension adjustments	5,140	2,551	4,272	3,419
<i>Subtotal</i>	<i>97,676</i>	<i>9,263</i>	<i>9,820</i>	<i>97,119</i>
Canadian Forces Superannuation Account, Table 6.19	46,357	1,791	2,541	45,607
Allowance for pension adjustments	2,114	1,475	574	3,015
<i>Subtotal</i>	<i>48,471</i>	<i>3,266</i>	<i>3,115</i>	<i>48,622</i>
Royal Canadian Mounted Police Superannuation Account, Table 6.22	13,116	509	708	12,917
Allowance for pension adjustments	452	390	156	686
<i>Subtotal</i>	<i>13,568</i>	<i>899</i>	<i>864</i>	<i>13,603</i>
Members of Parliament Retiring Allowances Account, Table 6.24.....	558	31	29	560
Allowance for pension adjustments	69	33	–	102
<i>Subtotal</i>	<i>627</i>	<i>64</i>	<i>29</i>	<i>662</i>
Members of Parliament Retirement Compensation Arrangements Account, Table 6.25	143	77	17	203
Allowance for pension adjustments	354	28	59	323
<i>Subtotal</i>	<i>497</i>	<i>105</i>	<i>76</i>	<i>526</i>
Retirement Compensation Arrangements Accounts, Table 6.26	2,395	199	192	2,402
Allowance for pension adjustments	1,499	177	35	1,641
<i>Subtotal</i>	<i>3,894</i>	<i>376</i>	<i>227</i>	<i>4,043</i>
Supplementary Retirement Benefits Account (Judges), Table 6.27	234	13	–	247
Allowance for pension adjustments	2,732	373	–	3,105
<i>Subtotal</i>	<i>2,966</i>	<i>386</i>	<i>–</i>	<i>3,352</i>
Supplementary Retirement Benefits Account (Others), Table 6.27.....	1	–	–	1
Total superannuation accounts.....	155,340	9,332	9,035	155,637
Total allowance for pension adjustments	12,360	5,027	5,096	12,291
Pension benefit liabilities related to unfunded plans sponsored by the Government	167,700	14,359	14,131	167,928
Pension benefit liabilities related to unfunded plans sponsored by consolidated Crown corporations and other entities	95	9	5	99
Pension benefit liabilities related to unfunded plans	167,795	14,368	14,136	168,027
Net pension benefit liabilities.....	168,790	22,423	24,837	166,376
The net pension benefit liabilities were recognized and presented in the Consolidated Statement of Financial Position as follows:				
Public sector pension liabilities ¹	170,914	22,035	24,167	168,782
Public sector pension assets ²	(2,124)	388	670	(2,406)
Net pension benefit liabilities.....	168,790	22,423	24,837	166,376

¹ Other credits includes the reclassification of public sector pension assets at year-end related to funded plans sponsored by the Government.

² Other charges includes the reclassification of public sector pension assets at year-end related to funded plans sponsored by the Government.

Table 6.16 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 \$6,005 million (\$6,347 million in 2018) credited to the superannuation accounts in accordance with the pension legislation, a provision of \$4,841 million (\$3,950 million in 2018) and interest of \$442 million (\$436 million in 2018) on the consolidated Crown corporations and other entities' obligations, shown net of \$7,779 million (\$6,712 million in 2018) in expected return on pension investments.

Table 6.16
Summary of transactions in public sector pensions that resulted in charges to expenses

(in millions of dollars)

	2019										2018	
	Government contributions and other ¹	Adjustment	Net benefits earned	Actuarial adjustments ²	Costs recorded in previous years ³	Plan curtailments	Actuarial losses (gains) recognized	Valuation allowance	Pension expense	Net interest expense	Pension expense	Net interest expense
Funded pension benefits												
Public Service Pension												
Fund Account	2,376	(355)	2,021	–	–	(108)	(947)	–	966	(495)	1,733	(187)
Canadian Forces Pension												
Fund Account	796	(26)	770	145	(145)	–	(26)	–	744	(29)	792	39
Reserve Force Pension												
Fund Account	40	(10)	30	5	(5)	–	(6)	–	24	(1)	16	–
Royal Canadian Mounted Police Pension Fund												
Account	262	18	280	9	(9)	–	(55)	–	225	(33)	257	(5)
Consolidated Crown corporations and other entities												
	86	(9)	77	8	(8)	–	(133)	311	255	(181)	49	(161)
Total funded pension benefits	3,560	(382)	3,178	167	(167)	(108)	(1,167)	311	2,214	(739)	2,847	(314)

Table 6.16
Summary of transactions in public sector pensions that resulted in charges to expenses—concluded

(in millions of dollars)

	2019										2018	
	Government contributions and other ¹	Adjustment	Net benefits earned	Actuarial adjustments ²	Costs recorded in previous years ³	Plan curtailments	Actuarial losses (gains) recognized	Valuation allowance	Pension expense	Net interest expense	Pension expense	Net interest expense
Unfunded pension benefits												
Public Service												
Superannuation												
Account ⁴	5	(11)	(6)	3,107	(3,107)	(10)	2,551	–	2,535	2,449	2,968	2,509
Canadian Forces												
Superannuation												
Account ⁴	2	(4)	(2)	–	–	–	1,475	–	1,473	1,217	1,449	1,251
<i>Defence Services</i>												
<i>Pension</i>												
<i>Continuation Act</i>	2	–	2	–	–	–	–	–	2	–	2	–
Royal Canadian Mounted Police												
Superannuation												
Account	–	(1)	(1)	–	–	–	390	–	389	353	440	363
<i>Royal Canadian Mounted Police</i>												
<i>Continuation Act</i>	7	–	7	–	–	–	–	–	7	–	8	–
Members of Parliament												
Retiring Allowances												
Account	8	12	20	–	–	–	21	–	41	15	41	15
Members of Parliament												
Retirement												
Compensation												
Arrangements												
Account	7	9	16	–	–	–	11	–	27	12	27	12
Retirement												
Compensation												
Arrangement												
Accounts	53	51	104	–	–	(6)	81	–	179	96	178	96
Supplementary												
Retirement												
Benefits Account	4	–	4	–	–	–	–	–	4	–	3	–
<i>Judges Act</i>	170	74	244	–	–	–	202	–	446	102	262	85
Other (diplomatic												
services, lieutenant												
governors, etc.)												
	2	–	2	–	–	–	–	–	2	–	2	–
Consolidated Crown												
corporations and												
other entities												
	–	2	2	–	–	–	3	–	5	4	5	4
Subtotal	260	132	392	3,107	(3,107)	(16)	4,734	–	5,110	4,248	5,385	4,335
Contributions from												
the Judges' plan recorded												
to revenues												
	(15)	–	(15)	–	–	–	–	–	(15)	–	(15)	–
Total unfunded												
pension benefits												
	245	132	377	3,107	(3,107)	–	4,734	–	5,095	4,248	5,370	4,335
Total reported in the												
Consolidated Statement												
of Operations and												
Accumulated Deficit												
	3,805	(250)	3,555	3,274	(3,274)	(124)	3,567	311	7,309	3,509	8,217	4,021

¹ "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.

² Represents actuarial adjustments to amortize deficiencies and excesses.

³ Represents the reversal of costs already recorded in the allowance for pension adjustments of previous years.

⁴ 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 6.17
Public Service Superannuation Account

(in dollars)

	2019	2018
Opening balance	92,536,360,415	94,209,273,550
Receipts and other credits		
Employee contributions		
Government employees	970,947	1,315,935
Retired employees	4,560,109	6,815,848
Public Service corporation employees	102,235	173,134
Employer contributions		
Government	4,597,075	6,835,107
Public Service corporations	30,348	242,136
Actuarial adjustment.....	3,107,000,000	–
Transfers from other pension funds	811,542	166,299
Interest	3,592,782,645	3,829,428,464
Other ¹	655	–
Total receipts and other credits	6,710,855,556	3,844,976,923
Subtotal.....	99,247,215,971	98,054,250,473
Payments and other charges		
Benefit payments		
Annuities	5,455,468,734	5,413,342,616
Minimum benefits.....	14,876,476	15,545,715
Pension division payments	16,527,961	17,052,340
Pension transfer value payments.....	10,226,553	13,257,051
Return of contributions		
Government employees	158,122	317,101
Public Service corporation employees	–	19,162
Transfers to other pension funds.....	3,567,649	3,460,193
Administrative expenses.....	46,206,677	54,895,880
Total payments and other charges.....	5,547,032,172	5,517,890,058
Closing balance.....	93,700,183,799	92,536,360,415

¹ Includes the return of contributions from Public Service corporation employees.

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 6.18
Public Service Pension Fund Account

(in dollars)

	2019	2018
Opening balance	314,775,347	322,529,984
Receipts and other credits		
Employee contributions		
Government employees	2,376,806,578	2,169,100,496
Retired employees	51,260,689	45,516,546
Public Service corporation employees	199,311,621	199,435,058
Employer contributions		
Government	2,375,589,814	2,175,183,716
Public Service corporations	194,603,113	196,270,115
Actuarial adjustment.....	–	340,000,000
Transfers from other pension funds	56,599,226	50,661,941
Total receipts and other credits	5,254,171,041	5,176,167,872
Payments and other charges		
Benefit payments		
Annuities	2,255,301,448	2,001,624,358
Minimum benefits	18,908,212	15,266,575
Pension division payments	41,588,334	36,665,209
Pension transfer value payments.....	287,919,644	218,599,278
Return of contributions		
Government employees	11,147,567	10,757,037
Public Service corporation employees	4,576,716	3,886,809
Transfers to other pension funds.....	42,850,913	36,975,930
Administrative expenses.....	51,730,323	45,960,045
Total payments and other charges.....	2,714,023,157	2,369,735,241
Receipts and other credits less payments and other charges	2,540,147,884	2,806,432,631
Transfers to PSPIB.....	2,838,324,652	2,814,187,268
Closing balance.....	16,598,579	314,775,347

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 6.19**Canadian Forces Superannuation Account**

(in dollars)

	2019	2018
Opening balance	46,356,962,588	45,208,526,862
Receipts and other credits		
Contributions from personnel	2,295,691	2,593,086
Contributions by the Government	2,295,691	2,593,087
Actuarial adjustment	–	1,813,000,000
Interest	1,786,411,646	1,844,155,903
Other ¹	270,124	1,244,799
Total receipts and other credits	1,791,273,152	3,663,586,875
Subtotal	48,148,235,740	48,872,113,737
Payments and other charges		
Benefit payments		
Pensions and retiring allowances	2,500,576,410	2,470,377,868
Minimum benefits	357,871	231,493
Pension division payments	22,572,164	26,164,978
Pension transfer value payments	1,660,893	1,302,378
Return of contributions	–	13,574
Administrative expenses	15,596,130	17,060,858
Total payments and other charges	2,540,763,468	2,515,151,149
Closing balance	45,607,472,272	46,356,962,588

¹ 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 6.20
Canadian Forces Pension Fund Account

(in dollars)

	2019	2018
Opening balance	164,762,178	173,590,110
Receipts and other credits		
Contributions from personnel	541,458,641	574,119,574
Contributions by the Government	795,607,851	824,984,261
Actuarial adjustment	145,000,000	145,000,000
Transfers from other pension funds	68,887,607	69,220,900
Other ¹	173,747	189,660
Total receipts and other credits	1,551,127,846	1,613,514,395
Payments and other charges		
Benefit payments		
Pensions and retiring allowances	684,683,610	598,050,639
Minimum benefits	1,038,703	1,240,522
Pension division payments	36,256,577	36,689,423
Pension transfer value payments	186,434,101	138,445,541
Return of contributions	2,027,083	1,830,807
Transfers to other pension funds	1,799,316	5,361,322
Administrative expenses	13,998,044	13,734,914
Total payments and other charges	926,237,434	795,353,168
Receipts and other credits less payments and other charges	624,890,412	818,161,227
Transfers to PSPIB	678,866,684	826,989,159
Closing balance	110,785,906	164,762,178

¹ 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 6.21**Reserve Force Pension Fund Account**

(in dollars)

	2019	2018
Opening balance	(83,308,325)	(63,015,318)
Receipts and other credits		
Contributions from personnel	20,983,502	28,277,446
Contributions by the Government	40,748,802	45,847,929
Actuarial adjustment	5,300,000	5,300,000
Total receipts and other credits	67,032,304	79,425,375
Payments and other charges		
Benefit payments		
Pensions and retiring allowances	9,151,423	8,407,011
Minimum benefits	195,791	194,293
Pension transfer value payments	21,562,942	13,801,972
Return of contributions	95,017	87,817
Transfer to other pension funds	68,887,607	69,218,021
Administrative expenses	7,396,261	8,009,268
Total payments and other charges	107,289,041	99,718,382
Closing balance	(123,565,062)	(83,308,325)

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 6.22
Royal Canadian Mounted Police Superannuation Account

(in dollars)

	2019	2018
Opening balance	13,116,767,456	13,274,926,951
Receipts and other credits		
Contributions from personnel (current services and arrears).....	493,645	491,287
Contributions by the Government.....	348,738	376,420
Actuarial adjustment.....	–	–
Transfers from other pension funds	–	1,589
Interest	508,103,714	540,781,523
Total receipts and other credits	508,946,097	541,650,819
Subtotal.....	13,625,713,553	13,816,577,770
Payments and other charges		
Benefit payments		
Annuities and allowances.....	698,978,733	683,392,357
Cash termination allowance and gratuities	358,101	791,429
Pension division payments	4,589,142	8,207,049
Pension transfer value payments.....	302,988	2,266,551
Return of contributions.....	17,621	6,716
Transfers to other pension funds.....	–	11,468
Administrative expenses.....	4,833,153	5,134,744
Total payments and other charges.....	709,079,738	699,810,314
Closing balance.....	12,916,633,815	13,116,767,456

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 6.23
Royal Canadian Mounted Police Pension Fund Account

(in dollars)

	2019	2018
Opening balance	2,690,544	16,302,316
Receipts and other credits		
Contributions from personnel (current services and arrears).....	222,850,535	225,701,871
Contributions by the Government.....	262,313,115	269,614,295
Actuarial adjustment.....	9,000,000	9,000,000
Transfers from other pension funds	4,896,742	8,741,656
Total receipts and other credits	499,060,392	513,057,822
Payments and other charges		
Benefit payments		
Annuities and allowances.....	216,577,954	189,646,992
Minimum benefits.....	515,246	551,037
Pension division payments	11,629,861	15,111,613
Pension transfer value payments.....	35,127,212	36,783,191
Return of contributions		
Personnel	220,697	241,224
Interest.....	58,057	18,033
Transfers to other pension funds.....	445,793	617,458
Administrative expenses.....	3,653,508	3,516,889
Total payments and other charges.....	268,228,328	246,486,437
Receipts and other credits less payments and other charges	230,832,064	266,571,385
Transfers to PSPIB.....	232,041,704	280,183,157
Closing balance.....	1,480,904	2,690,544

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” means a Member of the Senate or the House of Commons. Benefits are also available to eligible surviving spouses or eligible dependent children of Members who served on or after a certain date and contributed under the Act.

Table 6.24
Members of Parliament Retiring Allowances Account

(in dollars)

	2019	2018
Opening balance	557,559,308	509,482,465
Receipts and other credits		
Members' contributions		
Current services	8,004,846	7,963,652
Arrears of principal, interest and mortality insurance	20,865	21,664
Government contributions (current services)	8,004,846	7,952,077
Actuarial adjustment	–	40,700,000
Interest	15,497,108	20,997,205
Total receipts and other credits	31,527,665	77,634,598
Subtotal	589,086,973	587,117,063
Payments and other charges		
Benefit payments		
Annual allowances	29,047,966	29,347,104
Pension division payments	33,927	108,047
Return of contributions		
Withdrawals	47,499	100,989
Interest	1,631	1,615
Total payments and other charges	29,131,023	29,557,755
Closing balance	559,955,950	557,559,308

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 surviving spouses or eligible dependent children of Members.

Table 6.25**Members of Parliament Retirement Compensation Arrangements Account**

(in dollars)

	2019	2018
Opening balance	142,829,500	254,929,605
Receipts and other credits		
Members' contributions		
Current services	7,037,944	6,689,218
Arrears of principal, interest and mortality insurance	40,472	41,545
Government contributions (current services)	7,037,944	6,718,264
Refundable tax	58,588,621	3,500,000
Interest	3,959,231	10,865,768
Total receipts and other credits	76,664,212	27,814,795
Subtotal	219,493,712	282,744,400
Payments and other charges		
Benefit payments		
Annual allowances	16,829,886	16,041,484
Pension division payments	19,418	105,941
Return of contributions		
Withdrawals	–	133,586
Interest	–	4,105
Refundable tax	510	4,729,784
Withdrawal of surplus	–	118,900,000
Total payments and other charges	16,849,814	139,914,900
Closing balance	202,643,898	142,829,500

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 Account, 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 Account, 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 6.26
Retirement Compensation Arrangements Accounts

(in dollars)

	RCA No. 1						RCA No. 2		Total	
	Public Service		Canadian Forces		Royal Canadian Mounted Police		Public Service			
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Opening balance	1,241,175,803	1,193,245,712	430,166,136	409,218,089	34,456,839	33,996,630	688,734,759	717,522,186	2,394,533,537	2,353,982,617
Receipts and other credits										
Employee contributions										
Government										
employees.....	10,658,710	8,980,064	3,398,549	3,727,817	331,161	85,125	–	–	14,388,420	12,793,006
Retired employees..	549,149	569,949	–	–	764	53,980	–	–	549,913	623,929
Public Service corporation employees.....	2,363,356	2,374,935	–	–	–	–	–	–	2,363,356	2,374,935
Employer contributions										
Government	33,859,345	67,312,931	18,123,360	33,523,618	1,069,921	571,571	–	–	53,052,626	101,408,120
Public Service corporations	7,602,054	17,247,731	–	–	–	–	–	–	7,602,054	17,247,731
Transfers from other pension funds	55,091	356	–	–	–	–	–	–	55,091	356
Refundable tax.....	–	–	–	–	–	–	28,921,208	27,459,101	28,921,208	27,459,101
Interest	48,511,115	50,240,945	16,999,413	17,565,432	1,357,796	1,410,248	26,271,701	28,510,933	93,140,025	97,727,558
	103,598,820	146,726,911	38,521,322	54,816,867	2,759,642	2,120,924	55,192,909	55,970,034	200,072,693	259,634,736
	1,344,774,623	1,339,972,623	468,687,458	464,034,956	37,216,481	36,117,554	743,927,668	773,492,220	2,594,606,230	2,613,617,353
Payments and other charges										
Benefit payments										
Annuities.....	49,076,877	45,045,351	9,514,294	7,825,900	1,366,090	1,195,081	84,797,589	84,757,461	144,754,850	138,823,793
Minimum benefits..	165,060	39	–	–	–	–	–	–	165,060	39
Pension division payments.....	891,847	271,949	626,341	1,682,583	–	–	–	–	1,518,188	1,954,532
Pension transfer value payments.....	865,081	634,514	2,504,578	1,224,987	709	2,424	–	–	3,370,368	1,861,925
Return of contributions										
Government employees.....	3,271	69,079	–	–	–	–	–	–	3,271	69,079
Public Service corporation employees.....	18,322	7,769	–	–	–	–	–	–	18,322	7,769
Transfers to other pension funds	238,368	1,038,273	–	–	–	–	–	–	238,368	1,038,273
Refundable tax.....	27,876,968	51,729,846	13,468,020	23,135,350	662,312	463,210	–	–	42,007,300	75,328,406
	79,135,794	98,796,820	26,113,233	33,868,820	2,029,111	1,660,715	84,797,589	84,757,461	192,075,727	219,083,816
Closing balance.....	1,265,638,829	1,241,175,803	442,574,225	430,166,136	35,187,370	34,456,839	659,130,079	688,734,759	2,402,530,503	2,394,533,537

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 6.27
Supplementary Retirement Benefits Account

(in dollars)

	Judges		Others ¹		Total	
	2019	2018	2019	2018	2019	2018
Opening balance	234,358,307	223,713,819	897,280	815,777	235,255,587	224,529,596
Receipts and other credits						
Employee contributions						
Government	3,806,631	3,656,523	36,317	38,503	3,842,948	3,695,026
Employer contributions						
Government	3,806,631	3,656,524	36,317	52,782	3,842,948	3,709,306
Interest	4,694,442	3,331,441	19,086	13,129	4,713,528	3,344,570
Total receipts and other credits ...	12,307,704	10,644,488	91,720	104,414	12,399,424	10,748,902
Subtotal.....	246,666,011	234,358,307	989,000	920,191	247,655,011	235,278,498
Payments and other charges						
Return of contributions.....	–	–	–	–	–	–
Annuities	–	–	21,307	22,911	21,307	22,911
Closing balance.....	246,666,011	234,358,307	967,693	897,280	247,633,704	235,255,587

¹ 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 \$3,697 million (\$4,654 million in 2018), due to plan experience and changes in actuarial assumptions, were recognized in this account and increased pension expenses for the year.

An amount of \$3,266 million (\$2,353 million in 2018) 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.

No amount (\$119 million in 2018) was credited to this account to offset the withdrawal of surplus recorded in a superannuation account during the year but already accounted for in previous years' actuarial gains and losses.

An amount of \$243 million (\$92 million in 2018) 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 \$124 million (nil in 2018) was debited from this account and decreased pension costs to adjust (not adjusted in 2018) for a past service cost reduction related to a curtailment.

An amount of \$4,841 million (\$3,950 million in 2018) 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. In addition, an amount of \$7,160 million (\$6,119 million in 2018) was debited from this account to record the expected return on the pension investments.

As well, a consolidation adjustment of \$46 million was debited (\$49 million credited in 2018) from this account and credited (debited in 2018) against personal tax revenues to eliminate the effect of internal transactions resulting from tax amounts credited (debited in 2018) from the RCA accounts that were previously recorded as tax revenues.

The unrecognized net actuarial loss of \$19,178 million (\$15,838 million in 2018) will be recognized in this account and will affect expenses in future years.

As a result of annual actuarial valuations for accounting purposes, the accrued pension obligations of \$345,207 million (\$328,497 million in 2018) less the pension assets of \$157,608 million (\$141,840 million in 2018) were found to be \$31,957 million (\$30,918 million in 2018) higher than the balance of the pension fund accounts of \$5 million (\$399 million in 2018) and the superannuation accounts of \$155,637 million (\$155,340 million in 2018). The excess or shortfall is made up of the following:

(in millions of dollars)

	(Shortfall) excess	
	2019	2018
Public Service Pension Plan		
Public Service Superannuation Account	(23,459)	(22,067)
Public Service Pension Fund	14,109	10,244
Retirement Compensation Arrangements	(1,908)	(1,667)
Total allowance for Public Service Pension Plan	(11,258)	(13,490)
Canadian Forces Pension Plan		
Canadian Forces Superannuation Account	(12,809)	(10,246)
Canadian Forces Pension Fund	1,616	814
Reserve Force Pension Fund	(439)	(113)
Retirement Compensation Arrangements	(189)	(331)
Total allowance for Canadian Forces Pension Plan	(11,821)	(9,876)
Royal Canadian Mounted Police Pension Plan		
Royal Canadian Mounted Police Superannuation Account	(4,328)	(3,270)
Royal Canadian Mounted Police Pension Fund	899	676
Retirement Compensation Arrangements	(43)	(23)
Total allowance for Canadian Mounted Police Pension Plan	(3,472)	(2,617)
Members of Parliament Pension Plan		
Members of Parliament Retiring Allowances	(190)	(140)
Retirement Compensation Arrangements	(379)	(391)
Total allowance for Members of Parliament Pension Plan	(569)	(531)
Pension plan for federally appointed judges	(4,837)	(4,404)
Total	(31,957)	(30,918)

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 6.28
Other employee and veteran future benefits

(in millions of dollars)

	April 1, 2018	Receipts and other credits	Payments and other charges	March 31, 2019
Veterans' disability and other future benefits	60,047	9,658	4,295	65,410
Royal Canadian Mounted Police disability and other future benefits	7,981	1,824	295	9,510
Public Service Health Care Plan	27,156	2,198	422	28,932
Pensioners' Dental Services Plan	4,046	440	101	4,385
Severance and other benefits	1,938	131	243	1,826
Accumulated sick leave entitlements	1,754	366	286	1,834
Workers' compensation	1,536	232	141	1,627
Consolidated Crown corporations and other entities	335	27	24	338
Total	104,793	14,876	5,807	113,862

All of the Government and almost all of the consolidated Crown corporations and other entities' sponsored plans are unfunded. The health care and the dental plans are contributory plans. Contributions by retired plan members are made to the plans to obtain coverage. Therefore the liabilities and costs are shown net of members' contributions. The accrued benefit obligations 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)

	2019				2018	
	Accrued benefit obligations	Other future benefit assets	Unrecognized net actuarial (loss) gain	Benefits paid after measurement date up to March 31	Future benefit liabilities	Future benefit liabilities
Veterans' disability and other future benefits	114,391	–	(48,981)	–	65,410	60,047
Royal Canadian Mounted Police disability and other future benefits	19,885	–	(10,375)	–	9,510	7,981
Public Service Health Care Plan	33,347	–	(4,415)	–	28,932	27,156
Pensioners' Dental Services Plan	5,369	–	(984)	–	4,385	4,046
Severance and other benefits	2,043	–	(217)	–	1,826	1,938
Accumulated sick leave entitlements	1,824	–	10	–	1,834	1,754
Workers' compensation	1,813	–	(186)	–	1,627	1,536
Consolidated Crown corporations and other entities	322	(1)	19	(2)	338	335
Total	178,994	(1)	(65,129)	(2)	113,862	104,793

The cost of these benefits can accrue either during the service life of employees or upon occurrence of an event giving rise to 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)

	2019					2018	
	Benefits earned	Plan curtailments	Actuarial losses (gains) recognized	Net benefit expense	Interest cost	Total	Total
Veterans' disability and other future benefits.....	3,897	–	3,740	7,637	2,021	9,658	12,510
Royal Canadian Mounted Police disability and other future benefits	856	–	642	1,498	326	1,824	1,510
Public Service Health Care Plan	1,279	(28)	234	1,485	685	2,170	2,121
Pensioners' Dental Services Plan	193	–	132	325	115	440	400
Severance and other benefits.....	56	–	33	89	42	131	67
Accumulated sick leave entitlements	329	–	(1)	328	37	365	342
Workers' compensation	179	–	16	195	37	232	374
Consolidated Crown corporations and other entities	18	–	(2)	16	9	25	26
Total	6,807	(28)	4,794	11,573	3,272	14,845	17,350

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 employees, employers and self-employed workers 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 Families, Children and Social Development 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 his 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 assets available for benefit payments of the CPP. At March 31, 2019, the fair value of the CPP's assets available for benefit payments is \$396,480 million (\$360,997 million in 2018) for the CPP Account and \$536 million (nil in 2018) 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 \$163 million (\$32 million in 2018) corresponds to the balance in the CPP Accounts and is reported as the Government's liability to the CPP at March 31, 2019. The CPP's deposit with the Receiver General for Canada is comprised of the CPP Account balance of \$152 million (\$32 million in 2018) and the Additional CPP Account balance of \$11 million (nil in 2018).

Table 6.29 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 6.29
Canada Pension Plan Accounts

(in dollars)

	April 1, 2018	Receipts and other credits	Payments and other charges	March 31, 2019
Canada Pension Plan balance per audited consolidated financial statements				
Assets available for benefit payments	360,997,056,575	83,833,589,657	48,350,931,231	396,479,715,001
Less:				
Receivables, net of liabilities	4,831,364,150	4,770,535,627	4,831,364,150	4,770,535,627
Accumulated net income from Canada Pension Plan Investment Board's operations	215,614,000,000	33,202,000,000	1,194,000,000	247,622,000,000
	<i>140,551,692,425</i>	<i>45,861,054,030</i>	<i>42,325,567,081</i>	<i>144,087,179,374</i>
Less: transfers to Canada Pension Plan Investment Board	140,519,828,679	34,744,550,750	38,159,660,995	143,934,938,924
Total Canada Pension Plan	31,863,746	80,605,604,780	80,485,228,076	152,240,450
Additional Canada Pension Plan balance per audited consolidated financial statements				
Assets available for benefit payments	–	568,600,628	32,278,757	536,321,871
Less:				
Receivables, net of liabilities	–	102,167,701	–	102,167,701
Accumulated net income from Canada Pension Plan Investment Board's operations	–	11,000,000	9,000,000	2,000,000
	–	<i>455,432,927</i>	<i>23,278,757</i>	<i>432,154,170</i>
Less: transfers to Canada Pension Plan Investment Board	–	–	421,157,753	421,157,753
Total Additional Canada Pension Plan	–	455,432,927	444,436,510	10,996,417
Deposit with the Receiver General for Canada	31,863,746	81,061,037,707	80,929,664,586	163,236,867

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; and
- 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; and
- 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 27th, 28th and 29th 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 of accrued benefits 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 \$798,632 was transferred to the Government's revenues to reduce the balance of the account to \$96.3 million and the allowance account was adjusted at \$26.6 million to increase the pension obligations to \$122.9 million as at March 31, 2019.

As of March 31, 2019, over 23,212 annuitants held 24,628 active contracts, a decrease of 2,816 annuities compared to previous year as a 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 6.30
Deposit and trust accounts

(in dollars)

	April 1, 2018	Receipts and other credits	Payments and other charges	March 31, 2019
Deposit accounts				
Agriculture and Agri-Food				
Department of Agriculture and Agri-Food				
Contractor security deposits—Certified cheques	56,760	–	56,760	–
Canadian Dairy Commission				
Canadian Dairy Commission Account.....	–	3,486,576	3,486,576	–
	56,760	3,486,576	3,543,336	–
Crown-Indigenous Relations				
Department of Indian Affairs and Northern Development				
Field British Columbia and Yukon Operations of the				
Northern Canada Power Commission	992,587	–	–	992,587
Guarantee deposits	9,174,587	381,938,958	381,926,892	9,186,653
Guarantee deposits—Oil and gas.....	465,805	–	465,805	–
	10,632,979	381,938,958	382,392,697	10,179,240
Environment and Climate Change				
Department of the Environment				
Contractor security deposits—Cash and cheques.....	1,035,224	–	1,035,224	–
Parks Canada Agency				
Contractor security deposits—Cash.....	604,214	1,328,205	473,540	1,458,879
	1,639,438	1,328,205	1,508,764	1,458,879
Families, Children and Social Development				
Department of Employment and Social Development				
Canada Labour Code—Other	81,797	910,426	938,819	53,404
Canada Labour Code—Wage recovery request				
for review or appeal	4,564,921	540,522	756,410	4,349,033
	4,646,718	1,450,948	1,695,229	4,402,437
Finance				
Department of Finance				
Canada Development Investment Corporation				
Holdback—Privatization.....	16,872,208	218,897	5,000,000	12,091,105
Canada Hibernia Holding Corporation				
Abandonment Reserve Fund	99,098,558	1,308,616	–	100,407,174
Swap collateral guarantee deposits	96,432,440	196,282,261	128,153,092	164,561,609
	212,403,206	197,809,774	133,153,092	277,059,888
Fisheries, Oceans and the Canadian Coast Guard				
Department of Fisheries and Oceans				
Contractor security deposits—Cash.....	288,015	529,369	447,357	370,027
Guarantee deposits—Fish habitat preservation.....	360,106	–	–	360,106
	648,121	529,369	447,357	730,133
Health				
Canadian Food Inspection Agency				
Contractor security deposits—Cash.....	73,672	–	–	73,672
Indigenous Services				
Department of Indigenous Services Canada				
Guarantee deposits	2,105,571	7,848,104	7,772,107	2,181,568
Innovation, Science and Economic Development				
Department of Industry				
Deposits from spectrum auctions.....	16,373,000	266,960	7,730,960	8,909,000
Justice				
Courts Administration Service				
Security for costs.....	24,569	40,703	–	65,272
Registrar of the Supreme Court of Canada				
Security for costs.....	391,890	291	–	392,181
	416,459	40,994	–	457,453

Table 6.30
Deposit and trust accounts—continued

(in dollars)

	April 1, 2018	Receipts and other credits	Payments and other charges	March 31, 2019
National Defence				
Department of National Defence				
Contractor security deposits—Cash.....	3,803,948	6,356,309	6,857,466	3,302,791
National Revenue				
Canada Revenue Agency				
Guarantee deposits	223,156,331	71,656,132	33,885,864	260,926,599
Less: securities held in trust	40,000	5,000	—	45,000
	223,116,331	71,661,132	33,885,864	260,891,599
Natural Resources				
Department of Natural Resources				
Contractor security deposits—Cash.....	36,865	12,625	32,525	16,965
Guarantee deposits—Oil and gas.....	13,804,507	3,198,545	1,565,000	15,438,052
National Energy Board				
Guarantee deposits	151,306	—	—	151,306
	13,992,678	3,211,170	1,597,525	15,606,323
Privy Council				
Office of the Chief Electoral Officer				
Candidates' and committees' deposits—Election and referendum.....	106,000	—	4,000	102,000
Public Safety and Emergency Preparedness				
Canada Border Services Agency				
General security deposits.....	7,528,687	265,010	—	7,793,697
Guarantee deposits	8,712,722	2,342,467	335,845	10,719,344
Immigration Guarantee Fund.....	22,684,171	6,032,337	5,537,006	23,179,502
Temporary deposits received from importers	1,096,710	175,443	229,997	1,042,156
	40,022,290	8,815,257	6,102,848	42,734,699
Royal Canadian Mounted Police				
Contractor security deposits—Cash.....	181,266	222,005	117,993	285,278
	40,203,556	9,037,262	6,220,841	43,019,977
Public Services and Procurement				
Department of Public Works and Government Services				
Contractor security deposits—Cash.....	5,816,272	2,932,207	1,997,209	6,751,270
Deposits on disposals	240,539	1,144,124	386,353	998,310
Seized property—Cash.....	39,816,544	24,113,175	19,924,591	44,005,128
	45,873,355	28,189,506	22,308,153	51,754,708
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.....	122,707	5,404	1,703	126,408
	122,707	5,404	1,703	126,408
Total—Deposits accounts	576,214,499	713,160,671	609,119,094	680,256,076

Table 6.30
Deposit and trust accounts—concluded

(in dollars)

	April 1, 2018	Receipts and other credits	Payments and other charges	March 31, 2019
Trust accounts				
Families, Children and Social Development				
Department of Employment and Social Development				
Indian Residential Schools Settlement Agreement				
Common experience payments	82,977,285	361,045	64,901,545	18,436,785
Indigenous Services				
Department of Indigenous Services Canada				
Indian band funds				
Capital accounts, Table 6.31	414,383,748	46,349,050	60,431,144	400,301,654
Revenue accounts, Table 6.32.....	176,982,079	82,309,583	79,992,096	179,299,566
	591,365,827	128,658,633	140,423,240	579,601,220
Indian estate accounts.....	27,740,700	7,090,433	5,721,963	29,109,170
Indian savings accounts.....	26,834,997	2,660,523	3,958,051	25,537,469
	645,941,524	138,409,589	150,103,254	634,247,859
Innovation, Science and Economic Development				
Department of Industry				
Restitutions under the <i>Competition Act</i>	4,353	–	–	4,353
National Defence				
Department of National Defence				
Estates—Armed services.....	702,431	1,585,672	1,308,039	980,064
Public Safety and Emergency Preparedness				
Canadian Security Intelligence Service				
Scholastic awards.....	26,737	353	500	26,590
Correctional Service of Canada				
Inmates Trust Fund	17,298,763	39,908,355	39,474,677	17,732,441
Royal Canadian Mounted Police				
Benefit Trust Fund	2,278,020	229,727	113,079	2,394,668
	19,603,520	40,138,435	39,588,256	20,153,699
Veterans Affairs				
Department of Veterans Affairs				
Administered accounts	215,349	54,849	31,889	238,309
Estates Fund.....	14,750	158	14,908	–
Veterans Administration and Welfare Trust Fund	1,078,908	43,630	83,273	1,039,265
	1,309,007	98,637	130,070	1,277,574
Total—Trust accounts.....	750,538,120	180,593,378	256,031,164	675,100,334
Total—Deposit and trust accounts	1,326,752,619	893,754,049	865,150,258	1,355,356,410

Contractor security deposits—Certified cheques—Department of Agriculture and Agri-Food

This account was established to record contractor security deposits that are required for the satisfactory performance of work in accordance with Government Contracts Regulations.

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 Indian Affairs and Northern Development

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.

Guarantee deposits—Oil and gas—Department of Indian affairs and Northern Development

This account was established to record securities in the form of cash, letters of credit or other acceptable instruments which are required to be issued to, and held by the Government of Canada pursuant to an interest issued in accordance with the *Canada Petroleum Resources Act*. These securities are a performance guarantee or refundable rental that the agreed exploration work will be performed in the manner and time frame specified. Interest is not paid on these deposits.

Contractor security deposits—Cash and cheques—Department of the Environment

This account was established for the management of deposits of money belonging to third parties.

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.

Canada Labour Code—Other

This account was established to record amounts received under the provisions of section 251 of the Canada Labour Code Part III. The receipts are payment of wages or other amounts prescribed under the Code that a Labour inspector determined to be owed following a complaint or an inspection. Employers can pay the amount owed to the Minister of Employment, Workforce Development and Labour 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 Program inspector regarding wages or amounts that are owed to employees. 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 to the Minister of Employment, Workforce Development and Labour for deposit. This amount is held until the revision or the appeal is completed after which it will be remitted to the employee, the employer, the director or both where applicable. The deposits in this account are interest-bearing at the rate set by the Minister of Finance for contractor's deposits.

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.

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.

An amount of \$115.4 million USD is held in this account at year-end.

Swap collateral guarantee deposits

This account was established to record cash received as credit support under a collateral agreement with financial institutions.

An amount of \$46.6 million US is held in this account 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, pursuant to Section 35 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 Canada

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.

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—National Energy Board

Under Bill 46 of the *Pipeline Safety Act*, the National Energy Board requested to set up a specified purpose account to maintain funds or security that it considered necessary for pipeline abandonment costs and expenses.

Candidates' and committees' deposits—Election and referendum

This account was established to record candidates' election and committees' referendum deposits received in respect of an election or a referendum that took place prior to October 25, 2017.

Pursuant to the *Canada Elections Act* or the *Referendum Act*, amounts received were either refunded to candidates or committees, or were transferred to non-tax revenues. This provision has since been repealed from the *Canada Elections Act*.

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

This account was established to report transactions associated to deposits on disposals for the Department of Public Works and Government Services (PWGSC), security deposits and revenues of leased space belonging to PWGSC.

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 Families, Children and Social Development 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 6.31
Indian band funds—Capital accounts

(in dollars)

	2019	2018
Opening balance	414,383,748	465,418,716
Receipts and other credits		
Claim settlements	498,500	–
Gas royalties	23,737,635	26,743,716
Oil royalties	18,287,897	21,221,550
Sundries	3,825,018	1,881,955
	46,349,050	49,847,221
	460,732,798	515,265,937
Payments and other charges		
Per capita cash distribution	3,673,139	6,154,350
Transfer pursuant to section 64 of the <i>Indian Act</i>	56,758,005	94,727,401
Sundries	–	438
	60,431,144	100,882,189
Closing balance	400,301,654	414,383,748

Table 6.32
Indian band funds—Revenue accounts

(in dollars)

	2019	2018
Opening balance	176,982,079	179,659,952
Receipts and other credits		
Court award and settlements	–	1,500
Government interest	13,906,031	13,563,256
Land and other claim settlements	50,000	14,838,842
Sundries	68,353,552	49,017,627
	82,309,583	77,421,225
	259,291,662	257,081,177
Payments and other charges		
Per capita cash distribution	–	650,860
Transfer pursuant to section 69 of the <i>Indian Act</i>	71,032,208	55,750,616
Sundries	8,959,888	23,697,622
	79,992,096	80,099,098
Closing balance	179,299,566	176,982,079

Indian estate accounts

These accounts were established to record funds received and disbursed for estates of deceased Indians, dependent adult Indians and missing Indians pursuant to sections 42 to 51 of the *Indian Act*.

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, who has been appointed as the Director of Estates by the Minister of National Defence, the net assets of a deceased member's service estates 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.

Inmates 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.

Estates Fund

This account was established to record the proceeds from the estates of those veterans who died while receiving hospital treatment or institutional care, and for those veterans whose funds had been administered by the Government, in accordance with sections 5, 6 and 7 of the Veterans' Estates Regulations. Individual accounts are maintained and payments are made to beneficiaries pursuant to the appropriate legislative authority.

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 6.33
Other specified purpose accounts

(in dollars)

	April 1, 2018	Receipts and other credits	Payments and other charges	March 31, 2019
Insurance and death benefit accounts				
Families, Children and Social Development				
Department of Employment and Social Development				
Civil Service Insurance Fund	1,563,155	136	243,358	1,319,933
National Defence				
Department of National Defence				
Regular Force Death Benefit Account, Table 6.34	185,203,386	27,976,596	33,669,263	179,510,719
Treasury Board				
Treasury Board Secretariat				
Public Service Death Benefit Account, Table 6.35	3,714,705,845	270,662,397	185,503,518	3,799,864,724
Veterans Affairs				
Department of Veterans Affairs				
Returned Soldiers' Insurance Fund	5,739	772	2,052	4,459
Veterans' Insurance Fund	1,104,268	45,663	183,945	965,986
	<i>1,110,007</i>	<i>46,435</i>	<i>185,997</i>	<i>970,445</i>
Total—Insurance and death benefit accounts	3,902,582,393	298,685,564	219,602,136	3,981,665,821
Pension accounts				
Global Affairs				
Department of Foreign Affairs, Trade and Development				
Contributory Pension Account—Locally engaged staff	82,075	–	1,509	80,566
Public Safety and Emergency Preparedness				
Royal Canadian Mounted Police				
Royal Canadian Mounted Police (Dependants) Pension Fund	14,055,572	531,927	1,724,768	12,862,731
Total—Pension accounts	14,137,647	531,927	1,726,277	12,943,297
Other accounts				
Agriculture and Agri-Food				
Department of Agriculture and Agri-Food				
AgriInvest Program	5,436,212	264,708,518	261,871,808	8,272,922
AgriStability Program	47,594,104	30,643,014	27,593,601	50,643,517
Federal/provincial collaborative agreement—Dam transfer	364,106	695,595	571,036	488,665
Foreign missions to advance Canadian agriculture	27,786	105,858	133,644	–
	<i>53,422,208</i>	<i>296,152,985</i>	<i>290,170,089</i>	<i>59,405,104</i>
Canadian Heritage				
Department of Canadian Heritage				
Miscellaneous projects deposits	290,467	256,809	270,214	277,062
Shared-cost/joint project agreements	55,000	–	32,807	22,193
Library and Archives of Canada				
Special Operating Account	127,419	41,944	22,624	146,739
Telefilm Canada				
Advance Account	66,339,515	32,589,027	42,341,075	56,587,467
	<i>66,812,401</i>	<i>32,887,780</i>	<i>42,666,720</i>	<i>57,033,461</i>
Environment and Climate Change				
Parks Canada Agency				
Miscellaneous projects deposits	5,130,546	7,540,735	6,393,012	6,278,269

Table 6.33
Other specified purpose accounts—continued

(in dollars)

	April 1, 2018	Receipts and other credits	Payments and other charges	March 31, 2019
Families, Children and Social Development				
Department of Employment and Social Development				
Federal/provincial collaborative agreement.....	535,571	93,340,775	88,934,020	4,942,326
Federal/provincial shared-cost project.....	348,103	68,111	50,887	365,327
Federal/provincial/territorial shared-cost project				
Interprovincial Computerized Examination				
Management System.....	2,336,947	811,298	661,815	2,486,430
Labour Standards Suspense Account.....	1,699,554	88,990	3,125	1,785,419
	4,920,175	94,309,174	89,649,847	9,579,502
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.....	4,236	–	–	4,236
	2,861,027	–	–	2,861,027
Fisheries, Oceans and the Canadian Coast Guard				
Department of Fisheries and Oceans				
Federal/provincial cost-sharing agreements.....	4,278,135	5,248,334	3,576,287	5,950,182
Miscellaneous projects deposits.....	22,559,385	6,820,373	8,231,996	21,147,762
Sales of seized assets.....	1,463,202	396,331	357,881	1,501,652
	28,300,722	12,465,038	12,166,164	28,599,596
Global Affairs				
Department of Foreign Affairs, Trade and Development				
Canada Foundation Account.....	390,820	38,618	19,341	410,097
Less:				
Deposits in a special bank account.....	7,013	–	127	7,140
Securities held in trust.....	383,807	19,342	38,492	402,957
	–	57,960	57,960	–
Financial assistance to Canadians abroad.....	90,428	829,608	802,216	117,820
Funds from non-governmental organizations.....	1,694,273	39,377,376	37,844,536	3,227,113
Shared-cost projects.....	11,105,122	19,121,152	21,448,009	8,778,265
Shared-cost projects—Support to various programs.....	230,505	–	–	230,505
	13,120,328	59,386,096	60,152,721	12,353,703
Health				
Department of Health				
Collaborative research projects.....	3,093,422	967,825	442,118	3,619,129
Miscellaneous federal/provincial projects.....	1,425,983	344,179	88,061	1,682,101
World Health Organization.....	105,908	–	–	105,908
Canadian Food Inspection Agency				
Shared-cost agreements.....	1,442,939	913,081	1,149,769	1,206,251
Public Health Agency of Canada				
Collaborative research projects.....	665,624	279,284	386,382	558,526
Miscellaneous federal/provincial projects.....	972,870	–	–	972,870
	7,706,746	2,504,369	2,066,330	8,144,785
Immigration, Refugees and Citizenship				
Department of Citizenship and Immigration				
Immigrant Investor Program.....	24,827,995	738,372,000	743,599,995	19,600,000
Indigenous Services				
Department of Indigenous Services Canada				
Fines— <i>Indian Act</i>	426,165	1,384	4,338	423,211
Indian band funds—Shares and certificates.....	20,000	–	–	20,000
Less: securities held in trust.....	20,000	–	–	20,000
	–	–	–	–
Indian Moneys Suspense Account.....	42,091,034	7,533,831	7,352,478	42,272,387
Indian special accounts.....	–	3,202	–	3,202
Miscellaneous federal/provincial projects.....	99,256	4,750,000	–	4,849,256
Less: securities held in trust.....	–	–	4,750,000	4,750,000
	99,256	4,750,000	4,750,000	99,256
Treaty Land Entitlement (Saskatchewan) Fund.....	–	45,555	45,555	–
	42,616,455	12,333,972	12,152,371	42,798,056

Table 6.33
Other specified purpose accounts—concluded

(in dollars)

	April 1, 2018	Receipts and other credits	Payments and other charges	March 31, 2019
Innovation, Science and Economic Development				
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	2,033,626	204,935	391,333	1,847,228
Unclaimed dividends and undistributed assets				
<i>Bankruptcy and Insolvency Act</i>	31,644,864	2,100,632	893,871	32,851,625
<i>Canada Business Corporations Act</i>	8,980,603	586,587	64,933	9,502,257
<i>Winding-up and Restructuring Act</i>	4,916,652	101,666	–	5,018,318
Atlantic Canada Opportunities Agency				
Federal/Provincial agreement—Advance account	391,744	3,789,501	3,176,618	1,004,627
Federal Economic Development Agency for Southern Ontario				
Canada/Provinces Service Agreement	49,960	250,455	300,415	–
Statistics Canada				
Project deposits	626,866	143,874,086	143,882,237	618,715
	49,383,213	150,907,862	148,709,407	51,581,668
Justice				
Courts Administration Service				
Special Account	8,321,174	1,686,665	3,226,812	6,781,027
National Defence				
Department of National Defence				
Joint research and development projects.....	3,125,998	–	748,533	2,377,465
Non-government agencies	2,247,597	2,590,690	2,466,047	2,372,240
Communications Security Establishment				
Foreign partners—Security	146,251	–	146,251	–
	5,519,846	2,590,690	3,360,831	4,749,705
National Revenue				
Canada Revenue Agency				
Deposits/Disbursements—Workers' Compensation Board.....	2,001,454	295,845,837	294,823,418	3,023,873
Natural Resources				
Department of Natural Resources				
Market development incentive payments—Alberta	752,282	–	194,457	557,825
Newfoundland and Labrador Offshore Petroleum Revenue Account	–	305,324,487	305,324,487	–
Nova Scotia Offshore Revenue Account	–	333,160,259	333,160,259	–
Shared-cost agreements—Research.....	5,786,109	3,010,268	2,994,043	5,802,334
Shared-cost projects	1,586,454	994,136	1,126,905	1,453,685
	8,124,845	642,489,150	642,800,151	7,813,844
Office of the Governor General's Secretary				
Cost-sharing collaborate agreement	1,768	3,475	5,243	–
Privy Council				
Privy Council Office				
Shared-cost projects—Media travel expenses.....	414,507	381,928	5,175	791,260
Public Safety and Emergency Preparedness				
Royal Canadian Mounted Police				
Joint research and development projects.....	940,633	60,408	–	1,001,041
Public Services and Procurement				
Department of Public Works and Government Services				
Military purchases excess funds deposit	128,904,896	–	17,653,633	111,251,263
Less: securities held in trust	128,904,896	17,653,633	–	111,251,263
	–	17,653,633	17,653,633	–
Transport				
Department of Transport				
Shared-cost agreements—Security projects.....	2,185,345	1,500,000	1,026,250	2,659,095
Total	326,611,388	2,369,071,797	2,370,628,169	325,055,016
Less: consolidation adjustment ¹	66,339,515	32,589,027	42,341,075	56,587,467
Total—Other accounts	260,271,873	2,336,482,770	2,328,287,094	268,467,549
Total—Other specified purpose accounts.....	4,176,991,913	2,635,700,261	2,549,615,507	4,263,076,667

¹ 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, 2019, was 127 and the average age of the policyholders was 93.7 years. During the year, premiums of \$124 were received. Death benefits, settlement annuities and premium refunds of \$148,393 were paid during 2019.

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 \$1,319,933 as at March 31, 2019. The surplus as at March 31, 2019, is \$94,953. Pursuant to subsection 16(4) of the Civil Service Insurance Regulations, an amount of \$94,953 has therefore been debited from the account in 2019.

Regular Force Death Benefit Account

This account was established by the *Canadian Armed 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; and (c) the portion of benefits payable for which the Government has paid a single premium.

Table 6.34
Regular Force Death Benefit Account

(in dollars)

	2019	2018
Opening balance	185,203,386	189,500,082
Receipts and other credits		
Employee contributions	19,030,607	18,837,428
Employer contributions		
Government		
General	1,969,319	2,109,450
Single premiums payable by the Government in respect of Regular Force participants who became entitled to a basic benefit of \$5,000 without contribution	–	474,791
Interest	6,976,670	7,725,389
Total receipts and other credits	27,976,596	29,147,058
Subtotal	213,179,982	218,647,140
Payments and other charges		
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	33,669,263	33,443,754
Closing balance	179,510,719	185,203,386

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 6.35
Public Service Death Benefit Account

(in dollars)

	2019	2018
Opening balance	3,714,705,845	3,626,907,397
Receipts and other credits		
Employee contributions		
Active members		
Public Service employees	76,189,811	70,796,414
Public Service corporations	5,959,531	5,763,401
Retired employees	26,950,643	26,329,958
Employer contributions		
Public Service corporations	1,569,400	1,514,931
Death benefit—general	12,016,107	11,899,531
Death benefit—single premium for \$10,000	3,131,353	3,058,443
Interest	144,845,552	149,738,670
Total receipts and other credits	270,662,397	269,101,348
Subtotal	3,985,368,242	3,896,008,745
Payments and other charges		
Benefit payments		
General	143,784,511	142,436,539
Life coverage for \$10,000	41,310,237	38,508,525
Other death benefit payments	408,770	357,836
Total payments and other charges	185,503,518	181,302,900
Closing balance	3,799,864,724	3,714,705,845

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, 2018, of \$772 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, 2018, of \$45,663 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 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.

Federal/Provincial collaborative agreement—Dam transfer

This account was established to record the funding from the Water Security Agency/Province of Saskatchewan related to the Federal Dam Transfer Agreement. The Department of Agriculture and Agri-Food will use the funds to procure goods and services as prescribed in the Operating and Maintenance Agreement.

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 monies received from other governments and organizations in order to cover expenditures incurred under various shared-cost/joint project agreements.

Special Operating Account

This account was established pursuant to section 18 of the *Library and Archives of Canada Act*, which also directed that: (a) the account be credited with funds received for the purpose of the Library and Archives of Canada by way of donation, bequest or otherwise; and (b) any amounts required for the purpose of the Act may be paid out of the account or out of money appropriated by Parliament for such purposes.

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.

Miscellaneous projects deposits—Parks Canada Agency

This account was established to record contributions received from organizations and individuals for various projects.

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 Minister of Employment, Workforce Development and Labour from employers 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.

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.

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 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 *Economic Action Plan 2014 Act, No. 1* (Bill C-31) terminated the program and any application in the backlog for which a selection decision was not made before February 11, 2014. While the program has been terminated, outstanding investments will continue to be returned to investors approximately over the next 5 years.

Fines—Indian Act

Fines collected as defined in section 104 of the *Indian Act*, are credited to this account for the benefit of the bands or members of the bands. Expenditures may be made per the direction of the Governor in Council to cover certain costs in the administration or promotion of the purpose of the relative law. 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. These accounts include Quebec fur account which was established to record funds received from the sales of pelts trapped on reserves in the Abitibi District in Quebec, to defer charges for tallymen's wages, freight costs, etc. No activity was reported in the current year.

Miscellaneous federal/provincial projects—Department of Indigenous Services 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.

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.

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.

Canada/Provinces Service Agreement

This account was established to record funds received from provinces under cost-sharing agreement for the Canada Business Ontario Service Centre.

Project deposits—*Statistics Canada*

This account was established to record deposits received from outside parties to secure payments for special statistical services.

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.

Market development incentive payments—Alberta

This account records funds received from the Government of Alberta to encourage the expansion of natural gas markets in Alberta and provinces to the East, in accordance with an agreement between the Government of Canada and the Government of Alberta dated September 1, 1981, and pursuant to section 39 of the *Energy Administration Act*. The original term of the agreement was from November 1, 1981, to January 31, 1987. As a result of the Western Accord of March 25, 1985, payments from the Government of Alberta terminated as of April 30, 1986; however, payments continued to be made from the account for selected programs, which encouraged the use of natural gas for vehicles.

In 2009–2010, a strategy for the expenditure of these funds was agreed upon. This strategy consists of expending the remaining funds in support of expanding the use of natural gas in transportation and combined heat and power applications across Canada. It is anticipated that all remaining funds will be spent by March 31, 2020.

Newfoundland and Labrador Offshore Petroleum Revenue Account

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 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 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 medias' (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.

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 projects.

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 Families, Children and Social Development.

Graham Flack
Deputy Minister
Employment and Social Development Canada

Mark Perlman, CPA, CMA
Chief Financial Officer
Employment and Social Development Canada

Gatineau, Canada
August 27, 2019

Canada Pension Plan—continued**Independent Auditor's Report**

To the Minister of Families, Children and Social Development

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 2019, 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 2019 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.

Marise Bédard, CPA, CA
Principal
for the Interim Auditor General of Canada

Ottawa, Canada
27 August 2019

Canada Pension Plan—continued

Consolidated statement of financial position
as at March 31

(in millions of dollars)

	2019	2018
Financial assets		
Cash (Note 4)	251	115
Receivables (Note 5)	5,415	5,377
Investments (Note 7)	494,567	428,827
Pending trades receivable (Note 7)	4,692	2,613
Other	75	–
	505,000	436,932
Liabilities		
Payables and accrued liabilities (Note 9)	1,168	1,214
Investment liabilities (Note 7)	102,864	72,641
Pending trades payable (Note 7)	4,401	2,477
	108,433	76,332
Financial assets available for benefit payments	396,567	360,600
Non-financial assets		
Premises, equipment and others	449	397
Assets available for benefit payments	397,016	360,997

Actuarial obligation in respect of benefits (Note 14)

Contractual obligations and commitments (Note 15)

Contingent liabilities (Note 16)

The accompanying notes are an integral part of these consolidated financial statements.

Approved by:

Graham Flack
Deputy Minister
Employment and Social Development Canada

Mark Perlman, CPA, CMA
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 2019	Actual 2019	Actual 2018
	(Note 10)		
Revenues			
Contributions.....	49,903	51,184	48,435
Net investment income			
Realized gains.....	–	33,046	7,301
Unrealized (losses) gains	–	(8,875)	25,036
Interest income	–	3,261	3,074
Dividend income.....	–	6,358	3,391
Other income	–	1,491	1,132
Investment management fees	–	(1,586)	(1,738)
Transaction costs	–	(477)	(401)
	16,008	33,218	37,795
	65,911	84,402	86,230
Expenses			
Pensions and benefits			
Retirement	37,051	36,286	34,560
Survivor.....	4,578	4,586	4,493
Disability	4,457	4,263	4,133
Disabled contributor's child	338	320	311
Death	366	377	368
Orphan.....	223	211	209
Post-retirement	–	553	440
Net overpayments (Note 5).....	–	(54)	(54)
	47,013	46,542	44,460
Operating expenses (Note 12)	1,769	1,841	1,668
	48,782	48,383	46,128
Net increase in assets available for benefit payments	17,129	36,019	40,102
Assets available for benefit payments, beginning of year	360,997	360,997	320,895
Assets available for benefit payments, end of year	378,126	397,016	360,997

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 2019	Actual 2019	Actual 2018
	(Note 10)		
Net increase in assets available for benefit payments	17,129	36,019	40,102
Changes in non-financial assets	–	(52)	(1)
Increase in financial assets available for benefit payments.....	17,129	35,967	40,101
Financial assets available for benefit payments, beginning of year	360,600	360,600	320,499
Financial assets available for benefit payments, end of year.....	377,729	396,567	360,600

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)

	2019	2018
Operating activities		
Cash receipts		
Contributions	51,151	47,746
Interest on investments	4,537	3,157
Dividends on investments	4,772	2,981
Other investment income	1,347	1,682
Cash payments		
Pensions and benefits	(46,549)	(44,471)
Operating expenses	(1,953)	(1,658)
Investment management fees	(1,001)	(867)
Transaction costs	(450)	(387)
Payment of interest on debt	(452)	(240)
Cash flows from operating activities	11,402	7,943
Capital activities		
Acquisition of premises and equipment	(59)	(28)
Cash flows used in capital activities	(59)	(28)
Financing activities		
Issuance of debt	36,784	60,494
Repayment of debt	(30,929)	(55,539)
Cash flows from financing activities	5,855	4,955
Investing activities		
Purchases	(3,015,044)	(3,681,090)
Disposals	2,997,982	3,668,161
Cash flows used in investing activities	(17,062)	(12,929)
Net increase (decrease) in cash	136	(59)
Cash, beginning of year	115	174
Cash, end of year	251	115

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, 2019

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. The CPP is administered by the Government of Canada (GoC) and the provinces.

The CPP began operations 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.

On December 15, 2016, the *Canada Pension Plan*, the *Canada Pension Plan Investment Board Act (CPPIB Act)* and the *Income Tax Act (Canada)* were amended to reflect the CPP enhancement. The CPP enhancement will be implemented through a phased-in approach over a 7-year period which began on January 1, 2019. It will bring a higher income replacement rate and increase the range of pensionable earnings covered.

The Minister of Families, Children and Social Development 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 his provincial counterparts are responsible for setting CPP contribution rates, pension and benefit levels and funding policy. CPP Investment Board (CPPIB) is responsible for managing the amounts that are being transferred under section 108.1 and 108.3 of the *Canada Pension Plan*. It acts in the best interests of the beneficiaries and contributors under the *Canada Pension Plan*.

In accordance with the *Canada Pension Plan*, the financial activities of the CPP are recorded in the CPP Account and the Additional CPP Account (Note 3). The financial transactions affecting the Accounts are governed by the *Canada Pension Plan* and its regulations. The CPP transfers to CPPIB amounts that are not immediately needed to pay CPP pensions, benefits and operating expenses, and CPPIB invests these amounts. Pursuant to subsections 112(1) and 112(2) of the *Canada Pension Plan*, one set of annual financial statements is presented on a consolidated basis to include the accounts of the CPP and CPPIB.

CPPIB was established pursuant to the *CPPIB Act*. CPPIB is a federal Crown corporation and all of its shares are owned by Her Majesty the Queen in right of Canada. CPPIB's 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.

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 and its subsidiaries are owned by Her Majesty the Queen in right of Canada or by a corporation whose shares are owned by Her Majesty the Queen in right of Canada, respectively.

CPPIB is designed to operate at arm's length from the government. It is required to be accountable to the public, Parliament (through the federal Minister of Finance) and 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.

(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 2019 is \$1,154.58 (2018 – \$1,134.17).

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 2019 is \$28.86 (2018 – \$28.35).

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2019—continued**

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 2019 is \$1,362.30 (2018 – \$1,335.83).

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 2019 is \$496.36 (2018 – n/a).

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 in 2019 is \$692.75 (2018 – \$680.50).

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 2019 is \$250.27 (2018 – \$244.64).

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 \$2,500.00 in 2019 (2018 – an earnings-related benefit equal to six times the amount of monthly retirement pension, up to a maximum of \$2,500.00).

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 2019 is 2.3% (2018 – 1.5%).

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2019—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 Government.

(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). 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, investment receivables and investment liabilities are included as supplementary information in these consolidated financial statements.

(c) Financial instruments

The CPP, through CPPIB, measures its investments, investment receivables and investment liabilities at fair value.

The investments and investment receivables are measured at fair value on the basis that they are part of a portfolio managed and evaluated on a fair value basis in accordance with investment strategies and risk management of CPPIB.

Investment liabilities are measured at fair value upon meeting the following criteria:

- It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- On initial recognition it is part of a portfolio of identified financial instruments that is managed together and for which there is evidence of a recent actual pattern of short-term profit taking; or
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

The CPP, through CPPIB, recognizes investments, investment receivables and investment liabilities when, and only when, it becomes a party to the contractual provisions of the instrument. In addition, these are recorded on a trade date basis.

Investments and investment receivables are derecognized when the contractual rights to receive the cash flows expire or where the CPP, through CPPIB, has transferred the asset and substantially all the risks and rewards of the asset or no longer retains control over the asset. Investment liabilities are derecognized by CPP, through CPPIB, when the obligation under the liabilities is discharged, cancelled or expires.

Upon initial recognition, investments, investment receivables and investment liabilities are measured at fair value. Subsequent changes in the fair value are recorded as unrealized gains (losses) on investments and included in net investment income (loss), along with the interest and dividend income from such financial instruments.

(d) Valuation of investments, investment receivables and investment liabilities

Investments, investment receivables 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.

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2019—continued

(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 changes in unrealized gains and losses from investments, investment receivables and investment liabilities, dividend income and interest income. Dividend income is recognized on the ex-dividend date, which is when the right to receive the dividend has been established. Interest income is recognized as earned.

(g) Investment management fees

Investment management fees, which include hedge fund performance fees, are paid to investment managers for externally managed investments. Investment management fees are expensed as incurred and included in net investment income (loss).

(h) Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition or disposal of an investment. Transaction costs are expensed as incurred and included in net investment income (loss).

(i) Translation of foreign currencies

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 using the exchange rates at the dates of the initial transactions.

Foreign currency transaction gains and losses on financial instruments are included in net investment income (loss).

(j) 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.

(k) 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 9).

(l) Net overpayments

Net overpayments comprise overpayments of pensions and benefits that were established during the year less remissions of debts granted.

(m) Operating expenses

Operating expenses are recorded as incurred.

(n) 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.

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2019—continued

(o) 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.

(p) Measurement uncertainty

The preparation of consolidated financial statements in accordance with the *Canada Pension Plan* requires management to make certain estimates, judgments and assumptions that affect the reported values of assets and liabilities as at the date of the consolidated financial statements and revenues and expenses during the reporting period. Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available. Significant estimates and judgments are required principally in determining the reported estimated contributions, allowance for doubtful accounts, contingent liabilities, actuarial obligation in respect of benefits and valuation of financial instruments which are not actively traded. Measurement uncertainty exists in these consolidated financial statements. Actual results could significantly differ from those estimates.

(q) Adoption of new accounting standards

Although these consolidated financial statements are prepared in compliance with the *Canada Pension Plan*, the CPP analyzes Canadian Public Sector Accounting Standards as they are the source on which the CPP's accounting policies are based. The CPP has adopted the following section effective April 1, 2018:

Restructuring transactions

This new standard PS 3430 introduces accounting guidance for both transferors and recipients of assets and/or liabilities regarding restructuring transactions, together with related program or operating responsibilities. There were no impacts on the consolidated financial statements from adopting this section.

3. Canada Pension Plan enhancement

On December 15, 2016, legislation to enact the CPP enhancement received Royal Assent, amending the *Canada Pension Plan*, the *CPPIB Act* and the *Income Tax Act (Canada)*. These legislative amendments will increase 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. The *Canada Pension Plan* now defines two separate accounts, the CPP Account (existing CPP), and the Additional CPP Account (enhanced CPP), collectively referred to as the CPP Accounts, where the financial activities of each account are recorded in the Account to which they relate. As a result of the legislated requirement for the incremental full funding of any new or increased benefit (refer to the second paragraph in Note 13), the Additional CPP Account is fully funded, unlike the CPP Account.

The Additional CPP Account contributions began on January 1, 2019. In order to prepare for the Additional CPP Account, costs were incurred by the CPP and CPPIB. As defined in the *Canada Pension Plan* as well as in the *CPPIB Act*, initial costs of administration and the related interests incurred in relation to CPP enhancement via the Additional CPP Account were temporarily funded by the CPP Account. In 2019, these initial costs of administration and the related interests incurred totalled \$25 million (2018 – \$16 million) of which \$10 million (2018 – \$8 million) was incurred by GoC and \$15 million (2018 – \$8 million) was incurred by CPPIB. As at March 31, 2019, the Additional CPP Account has fully reimbursed, with interest, the CPP Account.

Given that the Additional CPP Account began to receive contributions on January 1, 2019, the activities to report on are limited. While the notes that follow present the consolidated information of both the CPP Account and the Additional CPP Account, they are mainly applicable to the CPP Account. A breakdown of the activities between the CPP Account and the Additional CPP Account is presented in Note 18.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2019—continued****4. 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, 2019, the deposit with the Receiver General for Canada in the CPP Accounts is \$163 million (2018 – \$32 million) and CPPIB's cash is \$88 million (2018 – \$83 million) for a total of \$251 million (2018 – \$115 million).

5. Receivables

Receivables comprise the following:

(in millions of dollars)

	2019	2018
Contributions	5,164	5,131
Québec Pension Plan	130	122
Additional CPP Account	–	16
Beneficiaries		
Balance of pensions and benefits overpayments	154	188
Allowance for doubtful accounts	(69)	(102)
Others	36	22
	5,415	5,377

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 earning 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 overpayments. During the year, overpayments totalling \$91 million (2018 – \$99 million) were established and debts totalling \$37 million (2018 – \$45 million) were forgiven as per the remission provisions of the *Canada Pension Plan*. A further \$88 million (2018 – \$84 million) was recovered through collection of payments and withholdings from beneficiaries.

6. 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 risk. CPPIB employs the Risk/Return Accountability Framework, which establishes accountability of the Board of Directors, the various committees and the investment departments to manage investment related risks. CPPIB manages and mitigates financial risks through the Risk Policy approved by the Board of Directors at least once every fiscal year. This policy contains risk limits and risk management provisions that govern investment decisions. It has been designed to achieve the mandate of CPPIB, which is to invest its assets with a view to achieving a maximum rate of return, without undue risk of loss, having 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.

Upper and Lower Absolute Risk Limits and the Absolute Risk Operating Range are included within the Risk Policy, and these govern the amount of total investment risk that CPPIB can take in the CPP Investment Portfolios. CPPIB monitors potential investment losses in CPP Investment Portfolios daily and reports to the Board of Directors on at least a quarterly basis.

- i. *Market risk:* Market risk (including equity risk, currency risk, interest rate risk and other price risk) is the risk that the fair value or future cash flows of an investment, investment receivable or investment liability will fluctuate because of changes in market prices and rates.

Equity risk: Equity risk is the risk that the fair value or future cash flows will fluctuate because of changes in equity prices. It is a significant source of risk of the CPP Investment Portfolios.

The CPP, through CPPIB, invests in both publicly traded and private equities. After taking into account derivative positions and with all other variables held constant, a 1% decrease/increase in the S&P 500 Index would result in a loss/profit of \$1,021 million (2018 – \$1,200 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.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2019—continued**

Interest rate risk: Interest rate risk is the risk that the fair value or future cash flows of an investment, investment receivable or investment liability will fluctuate because of changes in market interest rates.

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.

Currency risk: The CPP, through CPPIB, is exposed to currency risk through holdings of investments, investment receivables or investment liabilities in various currencies.

In Canadian dollars, the net currency exposures, after allocating foreign currency derivatives, as at March 31, are as follows:

(in millions of dollars)

Currency	2019		2018	
	Net exposure	% of total	Net exposure	% of total
United States dollar.....	204,605	52	171,898	48
Euro.....	33,539	9	36,135	10
British pound sterling.....	18,219	5	19,329	5
Australian dollar.....	13,587	3	11,889	3
Chinese renminbi.....	12,577	3	6,412	2
Hong Kong dollar.....	10,376	3	8,086	2
Japanese yen.....	8,416	2	15,019	4
Indian rupee.....	6,509	2	4,947	1
Brazilian real.....	3,620	1	2,422	1
South Korean won.....	3,136	1	3,680	1
Chilean peso.....	2,722	1	2,695	1
Swiss franc.....	2,623	1	4,002	1
Other.....	11,873	2	12,694	5
Total foreign exposure.....	331,802	85	299,208	84
Canadian dollar.....	60,192	15	57,114	16
	391,994	100	356,322	100

As at March 31, 2019, with all other variables and underlying values held constant, a change in the value of the Canadian dollar against major foreign currencies by 10% would result in an approximate increase (decrease) in the value of investments, investment receivables and investment liabilities as follows:

(in millions of dollars)

Currency	2019		2018 ¹	
	Change in net investments		Change in net investments	
	+10%	-10%	+10%	-10%
United States dollar.....	(20,461)	20,461	(17,190)	17,190
Euro.....	(3,354)	3,354	(3,614)	3,614
British pound sterling.....	(1,822)	1,822	(1,933)	1,933
Australian dollar.....	(1,359)	1,359	(1,189)	1,189
Chinese renminbi.....	(1,258)	1,258	(641)	641
Hong Kong dollar.....	(1,038)	1,038	(809)	809
Japanese yen.....	(841)	841	(1,502)	1,502
Indian rupee.....	(651)	651	(495)	495
Brazilian real.....	(362)	362	(242)	242
South Korean won.....	(313)	313	(368)	368
Chilean peso.....	(272)	272	(270)	270
Swiss franc.....	(262)	262	(400)	400
Other.....	(1,187)	1,187	(1,269)	1,269
	(33,180)	33,180	(29,922)	29,922

¹ Certain comparative figures 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, 2019—continued**

- ii. *Credit risk:* Credit risk is the risk of financial loss due to a counterparty failing to meet its contractual obligations, or a reduction in the value of the assets due to a decline in the credit quality of the underlying entity. The CPP's, through CPPIB, credit risk exposure arises primarily through its investment in debt securities, over-the-counter derivatives (as discussed in Note 7g) and guarantees. The carrying amounts of the investments are presented in Note 7 and guarantees are presented in Note 16c).
- iii. *Liquidity risk:* Liquidity 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. 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 18). In order to manage associated liquidity risk, certain assets are segregated and managed separately by CPPIB. Liquidity risk is also managed by investing these assets in liquid money market instruments with the primary objective of ensuring that the CPP has the necessary liquidity to meet benefit payment obligations on any business day. Also, the CPP, through CPPIB, supplements its management of liquidity risk through its ability to raise funds through the issuance of commercial paper and term debt and transacting in securities sold under repurchase agreements (refer to Note 7 and Note 8).

CPPIB maintains \$6,176 million (2018 – \$6,012 million) of unsecured credit facilities to meet potential liquidity requirements. As at March 31, 2019, the total amount drawn on the credit facilities is \$nil (2018 – \$nil). The ability to readily dispose of certain investments to meet liquidity needs is facilitated by maintaining a liquid portfolio of publicly traded equities, money market securities and marketable bonds.

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2019—continued

7. Investments, investment receivables 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 Risk/Return Accountability Framework.

The schedule below provides information on CPPIB's investments, investment receivables and investment liabilities:

(in millions of dollars)

	2019	2018 ¹
Equities		
Public equities	141,189	146,221
Private equities	96,659	75,737
Total equities	237,848	221,958
Fixed income		
Bonds	85,604	63,851
Other debt	27,325	22,183
Money market securities	9,829	8,213
Total fixed income	122,758	94,247
Absolute return strategies	25,512	21,027
Real assets		
Real estate	45,846	44,712
Infrastructure	33,131	27,450
Energy and resources	8,002	5,729
Power and renewables	5,075	2,949
Total real assets	92,054	80,840
Investment receivables		
Securities purchased under reverse repurchase agreements and securities borrowed	11,174	6,164
Derivative assets	3,192	1,918
Other	2,029	2,673
Total investment receivables	16,395	10,755
Total investments	494,567	428,827
Investment liabilities		
Securities sold under repurchase agreements and securities lent	(39,491)	(32,504)
Securities sold short	(29,027)	(13,574)
Debt financing liabilities	(30,861)	(24,056)
Derivative liabilities	(2,330)	(1,712)
Other	(1,155)	(795)
Total investment liabilities	(102,864)	(72,641)
Pending trades receivable	4,692	2,613
Pending trades payable	(4,401)	(2,477)
Net investments²	391,994	356,322

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

² The total of net investments not actively traded as at March 31, 2019, is \$268,481 million (2018 – \$214,507 million).

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2019—continued**

(a) Equities

Equities consist of public and private investments.

- i. Public equities 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. As at March 31, 2019, public equities included fund investments with a fair value of \$10,754 million (2018 – \$8,331 million). 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 equities are generally made directly or through ownership in limited partnership funds. As at March 31, 2019, private equities included direct investments with a fair value of \$47,446 million (2018 – \$33,648 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 relevant information reported by the general partner using similar accepted industry valuation methods.

(b) 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.
- 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.
- iii. Money market securities consist of cash, term deposits, treasury bills, commercial paper and floating rate notes. Cash equivalents consist of short-term deposits 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 securities.

(c) 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 indices. The underlying securities of the funds could include, but are not limited to, equities, fixed income securities and derivatives. Fair value for fund investments is generally based on the net asset value as reported by the external administrators or managers of the funds.

(d) Real assets

- i. CPPIB obtains exposure to real estate through direct investments in privately held real estate and real estate funds.

Private real estate investments are managed on behalf of CPPIB by investment managers primarily through co-ownership arrangements. As at March 31, 2019, real estate investments include assets of \$45,846 million (2018 – \$44,712 million).

- ii. Infrastructure, energy and resources, and power and renewables investments are generally made directly, but can also occur through limited partnership funds. As at March 31, 2019, infrastructure, energy and resources, and power and renewables include direct investments with a fair value of \$46,157 million (2018 – \$36,079 million) and \$51 million in fund investments (2018 – \$49 million).

Fair value of these investments is primarily determined using discounted cash flows based on significant inputs including project cash flows and discount rates. Fair value for investments held through limited partnership funds are generally based on the net asset value as reported by the external managers of the funds.

(e) Securities purchased under reverse repurchase agreements and sold under repurchase agreements

Securities purchased under reverse repurchase agreements represent the purchase of securities effected 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. These securities are not recognized as an investment of the CPP, through CPPIB. 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 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 sold continue to be recognized as an investment of the CPP, through CPPIB, 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 and interest incurred on repurchase agreements is included in net investment income (loss).

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2019—continued

Reverse repurchase and repurchase agreements are carried at the amounts at which the securities were initially acquired or sold, which, together with accrued interest income or expense, approximates fair value due to the short-term nature of these agreements.

The terms to maturity of the securities purchased under reverse repurchase agreements, as at March 31, 2019, are as follows: within 1 year, \$8,205 million (2018 – \$6,164 million), and 1 year to over 10 years, \$nil (2018 – \$nil).

The terms to maturity of the undiscounted value of the securities sold under repurchase agreements, as at March 31, 2019, are as follows: within 1 year, \$38,548 million (2018 – \$32,559 million), and 1 year to over 10 years, \$nil (2018 – \$nil).

(f) 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. The 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.

The terms to maturity of the undiscounted value of securities borrowed as at March 31, 2019, are as follows: within 1 year, \$2,969 million (2018 – \$nil), and 1 year to over 10 years, \$nil (2018 – \$nil).

The terms to maturity of the undiscounted value of securities lent as at March 31, 2019, are as follows: within 1 year, \$1,116 million (2018 – \$nil), and 1 year to over 10 years, \$nil (2018 – \$nil).

(g) Derivative assets and liabilities

A derivative is a financial contract, the value of which is derived from the value of underlying assets, indices, interest rates, currency exchange rates or other market-based factors. Derivatives are transacted through regulated exchanges 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 such as option pricing models, discounted cash flows and consensus pricing from independent brokers and/or third-party vendors.

(h) 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 8). Interest and dividends accrued on securities sold short are included in net investment income (loss).

As at March 31, 2019, securities sold short of \$29,027 million (2018 – \$13,574 million) are considered repayable within one year based on the earliest period in which the counterparty could request payment under certain conditions.

(i) Debt financing liabilities

Debt financing liabilities consist of commercial paper payable and term debt. Commercial paper payable is recorded 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 terms to maturity of the undiscounted value of the commercial paper payable as at March 31, 2019, are as follows: within 1 year, \$4,378 million (2018 – \$6,263 million), and 1 year to over 10 years, \$nil (2018 – \$nil).

The terms to maturity of the undiscounted value of the term debt as at March 31, 2019, are as follows: within 1 year, \$4,590 million (2018 – \$1,250 million), 1 year to 5 years, \$12,673 million (2018 – \$10,614 million), and 6 years to over 10 years, \$8,836 million (2018 – \$6,046 million).

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2019—continued****8. Collateral**

Collateral transactions are conducted to support CPPIB's investment activities under the terms and conditions that are common and customary to collateral arrangements. The net fair value of collateral held and pledged as at March 31 was as follows:

(in millions of dollars)

	2019	2018
Third-party assets held as collateral on¹:		
Reverse repurchase agreements	8,207	6,187
Over-the-counter derivative transactions	965	692
Securities lent ²	1,627	–
Other debt	772	760
Own and third-party assets pledged as collateral on:		
Repurchase agreements	(38,383)	(32,621)
Securities sold short ³	(34,549)	(16,610)
Over-the-counter derivative transactions	(407)	(315)
Private equities	(7,849)	(5,942)
Other debt	(4,562)	(4,417)
	(74,179)	(52,266)

¹ The fair value of the collateral held that may be sold or repledged as at March 31, 2019 was \$9,557 million (2018 – \$6,967 million). The fair value of collateral sold or repledged as at March 31, 2019 was \$3,504 million (2018 – \$5,969 million).

² Includes cash collateral of \$1,116 million (2018 – \$nil). The fair value of securities lent as at March 31, 2019 was \$1,602 million (2018 – \$nil).

³ The fair value of securities borrowed as at March 31, 2019 was \$27,110 million (2018 – \$13,045 million) of which \$26,631 million was sold or repledged (2018 – \$12,547 million) for securities sold short.

9. Payables and accrued liabilities

Payables and accrued liabilities are comprised of the following:

(in millions of dollars)

	2019	2018
Operating expenses	657	702
Pensions and benefits payable	274	298
Tax deductions on benefits due to Canada Revenue Agency	237	214
	1,168	1,214

10. Comparison of results against budget

The budget amounts included in the Consolidated Statement of Operations and the Consolidated Statement of Change In Financial Assets available for benefit payments are derived from the amounts that were originally budgeted in the *2018–2019 Employment and Social Development Canada Departmental Plan*, tabled in Parliament in April 2018 and amounts forecasted by the Office of the Superintendent of Financial Institutions.

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2019—continued

11. Estimated overpayments and underpayments of benefits

In order to measure the accuracy of CPP benefit payments, the CPP relies on a quality program (the CPP Payment Accuracy Review) which estimates, through statistical extrapolation, the most likely value of incorrect benefit payments.

For benefits paid during the 12 months ended March 31, 2019, undetected overpayments and underpayments are estimated to be \$14.5 million and \$54.7 million respectively (\$3.0 million and \$70.4 million in 2018). These estimates are used by the CPP to assess the quality and accuracy of decisions and to continuously improve its systems and practices for processing CPP benefits.

The actual overpayments established during the year, as indicated in Note 5, were recorded as accounts receivable for recovery and are not directly linked to the above noted estimated overpayments and underpayments of benefits for the same period as these are an evaluation of potential overpayments and underpayments based on the extrapolation described above.

12. Operating expenses

CPP's operating expenses are composed of costs incurred by various GoC departments (refer to Note 17) for the administration of the CPP's activities as well as CPPIB's operating expenses.

(in millions of dollars)

	2019			2018		
	GoC	CPPIB	Total	GoC	CPPIB	Total
Personnel related costs	300	802	1,102	298	712	1,010
Collection of contributions and investigation services	207	–	207	190	–	190
Information technology and data services	–	118	118	–	98	98
Program policy and delivery	110	–	110	104	–	104
Professional and consulting fees	–	107	107	–	71	71
Tax on international operations	–	35	35	–	40	40
Premises and equipment	–	40	40	–	38	38
Amortization of premises and equipment	–	20	20	–	27	27
Support services of the Social Security Tribunal	13	–	13	14	–	14
Cheque issue and computer services	5	–	5	6	–	6
Others	3	81	84	3	67	70
	638	1,203	1,841	615	1,053	1,668

13. Financial sustainability of the Canada Pension Plan

The CPP is financed by contributions and investment returns. Employers and employees pay contributions equally to the CPP, and self-employed workers pay the full amount. 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 benefits to remain unchanged, the contribution rate would have needed to be increased regularly.

As a result, the CPP was amended in 1997 to restore its long-term financial sustainability and to improve fairness across generations 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 was the introduction of self-sustaining provisions to safeguard the Plan: 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 to correct the situation, 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, 2019—continued**

The most recent triennial report, the *Twenty-seventh Actuarial Report on the Canada Pension Plan* as at December 31, 2015, was tabled in Parliament on September 27, 2016. The next triennial actuarial report as at December 31, 2018, is expected to be tabled by December 2019. The most recent actuarial report, the *Twenty-ninth Actuarial Report supplementing the Twenty-seventh and Twenty-eighth Actuarial Reports on the Canada Pension Plan* as at December 31, 2015, was tabled in Parliament on May 1, 2018. It was prepared on the basis of the *Twenty-seventh and Twenty-eighth Actuarial Reports* to show the effect of the proposed changes to the *Canada Pension Plan*, as per Division 19 of Part 6 of Bill C-74, the *Budget Implementation Act, 2018, No. 1*, which came into force on December 15, 2018.

According to the *Twenty-seventh Actuarial Report*, under the current legislated contribution rate of 9.9%, the Plan's assets are expected to increase significantly, with the asset/expenditure ratio remaining relatively stable at a level of 6.5 over the period 2016 to the early 2030s and then growing to reach 7.4 by 2090 assuming all assumptions are realized.

A number of assumptions were used in the *Twenty-seventh Actuarial Report* to project the CPP's revenues and expenditures over the long projection period of 75 years, and to determine the minimum contribution rate. The assumptions provided in the table below represent the best estimates according to the Chief Actuary's professional judgment relating to demographic, economic, and other factors; and have been peer reviewed by an independent expert actuary's panel.

	As at December 31, 2015 ¹		As at December 31, 2012 ¹	
	Males	Females	Males	Females
Canadian life expectancy				
at birth in 2016	86.7 years	89.7 years	86.3 years	89.3 years
at age 65 in 2016	21.3 years	23.7 years	21.1 years	23.5 years
Retirement rates for cohort at age 60.....	34% (2016)	38% (2016)	34% (2016)	38% (2016)
CPP disability incidence rates (per 1,000 eligible)	3.10 (2020)	3.65 (2020)	3.32 (2017) ²	3.77 (2017) ²
Total fertility rate.....	1.65 (2019)		1.65 (2015)	
Net migration rate	0.62% of population (2016)		0.60% of population (2017)	
Participation rate (age group 15-69) in 2035 (2012 - in 2030).....	77.5%		76.8%	
Employment rate (age group 15-69) in 2035 (2012 - in 2030)	72.6%		72.1%	
Unemployment rate.....	6.2% (2025)		6.0% (2023)	
Rate of increase in prices	2.0% (2017)		2.2% (2021)	
Real-wage increase	1.1% (2025)		1.2% (2020)	
Real rate of return (75-year average).....	3.9%		3.9%	

¹ Assumptions are expected to gradually converge to their ultimate value. Years in the brackets indicate when the ultimate assumptions value is expected to be reached.

² The ultimate disability incidence rates assumption of the *Twenty-sixth Actuarial Report* has been adjusted based on the 2015 eligible population in order to compare with the assumption for this *Twenty-seventh Actuarial Report* on the same basis.

In the *Twenty-seventh Actuarial Report*, the minimum contribution rate, which is the lowest rate to sustain the CPP, was determined to be 9.79% of contributory earnings for the year 2019 and thereafter (9.84% for the year 2016 and thereafter in the *Twenty-sixth Actuarial Report*).

The CPP assets available for benefit payments represent the funds accumulated for the payment of pensions, benefits, and operating expenses, i.e. total CPP expenditures. The partial funding nature of the CPP means that contributions as opposed to these assets are the main source for financing CPP expenditures. The *Twenty-seventh Actuarial Report* confirms that, on the basis of the assumptions selected, the current legislated contribution rate of 9.9% is and will continue to be sufficient to pay for future expenditures over the period 2016 to 2020. Thereafter, a portion of investment income (26% in 2050) will be required to make up the difference between contributions and expenditures. Under the current legislated contribution rate of 9.9% and the average expected nominal return on assets of 5.1% over the period 2016 to 2025, total assets available for benefit payments are expected to grow to \$476 billion by the end of 2025.

As at March 31, 2019, the value of CPP assets available for benefit payments is \$397.0 billion (2018 – \$361.0 billion). This amount represents approximately 7.7 times the 2020 planned expenditures of \$51.5 billion (2018 – 7.4 times the 2019 planned expenditures of \$48.7 billion).

A variety of tests were performed to measure the sensitivity of the long-term projected financial position of the CPP to future changes in the demographic and economic environments. Key best-estimate demographic and economic assumptions were varied individually to measure the potential impact on the financial status of the CPP.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2019—continued**

The low-cost and high-cost alternatives for three important assumptions are shown in the table below. In the case of mortality, the assumptions for the low-cost and high-cost alternatives were developed by considering alternative assumed mortality improvement rates. In the case of real wage increase and real rate of return, these assumptions are defined as the upper and lower boundaries of the 80% confidence intervals.

	Low-cost		Best-estimate		High-cost	
	Males	Females	Males	Females	Males	Females
Mortality:						
Canadian life expectancy at age 65 in 2050 with future improvements.....	20.9	23.2	23.3	25.6	25.8	27.9
Real wage increase.....	1.8%		1.1%		0.4%	
Average real rate of return (2016–2090).....	5.6%		3.9%		2.2%	

Mortality is a very important demographic assumption as it impacts the length of the benefit payment period. If male and female life expectancies at age 65 were to increase by approximately 2.5 years more than expected by 2050, the minimum contribution rate in 2019 and thereafter would increase to 10.10%, above the current legislated contribution rate of 9.9%. On the other hand, if male and female life expectancies at age 65 were to be about 2.5 years lower than expected, the minimum contribution rate would decrease to 9.46%.

The most sensitive economic assumptions are the real wage increase and the real rate of return on investments. The growth in real wage directly impacts the amount of future CPP contributions. If an ultimate real wage increase of 1.8% is assumed for 2025 and thereafter, the minimum contribution rate would decrease to 9.31%. However, if an ultimate real wage increase of 0.4% is assumed for 2017 and thereafter, the minimum contribution rate would increase to 10.32%.

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 an average real rate of return of 5.6% is assumed over the next 75 years (2016 to 2090), the minimum contribution rate will decrease to 8.54%. However, if the average real rate of return is assumed to be 2.2% over the next 75 years, the minimum contribution rate increases to 11.05%.

The table below summarizes the sensitivity results of the minimum contribution rate and the ratio of the assets to the next year expenditures under the current legislated contribution rate of 9.9% to the changes in mortality, real wage increase and real rate of return on investments assumptions:

Assumption	Scenario	Minimum contribution rate ¹ (%)	Ratio of assets to expenditures under 9.9% contribution rate		
			2025	2050	2090
	Best estimate	9.79	6.49	7.28	7.39
Mortality.....	Low cost	9.46	6.50	7.97	13.12
	High cost	10.10	6.47	6.67	3.20
Real wage increases.....	Low cost	9.31	6.54	8.70	12.61
	High cost	10.32	6.37	5.50	– ²
Real rate of return on investments.....	Low cost	8.54	7.52	14.07	47.47
	High cost	11.05	5.58	3.42	– ³

¹ The minimum contribution rate in this table refers to the rate applicable for 2019 and thereafter.

² Assets depleted by 2086.

³ Assets depleted by 2075.

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2019—continued

14. Actuarial obligation in respect of benefits

The *Twenty-seventh Actuarial Report on the Canada Pension Plan* measures the actuarial obligation under an open group approach, which is consistent with the partial funding nature of the CPP financing, and provides information under a closed group approach, in a footnote. 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.

With the current legislated contribution rate of 9.9%, the table below presents the asset excess (shortfall) and the assets to actuarial obligation ratio under open and closed group approaches at valuation dates of the current and previous actuarial reports:

(in billions of dollars)

	As at December 31, 2015		As at December 31, 2012	
	Open group	Closed group	Open group	Closed group
Assets available for benefit payments	2,547.4	285.4	2,245.8	175.1
Actuarial obligation	2,546.1	1,171.1	2,254.7	1,004.9
Asset excess (shortfall) ¹	1.3	(885.7)	(8.9)	(829.8)
Assets to actuarial obligation ratio	100.1%	24.4%	99.6%	17.4%

¹ The determination of the asset excess (shortfall) is based on the CPP's revenues and expenditures projected over the period of 150 years.

Under the partial funding financing approach of the CPP, in any given year, current contributors allow the use of their contributions to pay current beneficiaries' benefits. This financial arrangement creates claims for current and past contributors to contributions of future contributors. As such, the most appropriate 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 approach does not reflect these claims, since only current participants are considered. To determine the CPP actuarial obligations under the open group approach, the CPP's revenues and expenditures were projected over the period of 150 years using the assumptions of the *Twenty-seventh Actuarial Report* shown in Note 13. The projection period longer than 75 years that is used to calculate the minimum contribution rate 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 CPP was never intended to be a fully-funded plan and the financial sustainability of the CPP is not assessed based on its actuarial obligation in respect of benefits. According to the *Twenty-seventh 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 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 CPP, that is, its reliance on both future contributions and invested assets as a means of financing its future expenditures. Using the open group approach, the Chief Actuary confirms that the CPP, on the basis of the assumptions selected, will continue to meet its financial obligations and is sustainable in the long term.

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2019—continued

15. 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. Significant contractual obligations and commitments that can be reasonably estimated are summarized as follows:

(in millions of dollars)

	Within one year	After one year but not more than five years	More than five years	Total
Lease and other.....	42	115	10	167
Operating costs.....	645	–	–	645
	687	115	10	812

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 17). The MoUs require written notification for termination and require one year advanced notification. Therefore, the operating costs disclosed are an estimation of the costs 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 at this time.

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, 2019, the unfunded commitments totalled \$47,408 million (2018 – \$41,767 million).

16. Contingent liabilities

(a) Appeals relating to the payment of pensions and benefits

At March 31, 2019, there were 4,669 appeals (2018 – 4,480) relating to the payment of CPP disability pensions. These contingencies are reasonably estimated, using historical information, at an amount of \$31.5 million (2018 – \$26.5 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 2019 and 2018 fiscal years for these claims and legal proceedings.

(c) Guarantees

As part of certain investment transactions, the CPP, through CPPIB, agreed to guarantee, as at March 31, 2019, up to \$4,437 million (2018 – \$2,842 million) to other counterparties in the event certain investee entities default under the terms of loan and other related agreements.

(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, 2019—continued

17. 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. Details of these transactions are provided in the GoC operating expenses in Note 12 and contractual obligations in Note 15.

Expenses for the year are comprised of the following:

(in millions of dollars)

	2019	2018
Employment and Social Development Canada		
Program policy and delivery.....	378	369
Canada Revenue Agency		
Collection of contributions and investigation services.....	207	190
Treasury Board Secretariat		
Health Insurance Plan.....	32	33
Administrative Tribunals Support Service Canada		
Support services of the Social Security Tribunal.....	13	14
Public Services and Procurement Canada		
Cheque issue and computer services.....	5	6
Office of the Superintendent of Financial Institutions and Department of Finance		
Actuarial services.....	3	3
	638	615

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, 2019—continued

18. 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 CPP Account and Additional CPP Account respectively.

(in millions of dollars)

	2019					
	CPP Account			Additional CPP Account		
	GoC	CPPIB	Total	GoC	CPPIB	Total
Financial assets						
Cash	152	87	239	11	1	12
Receivables	5,289	19	5,308	107	–	107
Investments	–	494,091	494,091	–	476	476
Pending trades receivables.....	–	4,689	4,689	–	3	3
Other	–	75	75	–	–	–
Non-financial assets	–	435	435	–	14	14
Liabilities						
Payables and accrued liabilities	518	644	1,162	5	1	6
Investment liabilities	–	102,803	102,803	–	61	61
Pending trades payable.....	–	4,392	4,392	–	9	9
Assets available for benefit payments	4,923	391,557	396,480	113	423	536
Revenues						
Contributions.....	50,627	–	50,627	557	–	557
Net investment income						
Investment income.....	5	35,265	35,270	–	11	11
Investment management fees	–	(1,586)	(1,586)	–	–	–
Transaction costs	–	(477)	(477)	–	–	–
	50,632	33,202	83,834	557	11	568
Expenses						
Pensions and benefits	46,542	–	46,542	–	–	–
Operating expenses	615	1,194	1,809	23	9	32
	47,157	1,194	48,351	23	9	32
Net increase in assets available for benefit payments	3,475	32,008	35,483	534	2	536

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2019—continued**

(in millions of dollars)

	2018					
	CPP Account			Additional CPP Account		
	GoC	CPPIB	Total	GoC	CPPIB	Total
Financial assets						
Cash	32	83	115	–	–	–
Receivables	5,356	21	5,377	–	–	–
Investments	–	428,827	428,827	–	–	–
Pending trades receivables.....	–	2,613	2,613	–	–	–
Other	–	–	–	–	–	–
Non-financial assets	–	397	397	–	–	–
Liabilities						
Payables and accrued liabilities	525	689	1,214	–	–	–
Investment liabilities	–	72,641	72,641	–	–	–
Pending trades payable	–	2,477	2,477	–	–	–
Assets available for benefit payments	4,863	356,134	360,997	–	–	–
Revenues						
Contributions.....	48,435	–	48,435	–	–	–
Net investment income						
Investment income.....	3	39,931	39,934	–	–	–
Investment management fees	–	(1,738)	(1,738)	–	–	–
Transaction costs	–	(401)	(401)	–	–	–
	48,438	37,792	86,230	–	–	–
Expenses						
Pensions and benefits	44,460	–	44,460	–	–	–
Operating expenses	615	1,053	1,668	–	–	–
	45,075	1,053	46,128	–	–	–
Net increase in assets available for benefit payments	3,363	36,739	40,102	–	–	–

Canada Pension Plan—concluded**Notes to consolidated financial statements for the year ended March 31, 2019—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)

	2019		
	CPP Account	Additional CPP Account	Total
Accumulated transfers to CPPIB, beginning of year	492,033	–	492,033
Transfers of funds to CPPIB	38,160	421	38,581
Accumulated transfers to CPPIB, end of year	530,193	421	530,614
Accumulated transfers from CPPIB, beginning of year	(351,513)	–	(351,513)
Transfers of funds from CPPIB	(34,745)	–	(34,745)
Accumulated transfers from CPPIB, end of year	(386,258)	–	(386,258)
Net accumulated transfers to CPPIB	143,935	421	144,356

(in millions of dollars)

	2018		
	CPP Account	Additional CPP Account	Total
Accumulated transfers to CPPIB, beginning of year	455,608	–	455,608
Transfers of funds to CPPIB	36,425	–	36,425
Accumulated transfers to CPPIB, end of year	492,033	–	492,033
Accumulated transfers from CPPIB, beginning of year	(317,806)	–	(317,806)
Transfers of funds from CPPIB	(33,707)	–	(33,707)
Accumulated transfers from CPPIB, end of year	(351,513)	–	(351,513)
Net accumulated transfers to CPPIB	140,520	–	140,520

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 Families, Children and Social Development.

Graham Flack
Deputy Minister
Employment and Social Development Canada

Mark Perlman, CPA, CMA
Chief Financial Officer
Employment and Social Development Canada

Gatineau, Canada
August 27, 2019

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 2019. The purpose of this valuation is to determine the actuarial liabilities and financial position of the Account as at 31 March 2019. 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 2019, 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 2019 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, 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.

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.

Government Annuities Account—continued

Report of the Actuary—concluded

Our valuation has been prepared, and our opinion given, in accordance with accepted actuarial practice in Canada. As at 27 August 2019, we have not learned of any events that would have a material impact on the results as at 31 March 2019. The next valuation will be performed as at 31 March 2020.

Annie St-Jacques
Fellow of the Canadian Institute of Actuaries
Office of the Chief Actuary

Thierry Truong
Fellow of the Society of Actuaries
Office of the Chief Actuary

Tina A. Magloé Francis
Associate of the Society of Actuaries
Office of the Chief Actuary

Office of the Superintendent of Financial Institutions Canada
Ottawa, Canada
27 August 2019

Government Annuities Account—continued

Independent Auditor’s Report

To the Minister of Families, Children and Social Development

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 2019, 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 2019, 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.

Heather McManaman, CPA, CA
Principal
for the Interim Auditor General of Canada

Halifax, Canada
27 August 2019

Government Annuities Account—continued**Statement of financial position
as at March 31**

(in thousands of Canadian dollars)

	2019	2018
Net assets available for benefits		
Accounts receivable	50	47
Pension obligations (Note 3)	122,943	134,646
Deficit to be financed by the Government of Canada (Note 4).....	122,893	134,599

The accompanying notes are an integral part of these financial statements.

Approved by:

Graham Flack
Deputy Minister
Employment and Social Development Canada

Mark Perlman, CPA, CMA
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)

	2019	2018
Received or Paid by the Government of Canada		
Annuity payments	17,469	19,329
Premium refunds and other (Note 4).....	33	10
	17,502	19,339
Amount paid through the Consolidated Revenue Fund.....	(17,502)	(19,339)
Administrative expenses		
Services received without charge (Note 5)	1,280	1,324
Services contributed by Employment and Social Development Canada (Note 5)	(1,280)	(1,324)
Change in accounts receivable and increase in net assets available for benefits.....	3	3
Net assets available for benefits at beginning of year.....	47	44
Net assets available for benefits at end of year.....	50	47

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)

	2019	2018
Pension obligations at beginning of year	134,646	154,138
Interest	2,626	2,574
Annuity payments and other items	(17,558)	(19,337)
Experience losses (Note 4)	236	48
Losses (gains) due to change in discount rate assumptions (Note 4).....	2,993	(2,777)
Pension obligations at end of year (Note 3)	122,943	134,646

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, 2019****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, 2019, were authorized for issue by the signatories on August 27, 2019.

(b) Pension obligations

The method utilized to calculate the pension obligations comprises, in respect of deferred and matured annuities, the present value of such annuities determined on an actuarial basis using best estimate experience-adjusted mortality tables as at March 31, 2019. 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.

(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, 2019—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)

	2019	2018
Pension obligations:		
Deferred annuities	4,239	5,068
Mature annuities.....	118,704	129,578
	122,943	134,646

The equivalent flat discount rates used in measuring the pension obligations as at March 31 and the related accrued interest for the year were as follows:

	2019	2018
Pension obligations	1.72%	2.10%
Interest.....	2.10%	1.79%

The average age of annuitants was estimated to be 85.7 years and the remaining duration of the Account was estimated at 40 years as at March 31, 2019.

The next actuarial valuation will be performed as at March 31, 2020.

Government Annuities Account—continued

Notes to the financial statements for the year ended March 31, 2019—continued

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)

	2019	2018
Deficit to be financed by the Government of Canada at beginning of year.....	134,599	154,094
Interest	2,626	2,570
Reclaimed annuities	–	34
Unclaimed annuities.....	(59)	(31)
Annuity payments	(17,469)	(19,329)
Premium refunds and other.....	(33)	(10)
Experience losses	236	48
Losses (gains) due to change in discount rate assumptions.....	2,993	(2,777)
	(11,706)	(19,495)
Deficit to be financed by the Government of Canada at end of year	122,893	134,599

Interest

Interest is recorded on an accrual basis and is calculated on the pension obligations using the equivalent flat 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.

Losses (gains) 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, 2019, was estimated based on mortality rates used in the *Twenty-seventh Actuarial Report on the Canada Pension Plan*.

Government Annuities Account—concluded

Notes to the financial statements for the year ended March 31, 2019—concluded

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 2 c) Services received without charge. These administrative services include the following:

(in thousands of Canadian dollars)

	2019	2018
Salaries	889	942
Operating costs	288	290
Actuarial services.....	103	92
Services received without charge	1,280	1,324

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 are estimated at \$96.3 million (\$107.8 million in 2018).

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:

Brenda Lucki
Commissioner

Dennis Watters, CPA, CA
Chief Financial and Administrative Officer

August 2, 2019

Royal Canadian Mounted Police (Dependants) Pension Fund—continued

Independent Auditor’s Report

To the Minister of Public Safety and Emergency Preparedness

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 2019, 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 2019, 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.

Royal Canadian Mounted Police (Dependants) Pension Fund—*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 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.
- 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.

Mélanie Cabana, CPA, CA
Principal
for the Interim Auditor General of Canada

Ottawa, Canada
August 2 2019

Royal Canadian Mounted Police (Dependants) Pension Fund—continued**Statement of financial position
as at March 31**

(in Canadian dollars)

	2019	2018
Liabilities		
Pension benefits payable (Note 3)	268,672	75,901
Net assets available for benefits	(268,672)	(75,901)
Pension obligations (Note 4)	11,456,528	12,726,596
Deficit to be financed by the Government of Canada (Note 5)	(11,725,200)	(12,802,497)

The accompanying notes are an integral part of these financial statements.

Approved by:

Brenda Lucki
CommissionerDennis Watters, CPA, CA
Chief Financial and Administrative Officer

August 2, 2019

**Statement of changes in net assets available for benefits
year ended March 31**

(in Canadian dollars)

	2019	2018
Net assets available for benefits, beginning of year	(75,901)	(334,983)
(Increase) Decrease in pension benefits payable	(192,771)	259,082
Net assets available for benefits, end of year	(268,672)	(75,901)

The accompanying notes are an integral part of these financial statements.

**Statement of changes in pension obligations
year ended March 31**

(in Canadian dollars)

	2019	2018
Pension obligations, beginning of year	12,726,596	14,390,621
Net interest accrued on benefits	473,309	560,856
Past service contributions from participants	1,771	2,049
Experience losses (gains)	281,003	(126,902)
Survivor benefit payments and transfers to pension benefits payable	(2,026,151)	(2,100,028)
Pension obligations, end of year	11,456,528	12,726,596

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, 2019****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.

Royal Canadian Mounted Police (Dependants) Pension Fund—*continued*

Notes to the financial statements for the year ended March 31, 2019—*continued*

(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.

(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, 2019, were authorized for issue by the signatories on August 2, 2019.

(b) Significant accounting policies

The significant accounting policies are as follows:

i. Survivor benefit payments

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.

Royal Canadian Mounted Police (Dependants) Pension Fund—continued**Notes to the financial statements for the year ended March 31, 2019—continued**

(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.

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, and age of new widows. 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.

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, 2019, the pension benefits payable were \$268,672 (2018 – \$75,901).

4. Pension obligations

The pension obligations are determined based on the most recent actuarial valuation prepared for funding purposes. Actuarial valuations for funding purposes are to be performed not more than five years apart. The most recent actuarial valuation for funding purposes was conducted as of March 31, 2016, and tabled in Parliament on January 18, 2017. The next actuarial valuation for funding purposes as of March 31, 2019, will be tabled in Parliament in 2020.

The most recent actuarial valuation for funding purposes disclosed an actuarial surplus of \$1,348,000. On April 13, 2017, an Order in Council approved that a portion of this surplus be distributed by annual effective increases in the pension amount of 1.9% as at April 1, 2017, 1.9% as at April 1, 2018, and of 1.9% as at April 1, 2019, and by increases to lump sum death benefits and residual payments.

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, 2019, the average age of members was estimated to be 93.3 years and the average age of widows was estimated to be 90.6 years. The remaining life of the Fund was estimated at 29 years based on the statutory actuarial valuation as at March 31, 2016.

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 are based on mortality rates for male Regular Members from the actuarial report on the pension plan for the Royal Canadian Mounted Police as at March 31 2015. Mortality rates for widows are based on those of the 2014 Canadian Pensioners Mortality Table (CPM2014). Mortality rates are reduced in the future with the same mortality improvement assumptions made for the *Actuarial Report on the Canada Pension Plan* as at the date of the actuarial valuation for funding purposes. 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, 2019. At that date, the present value of pension obligations was \$11,456,528 (2018 – \$12,726,596).

The interest rate for the year-ended March 31, 2019, is 4.0% (2018 – 4.2%) per annum. The expected long-term interest rate is estimated to decline to 3.1% (2018 – 3.1%) per annum by the year 2031 (2018 – by the year 2031) and to rise to an ultimate level of 4.6% (2018 – 4.6%). 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 (2018 – nil).

Royal Canadian Mounted Police (Dependants) Pension Fund—concluded

Notes to the financial statements for the year ended March 31, 2019—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. 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)

	2019	2018
Opening balance, specified purpose account	14,055,572	15,791,975
Receipts and other credits	531,926	622,707
Payments and other charges	(1,809,822)	(2,359,110)
Closing balance, specified purpose account	12,777,676	14,055,572
Deficit to be financed by the Government of Canada	(11,725,200)	(12,802,497)
Excess owed to beneficiaries	1,052,476	1,253,075

Section 7

*Public Accounts of Canada
2018–2019*

Cash and accounts receivable as at March 31

Table of contents

	<i>Page</i>
Cash and cash equivalents.....	256
Taxes receivable.....	257
Other accounts receivable	258

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)

	2019	2018
		Restated ¹
Cash and cash equivalents, Table 7.2	37,635,452,363	34,642,001,326
Taxes receivable, Table 7.3	127,561,145,852	123,034,761,237
Other accounts receivable ¹ , Table 7.5	11,844,736,234	14,380,370,271
Total cash and accounts receivable	177,041,334,449	172,057,132,834

¹ Certain comparative figures have been restated. Details on the restatement can be found in Note 2 of Section 2 of this volume.

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)

	2019	2018
Cash in bank		
Canadian currency ¹	23,526,364,074	21,832,047,816
Foreign currencies ²	794,639,918	532,357,637
Special deposits ³	75,000,000	50,000,000
Total cash in bank	24,396,003,992	22,414,405,453
Cash in transit		
Cash in hands of collectors and in transit	8,560,450,710	9,378,842,987
Other cash—Consolidated Crown corporations and other entities ⁴	984,028,000	1,074,286,000
Total cash in transit	9,544,478,710	10,453,128,987
Less: Outstanding cheques and warrants		
Outstanding cheques ⁵	4,750,061,543	4,771,471,491
Imprest account cheques ⁶	4,796	97,623
Total outstanding cheques and warrants	4,750,066,339	4,771,569,114
Total cash	29,190,416,363	28,095,965,326
Cash equivalents	8,445,036,000	6,546,036,000
Total cash and cash equivalents	37,635,452,363	34,642,001,326

¹ Included in Canadian currency is \$20 billion (\$20 billion in 2018) with respect to the Prudential Liquidity Fund.

² These balances denominated in US dollars include cash and cash equivalents which have been translated into Canadian dollars at March 31.

³ 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.

⁴ 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.

⁵ Receiver General 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 \$65,086,396 (\$57,457,192 in 2018) was transferred to other revenues. Cheques in foreign currencies are credited to the Government's cash account at the time of issue.

⁶ 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)

	2019			2018		
	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	70,465,757,148	7,560,795,187	62,904,961,961	67,171,698,839	7,241,492,017	59,930,206,822
Employers	21,993,133,398	1,152,431,878	20,840,701,520	21,449,069,560	1,100,857,198	20,348,212,362
Corporations	20,296,700,592	2,976,231,550	17,320,469,043	20,175,441,045	3,066,207,663	17,109,233,382
Non-residents	2,027,133,502	96,756,886	1,930,376,616	2,018,871,971	137,055,373	1,881,816,598
Goods and services taxes receivable	24,594,850,908	2,491,668,152	22,103,182,756	23,880,438,148	2,441,049,452	21,439,388,696
Customs import duties receivable	809,485,262	80,114,671	729,370,591	636,363,253	59,197,704	577,165,549
Other excise taxes and duties receivable	1,933,206,812	201,123,447	1,732,083,365	2,048,080,110	299,342,282	1,748,737,828
Total	142,120,267,623	14,559,121,771	127,561,145,852	137,379,962,926	14,345,201,689	123,034,761,237

Table 7.4
Aging of taxes receivable

(in dollars)

	2019	2018
Taxes receivable		
Less than one year	92,967,829,675	90,654,668,405
1-2	7,813,139,743	7,678,941,399
2-3	5,855,837,635	6,797,321,768
3-4	5,899,196,411	5,079,581,151
4-5	4,743,307,764	4,937,795,246
Over 5 years	24,840,956,395	22,231,654,957
Total	142,120,267,623	137,379,962,926

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, 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)

	2019			2018		
	Gross receivables	Allowance for doubtful accounts	Net receivables	Gross receivables	Allowance for doubtful accounts	Net receivables
				Restated ¹		Restated ¹
Other receivables ¹	6,139,960,212	1,454,055,724	4,685,904,488	6,983,906,514	1,294,842,805	5,689,063,709
Cash collateral pledged to counterparties ²	7,162,663,746	–	7,162,663,746	8,716,110,562	–	8,716,110,562
Less: Consolidation adjustment	3,832,000	–	3,832,000	24,804,000	–	24,804,000
Total	13,298,791,958	1,454,055,724	11,844,736,234	15,675,213,076	1,294,842,805	14,380,370,271

¹ Certain comparative figures have been restated. Details on the restatement can be found in Note 2 of Section 2 of this volume.

² Cash collateral pledged to counterparties represents collateral support under International Swaps and Derivatives Association master agreements in respect of outstanding cross-currency swap arrangements.

Table 7.6
Aging of other accounts receivable

(in dollars)

	2019	2018
		Restated ¹
Other receivables		
Not past due ¹	3,113,549,704	4,201,494,336
Number of days past due		
1-30	200,663,839	281,659,594
31-60	73,894,847	89,668,743
61-90	62,024,009	50,243,376
91-365	353,760,672	324,730,892
Over 365	882,011,417	741,266,768
Sub-total	4,685,904,488	5,689,063,709
Cash collateral pledged to counterparties	7,162,663,746	8,716,110,562
Less: Consolidation adjustment	3,832,000	24,804,000
Total	11,844,736,234	14,380,370,271

¹ Certain comparative figures have been restated. Details on the restatement can be found in Note 2 of Section 2 of this volume.

Section 8

Public Accounts of Canada
2018–2019

Foreign exchange accounts as at March 31

Table of contents

	<i>Page</i>
International reserves held in the Exchange Fund Account	261
International Monetary Fund	262
Special drawing rights allocations	262
Supplementary statement	
Exchange Fund Account	263

Foreign exchange accounts

Foreign exchange accounts represent financial claims and obligations of the Government as a result of Canada's foreign exchange operations. Financial claims and obligations denominated in foreign currencies are reported at Canadian dollar equivalents 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 foreign exchange net revenues on the Consolidated Statement of Operations and Accumulated Deficit.

Table 8.1 presents the continuity of each foreign exchange account, by showing the opening and closing balances, as well as payments and other charges and receipts and other credits. It should be noted, however, that this table excludes unmatured debt payable in foreign currencies, amounting to \$16,011 million as at March 31, 2019 (\$16,049 million as at March 31, 2018); 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

(in dollars)

	April 1, 2018	Payments and other charges	Receipts and other credits	March 31, 2019
International reserves held in the Exchange Fund Account, Table 8.2.....	105,429,845,287	34,135,226,042	32,365,453,233	107,199,618,096
International Monetary Fund—Subscriptions.....	20,646,661,833	–	197,327,333	20,449,334,500
International Monetary Fund—Loans	775,380,600	–	229,639,600	545,741,000
	<i>126,851,887,720</i>	<i>34,135,226,042</i>	<i>32,792,420,166</i>	<i>128,194,693,596</i>
Less:				
International Monetary Fund—Notes payable	18,699,215,000	1,579,016,434	278,220,934	17,398,419,500
Special drawing rights allocations	11,215,075,441	107,186,301	–	11,107,889,140
	<i>29,914,290,441</i>	<i>1,686,202,735</i>	<i>278,220,934</i>	<i>28,506,308,640</i>
Total	<i>96,937,597,279</i>	<i>35,821,428,777</i>	<i>33,070,641,100</i>	<i>99,688,384,956</i>

International reserves held in the Exchange Fund Account

This account records the moneys advanced from the Government to the Exchange Fund Account, in Canadian and other currencies, for the purchase of foreign currencies and securities, and special drawing rights (SDRs).

The Exchange Fund Account is operated under the provisions of the *Currency Act*. The financial statements at March 31, 2019, are found at the end of this section.

In 2019, payments and other charges consisted of advances to the Exchange Fund Account in the amount of \$31,966 million, a net valuation adjustment of \$687 million and an adjustment of \$1,482 million to recognize the net income of the Exchange Fund Account for the period April 1, 2018, to March 31, 2019. Receipts and other credits consisted of repayments of advances of \$32,365 million.

Table 8.2
International reserves held in the Exchange Fund Account

(in millions of dollars)

	2019	2018
US dollar cash and cash equivalents.....	4,904	878
US dollar short-term deposits.....	268	–
US dollar marketable securities.....	59,234	61,336
Euro cash and cash equivalents.....	250	114
Euro marketable securities.....	17,646	20,620
British pound sterling cash and cash equivalents.....	450	140
British pound sterling marketable securities.....	9,775	10,433
Japanese yen cash and cash equivalents.....	6	143
Japanese yen marketable securities.....	3,678	1,216
Special drawing rights.....	10,989	10,550
Total	107,200	105,430
Advances by the Consolidated Revenue Fund were denominated as follows:		
US dollar.....	68,165	64,376
Euro.....	17,288	19,910
British pound sterling.....	10,062	10,453
Japanese yen.....	3,640	1,322
Special drawing rights (2019, SDR 3,435 million; 2018, SDR 3,435 million).....	6,372	6,433
Canadian dollar.....	191	1,223
Total advances from the Consolidated Revenue Fund	105,718	103,717
Total net revenue for the year.....	1,482	1,713
Total	107,200	105,430

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 2019, receipts and other credits consisted of a valuation adjustment of \$197 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 agreement.

Canada's current participation in the NAB is governed by the November 2012 NAB Decision which incorporated technical amendments made as a result of the IMF's 14th General Review of Quotas. The maximum lending by Canada to the IMF under these arrangements is SDR 3,874 million. As at March 31, 2019, SDR 294 million or \$546 million (SDR 414 million or \$775 million in 2018) in lending has been provided by Canada to the IMF under the NAB. In November 2016, Canada's participation in the NAB was renewed through November 2022.

In December 2018, Canada's participation in the General Arrangements to Borrow (GAB) was not renewed since GAB participants agreed that the GAB should be allowed to lapse upon expiration of the current commitment period.

In early 2017, Canada extended a temporary bilateral credit line to the IMF in the amount of SDR 8,200 million for a maximum period of four years, as part of a collective effort with 34 other nations to foster global economic and financial stability.

Collectively, the outstanding loans under multilateral and bilateral arrangements with the IMF cannot exceed SDR 12,074 million at any given time. This reflects the maximum commitment under the NAB and bilateral borrowing agreement.

At March 31, 2019, a total of SDR 294 million or \$546 million was outstanding under these arrangements. Amounts advanced under these arrangements are considered part of the Official International Reserves of Canada.

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 2019, notes payable to the IMF decreased by \$1,301 million.

Special drawing rights allocations

This account records the value of SDRs allocated to Canada by the IMF. The SDR is an international currency created by the IMF, and allocated to countries participating in its Special Drawing Rights Department. It represents a liability of Canada, as circumstances could arise whereby Canada could be called upon to repay these allocations, in part or in total.

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.

There was no allocation of SDRs by the IMF to Canada during the year. In 2019, payments and other charges consisted of a valuation adjustment of \$107 million.

Supplementary statement

Exchange Fund Account

Statement of financial position (unaudited) as at March 31

(in millions of Canadian dollars)

	2019	2018
Financial assets		
Cash and cash equivalents (Note 2, Note 3).....	5,878	1,275
Investments (Note 2, Note 3)		
Marketable securities	90,333	93,605
Special drawing rights	10,989	10,550
Total investments	101,322	104,155
Total financial assets	107,200	105,430
Liabilities		
Due to the Consolidated Revenue Fund (Note 4).....	107,200	105,430

The accompanying notes are an integral part of these financial statements.

Paul Rochon
Deputy Minister
Department of Finance

Darlene Bess, CPA, CA
Chief Financial Officer
Department of Finance

Statement of operations (unaudited) for the year ended March 31

(in millions of Canadian dollars)

	2019	2018
Net revenue from investments		
Marketable securities		
Interest	1,492	1,107
Net gains (losses) on sale of marketable securities	(22)	88
Transaction costs and other	(2)	(2)
Interest on cash and cash equivalents	84	94
Interest on special drawing rights	106	66
Total net revenue from investments	1,658	1,353
Other		
Net foreign exchange gain (loss)	(176)	360
Net revenue for the year (Note 2)	1,482	1,713

The accompanying notes are an integral part of these financial statements.

Exchange Fund Account—continued

Notes to the financial statements for the year ended March 31, 2019 (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 as fiscal agent. The *Financial Administration Act* does not apply to the Account.

The legislative objectives of the Account 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, if required. The Minister of Finance empowers the Account to acquire, borrow, sell or lend assets deemed appropriate for this purpose, in accordance with the Account's *Statement of Investment Policy*.

Assets held in the Account are managed to provide liquidity to the Government and to promote orderly conditions for the Canadian dollar in foreign exchange markets, 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, no transactions have been aimed at moderating movements in the value of the Canadian dollar.

In accordance with the *Currency Act*, the net revenue for the year is paid to or charged to the Consolidated Revenue Fund (CRF) of the Government of Canada within three months after the end of the fiscal year, and the Minister of Finance reports to Parliament on the operations of the Account within the first 60 days on 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 of Canada 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), 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).

(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 the Statements.

(c) Financial assets

Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and short-term deposits. Short-term deposits are measured at cost and are generally held to maturity. The resulting revenue is included in Interest on cash and cash equivalents.

Deposits held under repurchase agreements

Deposits held under repurchase agreements are measured at cost. The resulting revenue is included in net revenue from investments. As at March 31, 2019, the Account did not hold any deposits held under repurchase agreements (\$nil at March 31, 2018).

Marketable securities

Purchases and sales of securities are recognized at the settlement dates. Marketable securities are measured at cost and are adjusted for amortization of purchase discounts and premiums on a straight-line basis over the term to maturity of the security. The carrying value 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 for the year.

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 Total net revenue from investments in the Statement of operations.

Exchange Fund Account—continued**Notes to the financial statements for the year ended March 31, 2019 (unaudited)—continued***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.

Special drawing rights

The SDR serves as the unit of account for the International Monetary Fund (IMF) and its value 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 special drawing rights

Assets denominated in foreign currencies and SDRs are translated into Canadian-dollar equivalents at the rates prevailing as of March 31, which were as follows:

	2019	2018
US dollar.....	1.3362	1.2884
Euro.....	1.4989	1.5853
Japanese yen.....	0.0121	0.0121
British pound sterling.....	1.7400	1.8076
SDR.....	1.8550	1.8729

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 fiscal year, are recognized as Net foreign exchange gain (loss) and are included 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 the Statements requires the Bank's management to make estimates and assumptions based on information available as of the date of the Statements. Significant estimates are primarily in the area of the fair values of financial instruments, including any impairment (Note 3).

Exchange Fund Account—continued

Notes to the financial statements for the year ended March 31, 2019 (unaudited)—continued

3. Financial instruments**Fair value of financial assets**

(in millions of Canadian dollars)

	March 31, 2019		March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents				
US dollar	4,904	4,904	878	878
Euro	250	250	114	114
Japanese yen	6	6	143	143
British pound sterling	450	450	140	140
Short-term deposits	268	268	—	—
Total cash and cash equivalents	5,878	5,878	1,275	1,275
Investments				
Marketable securities				
US dollar	59,234	59,328	61,336	60,291
Euro	17,646	17,872	20,620	20,681
Japanese yen	3,678	3,692	1,216	1,219
British pound sterling	9,775	10,159	10,433	10,646
Total marketable securities	90,333	91,051	93,605	92,837
SDR	10,989	10,989	10,550	10,550
Total investments	101,322	102,040	104,155	103,387
Total financial assets	107,200	107,918	105,430	104,662

The estimated fair value of cash and cash equivalents approximates their carrying value, given their short term to maturity.

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.

Since SDRs are translated into Canadian-dollar equivalents at the rates prevailing at the Statements' date, the carrying value approximates fair value on the reporting date.

There were no impairments recognized in 2019 (\$nil in 2018).

Exchange Fund Account—continued**Notes to the financial statements for the year ended March 31, 2019 (unaudited)—continued****Credit risk**

Credit risk is the risk that a counterparty to a financial contract will cause a loss to the Account by failing to discharge its obligations in accordance with agreed upon terms.

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 any one issuer or counterparty, and by type of instruments.

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.

With respect to the *Statement of Investment Policy*, the Account may hold fixed income securities of highly rated sovereigns, central banks, government-supported entities and supranational organizations. To be eligible for investment, an entity must have an acceptable credit rating based on 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.

As stipulated in the *Currency Act*, the Minister of Finance may appoint agents to perform services concerning the Account. Through the securities-lending program, agents can lend securities only up to a prescribed maximum amount and only to a list of 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. Collateral is 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.

Market risk

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

Interest rate and currency risks are managed, with due consideration of the risk to the Government of Canada, through the 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 of Canada that notionally finance the Account's assets.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk is minimized by limiting the portion of the Government of Canada's foreign liabilities that needs to be renewed within a one-year period. In addition, liquidity risk is mitigated by holding short-term investments that are matched to the Government of Canada's maturing liabilities in foreign currencies.

Securities lending

As at March 31, 2019, there were no loaned securities in the EFA's investments (\$nil at March 31, 2018).

Exchange Fund Account—concluded

Notes to the financial statements for the year ended March 31, 2019 (unaudited)—concluded

4. Due to the Consolidated Revenue Fund

The Account is funded by the Government of Canada 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 of Canada's borrowings in foreign currencies and allocations of SDRs by 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 of Canada, 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.

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)

	2019	2018
US dollar.....	68,165	64,376
Euro.....	17,288	19,910
British pound sterling.....	10,062	10,453
Japanese yen.....	3,640	1,322
SDR.....	6,372	6,433
Subtotal—Foreign currencies.....	105,527	102,494
Canadian dollar.....	191	1,223
Net revenue.....	1,482	1,713
Total.....	107,200	105,430

Section 9

Public Accounts of Canada 2018–2019

Loans, investments and advances as at March 31

Table of contents

	<i>Page</i>
Enterprise Crown corporations and other government business enterprises	271
Summary financial statements of enterprise Crown corporations and other government business enterprises	275
Borrowings by enterprise Crown corporations and other government business enterprises.....	280
Maturity and currency of borrowings by enterprise Crown corporation and other government business enterprises.....	281
Contingent liabilities of enterprise Crown corporations and other government business enterprises.....	281
Contractual obligations of enterprise Crown corporations and other government business enterprises.....	282
Financial assistance to enterprise Crown corporations and other government business enterprises.....	282
Portfolio investments.....	283
National governments including developing countries.....	286
International organizations	290
Provincial and territorial governments	296
Other loans, investments and advances	297
Allowance for valuation	307

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 and is carried at cost which is 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 the Government has advanced funds to the corporations to support their direct lending activities, the amounts are recorded as loans and advances by the Government.

Other loans, investments and advances are initially recorded at cost and are subject to annual valuation to reflect reductions from the recorded value to the approximate net recoverable 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 are provided in Section 3 of this volume and in Section 10 of Volume III.

Table 9.1
Loans, investments and advances

(in dollars)

	April 1, 2018	Payments and other charges	Receipts and other credits	March 31, 2019
Enterprise Crown corporations and other government business enterprises, Table 9.2.....	100,775,498,500	54,814,094,823	47,420,383,123	108,169,210,200
Portfolio investments, Table 9.10.....	68,459,153	–	31,899	68,427,254
National governments including developing countries, Table 9.11.....	937,174,685	88,578,505	143,876,728	881,876,462
International organizations, Table 9.12.....	22,751,363,840	1,027,810,312	37,864,673	23,741,309,479
Provincial and territorial governments, Table 9.13.....	391,096,791	37,672,500	22,118,218	406,651,073
Other loans, investments and advances, Table 9.14.....	28,805,884,320	6,392,815,681	5,150,156,829	30,048,543,172
	153,729,477,289	62,360,971,821	52,774,431,470	163,316,017,640
Less: allowance for valuation.....	27,357,885,091	2,605,463,860	559,071,876	29,404,277,075
Total.....	126,371,592,198	59,755,507,961	52,215,359,594	133,911,740,565

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 means 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 and are 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 of Schedule III of the *Financial Administration Act* and the Bank of Canada. Although a Crown corporation, the Canada Pension Plan Investment Board 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 a number of self-sustaining government business enterprises that are not considered Crown corporations, but which are controlled by the Government and in most cases 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 Her Majesty for the conduct of all or part of their activities. This status is granted in one 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, 2018	Payments and other charges	Receipts and other credits	March 31, 2019
Investments				
Investments and accumulated profits/losses, Table 9.4	46,274,752,950	5,688,347,000	6,301,942,000	45,661,157,950
Loans and advances¹				
Families, Children and Social Development				
Canada Mortgage and Housing Corporation				
Housing	1,537,934,938	2,449,241	187,893,548	1,352,490,631
Joint projects	408,634,957	–	21,015,478	387,619,479
Real estate	8,900,637	–	437,042	8,463,595
Sewage treatment projects	13,800,507	–	3,886,105	9,914,402
Student housing projects	37,838,011	–	11,360,390	26,477,621
	2,007,109,050	2,449,241	224,592,563	1,784,965,728
Finance				
Department of Finance				
Business Development Bank of Canada	20,470,000,000	27,705,000,000	25,940,000,000	22,235,000,000
Canada Lands Company Limited	467,530,000	–	13,500,000	454,030,000
Canada Mortgage and Housing Corporation	6,679,972,943	1,537,710,500	1,907,381,150	6,310,302,293
Farm Credit Canada	28,008,500,000	14,353,373,140	12,500,373,140	29,861,500,000
	55,626,002,943	43,596,083,640	40,361,254,290	58,860,832,293
Global Affairs				
Export Development Canada				
Canada Development Investment Corporation	–	5,290,000,005	500,000,005	4,790,000,000
Total—Loans and advances	57,633,111,993	48,888,532,886	41,085,846,858	65,435,798,021
Less:				
Loans expected to be repaid from future appropriations	3,088,937,680	204,283,723	–	2,884,653,957
Unamortized discounts and premiums	43,428,763	32,931,214	32,594,265	43,091,814
	3,132,366,443	237,214,937	32,594,265	2,927,745,771
Total	100,775,498,500	54,814,094,823	47,420,383,123	108,169,210,200

¹ These loans are recorded at cost.

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 6.47% 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 rates from 6.50% to 7.45% per annum, and are repayable over 20 to 50 years, with the final instalment due on March 31, 2023.

Student housing projects

Advances made for student housing projects bear interest at rates from 6.72% to 10.05% per annum, and are repayable over 20 to 50 years, with the final instalment due on April 1, 2030.

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 1.59% to 2.45% 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, an amount of \$13.5 million was repaid and an amount of \$5.2 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 0.53% to 3.94% 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 0.48% to 3.77% per annum.

Canada Development Investment Corporation

Canada Development Investment Corporation was incorporated in 1982 under the provisions of the *Canada Business Corporations Act* and is wholly-owned by Her 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*.

During the year, two new wholly-owned subsidiaries, Trans Mountain Corporation (TMC) and Canada TMP Finance Ltd. were incorporated under the provisions of the *Canada Business Corporations Act*. The companies are subject to the *Financial Administration Act* and TMC is also subject to the *Income Tax Act*.

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.

Interest paid to the Government

Interest paid to the Government of Canada with respect to these loans in the years ended March 31, 2019 and 2018 is as follows:

(in millions of dollars)

	2019	2018
Business Development Bank of Canada.....	299.3	147.6
Canada Development Investment Corporation	144.2	–
Canada Mortgage and Housing Corporation	323.5	402.9
Farm Credit Canada	414.1	221.3
Total	1,181.1	771.8

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, 2019

(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 ¹				
Atlantic Pilotage Authority	9,687	–	13,276	22,963
Bank of Canada	10,537,325	103,091,804	744,064	114,373,193
Business Development Bank of Canada.....	30,541,192	3,145	112,117	30,656,454
Canada Deposit Insurance Corporation.....	1,043,499	3,993,037	7,655	5,044,191
Canada Development Investment Corporation.....	654,540	124,291	6,228,256	7,007,087
Canada Lands Company Limited.....	605,923	71,788	564,228	1,241,939
Canada Mortgage and Housing Corporation	262,940,775	6,256,732	777,307	269,974,814
Canada Post Corporation	3,900,132	2,432,381	4,166,985	10,499,498
Export Development Canada	67,057,508	–	357,324	67,414,832
Farm Credit Canada	37,371,946	–	206,834	37,578,780
Freshwater Fish Marketing Corporation.....	13,747	–	51,355	65,102
Great Lakes Pilotage Authority.....	2,309	–	1,341	3,650
Halifax Port Authority ²	13,172	595	209,264	223,031
Hamilton Port Authority ²	24,304	–	128,410	152,714
Laurentian Pilotage Authority.....	23,238	454	19,668	43,360
Montreal Port Authority ²	80,290	5,182	364,869	450,341
Pacific Pilotage Authority	13,697	1,108	10,735	25,540
Prince Rupert Port Authority ²	88,732	–	197,123	285,855
Quebec Port Authority ²	12,586	1,548	147,175	161,309
Ridley Terminals Inc.....	228,033	–	488,747	716,780
Royal Canadian Mint	125,866	39,376	245,814	411,056
Saint John Port Authority ²	30,542	–	77,463	108,005
Sept-Îles Port Authority ²	33,165	–	298,056	331,221
Toronto Port Authority ²	85,296	–	250,814	336,110
Vancouver Fraser Port Authority ²	335,666	1,648	1,601,112	1,938,426
Other Canada Port Authorities ^{2,3}	102,629	14,432	267,192	384,253
Total	415,875,799	116,037,521	17,537,184	549,450,504
Elimination adjustments.....		(179,764)	(313,253)	(493,017)
Total	415,875,799	115,857,757	17,223,931	548,957,487

¹ 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.

² Canada Port Authorities, which are not Crown corporations but considered other government business enterprises, are agents of the Crown for their port activities.

³ Consists of the combined figures of the Canada Port Authorities of Belledune, Nanaimo, Oshawa, 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							
5,442	5,410	–	10,852	12,111	–	–	12,111	22,963
–	90,080,638	23,765,443	113,846,081	497,112	25,000	5,000	527,112	114,373,193
137,157	546,079	22,259,093	22,942,329	5,083,447	27,778	2,602,900	7,714,125	30,656,454
–	2,057,825	1,040	2,058,865	2,985,326	–	–	2,985,326	5,044,191
–	1,531,820	5,155,172	6,686,992	(283,200)	603,294	1	320,095	7,007,087
15,100	160,223	427,988	603,311	457,458	181,170	–	638,628	1,241,939
237,516,123	8,717,817	8,788,853	255,022,793	14,927,011	25,010	–	14,952,021	269,974,814
997,157	10,381,204	93,718	11,472,079	(2,127,752)	1,155,171	–	(972,581)	10,499,498
55,216,700	2,741,193	8,007	57,965,900	8,115,732	–	1,333,200	9,448,932	67,414,832
817,565	403,362	29,928,979	31,149,906	6,245,149	183,725	–	6,428,874	37,578,780
36,919	28,183	–	65,102	–	–	–	–	65,102
–	5,438	62	5,500	(1,850)	–	–	(1,850)	3,650
13,420	12,845	1,024	27,289	144,885	50,857	–	195,742	223,031
–	10,636	–	10,636	123,712	18,366	–	142,078	152,714
–	15,091	–	15,091	28,269	–	–	28,269	43,360
14,599	54,685	1,460	70,744	145,239	234,358	–	379,597	450,341
1,715	12,232	116	14,063	11,477	–	–	11,477	25,540
–	46,306	–	46,306	203,336	36,213	–	239,549	285,855
–	12,387	40,772	53,159	50,888	57,262	–	108,150	161,309
3,867	309,635	–	313,502	203,236	64,000	136,042	403,278	716,780
11,990	230,296	4,709	246,995	124,061	–	40,000	164,061	411,056
–	5,694	–	5,694	40,652	61,659	–	102,311	108,005
44,300	183,196	8	227,504	92,010	11,707	–	103,717	331,221
34,694	77,927	–	112,621	223,489	–	–	223,489	336,110
103,034	109,442	10,152	222,628	1,565,539	150,259	–	1,715,798	1,938,426
43,336	46,588	5,609	95,533	145,650	143,070	–	288,720	384,253
295,013,118	117,786,152	90,492,205	503,291,475	39,012,987	3,028,899	4,117,143	46,159,029	549,450,504
		4,855	4,855	(497,872)			(497,872)	(493,017)
295,013,118	117,786,152	90,497,060	503,296,330	38,515,115	3,028,899	4,117,143	45,661,157	548,957,487

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, 2019

(in thousands of dollars)

Enterprise Crown corporations and other government business enterprises	Revenues			Expenses		
	Third parties	Government, Crown corporations and other entities ¹	Total	Third parties	Government, Crown corporations and other entities	Total
Atlantic Pilotage Authority	28,635	–	28,635	26,968	9	26,977
Bank of Canada	152,401	1,968,308	2,120,709	542,156	377,309	919,465
Business Development Bank of Canada.....	1,776,444	–	1,776,444	605,110	292,852	897,962
Canada Deposit Insurance Corporation.....	661,321	49,831	711,152	38,150	9,991	48,141
Canada Development Investment Corporation.....	417,499	1,528	419,027	303,285	149,990	453,275
Canada Lands Company Limited.....	269,397	–	269,397	202,615	11,603	214,218
Canada Mortgage and Housing Corporation	8,181,535	2,158,156	10,339,691	7,956,068	864,912	8,820,980
Canada Post Corporation	8,493,267	247,514	8,740,781	8,773,567	106,932	8,880,499
Export Development Canada	2,844,891	–	2,844,891	2,284,156	(6,085)	2,278,071
Farm Credit Canada	1,666,560	–	1,666,560	587,414	422,568	1,009,982
Freshwater Fish Marketing Corporation.....	76,295	–	76,295	79,681	–	79,681
Great Lakes Pilotage Authority	36,279	9	36,288	34,769	1,213	35,982
Halifax Port Authority	44,623	–	44,623	28,153	2,085	30,238
Hamilton Port Authority	29,091	–	29,091	22,410	–	22,410
Laurentian Pilotage Authority.....	107,525	–	107,525	107,344	–	107,344
Montreal Port Authority.....	126,126	575	126,701	93,536	4,743	98,279
Pacific Pilotage Authority.....	94,711	–	94,711	91,260	185	91,445
Prince Rupert Port Authority	47,661	14,824	62,485	32,811	3,105	35,916
Quebec Port Authority	36,662	3,016	39,678	34,366	1,774	36,140
Ridley Terminals Inc.....	122,204	–	122,204	64,831	10,661	75,492
Royal Canadian Mint	1,337,536	96,342	1,433,878	1,361,785	34,132	1,395,917
Saint John Port Authority.....	24,269	–	24,269	18,737	842	19,579
Sept-Iles Port Authority	29,882	–	29,882	14,152	520	14,672
Toronto Port Authority	59,147	–	59,147	57,067	–	57,067
Vancouver Fraser Port Authority	278,350	1,109	279,459	146,523	7,401	153,924
Other Canada Port Authorities	54,670	696	55,366	44,220	510	44,730
Total	26,996,981	4,541,908	31,538,889	23,551,134	2,297,252	25,848,386
Elimination adjustments.....						
Total net results	26,996,981	4,541,908	31,538,889	23,551,134	2,297,252	25,848,386
Less equity adjustments						
Share of annual profit.....						

The accompanying notes for Table 9.3 are an integral part of this table.

¹ 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	
1,658	10,459	(33)	27	–	–	12,111
1,201,244	515,118	–	(20,008)	(1,169,242)	–	527,112
878,482	6,716,472	131,750	(67,879)	(69,700)	125,000	7,714,125
663,011	2,322,341	–	(26)	–	–	2,985,326
(34,248)	463,380	–	4,963	(114,000)	–	320,095
55,179	593,449	–	–	(10,000)	–	638,628
1,518,711	16,894,291	–	219,019	(3,680,000)	–	14,952,021
(139,718)	(338,112)	(107,399)	(387,352)	–	–	(972,581)
566,820	9,773,289	(595)	119,418	(1,010,000)	–	9,448,932
656,578	6,059,769	73,739	2,788	(364,000)	–	6,428,874
(3,386)	–	3,386	–	–	–	–
306	(2,156)	–	–	–	–	(1,850)
14,385	180,530	122	705	–	–	195,742
6,681	134,676	–	721	–	–	142,078
181	28,088	–	–	–	–	28,269
28,422	351,773	(6)	(592)	–	–	379,597
3,266	8,481	–	(270)	–	–	11,477
26,569	213,410	–	(430)	–	–	239,549
3,538	103,742	–	870	–	–	108,150
46,712	328,516	30,547	(2,497)	–	–	403,278
37,961	135,084	–	1,016	(10,000)	–	164,061
4,690	97,711	(90)	–	–	–	102,311
15,210	88,492	–	15	–	–	103,717
2,080	220,453	–	956	–	–	223,489
125,535	1,586,120	–	4,143	–	–	1,715,798
10,636	278,370	53	(339)	–	–	288,720
5,690,503	46,763,746	131,474	(124,752)	(6,426,942)	125,000	46,159,029
	(488,994)	98,219	(107,097)	–	–	(497,872)
5,690,503	46,274,752	229,693	(231,849)	(6,426,942)	125,000	45,661,157
229,693		(229,693)				–
5,920,196	46,274,752	–	(231,849)	(6,426,942)	125,000	45,661,157

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, 2018	Borrowings and other credits	Repayments and other charges	March 31, 2019
Agent enterprise Crown corporations				
Business Development Bank of Canada	138,773	3	1,619	137,157
Canada Mortgage and Housing Corporation.....	233,981,237	41,075,826	37,540,940	237,516,123
Canada Post Corporation.....	996,962	195	–	997,157
Export Development Canada	55,470,314	37,933,201	38,186,815	55,216,700
Farm Credit Canada	833,343	4,896,687	4,912,465	817,565
Freshwater Fish Marketing Corporation	28,453	36,919	28,453	36,919
Royal Canadian Mint.....	19,508	(1)	7,517	11,990
Total—Agent enterprise Crown corporations	291,468,590	83,942,830	80,677,809	294,733,611
Non-agent enterprise Crown corporations and other government business enterprises				
Atlantic Pilotage Authority.....	6,073	1,145	1,776	5,442
Canada Lands Company Limited ¹	41,500	6,600	33,000	15,100
Halifax Port Authority ²	19,307	–	5,887	13,420
Montreal Port Authority ²	16,000	–	1,401	14,599
Pacific Pilotage Authority	2,102	–	387	1,715
Ridley Terminals Inc.	11,430	–	7,563	3,867
Sept-Îles Port Authority ²	50,223	–	5,923	44,300
Toronto Port Authority ²	37,796	–	3,102	34,694
Vancouver Fraser Port Authority ²	103,183	4,756	4,905	103,034
Other Canada Port Authorities ²	49,058	15	5,737	43,336
Total—Non-agent enterprise Crown corporations and other government business enterprises	336,672	12,516	69,681	279,507
Total	291,805,262	83,955,346	80,747,490	295,013,118
Borrowings expected to be repaid by enterprise Crown corporations and other government business enterprises	291,805,262	–	–	295,013,118
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	–	–	–	–

¹ Borrowings of Canada Lands Company Limited are those of its subsidiary, Canada Lands Company CLC Limited, which is not an agent of the Crown.

² 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 Her 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
2019.....	61,140,430	54,501	61,194,931
2020.....	39,800,997	122,135	39,923,132
2021.....	53,298,188	24,902	53,323,090
2022.....	44,357,357	10,220	44,367,577
2023.....	43,239,222	10,384	43,249,606
Subsequent years	52,897,417	57,365	52,954,782
Total	294,733,611	279,507	295,013,118 ¹

¹ The borrowings are composed in Canadian dollar equivalent of 38,034,489 USD, 8,218,396 GBP, 3,160 JPY, 3,852,568 AUD, 3,027,153 EUR, 1,366,155 NZD, 155,516 NOK, 239,782,134 CAD and 573,547 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)

	2019
Loan guarantees.....	3,571,768
Letters of credit.....	159,951
Performance guarantees and callable shares.....	140,233
Pending and threatened litigation and other claims	4,821
Total	3,876,773

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, 2019

(in thousands of dollars)

	Transfer payment agreements	Loans	Capital expenditures	Operating leases and other ¹	Total
Bank of Canada	–	–	25,900	91,857	117,757
Business Development Bank of Canada.....	–	4,654,791	–	333,725	4,988,516
Canada Deposit Insurance Corporation	–	–	806	28,927	29,733
Canada Development Investment Corporation.....	–	–	412,899	41,701	454,600
Canada Lands Company Limited	–	–	49,500	6,807	56,307
Canada Mortgage and Housing Corporation	10,175,911	673,255	–	262,000	11,111,166
Export Development Canada	–	25,060,651	–	233,000	25,293,651
Farm Credit Canada	–	7,988,600	700	339,925	8,329,225
Great Lakes Pilotage Authority	–	–	–	359	359
Halifax Port Authority	–	–	22,400	–	22,400
Prince Rupert Port Authority	–	–	1,923	–	1,923
Ridley Terminals Inc	–	–	6,795	–	6,795
Royal Canadian Mint	–	–	2,778	57,194	59,972
Vancouver Fraser Port Authority	–	–	466,299	11,343	477,642
Total	10,175,911	38,377,297	990,000	1,406,838	50,950,046

¹ The International Financial Reporting Standard 16, Leases, applies to annual reporting periods beginning on or after January 1, 2019. This standard eliminates the distinction between operating and finance leases, requiring lessees to recognize assets and liabilities for essentially all leases. As a result, enterprise Crown corporations and other government business enterprises with a December 31 year end no longer disclose contractual obligations associated with operating leases.

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, 2019

(in thousands of dollars)

	Financial assistance
Canada Mortgage and Housing Corporation	2,086,438
Canada Post Corporation	22,210
Total	2,108,648

Portfolio investments

Portfolio investments represent 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, 2018	Payments and other charges ¹	Receipts and other credits	March 31, 2019
Environment and Climate Change				
Parks Canada Agency				
Co-operative Housing Project	337,106	–	–	337,106
Finance				
Department of Finance				
Canada Pension Plan Investment Board	100	–	–	100
Global Affairs				
Department of Foreign Affairs, Trade and Development				
Canada Investment Fund for Africa	46,560,148	–	30,260	46,529,888
Innovation, Science and Economic Development				
Atlantic Canada Opportunities Agency				
Equity investment	6,811,695	–	1,639	6,810,056
Department of Western Economic Diversification				
North Portage Development Corporation	1	–	–	1
National Research Council of Canada				
Equity ownership	3	–	–	3
	6,811,699	–	1,639	6,810,060
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
Total	68,459,153	–	31,899	68,427,254

¹ 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.

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. The initiative is winding down with contractual obligations and remaining transactions expected to be finalized by the end of fiscal year 2019–2020. Since its inception, the Canadian International Development Agency (now amalgamated with DFATD) received capital reimbursement from CIFA amounting to \$60.4 million and investment income of \$8.2 million.

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 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 acquired 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 benefits 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 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.

National governments including developing countries

Loans to national governments consist mainly of loans for financial assistance, international development assistance to developing countries, and loans for development of export trade (administered by Export Development Canada).

Table 9.11
National governments including developing countries

(in dollars)

	April 1, 2018	Payments and other charges	Receipts and other credits	March 31, 2019
Finance				
Department of Finance				
Financial assistance—Ukraine	400,000,000	–	–	400,000,000
Global Affairs				
Department of Foreign Affairs, Trade and Development				
International development assistance—Developing countries.....	108,750,215	39,156,085	63,192,899	84,713,401
Export Development Canada				
Development of export trade—National governments	428,421,587	49,416,125	80,678,182	397,159,530
	537,171,802	88,572,210	143,871,081	481,872,931
National Defence				
Department of National Defence				
Damage claims recoverable—North Atlantic Treaty Organization	2,883	6,295	5,647	3,531
Total	937,174,685	88,578,505	143,876,728	881,876,462

Financial assistance—Ukraine

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 \$2.5 billion USD in respect of any particular foreign state and \$5 billion USD in respect of all foreign states.

As at March 31, 2019, the outstanding loan balance to the Ukraine was \$400 million. There were no other balances or transactions in respect of Ukraine or other foreign states during the year.

These loans bear interest at rates ranging between 1.4% and 2.1% and have repayment term of 5 years.

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. No new loans have been issued since April 1, 1986.

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 \$447,507,534 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 2009–2010, the Government of Pakistan’s debt been reduced by the total amount of \$427,345,514.

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, 2018	Payments and other charges	Receipts and other credits ¹	March 31, 2019
(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	39,577,973	–	3,841,303	35,736,670
(b) 50 year term, 10 year grace period, non-interest bearing, with final repayments between March 2015 and September 2035:				
Algeria	2,508,519	–	417,059	2,091,460
Bolivia	169,580	–	42,395	127,185
Colombia	13,154	–	13,154	–
Dominican Republic	1,381,392	–	236,046	1,145,346
Ecuador	1,177,104	–	273,808	903,296
Guatemala	881,250	–	100,000	781,250
Indonesia	84,273,280	–	10,310,317	73,962,963
Malaysia	884,871	–	89,449	795,422
Malta	149,980	–	25,000	124,980
Morocco	2,646,791	–	384,920	2,261,871
Pakistan	58,084,048	–	37,922,028	20,162,020
Peru	1,864	–	1,864	–
Philippines	674,675	–	97,159	577,516
Sri Lanka	41,168,566	–	4,255,457	36,913,109
Thailand	7,694,539	–	674,620	7,019,919
Tunisia	20,570,646	–	3,263,229	17,307,417
	222,280,259	–	58,106,505	164,173,754
(c) 50 year term, 13 year grace period, non-interest bearing, with final repayment in March 2023:				
Algeria	6,848,002	–	1,245,091	5,602,911
Subtotal	268,706,234	–	63,192,899	205,513,335
Less: portion expensed due to concessionary terms	159,956,019	–	39,156,085	120,799,934
Total	108,750,215	–	24,036,814	84,713,401

Grace period refers to interval from date of issuance of the loan to first repayment of loan principal.

¹ Receipts and other credits may include transactions such as repayments, forgiveness, adjustments, etc.

Development of export trade—National governments

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.

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			
	April 1, 2018	Payments or other charges ¹	Revaluation	Receipts or other credits ²	Revaluation	March 31, 2019
Non-budgetary loans³						
(a) 1 to 5 year term, 3.0% to 9.0% interest per annum, with final repayments in May 2019:						
Argentina	92,236,059	–	1,345,765	28,668,134	–	64,913,690
(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	110,038,496	–	3,876,628	11,206,264	–	102,708,860
(c) 11 to 15 year term, interest based on LIBOR, plus a range of rates from 0.5% to 1.0% per annum, with final repayments between December 2019 and June 2020:						
Kenya	629,753	–	116,914	258,074	–	488,593
(d) 16 to 20 year term, interest based on LIBOR, plus a range of rates from 0.5% to 0.63% per annum, with final repayments between October 2018 and June 2021:						
Indonesia	301,791	–	9,770	77,626	–	233,935
Venezuela	2,519,672	–	93,480	–	–	2,613,152
	2,821,463	–	103,250	77,626	–	2,847,087
(e) 21 to 25 year term, 9.0% to 10.0% interest per annum, with final repayments in September 2000:						
Sudan	11,965,378	–	–	6,804,963	–	5,160,415
(f) 21 to 25 year term, interest based on LIBOR, plus 0.55% per annum, with final repayments in November 2024:						
Pakistan	6,083,209	–	514,067	568,647	–	6,028,629
(g) 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	14,084,970	–	498,373	1,316,635	–	13,266,708
Total—Non-budgetary loans	237,859,328	–	6,454,997	48,900,343	–	195,413,982

(in dollars)

	Payments and other charges			Receipts and other credits		
	April 1, 2018	Payments or other charges ¹	Revaluation	Receipts or other credits ²	Revaluation	March 31, 2019
Budgetary loans³						
(a) 26 to 30 year term, 3.0% interest per annum, with final repayments between December 2016 and April 2018:						
Algeria.....	219,000	–	–	219,000	–	–
(b) 31 to 55 year term, 0% to 10.29% interest per annum, with final repayments between September 2029 and February 2045:						
China	378,704,426	–	13,649,878	21,786,308	–	370,567,996
Egypt	6,863,472	–	82,442	349,256	–	6,596,658
Gabon	7,192,516	–	260,864	325,548	–	7,127,832
India	42,240,038	–	1,536,768	1,648,673	–	42,128,133
Jamaica	4,832,870	–	174,891	240,086	–	4,767,675
Morocco	68,432,902	–	2,476,983	3,367,721	–	67,542,164
Turkey	86,097,263	–	3,128,499	3,578,817	–	85,646,945
	594,363,487	–	21,310,325	31,296,409	–	584,377,403
(c) 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	4,174,373	–	96,814	262,430	–	4,008,757
Total—Budgetary loans	598,756,860	–	21,407,139	31,777,839	–	588,386,160
Subtotal.....	836,616,188	–	27,862,136	80,678,182	–	783,800,142
Less: portion expensed due to concessionary terms	408,194,601	–	–	–	21,553,989	386,640,612
Total	428,421,587	–	27,862,136	80,678,182	(21,553,989)	397,159,530

Final repayment dates may change if loan amounts are rescheduled or restructured.

¹ Payments or other charges may include transactions such as loans, adjustments, etc.² Receipts or other credits may include transactions such as repayments, forgiveness, adjustments, etc.³ Prior to April 1, 1987, these loans were authorized by miscellaneous non-budgetary authorities. Subsequently, they were authorized by miscellaneous budgetary authorities.**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.

International organizations

This group records Canada's subscriptions to the share capital of international banks. It also includes loans and advances to associations and other international organizations.

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.

Most loans and advances to international organizations are made to banks and associations that use these funds to make loans to developing countries at significant concessionary terms. Loans made on a long-term, low-interest or interest-free basis, and investments in organizations that make similar loans, are recorded in full or in part as expenses when the economic value is reduced due to their concessionary terms.

Table 9.12 presents a summary of the balances and transactions for share capital, loans and advances 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/\$1.3362 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 \$195,955,069 (\$240,249,239 in 2018) are reported in Table 5.3 in Section 5 of this volume.

Table 9.12
International organizations

(in dollars)

	April 1, 2018	Payments and other charges		Receipts and other credits		March 31, 2019
		Participation or other charges	Revaluation	Reimburse- ments or other credits	Revaluation	
Capital subscriptions¹						
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	554,665,860	250,396,555	–	–	–	805,062,415
International Development Association ²	12,055,788,061	441,610,000	–	–	–	12,497,398,061
International Finance Corporation	104,801,033	–	–	–	–	104,801,033
Multilateral Investment Guarantee Agency	13,827,431	–	–	–	–	13,827,431
	<i>13,264,831,619</i>	<i>692,006,555</i>	–	–	–	<i>13,956,838,174</i>
Global Affairs						
Department of Foreign Affairs, Trade and Development						
African Development Bank	309,004,348	–	9,121,672	–	–	318,126,020
Asian Development Bank	378,694,681	–	6,107,144	–	–	384,801,825
Caribbean Development Bank	50,461,681	–	1,640,588	–	–	52,102,269
Inter-American Development Bank	318,812,116	–	11,704,904	–	–	330,517,020
Inter-American Investment Corporation	38,410,489	15,235,546	1,853,610	–	–	55,499,645
	<i>1,095,383,315</i>	<i>15,235,546</i>	<i>30,427,918</i>	–	–	<i>1,141,046,779</i>
Total—Capital subscriptions	14,360,214,934	707,242,101	30,427,918	–	–	15,097,884,953

Table 9.12
International Organizations—concluded

(in dollars)

	Payments and other charges			Receipts and other credits		March 31, 2019
	April 1, 2018	Participation or other charges	Revaluation	Reimburse- ments or other credits	Revaluation	
Loans and advances						
Finance						
Department of Finance						
Global Environment Facility ²	10,000,000	—	—	—	—	10,000,000
International Finance Corporation						
Catalyst Fund.....	75,000,000	—	—	—	—	75,000,000
International Monetary Fund						
Poverty Reduction and Growth Trust ¹	257,074,600	23,991,482	—	10,520,286	2,330,796	268,215,000
	<i>342,074,600</i>	<i>23,991,482</i>	<i>—</i>	<i>10,520,286</i>	<i>2,330,796</i>	<i>353,215,000</i>
Global Affairs						
Department of Foreign Affairs, Trade and Development						
International Finance Corporation						
Financial Mechanisms for Climate Change Facility	224,422,003	—	—	17,403,448	—	207,018,555
Global Agriculture and Food Security Program	35,621,732	—	—	7,573,067	—	28,048,665
	<i>260,043,735</i>	<i>—</i>	<i>—</i>	<i>24,976,515</i>	<i>—</i>	<i>235,067,220</i>
International financial institutions ²						
African Development Bank	343,895	—	—	125,000	—	218,895
African Development Fund.....	2,980,884,210	108,533,333	3,584,998	—	—	3,093,002,541
Andean Development Corporation.....	687,500	—	—	125,000	—	562,500
Asian Development Bank—Special.....	27,027,000	—	—	—	—	27,027,000
Asian Development Fund	2,386,532,174	32,956,918	—	—	—	2,419,489,092
Caribbean Development Bank						
Agricultural Development Fund.....	2,000,000	—	—	—	—	2,000,000
Commonwealth Caribbean Regional	5,153,600	—	191,200	—	—	5,344,800
Special	372,549,795	17,585,000	599,890	—	—	390,734,685
Global Environment Facility Trust Fund	945,320,000	54,750,000	—	—	—	1,000,070,000
Inter-American Development Bank						
Fund for Special Operations.....	394,788,822	568,456	8,636,416	—	—	403,993,694
International Bank for Reconstruction and						
Development.....	25,768,000	—	956,000	—	—	26,724,000
International Fund for Agriculture Development ...	454,383,396	25,000,000	—	—	—	479,383,396
International Monetary Fund	14,133,017	—	524,339	—	—	14,657,356
Montreal Protocol Multilateral Fund.....	124,435,858	7,854,071	1,275,517	—	—	133,565,446
Multilateral Investment Fund.....	49,308,294	3,132,673	—	—	—	52,440,967
	<i>7,783,315,561</i>	<i>250,380,451</i>	<i>15,768,360</i>	<i>250,000</i>	<i>—</i>	<i>8,049,214,372</i>
International organizations and associations ¹						
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	—	—	—	—	447,110
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
	<i>6,586,179</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>6,586,179</i>
Total—Loans and advances	<i>8,392,020,075</i>	<i>274,371,933</i>	<i>15,768,360</i>	<i>35,746,801</i>	<i>2,330,796</i>	<i>8,644,082,771</i>
Subtotal.....	<i>22,752,235,009</i>	<i>981,614,034</i>	<i>46,196,278</i>	<i>35,746,801</i>	<i>2,330,796</i>	<i>23,741,967,724</i>
Less: portion expensed due to concessionary terms	<i>871,169</i>	<i>—</i>	<i>—</i>	<i>212,924</i>	<i>—</i>	<i>658,245</i>
Total	<i>22,751,363,840</i>	<i>981,614,034</i>	<i>46,196,278</i>	<i>35,533,877</i>	<i>2,330,796</i>	<i>23,741,309,479</i>

¹ Loans and investments made prior to April 1, 1986, which were authorized by non-budgetary authorities.

² 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 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 at March 31, 2019, Canada has subscribed to 9,954 shares (9,954 in 2018). The total value of these shares is \$995.4 million USD (\$995.4 million USD in 2018), of which \$199.1 million USD (\$199.1 million USD in 2018) is paid-in and the remaining portion is callable. The paid-in capital will be paid-in equal instalments over five years with an initial payment of \$39.8 million USD in March 2018.

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 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.

Up to and including March 31, 2019, Canada's total cash contributions into the "paid-in" capital of the EBRD total \$216,197,668 USD.

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.

During the year, Canada subscribed to 12,101 additional paid-in shares for an amount of \$186,422,091 USD.

As at March 31, 2019, 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 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 (no interest, with a 35 to 40 year maturity and 10 years of grace).

As at March 31, 2019, Canada's total participation in IDA amounted to \$12,497,398,061 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.

As at March 31, 2019, Canada has subscribed to 81,342 shares. These shares have a total value of \$81,342,000 USD, all of which 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 at March 31, 2019, 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.

At year end, authority had been granted for subscriptions of 18,146 paid-in shares and 232,814 callable shares. Paid-in shares are purchased using direct payments.

As at March 31, 2019, Canada's participation to the paid-in capital is \$318,126,020 CAD for 18,146 paid-in shares and of these paid-in shares, 13,618 were 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 \$2,557,186,890 USD for a total value of \$4,401,830,768 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.

At year end, authority had been granted for subscriptions of 27,768 paid-in shares and 527,490 callable shares. Paid-in shares are purchased using direct payments.

As at March 31, 2019, Canada's participation to the paid-in capital is \$384,801,825 CAD for 27,768 paid-in shares. Of these paid-in shares, 25,398 were 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 \$8,502,742,497 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.

At year end, authority had been granted for subscriptions of 5,710 paid-in shares and 20,294 callable shares. Paid-in shares are purchased using direct payments.

As at March 31, 2019, Canada's participation to the paid-in capital is \$52,102,269 CAD for 5,710 paid-in shares. These shares were 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 \$163,561,745 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.

At year end, authority had been granted for subscriptions of 20,034 paid-in shares and 547,005 callable shares. Paid-in shares are purchased using direct payments.

As at March 31, 2019, Canada's participation to the paid-in capital is \$330,517,020 CAD for 20,034 paid-in shares. These shares were 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 \$8,817,260,211 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.

At year end, authority had been granted for subscriptions of 4,117 paid-in shares. Paid-in shares are purchased using direct payments.

As at March 31, 2019, Canada's participation to the paid-in capital is \$55,499,645 CAD for 2,623 paid-in shares. These shares were issued in US dollars.

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, 2019, advances to the Global Environment Facility amounted to \$10,000,000 CAD.

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, 2019, 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 loan authority pursuant to the *Bretton Woods and Related Agreements Act*, was set at \$550 million or such greater amount as may be fixed by the Governor in Council. The Governor in Council has set the limit to SDR 1.7 billion.

As at March 31, 2019, Canada has lent a total of SDR 864,554,285 to the Poverty Reduction and Growth Trust. Of this amount, SDR 719,964,000 has been repaid.

The outstanding balance of SDR 144,590,285 was translated into Canadian dollars at the year-end closing rate of exchange (1 SDR /\$1.855 CAD). During the year, transactions included repayments and an exchange valuation adjustment.

Separately, Canada has also made budgetary contributions towards an interest subsidy amounting to SDR 215,157,946, which do not appear in Table 9.12.

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.

In accordance with Section 178 (1) of the *Budget Implementation Act 2017, No. 2*, the responsibility for the FMCC program has been transferred, by order in council, to the Minister of Foreign Affairs.

As at March 31, 2019, advances to the FMCC amounted to \$207,018,555 CAD.

International Finance Corporation—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.

In accordance with Section 178 (1) of the *Budget Implementation Act 2017, No. 2*, the responsibility for the program has been transferred, by order in council, to the Minister of Foreign Affairs.

As at March 31, 2019, advances to the Global Agriculture Food and Security Program amounted to \$28,048,665 CAD.

International financial institutions

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.

International organizations and associations

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 by Canada were authorized by appropriation acts.

Provincial and territorial governments

This category records loans to provinces and territories made under relief acts and other legislation.

Loans made on a long-term, low-interest or interest-free basis are recorded in part as expenses when the economic value of these loans is reduced due to their concessionary terms.

Table 9.13
Provincial and territorial governments

(in dollars)

	April 1, 2018	Payments and other charges	Receipts and other credits	March 31, 2019
Finance				
Department of Finance				
Newfoundland and Labrador				
Federal-provincial fiscal arrangements	266,668,300	–	–	266,668,300
Municipal Development and Loan Board	315,626	–	–	315,626
Winter capital projects Fund	2,836,758	–	–	2,836,758
	269,820,684	–	–	269,820,684
Ontario				
Federal-provincial fiscal arrangements	60,145,976	–	15,036,504	45,109,472
Prince Edward Island				
Federal-provincial fiscal arrangements	435,528	–	108,912	326,616
Winter capital projects Fund	63,079	–	–	63,079
	498,607	–	108,912	389,695
Quebec				
Federal-provincial fiscal arrangements	–	37,672,500	–	37,672,500
Saskatchewan				
Federal-provincial fiscal arrangements	106,311,824	–	13,288,992	93,022,832
Subtotal	436,777,091	37,672,500	28,434,408	446,015,183
Less: portion expensed due to concessionary terms	45,680,300	–	6,316,190	39,364,110
Total	391,096,791	37,672,500	22,118,218	406,651,073

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.

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.

Other loans, investments and advances

Table 9.14
Other loans, investments and advances

(in dollars)

	April 1, 2018	Payments and other charges	Receipts and other credits	March 31, 2019
Unconditionally repayable contributions				
Agriculture and Agri-Food				
Department of Agriculture and Agri-Food	143,473,770	17,239,507	20,642,532	140,070,745
Fisheries, Oceans and the Canadian Coast Guard				
Department of Fisheries and Oceans	–	1,849,623	–	1,849,623
Global Affairs				
Department of Foreign Affairs, Trade and Development	929,000,000	315,000,000	2,792,185	1,241,207,815
Innovation, Science and Economic Development				
Department of Industry	1,543,274,853	156,569,064	332,575,462	1,367,268,455
Atlantic Canada Opportunities Agency	360,260,685	84,857,511	61,070,887	384,047,309
Department of Western Economic Diversification	88,151,187	38,828,095	17,454,590	109,524,692
Economic Development Agency of Canada for the Regions of Quebec	520,643,287	121,811,508	77,894,506	564,560,289
Federal Economic Development Agency for Southern Ontario	298,528,684	96,700,994	43,986,216	351,243,462
	<i>2,810,858,696</i>	<i>498,767,172</i>	<i>532,981,661</i>	<i>2,776,644,207</i>
Subtotal	3,883,332,466	832,856,302	556,416,378	4,159,772,390
Less: portion expensed due to concessionary terms	367,293,893	95,403,273	35,196,708	427,500,458
Total—Unconditionally repayable contributions	3,516,038,573	737,453,029	521,219,670	3,732,271,932
Loans and accountable advances				
Global Affairs				
Department of Foreign Affairs, Trade and Development				
Missions abroad	46,915,962	140,825,502	144,788,791	42,952,673
Personnel posted abroad	28,101,785	13,264,066	16,049,727	25,316,124
	<i>75,017,747</i>	<i>154,089,568</i>	<i>160,838,518</i>	<i>68,268,797</i>
National Defence				
Department of National Defence				
Working Capital Fund	42,939,304	509,860,915	503,282,241	49,517,978
Miscellaneous accountable advances	55,984,278	33,723,511	21,370,536	68,337,253
Miscellaneous accountable imprest funds and standing advances	21,352,219	6,353,149	1,174,418	26,530,950
	<i>77,336,497</i>	<i>40,076,660</i>	<i>22,544,954</i>	<i>94,868,203</i>
Total—Loans and accountable advances	195,293,548	704,027,143	686,665,713	212,654,978

Table 9.14
Other loans, investments and advances—continued

(in dollars)

	April 1, 2018	Payments and other charges	Receipts and other credits	March 31, 2019
Other				
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.....	83,308,182	–	25,287,994	58,020,188
National Marketing Programs.....	206,133,725	39,127,680	41,062,329	204,199,076
	289,477,500	39,127,680	66,350,323	262,254,857
Crown-Indigenous Relations				
Department of Indian Affairs and Northern Development				
Council of Yukon First Nations—Elders.....	666,896	–	90,149	576,747
First Nations in British Columbia.....	550,298,986	–	2,991,487	547,307,499
Inuit Loan Fund.....	71,457	–	–	71,457
Native Claimants.....	469,119,136	13,530,185	6,652,124	475,997,197
Stoney Band Perpetual Loan.....	389,615	–	–	389,615
	1,020,546,090	13,530,185	9,733,760	1,024,342,515
Families, Children and Social Development				
Department of Employment and Social Development				
Canada apprentice loans.....	197,867,834	56,242,436	16,854,120	237,256,150
Canada Student Loans Program.....	19,959,538,885	4,075,134,644	2,870,799,461	21,163,874,068
Provincial workers' compensation boards.....	15,344,001	748,000	–	16,092,001
	20,172,750,720	4,132,125,080	2,887,653,581	21,417,222,219
Finance				
Department of Finance				
Canadian Commercial Bank.....	42,202,293	–	–	42,202,293
Financial Consumer Agency of Canada—Advances.....	–	7,000,000	7,000,000	–
Investments Fund from PPP Canada Inc.....	991,138,612	567,345	506,968,957	484,737,000
	1,033,340,905	7,567,345	513,968,957	526,939,293
Fisheries, Oceans and the Canadian Coast Guard				
Department of Fisheries and Oceans				
Canadian producers of frozen groundfish.....	128,315	–	–	128,315
Haddock fishermen.....	1,343,337	–	–	1,343,337
	1,471,652	–	–	1,471,652
Global Affairs				
Export Development Canada				
Support and development of trade.....	738,896,682	33,877,087	327,161,158	445,612,611
Immigration, Refugees and Citizenship				
Department of Citizenship and Immigration				
Immigration loans.....	61,626,193	25,326,245	18,509,211	68,443,227
Indigenous Services				
Department of Indigenous Services Canada				
Indian Economic Development Guarantee Loans Program.....	229,206	74,614	–	303,820
On Reserve Housing Guarantee Loans Program.....	1,241,759	–	239,174	1,002,585
	1,470,965	74,614	239,174	1,306,405
Innovation, Science and Economic Development				
Department of Industry				
Other business loans.....	62,115,061	46,227,424	59,451,395	48,891,090
Economic Development Agency of Canada for the Regions of Quebec				
Advances for the working capital fund of entrepreneurs' assistance centers.....	442,149	1,906,627	1,891,873	456,903
National Research Council of Canada				
H.L. Holmes Fund.....	5,258,897	54,535	–	5,313,432
	67,816,107	48,188,586	61,343,268	54,661,425
Public Services and Procurement				
Department of Public Works and Government Services				
Seized Property Working Capital Account.....	(8,577,826)	30,554,145	31,450,410	(9,474,091)

Table 9.14**Other loans, investments and advances—concluded**

(in dollars)

	April 1, 2018	Payments and other charges	Receipts and other credits	March 31, 2019
Transport				
Department of Transport				
Greater Victoria Harbour Authority	2,023,109	–	42,720	1,980,389
St. Lawrence Seaway Management Corporation	173,698	–	–	173,698
	2,196,807	–	42,720	2,154,087
Treasury Board				
Treasury Board Secretariat				
Federal Public Service Health Care Administration Authority	642,845	2,245,441	2,268,571	619,715
Joint Learning Program	141,317	2,244,000	2,137,960	247,357
	784,162	4,489,441	4,406,531	867,072
Veterans Affairs				
Department of Veterans Affairs				
Commonwealth War Graves Commission.....	54,228	–	2,028	52,200
Veterans' Land Fund—Advances	1,807	–	1,807	–
	56,035	–	3,835	52,200
Miscellaneous loans, investments and advances	772,172	65,538	584,199	253,511
Transition payments—Pay in arrears	623,214,166	96,563	26,438,955	596,871,774
	623,986,338	162,101	27,023,154	597,125,285
Subtotal—Other	24,005,842,330	4,335,022,509	3,947,886,082	24,392,978,757
Less: portion expensed due to concessionary terms and other discounts	50,501,131	–	5,614,636	44,886,495
	23,955,341,199	4,335,022,509	3,942,271,446	24,348,092,262
Add: consolidation adjustment ¹	1,139,211,000	616,313,000	–	1,755,524,000
Total—Other	25,094,552,199	4,951,335,509	3,942,271,446	26,103,616,262
Total	28,805,884,320	6,392,815,681	5,150,156,829	30,048,543,172

¹ 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. They bear various interest rates, some of which have concessional terms, and are repayable at various due dates with final instalments generally due within up to 10 years of initial disbursement.

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 concessionary terms.

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, \$18,531,257; advances for medical expenses, \$1,205,355; advances for workmen's compensation, \$10,174; security and other deposits under Foreign Service Directives, \$2,683,947 and, school and club debentures, \$2,885,391.

The loans to employees bear interest at rates from 1% to 2% per annum, and are repayable within 4 years, with final instalments between April 1, 2018, and March 31, 2023.

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.

Council of Yukon First Nations—Elders

Loans have been made to the Council of Yukon First Nations to provide interim benefits to elderly Yukon Indians pending settlement of Yukon Indian land claims.

The terms and conditions of the loans are as follows:

- (a) loans made before an agreement-in-principle for the settlement of a claim is reached are non-interest bearing;
- (b) loans made after the date on which an agreement-in-principle for the settlement of a claim has been reached, bear interest at a rate equal to the rate established by the Minister of Finance in respect of borrowings for equivalent terms by Crown corporations; and
- (c) loans are due and payable, as to principal and interest, on the date on which the claim is settled or on a date fixed in the loan agreement or promissory note, whichever date is earlier.

All the loans outstanding at year end bear interest at a rate of 6% per annum.

First Nations in British Columbia

Loans have been made to First Nations in British Columbia to support their participation in the British Columbia Treaty Commission process related to the research, development and negotiation of treaties.

During the year, loans were authorized by the Department of Indian Affairs and Northern Development Vote L20, *Appropriation Act No.2, 2018–2019*.

The terms and conditions of the loans are as follows:

- (a) loans made before an agreement-in-principle for the settlement of a treaty is reached are non-interest bearing;
- (b) loans made before April 1, 2004, and after the date on which an agreement-in-principle for the settlement of a treaty has been reached, bear interest at a rate equal to the rate established by the Minister of Finance in respect of borrowings for equivalent terms by Crown corporations;
- (c) loans made between April 1, 2004, and March 31, 2018, and after the date on which an agreement-in-principle for the settlement of a treaty has been reached, shall be interest free, unless the loans become due and payable during this period; and
- (d) loans are due and payable by the First Nations and will pay the loan on the earliest of the following dates:
 - i. date on which the treaty is settled;
 - ii. twelfth anniversary of the first loan advance to the First Nations under the earliest First Nations' funding agreement;
 - iii. seventh anniversary after the signing of an agreement-in-principle; or
 - iv. date the federal minister demands payment of the loans due to an event of default under this agreement or under any First Nations' funding agreement.

The interest-bearing and non-interest bearing portions of the loans outstanding at year end are \$16,461,956 and \$530,941,211 respectively. Rates are from 0.67% to 4.64% per annum for the interest-bearing portion.

Inuit Loan Fund

Loans have been made to individual Inuit or groups of Inuit to promote commercial activities and gainful occupations. Loans have also been made to co-operative associations, credit unions, caisses populaires or other credit societies incorporated under provincial laws, where the majority of members are Inuit, or to corporations incorporated under the laws of Canada, or provincial laws, where the controlling interest is held by Inuit.

The total amount authorized to be outstanding at any time is \$6,633,697, as last amended by the Department of Indian Affairs and Northern Development Vote 37b, *Appropriation Act No. 4, 1995–96*.

The remaining loan bears interest at a rate of 5.50% per annum.

Native claimants

Loans have been made to native claimants to defray the costs related to the research, development and negotiation of claims.

During the year, loans were authorized by Department of Indian Affairs and Northern Development Vote L15, *Appropriation Act No. 2, 2018–2019*.

The terms and conditions of the loans are as follows:

- (a) loans made before an agreement-in-principle for the settlement of a claim is reached are non-interest bearing;
- (b) loans made after the date on which an agreement-in-principle for the settlement of a claim has been reached, bear interest at a rate equal to the rate established by the Minister of Finance in respect of borrowings for equivalent terms by Crown corporations; and
- (c) loans are due and payable as to principal and interest on the date on which the claim is settled, or on a date fixed in the agreement.

The interest bearing and the non-interest bearing portions of the loans outstanding at year end are \$40,882,752 and \$435,114,445 respectively. Rates are from 0.69% to 11.89% per annum for the interest-bearing portion.

Stoney Band Perpetual Loan

In 1946, loans were made to Stoney Band of Alberta (Band) for land acquisition beyond their treaty entitlement.

A loan not exceeding \$500,000 was made to purchase additional land. Under the terms of the agreement, as stated in Treasury Board Minutes, P.C. 2/1437 dated April 11, 1946, the Band assigned monies accruing to them, from the rental of their water resources, to provide interest payments at the rate of 3.00% annually on the amount of the loan that had actually been expended. In the same agreement, the Band resolved that the Department allots \$200,000 to the Pekisko Group, and \$300,000 for the additions to Morley Reserve.

Canada apprentice loans

Canada apprentice loans are administrated 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 Labour is authorized to enter into a loan agreement directly with any eligible apprentice. The loans bear interest at either a variable rate (prime rate plus 2.5%) or a fixed rate (prime rate plus 5.0%). Apprentices are not required to pay interest on their loans while they are still in their apprenticeship program. 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, 2019, amounts to \$237,256,150 (\$197,867,834 as at March 31, 2018). During the year, no loans were written off (nil as at March 31, 2018).

Canada Student Loans 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 and the loans bear interest at either a variable rate (prime rate plus 2.5%) or a fixed rate (prime rate plus 5.0%). Students are not required to pay interest on their loans while they are still studying. 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 24 billion dollars.

During the year, loans and interest receivable on these loans totaling \$162,154,347 (\$200,039,294 as at March 31, 2018) were written off by the Department of Employment and Social Development Vote 7c from the *Appropriation Act No. 5, 2018-2019* and \$22,767,767 (\$17,796,477 as at March 31, 2018) were written off pursuant to Section 25(1) of the *Financial Administration Act*. In addition, loans and interest receivable on these loans totalling \$391,261,840 (\$343,950,956 as at March 31, 2018) were forgiven as per the *Canada Student Financial Assistance Act* and \$2,856,342 (\$4,429,548 as at March 31, 2018) 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 Labour 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 Labour with the concurrence of the Minister of Finance. The total amount of outstanding direct loans as at March 31, 2019, amounts to \$21,051,645,035 (\$19,804,803,804 as at March 31, 2018).

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, 2019, amounts to \$45,409,223 (\$57,144,147 as at March 31, 2018) for loans owned by the Department of Employment and Social Development and \$770,429,806 (\$794,900,682 as at March 31, 2018) for loans under the current 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, 2019, amounts to \$66,819,810 (\$97,590,960 as at March 31, 2018) for loans owned by the Department of Employment and Social Development and \$1,797,936 (\$2,801,350 as at March 31, 2018) for loans under the current ownership of the financial institutions.

Provincial workers' compensation boards

This account is operated 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 Canadian 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.

The advances are subject to the terms and conditions of agreements with provincial workers' compensation boards and are to be repaid on termination of those agreements.

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 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*.

Investments Fund from PPP Canada Inc.

Investments held by PPP Canada Inc. were assumed by the Government of Canada, following the dissolution of PPP Canada Inc. in 2018, pursuant to subsection 209.1(3) of the *Jobs, Growth and Long-term Prosperity Act*.

These investments include guaranteed investment certificates with maturities ranging from 1 to 2 years.

The investments earned interest at rates from 1.65% to 2.15% per annum.

Canadian producers of frozen groundfish

Loans have been made to Canadian producers of frozen groundfish, canned and frozen crabmeat, and canned and frozen lobster meat, to assist in the financing of inventories.

The loans bore interest at the rate of 13% per annum, and were repayable in equal annual instalments over 7 years, with the final instalment in December 1987. These loans are deemed unrecoverable and parliamentary authority is required to write off the balance.

Haddock fishermen

Loans have been made to Nova Scotia haddock fishermen whose fishery was closed from February 1 to May 31, 1975, pursuant to an agreement under the International Agreement for the Northwest Atlantic Fisheries. The total loan authority is \$1,650,000.

The loans bore interest at the rate of 8% per annum, and were repayable in equal annual instalments over 4 years, with the final instalment in 1979. These loans are deemed unrecoverable and parliamentary authority is required to write off the balance.

Support and development of trade

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. The Act allows the Canada Account to have outstanding loans and commitments to borrowers and arrangements giving rise to contingent liabilities under contracts of insurance and other agreements up to a maximum of \$20 billion.

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. In 2014, new regulations came into force which clarify the circumstances in which EDC can provide support within Canada in fulfillment of its mandate. During the year, no Canada Account transactions were entered into in the support and development of domestic trade.

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.

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, 2019	
	April 1, 2018	Payments or other charges ¹	Revaluation	Receipts or other credits ²		Revaluation
Export trade						
(a) 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.....	541,176,292	–	18,207,994	327,087,862	–	232,296,424
(b) 31 to 55 year term, 2.26% interest per annum, with final repayment in August 2048:						
Canada.....	–	10,000,000	–	–	–	10,000,000
(c) Term loan, interest based on the higher of 2.0% or London Interbank Offered Rate, plus a range of rates from 3.0% to 8.0% interest per annum, with final repayments between June 2009 and July 2010:						
United States.....	197,720,390	–	7,296,815	73,296	–	204,943,909
Subtotal.....	738,896,682	10,000,000	25,504,809	327,161,158	–	447,240,333
Less: portion expensed due to concessionary terms	–	1,627,722	–	–	–	1,627,722
Total—Export trade	738,896,682	8,372,278	25,504,809	327,161,158	–	445,612,611

Final repayment dates may change if loan amounts are rescheduled or restructured.

¹ Payments or other charges may include transactions such as loans, adjustments, etc.

² Receipts or other credits may include transactions such as repayments, forgiveness, etc.

Immigration loans

Section 88 of the *Immigration and Refugee Protection Act* authorizes the making of loans for the purpose of the Act.

The total amount authorized to be outstanding at any time is \$126,600,000.

The terms and conditions of the loans, with their year-end balances, are as follows:

- (a) repayable by monthly instalments over 1 to 6 years with a possible deferment of 2 years, which were bearing interest at rates from 0.76% to 9.06% per annum up until February 21, 2018, for a total amount of \$41,010,178 of which \$12,928,400 is past due;
- (b) repayable by monthly instalments over 3 to 8 years with a possible deferment of 2 years, non-interest bearing, for a total amount of \$27,433,049 of which \$21,861 is past due.

Indian Economic Development Guarantee Loans Program

The Indian Economic Development Guarantee Authority, established under Vote L53b, *Appropriation Act No. 1, 1970*, amended under P.C. 1977 3608, authorized the Department to guarantee loans for Indian businesses on a risk-sharing basis with commercial lenders. 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.

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.

On Reserve Housing Guarantee Loans Program

On Reserve Housing guarantees provide needed support to Indian or Indian bands residing on reserves or Crown land. Reserves are, as such, non mortgageable and the ministerial guarantee provides security to the lending institution in the event of a default by the client.

The total amount authorized to be outstanding at any time is \$2.2 billion, as last amended by the Department of Indian Affairs and Northern Development Vote 7b, *Appropriation Act No. 4, 2008–2009*.

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. 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.

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 Her 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 Her 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. A discount of \$94,440 is recorded to reflect the concessionary nature of the loan.

The loan bears interest at the rate of 4.9% per annum, and is repayable over 15 years, with the final instalment on May 9, 2020.

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 instalment of the existing terms was anticipated for March 2013.

As of March 31, 2019, the remaining amount of this loan is deemed unrecoverable and parliamentary authority is required to write-off the balance.

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 and subsequently of 2014, 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, and for which the employer does not already have a legal obligation to provide training.

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.

Veterans' Land Fund

Advances

Advances have been made, under Parts I and III of the *Veterans' Land Act*, for the acquisition of land, permanent improvements, removal of encumbrances, purchase of stock and equipment, and protection of security. The total amount authorized to be outstanding at any time is \$605 million.

Allowance for conditional benefits

A provision equal to 1/10 of the benefits to veterans was established each year up to and including 1978–1979. Since that time, a forecast of requirements has been performed each year, and provisions are established as necessary. These provisions are charged to expenses and credited to the allowance for conditional benefits account. This account represents the accumulated net provisions for benefits to veterans in the form of forgiveness of loans authorized by the *Veterans' Land Act*. These benefits come into effect only after certain conditions are fulfilled by the veterans. At the end of 10 years, the conditions having been met, the accumulated provision is charged to the allowance for conditional benefits account, and credited to the veteran's loan account.

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 2014–2015 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, investments and advances held by consolidated Crown corporations and other entities. These mainly include investments such as bonds, money market funds and fixed income securities.

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. The change in the methodology has been accounted for as a change in estimate and did not result in a significant impact to the allowance for valuation.

This page has been intentionally left blank.

Section 10

*Public Accounts of Canada
2018–2019*

Non-financial assets as at March 31

Table of contents

	<i>Page</i>
Non-financial assets	311
Tangible capital assets.....	312
Vehicles	314
Assets under capital leases	314

This page has been intentionally left blank.

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)

	2019	2018
		Restated ¹
Net tangible capital assets, Table 10.2		
Land	2,100,162	1,814,426
Buildings	17,441,724	15,823,682
Works and infrastructure	8,965,406	8,252,299
Machinery and equipment	11,745,752	11,098,766
Vehicles, Table 10.3	14,825,253	15,258,580
Leasehold improvements	1,137,882	1,126,801
Assets under construction	20,188,311	17,759,720
Assets under capital leases, Table 10.4	2,537,865	2,700,728
	78,942,355	73,835,002
Inventories	6,600,924	6,679,188
Prepaid expenses and other ¹	1,131,142	1,119,048
Total	86,674,421	81,633,238

¹ Certain comparative figures have been restated. Details on the restatement can be found in Note 2, Section 2 of this volume.

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
Capital assets at cost				
Canadian Heritage and Multiculturalism	407,136	2,138,102	880,714	1,666,720
Environment and Climate Change	233,200	1,174,065	4,118,915	951,648
Fisheries, Oceans and the Canadian Coast Guard	22,662	834,134	3,031,748	548,862
Global Affairs	561,651	1,807,112	9,997	237,148
Infrastructure and Communities	178,149	–	839,297	12,087
Innovation, Science and Economic Development	11,293	1,070,822	57,828	2,645,765
National Defence	87,199	11,884,296	2,763,592	21,233,009
Natural Resources	9,965	829,531	103,629	750,606
Public Safety and Emergency Preparedness	88,158	5,152,430	924,221	2,235,414
Public Services and Procurement	242,560	7,302,428	1,750,791	3,023,431
Transport	238,541	1,492,173	4,345,771	1,589,864
Other ministries	19,648	1,479,945	45,153	3,619,793
Gross total capital assets	2,100,162	35,165,038	18,871,656	38,514,347
Accumulated amortization				
Canadian Heritage and Multiculturalism	–	1,010,096	497,205	1,248,235
Environment and Climate Change	–	784,269	2,032,645	658,950
Fisheries, Oceans and the Canadian Coast Guard	–	532,904	1,511,428	384,168
Global Affairs	–	1,064,645	1,630	169,916
Infrastructure and Communities	–	–	271,272	8,501
Innovation, Science and Economic Development	–	702,695	34,973	2,115,996
National Defence	–	5,109,930	1,648,123	14,137,188
Natural Resources	–	384,334	42,658	478,777
Public Safety and Emergency Preparedness	–	2,462,964	560,205	1,692,690
Public Services and Procurement	–	3,779,049	754,095	2,111,955
Transport	–	878,768	2,528,596	1,023,446
Other ministries	–	1,013,660	23,420	2,738,773
Total accumulated amortization	–	17,723,314	9,906,250	26,768,595
Total net capital assets				
Canadian Heritage and Multiculturalism	407,136	1,128,006	383,509	418,485
Environment and Climate Change	233,200	389,796	2,086,270	292,698
Fisheries, Oceans and the Canadian Coast Guard	22,662	301,230	1,520,320	164,694
Global Affairs	561,651	742,467	8,367	67,232
Infrastructure and Communities	178,149	–	568,025	3,586
Innovation, Science and Economic Development	11,293	368,127	22,855	529,769
National Defence	87,199	6,774,366	1,115,469	7,095,821
Natural Resources	9,965	445,197	60,971	271,829
Public Safety and Emergency Preparedness	88,158	2,689,466	364,016	542,724
Public Services and Procurement	242,560	3,523,379	996,696	911,476
Transport	238,541	613,405	1,817,175	566,418
Other ministries	19,648	466,285	21,733	881,020
Total net capital assets	2,100,162	17,441,724	8,965,406	11,745,752

¹ Details can be found in Table 10.3.² Details can be found in Table 10.4.

Vehicles ¹	Leasehold improvements	Assets under construction	Assets under capital leases ²	Total 2019	Total 2018
33,701	189,168	329,091	43,410	5,688,042	5,592,916
179,245	53,372	1,144,400	37,404	7,892,249	7,175,405
2,808,516	559,289	2,019,855	–	9,825,066	8,637,179
66,681	292,735	245,187	–	3,220,511	2,891,524
111	9,434	3,433,962	58,036	4,531,076	3,294,493
38,277	63,071	1,449,233	64,577	5,400,866	5,230,394
36,658,068	128,407	7,569,524	842,689	81,166,784	79,601,687
19,250	96,813	136,633	95,993	2,042,420	2,022,056
802,851	231,802	1,233,910	30,316	10,699,102	10,131,420
11,779	1,026,295	1,622,784	2,676,053	17,656,121	16,065,375
2,141,649	171,241	346,924	818,820	11,144,983	10,790,127
129,810	655,181	656,808	426	6,606,764	6,287,869
42,889,938	3,476,808	20,188,311	4,667,724	165,873,984	157,720,444
24,485	113,042	–	25,511	2,918,574	2,971,466
116,619	44,866	–	20,644	3,657,993	3,549,183
1,635,057	372,085	–	–	4,435,642	4,281,170
39,403	196,813	–	–	1,472,407	1,380,386
57	4,447	–	–	284,277	280,321
26,356	30,721	–	36,219	2,946,960	2,848,257
24,268,171	52,639	–	733,511	45,949,562	44,685,478
12,654	40,652	–	30,908	989,983	989,968
488,663	149,110	–	7,723	5,361,355	5,000,317
7,376	713,259	–	1,096,406	8,462,140	7,958,416
1,358,653	109,872	–	178,776	6,078,111	5,807,907
87,191	511,420	–	161	4,374,625	4,132,572
28,064,685	2,338,926	–	2,129,859	86,931,629	83,885,442
9,216	76,126	329,091	17,899	2,769,468	2,621,449
62,626	8,506	1,144,400	16,760	4,234,256	3,626,222
1,173,459	187,204	2,019,855	–	5,389,424	4,356,009
27,278	95,922	245,187	–	1,748,104	1,511,138
54	4,987	3,433,962	58,036	4,246,799	3,014,172
11,921	32,350	1,449,233	28,358	2,453,906	2,382,137
12,389,897	75,768	7,569,524	109,178	35,217,222	34,916,209
6,596	56,161	136,633	65,085	1,052,437	1,032,089
314,188	82,692	1,233,910	22,593	5,337,747	5,131,103
4,403	313,036	1,622,784	1,579,647	9,193,981	8,106,959
782,996	61,369	346,924	640,044	5,066,872	4,982,219
42,619	143,761	656,808	265	2,232,139	2,155,297
14,825,253	1,137,882	20,188,311	2,537,865	78,942,355	73,835,002

Vehicles

Table 10.3
Vehicles by sub-category

(in thousands of dollars)

	Cost	Accumulated amortization	2019	2018
Ships and boats	16,594,848	11,419,822	5,175,026	5,487,132
Aircraft	20,464,468	12,644,688	7,819,780	7,983,282
Motor vehicles (Non-military)	2,562,506	1,707,835	854,671	855,090
Military vehicles	1,707,164	1,352,052	355,112	278,886
Other vehicles	1,560,952	940,288	620,664	654,190
Total	42,889,938	28,064,685	14,825,253	15,258,580

Assets under capital leases

Table 10.4
Assets under capital leases by main category

(in thousands of dollars)

	Cost	Accumulated amortization	2019	2018
Land.....	90,237	–	90,237	32,201
Buildings	2,744,955	1,232,562	1,512,393	1,636,779
Works and infrastructure.....	826,640	181,182	645,458	654,249
Machinery and equipment.....	314,606	82,804	231,802	285,989
Vehicles	691,286	633,311	57,975	91,510
Total	4,667,724	2,129,859	2,537,865	2,700,728

Section 11

*Public Accounts of Canada
2018–2019*

Contractual obligations, contractual rights and contingent liabilities as at March 31

Table of contents

	<i>Page</i>
Contractual obligations	316
Contractual rights	361
Contingent liabilities	363

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	105,176	48,294	4,282	–	157,752
International contractual obligations, Table 11.4	–	–	–	4,745	4,745
Total	105,176	48,294	4,282	4,745	162,497

Table 11.2 summarizes the information presented in Table 11.1 to indicate the minimum amounts required to satisfy contractual obligations each year from 2020 to 2024 inclusively, and a total for amounts due in the year 2025 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
2020	31,018	12,413	477	1,755	45,663
2021	19,144	9,096	495	1,185	29,920
2022	14,698	7,236	446	391	22,771
2023	10,457	3,585	378	188	14,608
2024	6,627	2,243	305	103	9,278
2025 and subsequent	23,232	13,721	2,181	1,123	40,257
Total	105,176	48,294	4,282	4,745	162,497

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, 2019

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Transfer payment agreements										
Agriculture and Agri-Food										
Department of Agriculture and Agri-Food										
AgriAssurance Program										
Aggregate	21	21	3	18	6	6	4	2	–	–
Agricultural Greenhouse Gases Program										
Aggregate	25	25	15	10	5	5	–	–	–	–
AgriMarketing Program										
Aggregate	67	67	23	44	23	21	–	–	–	–
AgriScience Program										
Aggregate	147	147	24	123	36	34	30	23	–	–
Canadian Agricultural Partnership Contribution Agreement										
Government of Alberta	216	216	34	182	43	43	48	48	–	–
Government of British Columbia	62	62	10	52	12	12	14	14	–	–
Government of Manitoba	93	93	14	79	18	19	21	21	–	–
Government of New Brunswick	20	20	3	17	4	4	5	4	–	–
Government of Newfoundland and Labrador ..	20	20	3	17	4	4	4	5	–	–
Government of Nova Scotia	20	20	3	17	4	4	5	4	–	–
Government of Ontario	242	242	38	204	48	48	54	54	–	–
Government of Prince Edward Island	20	20	3	17	4	4	4	5	–	–
Government of Quebec	155	155	23	132	31	31	35	35	–	–
Government of Saskatchewan	214	214	40	174	41	41	46	46	–	–
Dairy Farm Investment Program										
Aggregate	130	130	81	49	49	–	–	–	–	–
	<i>1,452</i>	<i>1,452</i>	<i>317</i>	<i>1,135</i>	<i>328</i>	<i>276</i>	<i>270</i>	<i>261</i>	–	–
Canadian Heritage and Multiculturalism										
Department of Canadian Heritage										
Aboriginal People's Program										
Aggregate	35	35	24	11	11	–	–	–	–	–
Action Plan for Aboriginal Languages										
Aggregate	28	28	14	14	14	–	–	–	–	–
Building Communities through Arts and Heritage										
Aggregate	12	12	2	10	10	–	–	–	–	–
Canada Arts Presentation Fund										
Aggregate	74	74	24	50	27	15	6	2	–	–
Canada Arts Training Fund										
Aggregate	60	60	23	37	23	13	1	–	–	–
Canada Cultural Spaces Fund										
Aggregate	79	79	34	45	29	14	2	–	–	–
The Canadian Canoe Museum	10	10	–	10	3	4	3	–	–	–
The Thunder Bay National Exhibition Centre and Centre for Indian Art	12	12	–	12	6	5	1	–	–	–

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Canada Music Fund										
The Foundation Assisting Canadian Talent on Recordings.....	43	43	33	10	10	–	–	–	–	–
Canadian History Fund										
Aggregate.....	16	16	4	12	4	5	2	1	–	–
Court Challenges Program										
University of Ottawa.....	24	24	9	15	5	5	5	–	–	–
Development of Official Languages Communities Program										
Aggregate.....	130	130	55	75	47	16	9	3	–	–
Community life, aggregate.....	15	15	4	11	4	3	4	–	–	–
Government of Yukon.....	21	21	10	11	11	–	–	–	–	–
The Corporation of the Council of Ministers of Education.....	21	21	–	21	21	–	–	–	–	–
Enhancement of Official Languages Program										
Aggregate.....	22	22	6	16	8	4	4	–	–	–
Exchanges Canada Program										
Aggregate.....	17	17	5	12	6	5	1	–	–	–
Experiences Canada.....	14	14	–	14	5	4	5	–	–	–
YMCA of Greater Toronto.....	24	24	–	24	8	8	8	–	–	–
Hosting Program										
Aggregate.....	14	14	3	11	10	1	–	–	–	–
Sport Support Program										
Aggregate.....	72	72	2	70	68	1	1	–	–	–
Canadian Sport Centre.....	23	23	8	15	8	7	–	–	–	–
National Multisport Services Organization										
Aggregate.....	36	36	12	24	24	–	–	–	–	–
Canadian Special Olympics Inc.....	17	17	3	14	6	4	4	–	–	–
Sport Participation Bilateral.....	16	16	–	16	5	5	6	–	–	–
Canada Council for the Arts										
Grants.....	372	372	262	110	86	24	–	–	–	–
	1,207	1,207	537	670	459	143	62	6	–	–
Crown-Indigenous Relations										
Department of Indian Affairs and Northern Development										
Aboriginal recipient funding (Other)										
Arctic Co-Operatives Ltd.....	40	40	28	12	12	–	–	–	–	–
Fédération des coopératives du Nouveau Québec.....	30	30	10	20	10	10	–	–	–	–
Joint Secretariat.....	34	34	7	27	3	4	3	4	3	10
Kinoomaadziwin Education Body Inc.....	268	268	54	214	54	53	54	53	–	–
Mackenzie Valley Environmental Impact Review Board.....	36	36	7	29	4	3	4	3	4	11
Nunavut Planning Commission (NPC).....	55	55	44	11	6	5	–	–	–	–
Nunavut Wildlife Management Board.....	106	106	83	23	11	12	–	–	–	–
Parsons Inc.....	101	101	30	71	71	–	–	–	–	–
Sahtu Land and Water Board.....	14	14	3	11	1	2	1	2	1	4
Sahtu Secretariat Incorporated.....	17	17	3	14	2	2	1	2	2	5
The North West Company.....	120	120	40	80	40	40	–	–	–	–
Wek'Eezhii Land and Water Board.....	21	21	5	16	2	2	2	2	2	6
Yukon Environmental Socio-Economic Assessment Board.....	51	51	23	28	6	5	6	5	6	–
Funding agreement for projects										
Windigo First Nations Council.....	22	22	–	22	11	11	–	–	–	–
Funding agreement for provincial governments and territories										
Government of the Northwest Territories.....	45	45	30	15	5	5	5	–	–	–
Government of Nunavut.....	51	51	32	19	5	5	5	4	–	–
Government of Yukon.....	21	21	7	14	7	7	–	–	–	–

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Grant										
Cree Nation Government.....	1,699	1,699	645	1,054	117	117	117	117	117	469
Manitoba Metis Federation Inc.....	153	153	129	24	6	6	6	6	—	—
Mi'kmaw Kina'matnewey	579	579	54	525	58	58	59	58	58	234
Tlicho Government	62	62	36	26	9	8	9	—	—	—
Indian Self-Government										
Carcross/Tagish First Nation.....	66	66	55	11	11	—	—	—	—	—
Kwanlin Dun First Nation	136	136	119	17	17	—	—	—	—	—
Sioux Valley Dakota Nation.....	105	105	71	34	17	17	—	—	—	—
Tla'Amin Nation.....	123	123	59	64	16	16	16	16	—	—
Westbank First Nation.....	91	91	51	40	13	14	13	—	—	—
Aggregate of various transfer payment agreements under \$10 million										
Aggregate.....	737	737	488	249	120	74	20	14	9	12
	4,783	4,783	2,113	2,670	634	476	321	286	202	751
Environment and Climate Change										
Department of the Environment										
Low Carbon Economy										
Government of Alberta.....	148	148	3	145	98	38	9	—	—	—
Government of British Columbia	162	162	24	138	51	40	47	—	—	—
Government of New Brunswick	51	51	4	47	15	15	17	—	—	—
Government of Newfoundland and Labrador ..	45	45	—	45	8	7	30	—	—	—
Government of Northwest Territories.....	31	31	—	31	13	9	9	—	—	—
Government of Nova Scotia	56	56	9	47	14	14	19	—	—	—
Government of Nunavut.....	31	31	—	31	2	7	22	—	—	—
Government of Prince Edward Island.....	34	34	7	27	6	6	15	—	—	—
Government of Quebec	261	261	22	239	92	100	47	—	—	—
Canada Nature Fund										
Aggregate.....	16	16	5	11	5	4	1	1	—	—
Conserving Nature										
Aggregate.....	40	40	6	34	18	9	4	3	—	—
Preventing and Managing Pollution										
Aggregate.....	34	34	10	24	15	7	2	—	—	—
Taking Action on Clean Growth and Climate Change										
Aggregate.....	41	41	10	31	15	14	1	1	—	—
	950	950	100	850	352	270	223	5	—	—
Families, Children and Social Development										
Department of Employment and Social Development										
Adult Learning, Literacy and Essential Skills										
Aggregate.....	85	85	35	50	21	16	8	4	1	—
Canada Job Fund										
Government of Quebec	696	696	583	113	113	—	—	—	—	—
Canada Service Corps										
Aggregate.....	51	51	22	29	29	—	—	—	—	—
Early Learning and Child Care										
Aggregate.....	84	84	56	28	28	—	—	—	—	—
Government of Alberta.....	136	136	91	45	45	—	—	—	—	—
Government of British Columbia	156	156	104	52	52	—	—	—	—	—
Government of Manitoba	47	47	31	16	16	—	—	—	—	—
Government of Nova Scotia	35	35	23	12	12	—	—	—	—	—
Government of Ontario	439	439	293	146	146	—	—	—	—	—
Government of Quebec	261	261	174	87	87	—	—	—	—	—
Government of Saskatchewan	41	41	27	14	14	—	—	—	—	—
Enabling Fund for Official Language Minority Communities										
Aggregate.....	42	42	2	40	10	10	10	10	—	—
Community Economic Development & Employability Corporation	12	12	—	12	3	3	3	3	—	—

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Foreign Credential Recognition Program										
Aggregate.....	54	54	17	37	16	11	8	2	–	–
Future Skills										
Ryerson University.....	360	360	21	339	48	73	73	73	72	–
Indigenous Skills and Employment Training Program										
Aggregate.....	13	13	–	13	1	1	2	1	1	7
Aboriginal Labour Force Development Circle.....	66	66	–	66	6	7	7	7	6	33
Akwesasne Area Management Board.....	36	36	–	36	4	3	4	3	4	18
Grand River Employment & Training Inc.	59	59	–	59	6	6	6	6	6	29
Mamaweswen, The North Shore										
Tribal Council.....	21	21	–	21	2	2	2	2	2	11
Matawa First Nations Management Inc.....	22	22	–	22	2	2	2	2	2	12
Miawpukek First Nation.....	10	10	–	10	1	1	1	1	1	5
Mi'kmaq Employment Training Secretariat.....	56	56	–	56	5	6	5	6	6	28
Native Council of Nova Scotia.....	18	18	–	18	2	2	2	2	1	9
Ontario Federation of Indigenous										
Friendship Centres.....	96	96	–	96	9	9	10	10	10	48
Shooniyaa Wa-Biitong.....	47	47	–	47	4	5	5	5	5	23
Sioux Lookout Area Aboriginal										
Employment & Training.....	59	59	–	59	6	6	6	6	6	29
Skanehiokwaioteh Incorporated /										
Niagara Peninsula Aboriginal Area										
Management Board.....	29	29	–	29	3	3	3	3	3	14
Southern First Nations Secretariat /										
London District Chiefs Council.....	21	21	–	21	2	2	2	2	2	11
Wabun Tribal Council.....	45	45	–	45	4	5	4	5	4	23
Walpole Island First Nation.....	23	23	–	23	2	2	3	2	2	12
Wikwemikong Unceded Indian Reserve.....	21	21	–	21	2	2	2	2	2	11
Labour Market Development Agreements										
Aggregate.....	25	25	12	13	13	–	–	–	–	–
Government of Alberta.....	341	341	167	174	174	–	–	–	–	–
Government of British Columbia.....	643	643	322	321	321	–	–	–	–	–
Government of Manitoba.....	113	113	56	57	57	–	–	–	–	–
Government of New Brunswick.....	215	215	107	108	108	–	–	–	–	–
Government of Newfoundland and Labrador ..	289	289	143	146	146	–	–	–	–	–
Government of Nova Scotia.....	197	197	98	99	99	–	–	–	–	–
Government of Ontario.....	1,427	1,427	719	708	708	–	–	–	–	–
Government of Prince Edward Island.....	60	60	31	29	29	–	–	–	–	–
Government of Quebec.....	1,280	1,280	657	623	623	–	–	–	–	–
Government of Saskatchewan.....	100	100	50	50	50	–	–	–	–	–
Labour-Management Cooperation Program										
Aggregate.....	14	14	2	12	3	3	3	2	1	–
Opportunities Fund for Persons with Disabilities										
Aggregate.....	106	106	28	78	34	31	13	–	–	–
Reaching Home										
Aggregate.....	221	221	–	221	73	54	32	31	31	–
Affordable Housing Association of										
Nova Scotia.....	17	17	–	17	3	3	3	4	4	–
Calgary Homeless Foundation.....	45	45	–	45	9	8	9	9	10	–
City of Hamilton.....	29	29	–	29	6	5	6	6	6	–
City of Ottawa.....	41	41	–	41	8	7	8	9	9	–
City of Toronto.....	124	124	–	124	23	23	26	26	26	–
Homeward Trust Foundation.....	44	44	–	44	9	8	9	9	9	–
Lu'ma Native BCH Housing Society.....	22	22	–	22	4	5	4	5	4	–
Ontario Federation of Indigenous										
Friendship Centres.....	15	15	–	15	3	3	3	3	3	–
Provincial Metis Housing Corporation.....	12	12	–	12	2	3	2	3	2	–
Vancity Community Foundation.....	12	12	–	12	12	–	–	–	–	–

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Sectoral Initiatives Program										
Aggregate.....	71	71	22	49	25	20	4	–	–	–
Skills and Partnership Fund										
Aggregate.....	212	212	102	110	65	45	–	–	–	–
Social Development Partnerships Program										
Aggregate.....	48	48	16	32	15	10	7	–	–	–
Student Work-Integrated Learning Program										
Aggregate.....	81	81	32	49	25	24	–	–	–	–
Workforce Development Agreements										
Government of Alberta.....	518	518	98	420	100	107	106	107	–	–
Government of British Columbia	605	605	117	488	117	124	123	124	–	–
Government of Manitoba.....	164	164	32	132	32	33	34	33	–	–
Government of New Brunswick.....	96	96	20	76	19	19	19	19	–	–
Government of Newfoundland and Labrador ..	67	67	15	52	13	13	13	13	–	–
Government of Nova Scotia	120	120	25	95	24	24	24	23	–	–
Government of Nunavut.....	15	15	4	11	3	3	3	2	–	–
Government of Ontario	1,717	1,717	324	1,393	330	354	355	354	–	–
Government of Prince Edward Island.....	20	20	5	15	4	4	4	3	–	–
Government of Saskatchewan	145	145	30	115	29	29	29	28	–	–
Government of the Northwest Territories	15	15	4	11	3	2	3	3	–	–
Government of Yukon.....	15	15	4	11	3	3	2	3	–	–
Youth Employment Strategy										
Aggregate.....	347	347	223	124	122	2	–	–	–	–
Skills Canada	30	30	5	25	9	7	5	4	–	–
	12,819	12,819	4,949	7,870	4,156	1,153	1,017	980	241	323
Global Affairs										
Department of Foreign Affairs, Trade and Development										
Development, Peace and Security Programming										
Aggregate.....	950	950	531	419	247	118	38	12	2	2
Aga Khan Foundation Canada.....	95	95	43	52	23	17	5	4	3	–
Agriteam Canada.....	95	95	49	46	23	11	6	4	2	–
Canadian Audit and Accountability Foundation.....	15	15	2	13	2	3	3	2	–	3
Canadian Bureau for International Education.....	36	36	24	12	11	1	–	–	–	–
Canadian Cooperation Society for International Development.....	78	78	27	51	16	11	10	11	3	–
Canadian Executive Service Organization	26	26	11	15	7	4	4	–	–	–
Canadian Foodgrains Bank.....	100	100	50	50	25	25	–	–	–	–
Canadian Red Cross	76	76	45	31	16	5	4	4	2	–
CARE Canada.....	105	105	48	57	25	17	9	5	1	–
Centre for International Cooperation in Health Development	41	41	21	20	11	5	4	–	–	–
Centre for International Studies and Cooperation	70	70	13	57	13	14	14	12	4	–
Christian Children's Fund of Canada	21	21	6	15	5	4	2	2	2	–
CODE	14	14	3	11	3	3	3	2	–	–
Colleges and Institutes Canada.....	77	77	27	50	22	17	8	3	–	–
Consortium CCISD-CHUM Center	19	19	4	15	3	4	4	4	–	–
Consortium of CARE Canada and Oxfam Canada.....	14	14	3	11	5	4	2	–	–	–
Consortium World University Service of Canada and Centre for International Studies and Cooperation	37	37	23	14	10	4	–	–	–	–
Consortium World University Services of Canada and Consultores HODI.....	15	15	3	12	2	3	7	–	–	–
CowaterSogema International Inc	165	165	42	123	43	37	20	9	9	5
Cuso International	82	82	53	29	22	5	1	1	–	–

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Développement international Desjardins	59	59	21	38	14	12	7	3	2	–
Federation of Canadian Municipalities	63	63	24	39	20	11	7	1	–	–
Forum of Federations	25	25	8	17	6	5	4	2	–	–
Grand Challenges Canada	150	150	55	95	47	48	–	–	–	–
Lawyers Without Borders.....	40	40	14	26	9	8	6	3	–	–
Manitoba Council for International Cooperation	17	17	1	16	3	8	4	1	–	–
Mennonite Economic Development Associates.....	121	121	36	85	31	26	21	7	–	–
Nutrition International.....	70	70	50	20	20	–	–	–	–	–
Oxfam Canada	86	86	13	73	19	22	21	8	3	–
Oxfam-Québec	106	106	53	53	22	15	10	5	1	–
Plan International Canada Inc.....	174	174	74	100	43	29	21	6	–	1
Right To Play International	40	40	9	31	8	8	7	7	1	–
Save the Children Canada	64	64	37	27	17	7	2	1	–	–
Solidarité Union Coopération.....	20	20	8	12	5	4	1	1	1	–
Toronto Centre	20	20	4	16	4	4	4	4	–	–
University of British Columbia	20	20	7	13	9	4	–	–	–	–
World University Service of Canada	80	80	28	52	19	20	11	2	–	–
World Vision Canada	56	56	33	23	16	5	2	–	–	–
	3,342	3,342	1,503	1,839	846	548	272	126	36	11
Health										
Department of Health										
<i>Contribution agreements</i>										
Brain Canada Foundation	120	120	107	13	13	–	–	–	–	–
Canadian Blood Services.....	26	26	6	20	5	5	5	5	–	–
Canada Health Infoway	300	300	68	232	75	77	80	–	–	–
Canadian Agency for Drugs and Technologies in Health	124	124	20	104	23	26	29	26	–	–
Canadian Foundation for Healthcare Improvement	87	87	53	34	17	17	–	–	–	–
Canadian Institute for Health Information	365	365	87	278	88	92	98	–	–	–
Canadian Partnership Against Cancer.....	237	237	82	155	51	51	53	–	–	–
Mental Health Commission of Canada	43	43	29	14	14	–	–	–	–	–
<i>Home and Community Care and Mental Health and Addictions Services</i>										
<i>Funding Agreement</i>										
Aggregate.....	16	16	2	14	3	4	5	2	–	–
Government of Alberta.....	548	548	98	450	129	146	175	–	–	–
Government of British Columbia	620	620	115	505	144	164	197	–	–	–
Government of Manitoba	171	171	31	140	40	45	55	–	–	–
Government of New Brunswick	97	97	17	80	23	26	31	–	–	–
Government of Newfoundland and Labrador ..	67	67	12	55	16	18	21	–	–	–
Government of Nova Scotia	122	122	22	100	29	32	39	–	–	–
Government of Ontario	1,817	1,817	328	1,489	425	484	580	–	–	–
Government of Prince Edward Island.....	19	19	3	16	5	5	6	–	–	–
Government of Quebec	1,073	1,073	193	880	251	286	343	–	–	–
Government of Saskatchewan	149	149	27	122	35	40	47	–	–	–
<i>Official Languages Health Program</i>										
Aggregate.....	60	60	12	48	12	12	12	12	–	–
Community Health and Social Services Network.....	29	29	6	23	6	6	6	5	–	–
McGill University	20	20	4	16	4	4	4	4	–	–
Société Santé en français inc.	33	33	6	27	7	6	7	7	–	–
Université de Moncton	13	13	3	10	3	2	3	2	–	–
University of Ottawa	25	25	5	20	5	5	5	5	–	–
<i>Substance Use and Addictions Program</i>										
Aggregate.....	91	91	17	74	30	23	14	6	1	–
Canadian Centre on Substance Use and Addiction.....	28	28	9	19	10	9	–	–	–	–

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Territorial Investment Fund Grant										
Program										
Government of the Northwest Territories	28	28	14	14	7	7	–	–	–	–
Government of Nunavut	54	54	27	27	14	13	–	–	–	–
Government of Yukon	26	26	13	13	6	7	–	–	–	–
Canadian Institutes of Health Research										
Canada 150 Research Chairs										
Aggregate	19	19	2	17	3	3	2	3	3	3
Canada Excellence Research Chairs										
Aggregate	30	30	17	13	4	3	3	1	2	–
Canada First Research Excellence Fund										
Aggregate	280	280	120	160	44	44	44	28	–	–
Canada Graduate Scholarships										
Aggregate	21	21	9	12	7	5	–	–	–	–
Centres of Excellence for Commercialization and Research										
Aggregate	36	36	21	15	6	4	3	2	–	–
Institute for Research in Immunology and Cancer	17	17	4	13	4	3	4	2	–	–
Grants for research projects and personnel support										
Aggregate	921	921	443	478	156	120	88	58	34	22
Baycrest Centre for Geriatric Care	39	39	4	35	7	7	7	7	7	–
Centre for Addiction and Mental Health	42	42	21	21	9	6	4	2	–	–
Centre hospitalier de l'Université de Montréal	54	54	29	25	11	7	5	2	–	–
Centre hospitalier universitaire Sainte-Justine	36	36	16	20	7	6	4	2	1	–
Children's Hospital of Eastern Ontario Research Institute	15	15	4	11	4	3	2	1	1	–
Dalhousie University	55	55	26	29	11	9	6	2	1	–
Douglas Hospital Research Centre	41	41	19	22	7	6	5	3	1	–
Hospital for Sick Children	200	200	94	106	37	27	20	13	7	2
Institut de recherches cliniques de Montréal	46	46	20	26	8	6	5	4	2	1
Jewish General Hospital	77	77	39	38	15	12	6	3	2	–
London Health Sciences Centre	18	18	8	10	3	3	2	1	1	–
McGill University	227	227	103	124	42	32	25	15	7	3
McMaster University	263	263	138	125	47	37	19	13	6	3
Ottawa Hospital Research Institute	92	92	42	50	16	13	11	8	2	–
Queen's University	56	56	27	29	11	7	6	4	1	–
Research Institute of the McGill University Health Centre	135	135	64	71	27	19	14	8	3	–
Simon Fraser University	42	42	21	21	8	6	4	2	1	–
Sinai Health System	98	98	58	40	16	10	7	4	2	1
St Michael's Hospital	101	101	46	55	17	13	10	5	4	6
Sunnybrook Research Institute	85	85	36	49	17	13	8	5	4	2
Université de Montréal	87	87	42	45	16	12	9	4	2	2
Université de Sherbrooke	59	59	26	33	12	9	7	3	2	–
Université Laval	167	167	86	81	32	21	15	8	3	2
University Health Network	169	169	71	98	32	26	19	12	7	2
University of Alberta	145	145	61	84	30	23	16	9	5	1
University of British Columbia	473	473	196	277	88	69	50	34	22	14
University of Calgary	198	198	94	104	37	29	21	12	4	1
University of Manitoba	76	76	35	41	15	12	8	4	2	–
University of Ottawa	61	61	31	30	12	8	6	2	2	–
University of Saskatchewan	63	63	33	30	14	9	4	2	1	–
University of Toronto	278	278	132	146	52	40	25	15	10	4
University of Victoria	21	21	10	11	5	3	2	1	–	–
University of Waterloo	28	28	11	17	5	4	4	3	1	–
University of Western Ontario	100	100	50	50	20	14	9	5	2	–
Institute support grants										
Aggregate	75	75	45	30	13	9	6	2	–	–
Networks of Centres of Excellence										
Aggregate	30	30	8	22	9	6	5	2	–	–
University of British Columbia	20	20	7	13	7	3	2	1	–	–

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
<i>Vanier Canada Graduate Scholarships</i>										
Aggregate.....	23	23	7	16	8	5	3	—	—	—
Public Health Agency of Canada										
<i>Aboriginal Head Start Strategic Fund</i>										
Aggregate.....	112	112	79	33	33	—	—	—	—	—
<i>Canada Prenatal Nutrition Program</i>										
Aggregate.....	78	78	52	26	26	—	—	—	—	—
<i>Chronic Disease Prevention</i>										
Baycrest Centre for Geriatric Care.....	42	42	32	10	10	—	—	—	—	—
ParticipACTION.....	26	26	6	20	5	5	5	5	—	—
<i>Communicable Disease and Infection Control</i>										
Canadian AIDS Treatment Information Exchange.....	20	20	8	12	4	4	4	—	—	—
<i>Community Action Program for Children</i>										
Aggregate.....	161	161	107	54	54	—	—	—	—	—
<i>Family Violence</i>										
Aggregate.....	29	29	19	10	5	4	1	—	—	—
<i>Federal Initiative to Address HIV/AIDS</i>										
Aggregate.....	91	91	39	52	19	17	16	—	—	—
<i>Health Promotion</i>										
Aggregate.....	38	38	8	30	8	7	7	7	1	—
Pacific Autism Family Centre Foundation.....	11	11	—	11	4	2	2	2	1	—
<i>Integrated Strategy on Healthy Living and Chronic Diseases</i>										
Aggregate.....	68	68	29	39	16	14	6	3	—	—
	12,203	12,203	4,171	8,032	2,625	2,391	2,381	408	158	69
Immigration, Refugees and Citizenship Department of Citizenship and Immigration										
<i>Newcomer and Settlement Integration Program</i>										
Aggregate.....	2,130	2,130	1,380	750	696	34	11	9	—	—
Colleges and Institutes Canada.....	18	18	1	17	4	4	4	5	—	—
Immigrant Services Association of Nova Scotia.....	13	13	1	12	3	3	3	3	—	—
Success.....	20	20	1	19	5	4	5	5	—	—
Toronto District School Board.....	48	48	32	16	16	—	—	—	—	—
<i>Resettlement Assistance Program</i>										
Aggregate.....	82	82	55	27	27	—	—	—	—	—
<i>Provincial agreement on immigration and on the selection of foreign wishing to settle in Canada</i>										
Government of Quebec.....	3,916	3,916	559	3,357	559	560	559	560	559	560
	6,227	6,227	2,029	4,198	1,310	605	582	582	559	560
Indigenous Services Department of Indigenous Services Canada										
<i>Aboriginal recipient funding (First Nations and Tribal Councils)</i>										
Aqam.....	23	23	—	23	2	3	2	2	3	11
Aamjiwnaang First Nation.....	13	13	—	13	3	2	3	2	3	—
Acadia Band Council.....	21	21	—	21	2	2	2	2	2	11
Adams Lake Indian Band.....	21	21	10	11	5	6	—	—	—	—
Agency Chiefs Tribal Council.....	33	33	11	22	11	11	—	—	—	—
Ahousht Indian Band.....	80	80	16	64	16	16	16	16	—	—
Ahtahkakoop Band.....	187	187	17	170	29	27	27	13	13	61
Alexander Band.....	73	73	41	32	16	16	—	—	—	—
Alexis Nakota Sioux Nation.....	45	45	28	17	8	9	—	—	—	—
Animakee Wa Zhing No 37.....	16	16	—	16	2	2	1	2	1	8
Anishinabe of Wauzhushk Onigum.....	45	45	13	32	11	11	10	—	—	—
Annapolis Valley Band Council.....	11	11	—	11	1	1	1	1	1	6
Atikamekw Sipi - Conseil de la Nation Atikamekw.....	32	32	16	16	8	8	—	—	—	—

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Attawapiskat First Nation.....	62	62	41	21	21	–	–	–	–	–
Bande de la Nation Innu										
Matimekush-Lac John.....	41	41	21	20	20	–	–	–	–	–
Bande des Innus de Pessamit.....	175	175	142	33	33	–	–	–	–	–
Batchewana First Nation.....	50	50	27	23	11	12	–	–	–	–
Battlefords Agency Tribal Chiefs Inc.....	61	61	44	17	17	–	–	–	–	–
Beardy's & Okemasis Band.....	54	54	13	41	14	13	14	–	–	–
Bearskin Lake First Nation.....	34	34	8	26	9	8	9	–	–	–
Beausoleil First Nation.....	95	95	22	73	19	19	4	5	4	22
Berens River Band.....	29	29	–	29	6	6	5	6	6	–
Big Island Lake Cree Nation.....	48	48	36	12	12	–	–	–	–	–
Big River First Nation.....	93	93	41	52	26	26	–	–	–	–
Bigstone Cree Nation.....	93	93	30	63	31	32	–	–	–	–
Bimose Tribal Council.....	26	26	13	13	6	7	–	–	–	–
Birch Narrows First Nation Band.....	24	24	8	16	8	8	–	–	–	–
Black Lake Band.....	65	65	47	18	18	–	–	–	–	–
Black River First Nation.....	132	132	9	123	18	18	18	18	9	42
Blood Tribe.....	652	652	554	98	98	–	–	–	–	–
Buffalo River Dene Nation Band.....	22	22	11	11	11	–	–	–	–	–
Bunibonibee Cree Nation.....	116	116	58	58	58	–	–	–	–	–
Canim Lake Indian Band.....	23	23	5	18	5	4	5	4	–	–
Canoe Lake Band.....	24	24	8	16	8	8	–	–	–	–
Canupawakpa Dakota First Nation.....	12	12	–	12	2	3	2	3	2	–
Carry the Kettle First Nation.....	134	134	10	124	22	11	12	11	11	57
Chapleau Cree First Nation.....	11	11	–	11	1	1	1	1	1	6
Chemawawin Cree Nation.....	53	53	42	11	11	–	–	–	–	–
Chippewas of Georgina Island.....	28	28	11	17	9	8	–	–	–	–
Chippewas of Kettle and Stony Point.....	37	37	23	14	14	–	–	–	–	–
Chippewas of Nawash.....	41	41	25	16	16	–	–	–	–	–
Chippewas of the Thames First Nation.....	68	68	13	55	12	12	4	4	4	19
Clearwater River Dene Band.....	57	57	45	12	12	–	–	–	–	–
Cold Lake First Nations.....	36	36	15	21	11	10	–	–	–	–
Conseil des Atikamekw de Wemotaci.....	147	147	41	106	29	9	8	9	9	42
Conseil des Atikamekw d'Opitciwan.....	147	147	103	44	44	–	–	–	–	–
Cote First Nation 366.....	24	24	13	11	11	–	–	–	–	–
Couchiching First Nation.....	29	29	10	19	10	9	–	–	–	–
Cowessess First Nation.....	35	35	–	35	7	7	7	7	7	–
Cowichan.....	254	254	–	254	25	26	25	26	25	127
Cross Lake First Nation.....	200	200	155	45	45	–	–	–	–	–
Curve Lake First Nation.....	29	29	7	22	7	8	7	–	–	–
Daylu Dena Council.....	24	24	5	19	5	5	4	5	–	–
Deer Lake First Nation.....	38	38	18	20	10	10	–	–	–	–
Dene Tha' Band.....	92	92	55	37	18	19	–	–	–	–
Driftpile Cree Nation.....	46	46	13	33	8	8	8	9	–	–
Eabametoong First Nation.....	63	63	41	22	22	–	–	–	–	–
Ebb and Flow Band.....	117	117	23	94	24	23	24	23	–	–
Elsipogtog First Nation.....	86	86	43	43	43	–	–	–	–	–
English River First Nation Band.....	18	18	6	12	6	6	–	–	–	–
Enoch Cree Nation #440.....	153	153	–	153	15	15	16	15	16	76
Ermineskin Tribe.....	153	153	134	19	19	–	–	–	–	–
Esgenoopetitj First Nation.....	36	36	18	18	18	–	–	–	–	–
Eskasoni Band Council.....	104	104	87	17	17	–	–	–	–	–
File Hills Qu'Appelle Tribal Council Inc.....	30	30	10	20	10	10	–	–	–	–
Fisher River Cree Nation.....	329	329	49	280	41	40	25	25	25	124
Fishing Lake First Nation Band.....	63	63	13	50	13	12	13	12	–	–
Flying Dust First Nation.....	34	34	21	13	13	–	–	–	–	–
Fond du Lac Band.....	39	39	29	10	10	–	–	–	–	–
Fort Alexander Band.....	90	90	54	36	36	–	–	–	–	–
Fort Nelson First Nation.....	61	61	10	51	9	9	4	4	4	21
Fort Severn First Nation.....	20	20	–	20	4	4	4	4	4	–
Frog Lake Band.....	66	66	–	66	13	13	13	13	14	–
Gamblers Band.....	15	15	–	15	1	2	1	2	2	7
Garden Hill First Nation.....	72	72	34	38	38	–	–	–	–	–

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Garden River First Nation	55	55	29	26	13	13	—	—	—	—
Gitksan Local Services Society	118	118	23	95	24	24	24	23	—	—
Gitxaala Nation	88	88	6	82	12	12	12	12	5	29
Glooscap First Nation	11	11	—	11	1	1	1	1	1	6
God's Lake First Nation	75	75	38	37	37	—	—	—	—	—
Haisla Nation	48	48	28	20	5	5	5	5	—	—
Hatchet Lake Band	61	61	12	49	12	12	12	13	—	—
Heiltsuk Indian Band	123	123	—	123	12	12	12	13	12	62
Hollow Water First Nation	19	19	—	19	4	4	4	4	3	—
Innu Takuaikan Uashat Mak Mani-Utenam	177	177	37	140	35	35	35	35	—	—
Kahkewistahaw Band	30	30	10	20	10	10	—	—	—	—
Kasabonika Lake First Nation	52	52	17	35	17	18	—	—	—	—
Kashechewan First Nation	81	81	51	30	30	—	—	—	—	—
Kawacatoose Band	32	32	17	15	8	7	—	—	—	—
Kebaowek First Nation	18	18	4	14	3	4	3	4	—	—
Kee Tas Kee Now Tribal Council	161	161	—	161	32	32	32	33	32	—
Keewatin Tribal Council Inc	79	79	62	17	17	—	—	—	—	—
Keewaytinook Okimakanak/Northern Chiefs Council	86	86	46	40	20	20	—	—	—	—
Kee-Way-Win First Nation	19	19	9	10	5	5	—	—	—	—
Kehewin Cree Nation	91	91	28	63	16	15	16	16	—	—
Kingsclear Band Council	21	21	10	11	11	—	—	—	—	—
Kinistin Saulteaux Nation	26	26	5	21	5	5	5	6	—	—
Kinonjeoshtegon First Nation	17	17	6	11	5	6	—	—	—	—
Kitchenuhmaykoosib Inninuwug	38	38	21	17	17	—	—	—	—	—
Kitigan Zibi Anishinabeg	108	108	80	28	14	14	—	—	—	—
Klahoose First Nation	10	10	—	10	1	1	1	1	1	5
K'ómoks First Nation	17	17	2	15	5	5	5	—	—	—
Lac La Ronge Band	693	693	—	693	69	69	70	69	70	346
Lac La Ronge Indian Band Child and Family Services Agency Inc	46	46	—	46	9	9	10	9	9	—
Lac Seul First Nation	71	71	14	57	14	14	14	15	—	—
Lake Babine Nation	105	105	—	105	11	10	10	11	11	52
Lake Manitoba Band	16	16	—	16	3	3	3	3	4	—
Lake St Martin Band	154	154	31	123	31	31	30	31	—	—
Lax Kw'alaams Indian Band	37	37	25	12	12	—	—	—	—	—
Leq' A: Mel First Nation	16	16	—	16	2	1	2	1	2	8
Les Atikamekw de Manawan	101	101	72	29	29	—	—	—	—	—
Lheidli T'enneh	14	14	—	14	1	2	1	2	1	7
Liard First Nation	21	21	9	12	12	—	—	—	—	—
Lil'wat Nation	49	49	38	11	11	—	—	—	—	—
Listuguj Mi'gmaq Government	55	55	40	15	15	—	—	—	—	—
Little Grand Rapids Band	31	31	18	13	13	—	—	—	—	—
Little Pine Band	40	40	7	33	8	8	9	8	—	—
Little Red River Cree Nation	153	153	76	77	77	—	—	—	—	—
Little Saskatchewan Band	136	136	27	109	27	27	27	28	—	—
Little Shuswap Lake Indian Band	21	21	—	21	2	2	2	2	2	11
Long Plain Band	184	184	—	184	18	19	18	19	18	92
Long Point First Nation	21	21	10	11	5	6	—	—	—	—
Louis Bull Band	49	49	27	22	11	11	—	—	—	—
Lower Nicola Indian Band	57	57	—	57	6	6	5	6	6	28
Lower Similkameen Band	25	25	—	25	2	3	2	3	2	13
Lytton Indian Band	93	93	16	77	13	13	6	7	6	32
Makwa Sahgaiehan First Nation Band	51	51	37	14	14	—	—	—	—	—
Manto Sipi Cree Nation	74	74	43	31	31	—	—	—	—	—
Marten Falls First Nation	23	23	12	11	11	—	—	—	—	—
Matawa First Nations Management	47	47	16	31	16	15	—	—	—	—
Mathias Colomb Band	64	64	39	25	25	—	—	—	—	—
Membertou Band Council	31	31	8	23	6	6	6	5	—	—
Micmacs of Gesgapegiag	42	42	—	42	8	9	8	9	8	—
Millbrook Band Council	139	139	9	130	18	18	18	17	10	49
Ministikwan Lake Cree Nation	23	23	—	23	5	4	5	4	5	—
Mississaugas of Scugog Island First Nation	10	10	—	10	1	1	1	1	1	5

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Mississaugas of the New Credit First Nation...	32	32	9	23	6	6	6	5	–	–
Mistawasis Nēhiyawak.....	37	37	12	25	12	13	–	–	–	–
Mitaanjigamiing First Nation.....	16	16	5	11	5	6	–	–	–	–
Mltc Program Services Inc.....	186	186	30	156	55	25	25	25	26	–
Mohawk Council of Akwesasne.....	158	158	128	30	30	–	–	–	–	–
Mohawks of Kahnawá:Ke Band.....	342	342	256	86	43	43	–	–	–	–
Mohawks of the Bay of Quinte.....	79	79	26	53	26	27	–	–	–	–
Montreal Lake Band.....	65	65	35	30	15	15	–	–	–	–
Moose Cree First Nation.....	69	69	35	34	17	17	–	–	–	–
Moosomin Band.....	106	106	25	81	21	7	6	7	6	34
Moricetown Indian Band.....	64	64	–	64	6	7	6	7	6	32
Mosquito-Grizzly Bear's Head Band.....	31	31	6	25	6	6	6	7	–	–
Muscowpetung Band.....	20	20	4	16	4	4	4	4	–	–
Mushuau Innu First Nation.....	26	26	13	13	13	–	–	–	–	–
Muskeg Lake Cree Nation #102.....	22	22	7	15	7	8	–	–	–	–
Muskoday First Nation Band.....	26	26	8	18	9	9	–	–	–	–
Muskowekwan Band.....	31	31	16	15	7	8	–	–	–	–
Muskrat Dam Lake First Nation.....	29	29	15	14	14	–	–	–	–	–
Musqueam Indian Band.....	21	21	10	11	6	5	–	–	–	–
Nak'Azdli Whut'En.....	35	35	18	17	9	8	–	–	–	–
Namgis First Nation Band.....	73	73	12	61	11	10	5	5	5	25
Naskapi Nation of Kawawachikamach.....	31	31	4	27	13	14	–	–	–	–
Nation Anishnabe du Lac Simon.....	45	45	20	25	14	4	3	4	–	–
Nation Huronne Wendat.....	114	114	55	59	15	15	14	15	–	–
Naut'sa Mawt Tribal Council.....	40	40	5	35	18	17	–	–	–	–
Neskantaga First Nation.....	20	20	8	12	12	–	–	–	–	–
Nipissing First Nation.....	44	44	–	44	4	5	4	5	4	22
Nisichawayasihk Cree Nation.....	79	79	34	45	22	23	–	–	–	–
North Caribou Lake First Nation.....	36	36	12	24	12	12	–	–	–	–
North Peace Tribal Council.....	41	41	8	33	8	8	8	9	–	–
Northlands Denesuline First Nation.....	56	56	32	24	24	–	–	–	–	–
Norway House Cree Nation.....	935	935	183	752	120	70	70	71	70	351
Nuu-Chah-Nulth Tribal Council.....	181	181	34	147	37	37	36	37	–	–
Nuxalk Nation Band.....	59	59	44	15	15	–	–	–	–	–
Ocean Man Band.....	10	10	–	10	2	2	2	2	2	–
O-Chi-Chak-Ko-Sipi First Nation.....	44	44	9	35	9	9	9	8	–	–
Odanak.....	35	35	24	11	6	5	–	–	–	–
One Arrow First Nation.....	54	54	25	29	14	15	–	–	–	–
Oneida Nation of the Thames.....	53	53	39	14	14	–	–	–	–	–
Onion Lake Cree Nation.....	231	231	179	52	52	–	–	–	–	–
Opaskwayak Cree Nation.....	395	395	–	395	39	40	39	40	39	198
Osoyoos Indian Band.....	34	34	–	34	3	4	3	4	3	17
PADC Management Company Ltd.....	187	187	45	142	47	47	48	–	–	–
Paqtneq Mi'kmaw Nation.....	36	36	–	36	4	3	4	3	4	18
Pasqua First Nation No 79.....	23	23	8	15	8	7	–	–	–	–
Paungassi First Nation.....	28	28	15	13	13	–	–	–	–	–
Paul Band.....	57	57	33	24	24	–	–	–	–	–
Pauquachin Indian Band.....	13	13	–	13	1	1	2	1	1	7
Peepeekisis Cree Nation No 81.....	66	66	–	66	7	6	7	6	7	33
Peguis Band.....	209	209	157	52	52	–	–	–	–	–
Pelican Lake Band.....	44	44	32	12	12	–	–	–	–	–
Penelakut Tribe.....	28	28	16	12	6	6	–	–	–	–
Penticton Indian Band.....	105	105	20	85	16	16	7	6	7	33
Peter Ballantyne Cree Nation.....	187	187	128	59	59	–	–	–	–	–
Pheasant Rump Nakota Band.....	18	18	–	18	2	2	1	2	2	9
Piapot Band.....	27	27	16	11	11	–	–	–	–	–
Pikangikum First Nation.....	115	115	29	86	29	28	29	–	–	–
Pinaymootang First Nation.....	36	36	20	16	16	–	–	–	–	–
Pine Creek First Nation.....	36	36	7	29	7	7	8	7	–	–
Poplar Hill First Nation.....	33	33	14	19	9	10	–	–	–	–
Poplar River First Nation.....	144	144	–	144	14	15	14	15	14	72
Première Nation des Innus de Nutashkuan.....	28	28	14	14	14	–	–	–	–	–
Première Nation des Pekuakamiulnuatsh.....	367	367	70	297	59	52	23	23	24	116

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Pwi-Di-Goo-Zing Ne-Yaa-Zhing Advisory										
Services	17	17	—	17	3	4	3	4	3	—
Qalipu First Nation Band.....	84	84	—	84	8	9	8	9	8	42
Qbow Child and Family Services Inc	32	32	—	32	6	7	6	7	6	—
Red Earth Band.....	51	51	39	12	12	—	—	—	—	—
Red Pheasant Band.....	56	56	—	56	6	5	6	5	6	28
Red Sucker Lake Band.....	50	50	29	21	21	—	—	—	—	—
Regroupement Mamit Innuat Inc.....	27	27	11	16	8	8	—	—	—	—
Roseau River Anishinabe First Nation										
Government.....	29	29	6	23	6	6	6	5	—	—
Sachigo Lake First Nation.....	25	25	8	17	8	9	—	—	—	—
Saddle Lake Cree Nation.....	147	147	46	101	25	25	25	26	—	—
Sagamok Anishnawbek First Nation	50	50	38	12	12	—	—	—	—	—
Saik'uz First Nation.....	13	13	3	10	3	2	3	2	—	—
Saint Mary's Band Council.....	53	53	15	38	10	9	10	9	—	—
Samson Band	120	120	79	41	41	—	—	—	—	—
Sandy Bay Band.....	73	73	46	27	27	—	—	—	—	—
Sandy Lake First Nation.....	60	60	35	25	25	—	—	—	—	—
Sapotaweyak Cree Nation	30	30	18	12	12	—	—	—	—	—
Saskatoon Tribal Council	28	28	9	19	9	10	—	—	—	—
Saugeen First Nation	48	48	—	48	5	5	4	5	5	24
Saulteau First Nations	27	27	—	27	3	3	3	3	2	13
Saulteaux Band	29	29	6	23	6	6	6	5	—	—
Seabird Island Indian Band	150	150	27	123	23	23	10	9	10	48
Serpent River First Nation.....	17	17	6	11	6	5	—	—	—	—
Shamattawa First Nation	65	65	42	23	23	—	—	—	—	—
Shawanaga First Nation Ojibway Territory	18	18	—	18	2	2	1	2	2	9
Sheshatshiu Innu First Nation.....	18	18	—	18	4	3	4	3	4	—
Shibogama First Nations Council.....	44	44	15	29	15	14	—	—	—	—
Shoal Lake # 40 First Nation.....	44	44	25	19	19	—	—	—	—	—
Shoal Lake Cree Nation	18	18	6	12	6	6	—	—	—	—
Shuswap Indian Band.....	11	11	—	11	1	1	1	1	1	6
Shxw'ow'hamel First Nation.....	14	14	—	14	1	2	1	2	1	7
Siksika Nation Band.....	160	160	58	102	34	34	34	—	—	—
Simpew First Nation.....	27	27	—	27	3	3	3	2	3	13
Sipekne'Katik	35	35	20	15	8	7	—	—	—	—
Six Nations of the Grand River	121	121	40	81	40	41	—	—	—	—
Skidegate Indian Band.....	109	109	19	90	17	17	7	7	7	35
Snuneymuxw First Nation.....	65	65	—	65	6	7	6	7	6	33
Songhees Nation	32	32	—	32	3	3	4	3	3	16
Southeast Resource Development										
Council Corp	43	43	18	25	14	3	3	2	3	—
Squamish Indian Band.....	73	73	38	35	18	17	—	—	—	—
St Theresa Point Band.....	132	132	91	41	41	—	—	—	—	—
Standing Buffalo Band	39	39	7	32	8	8	8	8	—	—
Star Blanket Cree Nation.....	23	23	6	17	6	5	6	—	—	—
Stellat'en First Nation Band.....	19	19	—	19	2	2	2	2	2	9
Sts'ailes Band	59	59	—	59	6	6	6	6	6	29
Sturgeon Lake First Nation	38	38	26	12	12	—	—	—	—	—
Stz'uminus First Nation	45	45	23	22	11	11	—	—	—	—
Sumas First Nation	13	13	—	13	1	1	2	1	1	7
Sunchild First Nation	49	49	33	16	16	—	—	—	—	—
Tahltan Indian Band.....	51	51	20	31	15	16	—	—	—	—
Tallcree Tribal Government	29	29	12	17	17	—	—	—	—	—
Tataskweyak Cree Nation.....	92	92	59	33	17	16	—	—	—	—
Taykwa Tagamou Nation	13	13	—	13	1	1	2	1	1	7
Thunderchild First Nation	37	37	25	12	12	—	—	—	—	—
T'it'q'et.....	19	19	—	19	2	2	2	2	2	9
Tk'Emlúps Te Secwépmc	28	28	13	15	7	8	—	—	—	—
Tl'azt'en Nation	58	58	11	47	12	12	11	12	—	—
Tobique Band Council.....	40	40	19	21	21	—	—	—	—	—
Touchwood Agency Tribal Council Inc.....	13	13	2	11	3	3	3	2	—	—
Tribal Chiefs Ventures Inc	87	87	65	22	22	—	—	—	—	—

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Tsartlip Indian Band.....	107	107	—	107	11	11	10	11	11	53
Ts'kw'aylaxw First Nation.....	22	22	—	22	2	2	3	2	2	11
Tsleil-Waututh Nation.....	27	27	—	27	3	2	3	2	3	14
Tsuut'Ina Nation.....	106	106	94	12	12	—	—	—	—	—
Tzeachten Indian Band.....	11	11	—	11	1	1	1	1	1	6
Upper Nicola Indian Band.....	37	37	—	37	4	4	3	4	4	18
Wabaseemoong Independent Nation.....	37	37	26	11	11	—	—	—	—	—
Wagmatcook Band Council.....	19	19	4	15	4	4	3	4	—	—
Wahgoshig First Nation.....	17	17	—	17	2	1	2	1	2	9
Walpole Island First Nation.....	27	27	14	13	13	—	—	—	—	—
Wapekeka First Nation.....	42	42	14	28	14	14	—	—	—	—
Wasagamack First Nation.....	208	208	70	138	78	15	15	15	15	—
Waterhen Lake Band.....	24	24	8	16	8	8	—	—	—	—
Waywayseecappo First Nation										
Treaty Four - 1874.....	61	61	43	18	18	—	—	—	—	—
West Region Tribal Council Inc.....	27	27	6	21	5	5	6	5	—	—
Western Cree Tribal Council.....	94	94	26	68	17	17	17	17	—	—
White Bear Band.....	21	21	7	14	7	7	—	—	—	—
Whitecap Dakota First Nation.....	24	24	3	21	7	7	7	—	—	—
Whitefish Lake # 128.....	46	46	30	16	16	—	—	—	—	—
Wikwemikong Unceded Indian Reserve.....	119	119	93	26	26	—	—	—	—	—
Williams Lake Indian Band.....	29	29	—	29	3	3	3	3	3	14
Windigo First Nations Council.....	39	39	13	26	13	13	—	—	—	—
Witchehan Lake Band.....	27	27	7	20	7	7	6	—	—	—
Wunnumin Lake First Nation.....	40	40	23	17	17	—	—	—	—	—
Yellow Quill Band.....	25	25	8	17	8	9	—	—	—	—
York Factory First Nation.....	11	11	—	11	2	2	3	2	2	—
Yuthe Dene Sekwi Chu L A Koe Betsedi Inc..	31	31	—	31	6	6	6	6	7	—
Aboriginal recipient funding										
(Other)										
Agency Chiefs Child & Family Services Corp	36	36	21	15	15	—	—	—	—	—
Anishinaabe Abinoojii Family Services.....	73	73	15	58	15	14	15	14	—	—
Anishinaabe Child and Family										
Services.....	45	45	9	36	9	9	9	9	—	—
Assembly of First Nations.....	158	158	25	133	33	33	33	34	—	—
Assembly of Manitoba Chiefs Secretariat Inc..	37	37	6	31	8	8	8	7	—	—
Awasis Agency of Northern Manitoba.....	161	161	32	129	32	32	32	33	—	—
Carrier Sekani Family Services.....	45	45	21	24	12	12	—	—	—	—
Centre Intégré de Santé et de Services										
Sociaux de l'Abitibi-Témiscamingue.....	113	113	23	90	22	23	22	23	—	—
Conseil en Éducation des Premières Nations...	174	174	121	53	27	26	—	—	—	—
Council of Yukon First Nations.....	18	18	4	14	4	3	4	3	—	—
Cree Nation Child and Family Caring Agency	75	75	15	60	15	15	15	15	—	—
Dakota Ojibway Child and Family										
Services.....	68	68	14	54	14	13	14	13	—	—
Dilico Anishinabek Family Care.....	27	27	9	18	9	9	—	—	—	—
First Nations Confederacy of Cultural										
Education Centre.....	27	27	11	16	5	5	6	—	—	—
First Nations Education Steering Committee										
Society.....	232	232	169	63	63	—	—	—	—	—
First Nations Financial Management Board....	14	14	—	14	5	4	5	—	—	—
First Nations Technical Services Advisory										
Group Inc.....	23	23	8	15	7	8	—	—	—	—
Frontier School Division #48.....	213	213	43	170	43	42	43	42	—	—
Grand Erie District School Board.....	35	35	21	14	7	7	—	—	—	—
Gwich'in Tribal Council.....	17	17	—	17	2	2	2	2	2	7
Highway 28/63 Regional Water Services										
Commission.....	15	15	5	10	5	5	—	—	—	—
Indian Associations Co-Ordinating										
Committee of Ontario Inc										
(Chiefs of Ontario).....	22	22	8	14	7	7	—	—	—	—
Institut Tshakapesh.....	53	53	37	16	8	8	—	—	—	—

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Intertribal Child and Family Services	23	23	5	18	5	4	5	4	–	–
Inuit Tapiriit Kanatami	31	31	2	29	7	7	8	7	–	–
Island Lake First Nations Family Services	89	89	18	71	18	18	18	17	–	–
Kasohkewew Child and Wellness Society (2012)	68	68	34	34	34	–	–	–	–	–
Keyanow Child and Family Centre Inc.	20	20	–	20	4	4	4	4	4	–
Kinosao Sipi Minisowin Agency	63	63	12	51	13	13	13	12	–	–
Kunuwanimano Child & Family Services	60	60	12	48	12	12	12	12	–	–
Kwilmut Maw-Klusuaqn Negotiation Office..	14	14	2	12	4	4	4	–	–	–
Kwumut Lelum Child and Family Services Society	36	36	17	19	9	10	–	–	–	–
Makivik Corporation	108	108	54	54	54	–	–	–	–	–
Manitoba First Nations Education Resource Centre Inc	292	292	221	71	71	–	–	–	–	–
Manitoba Metis Federation Inc.	104	104	6	98	33	32	33	–	–	–
Maskwacis Education Schools Commission....	471	471	47	424	47	47	47	47	47	189
Metis Nation of Alberta Association	97	97	5	92	31	30	31	–	–	–
Metis Nation of Ontario	43	43	2	41	14	13	14	–	–	–
Metis Nation of Saskatchewan	93	93	2	91	30	31	30	–	–	–
Metis National Council	37	37	1	36	9	9	9	9	–	–
Metis Provincial Council of British Columbia. Mi'kmaw Family & Children's Services	39	39	5	34	11	11	12	–	–	–
of Nova Scotia	20	20	–	20	20	–	–	–	–	–
Nan Corporate Services	80	80	41	39	19	20	–	–	–	–
National Aboriginal Capital Corporations Association	136	136	34	102	34	34	34	–	–	–
National Association Friendship Centres	107	107	35	72	24	24	24	–	–	–
Native Women's Association of Canada	34	34	7	27	7	7	7	6	–	–
Nikan Awasisak Agency	41	41	8	33	8	8	8	9	–	–
Nisichawayasihk Cree Nation Family and Community Services	59	59	12	47	12	12	12	11	–	–
Northwest Inter-Nation Family and Community Services Society	18	18	8	10	5	5	–	–	–	–
Ontario Federation of Indigenous Friendship Centres	33	33	12	21	7	7	7	–	–	–
Ontario First Nations Technical Services Corporation	23	23	7	16	8	8	–	–	–	–
Opaskwayak Cree Nation Child and Family Services Agency	30	30	6	24	6	6	6	6	–	–
Peguis Child and Family Services	41	41	8	33	8	8	8	9	–	–
Peter Ballantyne Child & Family Services Inc	113	113	–	113	23	22	23	22	23	–
Sagkeeng Child and Family Services	36	36	7	29	7	7	7	8	–	–
Sandy Bay Child and Family Services	32	32	7	25	6	6	6	7	–	–
Secwepemc Child & Family Services Agency.	27	27	14	13	7	6	–	–	–	–
Southeast Child and Family Services	256	256	51	205	51	51	51	52	–	–
Sturgeon Lake Child and Family Services Inc.	18	18	–	18	4	3	4	3	4	–
Tikinagan Child And Family Services	100	100	20	80	20	20	20	20	–	–
Treaty 8 First Nations of Alberta	43	43	7	36	9	9	9	9	–	–
Treaty Six Education Council Inc.	46	46	15	31	15	16	–	–	–	–
Union of Ontario Indians	32	32	9	23	12	11	–	–	–	–
Weechi-It-Te-Win Family Services Inc	36	36	9	27	9	9	9	–	–	–
We'koqma'q First Nation	24	24	7	17	4	4	4	5	–	–
West Region Child and Family Services	107	107	21	86	21	22	21	22	–	–
Westbank First Nation	31	31	12	19	10	9	–	–	–	–
Yorkton Tribal Council Child and Family Services Incorporated	49	49	–	49	10	10	9	10	10	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Canada Common Funding Agreement for First Nations and Tribal Councils										
Bande de la Nation Innu Matimekush-										
Lac John	22	22	5	17	5	4	4	4	–	–
Berens River Band	26	26	16	10	5	5	–	–	–	–
Bigstone Health Commission	205	205	120	85	21	22	21	21	–	–
Blood Tribe	129	129	56	73	13	14	13	11	11	11
Cross Lake First Nation	76	76	30	46	31	15	–	–	–	–
Dilico Anishinabek Family Care	33	33	15	18	6	6	6	–	–	–
Eskasoni Band Council	24	24	12	12	4	4	4	–	–	–
First Nations Health Authority	4,678	4,678	2,440	2,238	517	546	573	602	–	–
James Smith Band	14	14	3	11	3	3	3	2	–	–
Kahnawake Shakotia Takehnhas										
Community Services	89	89	62	27	9	9	9	–	–	–
Keewaytinook Okimakanak/Northern										
Chiefs Council	45	45	31	14	14	–	–	–	–	–
Kitchenuhmaykoosib Inninuwug	46	46	32	14	14	–	–	–	–	–
Lac La Ronge Band	91	91	17	74	12	10	10	10	6	26
Listuguj Mi'gmaq Government	18	18	5	13	3	3	4	3	–	–
Maskwacis Health Services	52	52	23	29	10	9	10	–	–	–
Meadow Lake Tribal Council	186	186	52	134	18	17	18	16	16	49
Mohawk Council of Akwesasne	158	158	101	57	19	19	19	–	–	–
Mohawks of the Bay of Quinte	13	13	3	10	3	2	3	2	–	–
Norway House Cree Nation	52	52	34	18	9	9	–	–	–	–
Nunee Health Board Society	30	30	9	21	5	6	5	5	–	–
Oneida Nation of the Thames	14	14	3	11	3	3	3	2	–	–
Onion Lake Cree Nation	43	43	32	11	11	–	–	–	–	–
Opaskwayak Cree Nation	34	34	22	12	6	6	–	–	–	–
PADC Management Company Ltd	74	74	26	48	13	12	11	12	–	–
Peter Ballantyne Cree Nation Health										
Services Inc	140	140	78	62	13	13	14	11	11	–
Siksika Health Services	73	73	61	12	12	–	–	–	–	–
Six Nations of the Grand River	54	54	35	19	10	9	–	–	–	–
Tsuut'Ina Nation	16	16	5	11	4	2	2	3	–	–
First Nations and Inuit Health Funding Contribution Agreement—Project Based Funding Arrangement										
First Nations Technical Services Advisory										
Group Inc	21	21	5	16	5	4	4	3	–	–
Norway House Cree Nation	100	100	10	90	25	25	25	15	–	–
The First Nations Information Governance Centre										
Centre	25	25	5	20	4	6	5	5	–	–
Weeneebayko Area Health Authority	60	60	42	18	12	6	–	–	–	–
Funding agreement for projects										
Martin Family Initiative	43	43	14	29	6	6	6	6	5	–
STC Health & Family Services Inc	48	48	10	38	10	9	10	9	–	–
Funding agreement for provincial governments and territories										
Government of the Northwest Territories	81	81	17	64	16	16	16	16	–	–
Government of Nunavut	315	315	98	217	74	23	23	20	19	58
Government of Yukon	123	123	48	75	25	25	25	–	–	–
Horizon School Division No 205	34	34	7	27	7	7	7	6	–	–
Living Sky School Division No 202	28	28	6	22	6	5	6	5	–	–
Minister of Finance, Alberta	458	458	153	305	74	74	74	73	5	5
Ministry of Children and Family Development, British Columbia										
Development, British Columbia	295	295	88	207	30	29	30	29	30	59
Ministry of Community Safety and Correctional Services, Ontario										
Correctional Services, Ontario	15	15	2	13	1	2	1	2	1	6
Ministry of Education of British Columbia										
British Columbia	341	341	93	248	35	36	35	36	35	71

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Ministry of Forests, Lands, Natural Resource Operations and Rural Development, British Columbia.....	17	17	2	15	2	2	2	2	2	5
Ministry of Transportation and Infrastructure, British Columbia	53	53	6	47	7	7	6	7	7	13
Grant										
Miawpukek Band	53	53	11	42	10	11	10	11	–	–
Aggregate of various transfer payment agreements under \$10 million										
Aggregate.....	8,797	8,797	5,664	3,133	2,070	678	226	109	24	26
	42,313	42,313	18,221	24,092	8,733	4,924	3,342	2,767	989	3,337
Infrastructure and Communities										
Office of Infrastructure of Canada										
Border Infrastructure Fund										
Government of Quebec										
Highways 35, 55, 73 and 173, Phase I and II	147	147	134	13	13	–	–	–	–	–
Building Canada Fund—Communities Component										
Government of Quebec	201	201	162	39	39	–	–	–	–	–
Building Canada Fund—Large Urban Centres Component										
Government of Quebec	200	200	105	95	95	–	–	–	–	–
Building Canada Fund—Major Infrastructure Component										
Aggregate.....	459	459	361	98	90	8	–	–	–	–
City of Ottawa										
Ottawa Light Rail Transit Project	600	600	534	66	66	–	–	–	–	–
City of Toronto										
Union Station revitalization	133	133	113	20	20	–	–	–	–	–
Capital Regional District										
McLoughlin Wastewater Treatment Plant..	120	120	52	68	46	–	22	–	–	–
Government of Quebec										
Ministry of Culture and Communications										
Montréal's Museum of Contemporary Arts.....	19	19	–	19	6	13	–	–	–	–
Ministry of Municipal Affairs and Housing										
Baie-Comeau Water Treatment Project	20	20	–	20	16	4	–	–	–	–
Ice Centre of the City of Québec	23	23	–	23	17	4	2	–	–	–
Jean R. Marcotte Wastewater Treatment Facility upgrade.....	64	64	5	59	16	15	15	13	–	–
Montreal Combined Sewer Overflow Project	49	49	–	49	14	13	12	10	–	–
Outremont Switching Yard Project	30	30	11	19	4	3	3	3	6	–
Quartier des Spectacles of Montréal.....	40	40	29	11	6	5	–	–	–	–
Redevelopment of Saint Joseph's Oratory of Montréal.....	22	22	–	22	10	4	4	4	–	–
Shawinigan Water Treatment System upgrades	24	24	6	18	13	5	–	–	–	–
Ministry of Transport										
Montréal Metro Phase 3 Systems Reno	150	150	31	119	119	–	–	–	–	–
Reconstruction of Gouin Bridge in Saint-Jean-sur-Richelieu.....	19	19	–	19	19	–	–	–	–	–

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Metrolinx										
GO Transit Improvement Program	250	250	224	26	26	–	–	–	–	–
Regional Municipality of Waterloo										
Waterloo Rapid Transit	265	265	238	27	27	–	–	–	–	–
Canada Strategic Infrastructure Fund										
Aggregate	979	979	951	28	24	–	–	4	–	–
Government of Quebec										
Highways 35, 50, 185, Dorval Interchange, Phase II	389	389	378	11	11	–	–	–	–	–
Greater Toronto Transit Authority										
GO Transit Rail Infrastructure Improvements	385	385	372	13	13	–	–	–	–	–
Clean Water and Wastewater Fund										
Government of Alberta	197	197	100	97	77	20	–	–	–	–
Government of British Columbia	225	225	110	115	77	38	–	–	–	–
Government of Manitoba	95	95	59	36	20	16	–	–	–	–
Government of New Brunswick	79	79	59	20	2	18	–	–	–	–
Government of Newfoundland and Labrador ..	71	71	57	14	7	7	–	–	–	–
Government of the Northwest Territories	52	52	29	23	12	11	–	–	–	–
Government of Nova Scotia	87	87	74	13	13	–	–	–	–	–
Government of Nunavut	51	51	13	38	14	24	–	–	–	–
Government of Ontario	569	569	353	216	216	–	–	–	–	–
Government of Prince Edward Island	56	56	25	31	31	–	–	–	–	–
Government of Quebec	364	364	90	274	240	34	–	–	–	–
Government of Saskatchewan	89	89	74	15	6	9	–	–	–	–
Government of Yukon	51	51	28	23	18	5	–	–	–	–
Green Infrastructure Fund										
Aggregate	141	141	132	9	6	1	1	1	–	–
Capital Regional District										
Victoria Wastewater Conveyance Component	50	50	18	32	19	–	13	–	–	–
City of Hamilton										
Woodward Avenue Wastewater Treatment Plant	100	100	10	90	40	21	29	–	–	–
Government of Quebec										
Biomethanation in the Couronne sud	27	27	9	18	2	1	3	12	–	–
Biomethanation in Laval	31	31	–	31	–	9	9	13	–	–
Biomethanation in Longueuil	22	22	–	22	–	7	–	15	–	–
Biomethanation in Montréal	67	67	–	67	–	14	14	19	6	14
Biomethanation in Québec City	17	17	–	17	–	5	–	12	–	–
Investing in Canada Infrastructure Program										
Government of Alberta	3,398	3,398	7	3,391	178	210	428	534	571	1,470
Government of British Columbia	3,917	3,917	5	3,912	193	545	850	617	559	1,148
Government of Manitoba	1,172	1,172	–	1,172	85	129	114	129	199	516
Government of New Brunswick	673	673	1	672	67	68	67	68	67	335
Government of Newfoundland and Labrador ..	556	556	–	556	15	47	49	51	53	341
Government of the Northwest Territories	571	571	1	570	35	52	82	92	62	247
Government of Nova Scotia	828	828	–	828	18	40	44	62	82	582
Government of Nunavut	567	567	–	567	57	57	57	56	57	283
Government of Ontario	10,371	10,371	–	10,371	321	472	598	765	1,008	7,207
Government of Prince Edward Island	367	367	–	367	29	66	38	38	38	158
Government of Quebec	7,536	7,536	–	7,536	834	526	359	475	628	4,714
Government of Saskatchewan	896	896	–	896	34	107	119	132	127	377
Government of Yukon	446	446	–	446	40	58	58	57	58	175
Municipal Asset Management Program										
Federation of Canadian Municipalities	110	110	24	86	78	7	1	–	–	–
Municipalities for Climate Innovation Program										
Federation of Canadian Municipalities	75	75	32	43	25	17	1	–	–	–

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
New Building Canada Fund—National Infrastructure Component										
City of Edmonton										
Yellowhead Trail Freeway Conversion Project.....	242	242	–	242	6	19	32	21	42	122
Fort McMurray Airport Authority										
Fort McMurray International Airport expansion.....	25	25	1	24	–	7	8	6	3	–
Government of Alberta										
Southwest Calgary Ring Road Project.....	334	334	158	176	77	49	34	16	–	–
Government of British Columbia										
Highway 91 to Highway 17 and Deltaport Way Corridor Improvement Project.....	82	82	–	82	23	25	25	–	9	–
Kicking Horse Canyon Project Phase 4.....	215	215	3	212	18	57	61	44	21	11
Government of Quebec										
Highway A-85/185.....	390	390	–	390	46	58	71	77	93	45
Montreal Port Authority										
Optimization of port capacity.....	44	44	20	24	4	8	12	–	–	–
Saint John Port Authority										
Port Saint John West Side Terminals Modernization Project.....	68	68	3	65	10	14	23	18	–	–
New Building Canada Fund—Provincial-National and Regional Projects—Provincial-Territorial Infrastructure Component										
Aggregate.....	389	389	216	173	143	22	7	1	–	–
Assiniboine Park Conservancy										
Canada's Diversity Gardens.....	35	35	17	18	13	5	–	–	–	–
British Columbia Ferry Services Inc										
British Columbia Ferries Umbrella Agreement.....	61	61	24	37	17	5	15	–	–	–
City of Edmonton										
Edmonton Valley Line (Stage 1) Southeast Light Rail Transit.....	150	150	77	73	58	15	–	–	–	–
Fort Edmonton Park Expansion.....	47	47	1	46	28	13	5	–	–	–
City of Greater Sudbury										
Maley Drive Extension, phase 1.....	27	27	15	12	8	4	–	–	–	–
City of Kingston										
City of Kingston Third Crossing Bridge Project.....	60	60	–	60	31	16	6	7	–	–
City of Ottawa										
Combined Sewage Storage Tunnel.....	62	62	33	29	23	6	–	–	–	–
Ottawa Light Rail Transit Stage 2.....	1,091	1,091	59	1,032	252	280	290	14	–	196
City of Winnipeg										
Waverley Street Underpass at CN Mainline.....	46	46	15	31	13	18	–	–	–	–
Government of British Columbia										
British Columbia Highways Umbrella Agreement.....	427	427	146	281	124	61	36	21	39	–
Government of Manitoba										
Manitoba Projects Umbrella Agreement.....	46	46	14	32	13	8	9	2	–	–
Government of New Brunswick										
National Regional Projects in New Brunswick Umbrella Agreement..	264	264	66	198	40	59	62	11	26	–
Government of Newfoundland and Labrador										
Newfoundland and Labrador Umbrella Agreement.....	38	38	19	19	8	3	8	–	–	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Government of Nova Scotia										
National Regional Projects in Nova Scotia Umbrella Agreement	219	219	32	187	31	45	20	91	–	–
Government of Nunavut										
Nunavut Marine Infrastructure Umbrella Agreement.....	94	94	44	50	45	5	–	–	–	–
Government of Prince Edward Island										
Prince Edward Island Umbrella Agreement.....	33	33	14	19	13	6	–	–	–	–
Government of Quebec										
Ministry of Energy and Natural Resources										
Rehabilitation of the James Bay Road ..	108	108	–	108	62	26	20	–	–	–
Ministry of Transport										
Umbrella Agreement for Transport Projects.....	362	362	–	362	120	100	60	43	32	7
Government of Saskatchewan										
National Regional Highway Projects in Saskatchewan Umbrella Agreement.....	94	94	67	27	10	17	–	–	–	–
Greater Moncton Wastewater Commission										
Wastewater Treatment Facility Upgrade and Modernization Project.....	23	23	6	17	10	3	4	–	–	–
Greater Vancouver Sewage and Drainage District										
Lions Gate Secondary Wastewater Treatment Project.....	212	212	3	209	50	97	41	–	21	–
Memorial University of Newfoundland										
Core science facility	100	100	43	57	43	14	–	–	–	–
St. Francis Xavier University										
The Xaverian Commons.....	30	30	10	20	4	4	12	–	–	–
Stratford Shakespearean Festival Holding Foundation										
Stratford Festival Tom Patterson Theatre	20	20	6	14	10	4	–	–	–	–
The Corporation of Massey Hall and Roy Thomson Hall										
Massey Hall Revitalization Project	30	30	4	26	16	5	5	–	–	–
Triumf										
Institute for Advanced Medical Isotopes....	10	10	–	10	7	3	–	–	–	–
Town of Canmore										
Cougar Creek Long Term Flood Mitigation	14	14	–	14	4	6	1	1	2	–
New Building Canada Fund—Small Communities Fund—Provincial-Territorial Infrastructure Component										
Government of Alberta.....	94	94	50	44	25	19	–	–	–	–
Government of British Columbia	109	109	65	44	17	16	8	3	–	–
Government of Manitoba	47	47	33	14	6	4	2	2	–	–
Government of New Brunswick	39	39	27	12	7	2	3	–	–	–
Government of Newfoundland and Labrador ..	35	35	14	21	8	13	–	–	–	–
Government of the Northwest Territories	186	186	47	139	49	27	18	20	25	–
Government of Nova Scotia	43	43	11	32	13	10	3	2	4	–
Government of Nunavut.....	226	226	12	214	45	70	62	25	12	–
Government of Ontario	272	272	98	174	49	55	45	17	8	–
Government of Prince Edward Island.....	28	28	3	25	25	–	–	–	–	–
Government of Quebec	177	177	11	166	33	43	30	26	34	–
Government of Saskatchewan	44	44	16	28	18	4	1	–	5	–
Government of Yukon.....	257	257	54	203	46	50	49	30	28	–

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
P3 Canada Fund										
Aggregate.....	121	121	114	7	7	–	–	–	–	–
Capital Regional District										
Biosolids Waste Energy Centre	41	41	–	41	–	41	–	–	–	–
City of Edmonton										
Edmonton Light Rail Transit System.....	239	239	–	239	–	239	–	–	–	–
City of Hamilton										
Hamilton Biosolids Facility	14	14	–	14	–	14	–	–	–	–
Montreal Metropolitan Transportation Agency										
Pointe Saint Charles Maintenance Facility.....	43	43	–	43	43	–	–	–	–	–
City of Regina										
Regina Bypass Road.....	155	155	–	155	155	–	–	–	–	–
City of Saint John										
Saint John Water Treatment Facility.....	49	49	–	49	49	–	–	–	–	–
City of Winnipeg										
SW Transit Way and Pembina Highway Underpass	92	92	–	92	92	–	–	–	–	–
Government of the Northwest Territories										
Tlicho All Season Road Project	53	53	–	53	–	–	–	53	–	–
Provincial-Territorial Infrastructure Base Funding Program										
Aggregate.....	361	361	353	8	8	–	–	–	–	–
Government of Alberta.....	175	175	163	12	12	–	–	–	–	–
Government of Manitoba	175	175	165	10	10	–	–	–	–	–
Public Transit Infrastructure Fund										
Aggregate.....	77	77	61	16	13	3	–	–	–	–
Government of Alberta.....	347	347	174	173	138	35	–	–	–	–
Government of British Columbia	460	460	200	260	159	101	–	–	–	–
Government of Manitoba	83	83	39	44	19	25	–	–	–	–
Government of Ontario	1,487	1,487	740	747	668	79	–	–	–	–
Government of Quebec	924	924	191	733	221	512	–	–	–	–
Toronto Waterfront Revitalization Corporation										
Port Lands Flood Protection and Enabling Infrastructure Project	384	384	58	326	48	44	51	81	102	–
	50,841	50,841	8,831	42,010	6,882	5,208	4,131	3,814	4,027	17,948
Innovation, Science and Economic Development Department of Industry										
Automotive Innovation Fund										
Ford Motor Company of Canada Limited.....	102	102	46	56	21	35	–	–	–	–
Honda of Canada Manufacturing.....	42	42	25	17	17	–	–	–	–	–
Bombardier Inc										
Research and development for C Series	470	470	458	12	12	–	–	–	–	–
Canadian Institute for Advanced Research										
Support core activities.....	35	35	14	21	7	7	7	–	–	–
CANARIE Inc										
Operation of ultra-high speed research and education network.....	105	105	78	27	27	–	–	–	–	–
Centre for Drug Research and Development										
Support research and development in drug technology	48	48	–	48	16	16	16	–	–	–
Community Futures Program										
Aggregate.....	28	28	16	12	5	3	1	2	1	–
Computer for Schools Program										
Aggregate.....	27	27	4	23	5	4	5	4	5	–

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Connect to Innovate Program										
Aggregate.....	84	84	13	71	58	13	–	–	–	–
Bell Canada.....	37	37	13	24	18	6	–	–	–	–
Government of Yukon.....	30	30	–	30	18	12	–	–	–	–
Kativik Regional Government.....	63	63	5	58	58	–	–	–	–	–
Northwestel Inc.....	50	50	33	17	9	8	–	–	–	–
Solutions Ambra Inc.....	13	13	–	13	10	3	–	–	–	–
Telus Communications Company.....	21	21	3	18	13	5	–	–	–	–
Digital Literacy Exchange Program										
Aggregate.....	24	24	2	22	7	7	8	–	–	–
Genome Canada										
Support research for genomic science and technology.....	237	237	84	153	60	38	30	20	5	–
Innovation Superclusters Initiative										
10793574 Canada Association.....	153	153	2	151	18	44	45	44	–	–
Canada's Ocean Supercluster.....	153	153	1	152	24	45	44	39	–	–
Next Generation Manufacturing Canada.....	230	230	2	228	39	72	68	49	–	–
Protein Industries Canada Inc.....	153	153	1	152	12	49	48	43	–	–
Scale AI.....	230	230	1	229	32	67	66	64	–	–
Miltaacs Inc										
Delivery of industrial research and development internships.....	356	356	124	232	74	78	80	–	–	–
Northern Ontario Development Program										
Aggregate.....	115	115	56	59	32	20	4	3	–	–
Perimeter Institute for Theoretical Physics										
Research, training and education in theoretical physics.....	50	50	20	30	10	10	10	–	–	–
Post-Secondary Institutions Strategic Investment Fund										
Government of Manitoba.....	79	79	52	27	14	13	–	–	–	–
Government of Quebec.....	390	390	259	131	109	22	–	–	–	–
Strategic Aerospace and Defence Initiative										
Aggregate.....	77	77	54	23	18	4	1	–	–	–
Héroux-Devtek Inc.....	49	49	34	15	15	–	–	–	–	–
Wescam Inc.....	75	75	50	25	25	–	–	–	–	–
Strategic Innovation Fund										
Aggregate.....	104	104	41	63	41	15	6	1	–	–
Algoma Steel Inc.....	30	30	6	24	24	–	–	–	–	–
ArcelorMittal Canada Inc.....	50	50	22	28	28	–	–	–	–	–
BioVectra Inc.....	38	38	5	33	10	12	11	–	–	–
CAE Inc.....	150	150	37	113	45	43	21	4	–	–
Elysis Limited Partnership.....	60	60	17	43	17	26	–	–	–	–
Evraz Inc NA Canada.....	40	40	9	31	31	–	–	–	–	–
Innovation ENCQOR.....	67	67	10	57	14	16	27	–	–	–
Linamar Corporation.....	49	49	27	22	12	8	2	–	–	–
Maple Leaf Foods Inc.....	20	20	–	20	7	8	5	–	–	–
North Inc.....	24	24	9	15	9	6	–	–	–	–
Pea Pro Nutrition Ltd.....	15	15	–	15	15	–	–	–	–	–
QNX Software Systems Limited.....	40	40	8	32	9	8	9	6	–	–
Ranovus Inc.....	20	20	4	16	11	5	–	–	–	–
Siemens Canada Limited.....	36	36	–	36	13	14	6	3	–	–
STEMCELL Technologies Canada Inc.....	23	23	8	15	8	3	4	–	–	–
TEKNA Plasma Systems Inc.....	20	20	3	17	7	7	2	1	–	–
The Governing Council of the University of Toronto.....	25	25	–	25	10	7	8	–	–	–
Technology Demonstration Program										
Bell Helicopter Textron Canada Ltd.....	50	50	13	37	15	11	7	4	–	–
Bombardier Inc.....	54	54	31	23	12	11	–	–	–	–
MDA Systems Ltd.....	54	54	38	16	13	3	–	–	–	–

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Youth Employment Strategy										
Computers for Schools Program.....	21	21	3	18	3	5	3	4	3	–
Digital Skills for Youth Program.....	17	17	2	15	15	–	–	–	–	–
Canada Foundation for Innovation										
Grants.....	7,916	7,759	6,963	796	286	183	151	72	104	–
Canadian Northern Economic Development Agency										
Promoting Regional Development in Canada's Three Territories										
Aggregate.....	14	14	–	14	14	–	–	–	–	–
Economic Development Agency of Canada for the Regions of Quebec										
Economic Development of Quebec Program										
National Optics Institute.....	50	50	30	20	10	10	–	–	–	–
Montréal International.....	60	60	28	32	4	4	2	2	2	18
Small and medium-sized enterprises (SME), SME groups and associations and non-profit organizations.....	334	334	165	169	116	39	13	1	–	–
Société du Parc Jean-Drapeau.....	96	96	21	75	6	6	6	7	7	43
Regional Economic Growth through Innovation										
Small and medium-sized enterprises (SME), SME groups and associations and non-profit organizations.....	143	143	33	110	83	17	6	4	–	–
Federal Economic Development Agency for Southern Ontario										
Community Futures Program										
Aggregate.....	59	59	48	11	11	–	–	–	–	–
Economic Growth through Innovation Program										
Aggregate.....	113	113	44	69	35	23	9	2	–	–
Communtech Corporation.....	18	18	–	18	4	4	4	3	3	–
Invest Ottawa (2013).....	17	17	–	17	3	4	3	4	3	–
MaRS Discovery District.....	17	17	–	17	3	4	3	4	3	–
Quantum Valley Ideas Laboratories.....	20	20	1	19	3	4	6	6	–	–
The Niagara College of Applied Arts and Technology.....	14	14	–	14	2	2	3	3	4	–
Southern Ontario Prosperity Initiatives										
Algoma Steel Inc.....	60	60	18	42	30	12	–	–	–	–
National Research Council of Canada										
Industrial Research Assistance Program										
Aggregate.....	207	207	–	207	171	29	7	–	–	–
Triumf										
Joint venture by a consortium of universities to manage the TRIUMF Facility in British Columbia.....	271	271	216	55	55	–	–	–	–	–
Western Economic Diversification										
Community Futures Program										
Aggregate.....	54	54	–	54	26	28	–	–	–	–
Growth through Regional Innovation Program										
Aggregate.....	33	33	–	33	21	6	4	–	2	–
Western Diversification Program										
Aggregate.....	125	125	–	125	86	30	9	–	–	–
Arctic Gateway Group Limited Partnership.....	91	91	32	59	24	4	5	4	22	–
Rick Hansen Institute.....	24	24	6	18	6	7	5	–	–	–
	14,269	14,112	9,348	4,764	2,151	1,205	780	403	164	61

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Justice										
Department of Justice										
<i>Access to Justice Services to the Territories</i>										
Aggregate.....	35	35	13	22	7	8	7	–	–	–
<i>Canadian Family Justice Fund</i>										
Aggregate.....	77	77	31	46	16	15	15	–	–	–
<i>Drug Treatment Court Funding Program</i>										
Aggregate.....	19	19	4	15	4	4	3	4	–	–
<i>Indigenous Courtwork Program</i>										
Aggregate.....	36	36	7	29	8	7	7	7	–	–
<i>Indigenous Justice Program Fund</i>										
Aggregate.....	41	41	21	20	11	5	4	–	–	–
<i>Intensive Rehabilitation Custody and Supervision Program</i>										
Aggregate.....	22	22	11	11	11	–	–	–	–	–
<i>Official languages requirements under the Contraventions Act</i>										
Aggregate.....	26	26	4	22	5	5	6	6	–	–
<i>Operation of Criminal Legal Aid</i>										
Aggregate.....	27	27	10	17	5	6	6	–	–	–
Government of Alberta.....	71	71	25	46	14	16	16	–	–	–
Government of British Columbia	83	83	31	52	16	18	18	–	–	–
Government of Manitoba	34	34	12	22	7	8	7	–	–	–
Government of Nova Scotia	21	21	8	13	4	4	5	–	–	–
Government of Ontario	247	247	94	153	49	52	52	–	–	–
Government of Quebec	131	131	50	81	26	28	27	–	–	–
Government of Saskatchewan	31	31	11	20	6	7	7	–	–	–
<i>Victims Fund</i>										
Aggregate.....	87	87	52	35	23	11	1	–	–	–
<i>Youth Justice Services Funding Program</i>										
Aggregate.....	19	19	4	15	4	4	3	4	–	–
Government of Alberta.....	68	68	14	54	13	14	13	14	–	–
Government of British Columbia	89	89	18	71	18	18	18	17	–	–
Government of Manitoba	25	25	5	20	5	5	5	5	–	–
Government of New Brunswick	19	19	4	15	4	4	4	3	–	–
Government of Newfoundland and Labrador ..	20	20	4	16	4	4	4	4	–	–
Government of Nova Scotia	25	25	5	20	5	5	5	5	–	–
Government of Ontario	255	255	51	204	51	51	51	51	–	–
Government of Quebec	147	147	30	117	29	29	29	30	–	–
Government of Saskatchewan	30	30	6	24	6	6	6	6	–	–
Government of the Northwest Territories	12	12	2	10	2	2	3	3	–	–
	1,697	1,697	527	1,170	353	336	322	159	–	–
Natural Resources										
Department of Natural Resources										
<i>Clean Energy for Rural and Remote Communities</i>										
Aggregate.....	33	33	8	25	17	5	3	–	–	–
Skidegate Band Council.....	10	10	–	10	4	6	–	–	–	–
<i>Clean Growth in Natural Resource Sectors Innovation Program</i>										
Aggregate.....	39	39	23	16	8	8	–	–	–	–
<i>Climate Change Adaptation</i>										
Aggregate.....	17	17	6	11	6	3	2	–	–	–

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
EcoENERGY for Renewable Power Program—Increase renewable power										
Aggregate.....	762	762	618	144	91	53	–	–	–	–
Talbot Windfarm LP	30	30	20	10	3	7	–	–	–	–
Toba Montrose General Partnership.....	73	73	57	16	7	9	–	–	–	–
Electric Vehicle and Alternative Fuel Infrastructure										
Aggregate.....	30	30	14	16	14	2	–	–	–	–
Emerging Renewable Power Program										
Deep Earth Energy Production.....	26	26	4	22	9	13	–	–	–	–
Halagonia Tidal Energy Ltd	30	30	11	19	19	–	–	–	–	–
Suffield Solar LP (c/o Canadian Solar Solutions Inc.)	15	15	2	13	13	–	–	–	–	–
Energy Efficiency										
Aggregate.....	15	15	2	13	6	4	2	1	–	–
Energy Innovation Program										
Aggregate.....	35	35	12	23	12	9	2	–	–	–
Expanding Market Opportunities Program										
Aggregate.....	16	16	–	16	16	–	–	–	–	–
Forest Innovation Program										
FPInnovations	20	20	–	20	20	–	–	–	–	–
Government of Saskatchewan										
Clean-up of the Gunnar uranium mining facilities	12	12	1	11	10	–	–	1	–	–
Green Construction Through Wood Program										
Aggregate.....	15	15	1	14	6	5	3	–	–	–
Investments in the Forest Industry Transformation Program										
Aggregate.....	19	19	5	14	14	–	–	–	–	–
Smart Grids Programs										
Aggregate.....	59	59	19	40	26	10	4	–	–	–
EPCOR Utilities Inc.	11	11	1	10	7	3	–	–	–	–
Hydro Quebec Nunavik.....	11	11	1	10	1	4	5	–	–	–
	1,278	1,278	805	473	309	141	21	2	–	–
Science										
Natural Sciences and Engineering Research Council										
Funding Natural Sciences and Engineering Research and Training										
Aggregate.....	4,575	4,575	1,980	2,595	935	708	469	296	150	37
Canada First Research Excellence Fund										
Dalhousie University	75	75	28	47	12	11	11	13	–	–
École Polytechnique de Montréal	23	23	9	14	4	3	3	4	–	–
Laurentian University	49	49	18	31	7	8	8	8	–	–
McGill University	17	17	6	11	3	3	2	3	–	–
Queen's University.....	64	64	24	40	10	10	9	11	–	–
Université de Montréal	56	56	21	35	9	9	8	9	–	–
Université de Sherbrooke.....	33	33	17	16	4	6	6	–	–	–
Université Laval	59	59	26	33	11	10	12	–	–	–
University of Alberta.....	71	71	24	47	11	12	11	13	–	–
University of British Columbia.....	66	66	30	36	10	13	13	–	–	–
University of Calgary	56	56	19	37	9	9	9	10	–	–
University of Guelph	61	61	20	41	10	10	10	11	–	–
University of Saskatchewan.....	76	76	33	43	13	11	12	7	–	–
University of Toronto	28	28	15	13	5	4	4	–	–	–
University of Waterloo	76	76	28	48	12	12	11	13	–	–
Western University	22	22	8	14	5	2	3	4	–	–
York University.....	22	22	8	14	3	4	3	4	–	–

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Social Sciences and Humanities Research Council										
<i>Funding Social Sciences and Humanities Research and Training</i>										
Aggregate.....	1,595	1,595	730	865	322	248	151	84	37	23
<i>Canada First Research Excellence Fund</i>										
Dalhousie University.....	19	19	7	12	3	3	3	3	–	–
McGill University.....	17	17	6	11	3	3	2	3	–	–
University of Saskatchewan.....	23	23	8	15	4	4	3	4	–	–
	7,083	7,083	3,065	4,018	1,405	1,103	763	500	187	60
Public Safety and Emergency Preparedness										
Department of Public Safety and Emergency Preparedness										
<i>Contribution</i>										
University of Regina.....	15	15	2	13	3	3	3	3	1	–
<i>First Nations Policing Program</i>										
Aggregate.....	142	142	47	95	35	12	12	12	5	19
Anishinabek Police Governing Authority.....	39	39	7	32	8	8	8	8	–	–
Conseil des Atikamekw d'Opitciwan.....	17	17	2	15	1	2	1	2	2	7
Cree Nation Government.....	118	118	10	108	11	11	11	12	12	51
Kativik Regional Government.....	60	60	13	47	11	12	12	12	–	–
Nishnawbe-Aski Police Service Board.....	48	48	15	33	16	17	–	–	–	–
Six Nations of the Grand River.....	14	14	2	12	3	3	3	3	–	–
Treaty Three Police Service Board.....	42	42	8	34	8	8	9	9	–	–
<i>Gun and Gang Violence Action Fund</i>										
Aggregate.....	35	35	8	27	14	3	4	6	–	–
Saskatchewan Ministry of Corrections, Public Safety and Policing.....	12	12	1	11	1	3	3	4	–	–
<i>National Disaster Mitigation Program</i>										
Government of Ontario.....	26	26	15	11	11	–	–	–	–	–
<i>Program to Combat Serious and Organized Crime</i>										
Government of Ontario.....	17	17	4	13	4	4	2	3	–	–
The Canadian Centre to End Human Trafficking.....	12	12	1	11	4	2	3	2	–	–
<i>Safer Communities Initiative</i>										
Aggregate.....	127	127	36	91	35	26	19	8	3	–
Royal Canadian Mounted Police										
<i>Canadian Firearms Program</i>										
Aggregate.....	94	94	72	22	14	8	–	–	–	–
	818	818	243	575	179	122	90	84	23	77
Transport										
Department of Transport										
<i>Airport Capital Assistance Program</i>										
Aggregate.....	50	50	15	35	24	11	–	–	–	–
<i>Ferry Services Contribution Program</i>										
Bay Ferries Limited.....	36	36	10	26	13	13	–	–	–	–
C.T.M.A. Traversier Ltée.....	60	60	20	40	20	20	–	–	–	–
Northumberland Ferries Limited.....	38	38	14	24	12	12	–	–	–	–
<i>Gateways and Border Crossings Fund</i>										
Government of Ontario.....	764	764	752	12	9	3	–	–	–	–
<i>National Trade Corridors Fund</i>										
Aggregate.....	96	96	18	78	59	12	4	–	–	3
City of Calgary.....	50	50	1	49	29	19	1	–	–	–
CN Railway.....	23	23	–	23	11	11	1	–	–	–

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
First Air Operations.....	13	13	—	13	11	1	1	—	—	—
Government of the Northwest Territories	102	102	—	102	19	30	26	22	5	—
Government of Saskatchewan	53	53	3	50	3	21	18	7	1	—
Halifax Stanfield International Airport	18	18	—	18	7	11	—	—	—	—
Hamilton Port Authority.....	18	18	1	17	9	8	—	—	—	—
Montréal Port Authority	18	18	—	18	2	5	11	—	—	—
Vancouver Fraser Port Authority.....	68	68	2	66	18	16	16	12	4	—
Nunavut Fisheries and Maritime Training Consortium										
Expand marine education programs for underrepresented groups.....	21	21	5	16	8	4	4	—	—	—
Outaouais Roads Development										
Ministère des Transports, de la Mobilité durable et de l'Électrification des transports, Quebec	160	160	144	16	7	5	2	2	—	—
Provision of Ferry, Coastal Freight and Passenger Services in British Columbia										
British Columbia Ministry of Transportation and Infrastructure	735	735	548	187	31	31	31	31	31	32
Safety Equipment and Basic Marine Infrastructure for Northern Communities Initiative										
Government of the Northwest Territories	20	20	—	20	4	10	6	—	—	—
	2,343	2,343	1,533	810	296	243	121	74	41	35
Total—Transfer payment agreements.....	163,625	163,468	58,292	105,176	31,018	19,144	14,698	10,457	6,627	23,232
Capital assets and purchases										
Capital assets										
Canadian Heritage and Multiculturalism										
National Arts Centre Corporation										
Production renewal.....	115	115	97	18	18	—	—	—	—	—
National Museum of Science and Technology										
Pomerleau										
Collection storage facility.....	134	134	119	15	15	—	—	—	—	—
	249	249	216	33	33	—	—	—	—	—
Environment and Climate Change										
Department of the Environment										
Selex ES GmbH										
Replacement of radars at multiple Canadian sites.....	83	83	27	56	26	14	8	8	—	—
Parks Canada Agency										
Avalanche mitigation of the Trans-Canada Highway, Alberta										
Aggregate.....	95	89	71	18	17	—	1	—	—	—
	178	172	98	74	43	14	9	8	—	—
Fisheries, Oceans and the Canadian Coast Guard										
Department of Fisheries and Oceans										
CAE Inc										
Full flight simulator.....	23	23	10	13	12	1	—	—	—	—
Chantier Davie Canada Inc										
Acquisition and conversion of three medium icebreakers	681	681	599	82	73	9	—	—	—	—

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Procurement of fifteen Canadian Coast Guard Search and Rescue Lifeboats										
Chantier Naval Forillon Inc	74	74	28	46	13	15	11	6	1	–
Hike Metal Products Ltd	70	70	29	41	11	13	12	4	1	–
Vancouver Shipyards Co. Ltd										
Offshore Fisheries Science Vessels shipbuilding	501	501	460	41	24	12	5	–	–	–
Offshore Oceanographic Science Vessel construction engineering	132	132	77	55	47	8	–	–	–	–
Offshore Oceanographic Science Vessel long lead items	37	37	3	34	12	16	6	–	–	–
	<i>1,518</i>	<i>1,518</i>	<i>1,206</i>	<i>312</i>	<i>192</i>	<i>74</i>	<i>34</i>	<i>10</i>	<i>2</i>	<i>–</i>
Infrastructure and Communities										
Office of Infrastructure of Canada										
Signature on the St. Lawrence Group										
New bridge for the St. Lawrence corridor Project ¹	2,756	2,756	2,490	266	266	–	–	–	–	–
Windsor-Detroit Bridge Authority										
Contracts to support bridge construction	5,202	5,202	–	5,202	686	592	848	786	334	1,956
Michigan Department of Transportation	423	423	–	423	218	118	87	–	–	–
	<i>8,381</i>	<i>8,381</i>	<i>2,490</i>	<i>5,891</i>	<i>1,170</i>	<i>710</i>	<i>935</i>	<i>786</i>	<i>334</i>	<i>1,956</i>
Innovation, Science and Economic Development										
Canadian Space Agency										
RADARSAT Constellation Mission										
Aggregate	12	12	11	1	1	–	–	–	–	–
MacDonald, Dettwiler and Associates Ltd	983	983	938	45	45	–	–	–	–	–
	<i>995</i>	<i>995</i>	<i>949</i>	<i>46</i>	<i>46</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>
National Defence										
Department of National Defence										
Airbus Defence and Space SA, Madrid, Spain										
Purchase of 16 Fixed Wing Search and Rescue Aircraft	2,390	2,390	408	1,982	296	530	410	255	35	456
Cegerco Inc										
Rationalizing transport, electrical and mechanical engineering infrastructure, Chicoutimi, Quebec	51	50	37	13	13	–	–	–	–	–
Decarel Inc										
Construct training facilities, Westmount, Quebec	34	30	12	18	18	–	–	–	–	–
General Dynamics Canada Ltd										
CP-140 Aurora Aircraft Data Management System Project	759	753	647	106	76	17	13	–	–	–
Design and build of Mercury Global Anchor Stations	54	54	41	13	13	–	–	–	–	–
Light Armoured Vehicles III Upgrade Implementation Contract	1,719	1,631	1,326	305	75	130	100	–	–	–
Light Armoured Vehicle: Reconnaissance Surveillance Suite	327	327	64	263	55	174	26	8	–	–
General Dynamics Canada Mission										
Systems Canada Ltd										
Acquisition of 67 Strategic Deployable Terminals and in-service support	28	28	–	28	10	–	8	9	–	1
General Dynamics Information Technology Inc										
Integrated Communication System upgrade	11	11	–	11	7	1	1	1	1	–
Government of Australia										
Acquisition of F/A-18 Fighter Aircraft, spares and equipment	100	100	2	98	15	26	30	27	–	–
Groupe Geyser Inc										
Construct gym, Laval, Quebec	28	28	–	28	8	10	10	–	–	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Integrated Distribution Systems Limited										
Replacement of generator, St-Germain-de-Grantham, Ontario.....	11	11	1	10	10	–	–	–	–	–
Irving Shipbuilding Inc										
Arctic Offshore Patrol Ship Build Contract.....	3,317	2,849	1,629	1,220	315	315	300	234	55	1
Canadian Surface Combatant Definition Contract.....	161	161	63	98	98	–	–	–	–	–
Lockheed Martin Canada Inc										
Combat Systems Integration.....	1,637	1,634	1,619	15	15	–	–	–	–	–
MacDonald, Dettwiler and Associates Ltd										
CP-140 Aurora Aircraft Imaging Radar Acquisition.....	344	344	329	15	15	–	–	–	–	–
Mack Defense LLC, Pennsylvania										
Standard Military Pattern Vehicle.....	707	707	201	506	300	206	–	–	–	–
MDA Systems Limited										
Delivery of components of the Radar Satellite Constellation Mission Capability.....	58	58	24	34	17	13	4	–	–	–
PCL Constructors Canada Inc										
Construct works, Ottawa, Ontario.....	230	230	88	142	83	54	5	–	–	–
Pomerleau Inc										
Construct works, Ottawa, Ontario.....	36	36	–	36	15	21	–	–	–	–
Jetty B deconstruction, dredging, onshore facilities and site construction, Surrey, British Columbia.....	76	76	59	17	17	–	–	–	–	–
Rheinmetall Canada										
Multi Ammunition Softkill System Third launcher.....	19	19	4	15	10	4	1	–	–	–
Satellite Communications on the Move.....	38	27	8	19	19	–	–	–	–	–
Saab Microwave Canada Ltd										
SG180 Antenna Replacement.....	98	18	7	11	5	6	–	–	–	–
Sikorsky International Operations Inc										
Stratford, Connecticut Acquisition of 28 maritime helicopters.....	1,936	1,708	1,349	359	117	130	112	–	–	–
United States Department of the Air Force										
Directed Infra-Red Counter Measures.....	94	94	63	31	31	–	–	–	–	–
United States Department of the Navy										
Acquisition of Naval Aircrew Common Ejection Seats, modification kits.....	13	13	–	13	3	3	3	4	–	–
Acquisition of VINSON/Advanced Narrowband Digital Voice Terminal Cryptographic Modernization Devices.....	42	42	6	36	15	21	–	–	–	–
Protected Military Satellite Communications.....	109	109	80	29	3	4	3	4	4	11
Vancouver Shipyards Co. Ltd										
Joint support ship, design production and engineering contract.....	289	250	161	89	85	4	–	–	–	–
Joint support ship, early block construction contract.....	64	64	6	58	56	2	–	–	–	–
	14,780	13,852	8,234	5,618	1,815	1,671	1,026	542	95	469
Public Safety and Emergency Preparedness										
Royal Canadian Mounted Police										
PCL Construction Management Inc										
Depot integrated training centre construction.....	34	34	1	33	4	8	21	–	–	–
Depot firing range and integrated training centre construction.....	18	18	5	13	13	–	–	–	–	–
RCMP Fleet Vehicles										
Aggregate.....	140	140	88	52	52	–	–	–	–	–
	192	192	94	98	69	8	21	–	–	–

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Public Services and Procurement										
Department of Public Works and Government Services										
<i>Boless Inc</i>										
Building fit-up, National Printing Bureau, Gatineau, Quebec.....	49	49	2	47	31	16	–	–	–	–
<i>Center Block Program, Ottawa, Ontario</i>										
Aggregate.....	459	138	69	69	59	9	1	–	–	–
PCL Constructors Canada Inc.....	86	86	30	56	56	–	–	–	–	–
WSP Canada Inc.....	110	110	48	62	5	26	31	–	–	–
<i>CYMI Canada Inc</i>										
North Landing Wharf substitution replacement, Victoria, British Columbia.....	19	19	1	18	18	–	–	–	–	–
<i>East Block Program, Ottawa, Ontario</i>										
Aggregate.....	50	30	29	1	1	–	–	–	–	–
Pomerleau Inc.....	30	30	11	19	–	19	–	–	–	–
<i>IBM Canada Ltd</i>										
Design, building, implementation and support of the Government of Canada pay system.....	150	145	134	11	10	1	–	–	–	–
<i>PCL Constructors Easterns Inc</i>										
Envelope rehabilitation at Les Terrasses de la Chaudière Complex.....	189	25	–	25	25	–	–	–	–	–
<i>Société d'habitation et de développement de Montréal</i>										
National Film Board of Canada lease, Quartier des spectacles, Montréal, Quebec ²	65	65	–	65	2	3	3	3	3	51
<i>West Block Program, Ottawa, Ontario</i>										
Aggregate.....	549	500	490	10	8	2	–	–	–	–
PCL Constructors Canada Inc.....	622	622	621	1	1	–	–	–	–	–
Shared Services Canada										
<i>IBM Canada Ltd</i>										
Supercomputer renewal, Dorval, Quebec.....	64	64	38	26	13	–	–	13	–	–
	2,442	1,883	1,473	410	229	76	35	16	3	51
Transport										
Department of Transport										
<i>PMG Technologies Inc</i>										
Management of capital acquisitions required for the operation of the Motor Vehicle Test Centre.....	34	34	4	30	9	7	14	–	–	–
Canadian Air Transport Security Authority										
Greater Toronto Airports Authority.....	94	94	82	12	10	2	–	–	–	–
Smiths Detection LLC / Morpho Detection Inc.....	19	19	–	19	19	–	–	–	–	–
Vancouver International Airport Authority.....	117	117	86	31	23	8	–	–	–	–
VIA Rail Canada Inc.										
<i>CAD Railways</i>										
Modernization HEP I.....	45	45	3	42	18	24	–	–	–	–
<i>Bombardier</i>										
Modernization HEP III.....	54	54	9	45	21	24	–	–	–	–
<i>Rail GD</i>										
Modernization HEP I.....	16	16	4	12	12	–	–	–	–	–
<i>Siemens</i>										
Fleet renewal.....	989	989	74	915	56	146	163	228	248	74
	1,368	1,368	262	1,106	168	211	177	228	248	74
Total—Capital assets.....	30,103	28,610	15,022	13,588	3,765	2,764	2,237	1,590	682	2,550

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Purchases										
Canadian Heritage and Multiculturalism										
Canadian Broadcasting Corporation										
<i>Programming rights</i>										
CARAS	15	15	3	12	3	3	3	3	–	–
ITV Global Entertainment.....	33	33	10	23	10	10	3	–	–	–
International Olympic Committee (2018-20)...	29	29	11	18	11	7	–	–	–	–
International Olympic Committee (2022-24)...	84	84	–	84	–	29	24	12	19	–
Broccolini	40	40	12	28	28	–	–	–	–	–
Brookfield Global Integrated Solutions.....	169	169	144	25	25	–	–	–	–	–
Hunter Communications	13	13	3	10	3	2	3	2	–	–
Operative	16	16	–	16	4	4	4	4	–	–
Rogers—Transmission and distribution	35	35	23	12	7	5	–	–	–	–
SAP Canada.....	14	14	2	12	1	1	2	1	1	6
	448	448	208	240	92	61	39	22	20	6
Democratic Institutions										
Office of the Chief Electoral Officer										
<i>Bell Canada</i>										
Telecommunications services.....	21	21	3	18	9	1	–	1	7	–
<i>Compugen Inc</i>										
Voting services modernization	69	69	4	65	60	3	2	–	–	–
<i>IBM Canada Limited</i>										
Corporate and events hosting and operations management.....	79	79	19	60	11	13	13	13	10	–
Information technology and telecommunications consultants.....	46	46	28	18	9	9	–	–	–	–
	215	215	54	161	89	26	15	14	17	–
Environment and Climate Change										
Department of the Environment										
<i>Randle Reef Contaminated Sediment Remediation Project</i>										
Aggregate.....	132	91	72	19	19	–	–	–	–	–
Families, Children and Social Development										
Department of Employment and Social Development										
<i>Quantum Management Services Ltd</i>										
Provide and manage a team of information centre specialists to support the delivery of Government of Canada general enquiry services	100	100	87	13	13	–	–	–	–	–
Fisheries, Oceans and the Canadian Coast Guard										
Department of Fisheries and Oceans										
<i>Provincial Aerospace Limited</i>										
Air surveillance services	184	184	148	36	22	14	–	–	–	–
Health										
Public Health Agency of Canada										
<i>GlaxoSmithKline Inc</i>										
Health science consultants.....	94	94	74	20	10	10	–	–	–	–
Immigration, Refugees and Citizenship										
Department of Citizenship and Immigration										
<i>Canadian Bank Note Company Ltd</i>										
Purchase of passport materials.....	260	260	227	33	33	–	–	–	–	–
Indigenous Services										
Department of Indigenous Services Canada										
<i>Canadian Health Care Agency Inc</i>										
Canadian Health Care Agency Inc.....	60	48	3	45	20	20	5	–	–	–
<i>Express Scripts Inc</i>										
Management and administration of the Health information claims processing system.....	236	236	192	44	18	26	–	–	–	–
<i>Venture Health Care Inc</i>										
Nursing services.....	64	49	1	48	21	22	5	–	–	–
	360	333	196	137	59	68	10	–	–	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Infrastructure and Communities										
Office of Infrastructure of Canada										
<i>Signature on the St. Lawrence Group</i>										
New bridge for the St. Lawrence corridor										
Project	1,426	1,426	7	1,419	14	35	37	38	39	1,256
Innovation, Science and Economic Development										
Department of Industry										
<i>LS Telecom Ltd</i>										
Software maintenance support.....	20	20	5	15	4	4	4	3	–	–
Canadian Space Agency										
<i>MacDonald, Dettwiler and Associates Ltd</i>										
Logistics and Sustaining Engineering										
Support for the International Space										
Station Mobile Servicing System.....	299	299	240	59	43	16	–	–	–	–
National Research Council of Canada										
<i>ATCO Structures & Logistics Ltd</i>										
Building maintenance.....	34	34	7	27	7	7	7	6	–	–
	353	353	252	101	54	27	11	9	–	–
National Defence										
Department of National Defence										
<i>10647802 Canada Limited</i>										
Canadian Forces Housing Agency										
maintenance services contract,										
Gagetown, New Brunswick	20	20	5	15	7	8	–	–	–	–
Facilities maintenance, Vaughan, Ontario	47	47	–	47	20	10	9	8	–	–
<i>ADGA Group Consultants Inc</i>										
Land Command Support System										
Weapon System										
Management	251	200	183	17	17	–	–	–	–	–
<i>AirBoss Engineered Products Inc</i>										
Joint chemical, biological, radiological and										
nuclear general service respirator.....										
	35	27	–	27	27	–	–	–	–	–
<i>Alliant Techsystems Operations LLC, Arizona</i>										
Wheeled Light Armoured Vehicles 25mm										
Cannon repair and overhaul	31	31	7	24	24	–	–	–	–	–
<i>Allied Wings Limited Partnership</i>										
Primary rotary wing and										
multi-engine pilot training,										
Portage la Prairie, Manitoba.....	1,828	1,759	1,018	741	86	83	85	87	88	312
<i>Ameresco Canada Inc</i>										
Energy performance contract.....										
	19	19	3	16	1	1	1	1	12	–
<i>ATCO Group</i>										
Facilities maintenance, Calgary, Alberta										
	78	78	12	66	61	5	–	–	–	–
<i>Babcock Canada Inc</i>										
HMCS Cornerbrook extended docking										
work period										
	530	462	364	98	88	10	–	–	–	–
Victoria Class in-service support										
contract.....	1,400	1,238	944	294	120	120	54	–	–	–
<i>Bell Helicopter Textron Canada Limited</i>										
Optimized Weapon System Support,										
CH-146 Griffon	779	779	644	135	68	67	–	–	–	–
<i>Boeing, Pennsylvania</i>										
In-service support for the CH-147F Chinooks .										
	2,568	2,185	1,839	346	82	82	85	97	–	–
<i>CAE Inc</i>										
Aircrew operational training services										
in support of the CC-130J Hercules										
and CH-147F Chinook aircrafts										
	614	614	375	239	16	18	14	15	14	162
<i>CAE Military Aviation Training Inc</i>										
NATO flying training in Canada,										
Moose Jaw and Cold Lake										
	2,583	2,376	1,742	634	121	123	126	119	112	33
<i>Calian Ltd</i>										
Managing and recruiting health care										
providers.....	343	343	82	261	87	87	87	–	–	–

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Canadian Base Operators Meaford										
Base and logistical services, Collingwood, Ontario	200	200	168	32	16	16	–	–	–	–
Cascade Aerospace Inc										
CC-130 Hercules Avionics Optimized Weapon System Management.....	44	44	29	15	10	2	3	–	–	–
Corporation Fort Saint-Jean										
Support to Royal Military College St-Jean	392	392	215	177	26	26	27	27	28	43
Cornwallis Park Development Association										
HMCS Acadia	14	12	–	12	4	4	4	–	–	–
Cubic Defense Applications Incorporated, California										
Weapons effects simulation.....	393	393	312	81	19	62	–	–	–	–
Discovery Air Defence Services Inc										
Combat Support Services for Operational Training and Readiness Requirements	418	418	–	418	19	46	48	48	49	208
Elbit Systems EW and SIGINT-Elisra Ltd, Holom, Israel										
Electronic surveillance measures spares.....	38	38	26	12	12	–	–	–	–	–
Federal Fleet Services Inc										
Provision of services	540	540	181	359	90	90	90	89	–	–
Fleetway Inc										
In-service support for Halifax and Iroquois Class vessels	187	187	165	22	14	8	–	–	–	–
GDI Services Canada LP										
Facilities maintenance, Etobicoke, Ontario.....	14	14	–	14	3	4	4	3	–	–
General Dynamics Canada Ltd										
Combat Net Radio / Vehicle Interface Unit upgrade.....	187	187	142	45	36	9	–	–	–	–
Wheeled Light Armoured Vehicles Optimized Weapon Systems Support, phase 2	1,112	919	860	59	19	13	14	13	–	–
General Dynamics Land Systems Canada Corporation										
Buffalo and Cougar repair and overhaul.....	34	12	–	12	2	2	2	2	2	2
Engineering and integration.....	325	58	9	49	10	9	10	10	10	–
Transition software support contract.....	175	36	10	26	7	5	5	5	4	–
Underwater warfare suite upgrade.....	103	103	5	98	11	8	17	14	13	35
General Dynamics Ordnance and Tactical Systems Canada										
Ammunition	330	325	114	211	170	15	16	9	1	–
Hensoldt Sensors GmbH, Taufkirchen, Germany										
Area Surveillance Radar/Secondary Surveillance Radar repair and overhaul	11	11	–	11	3	3	3	2	–	–
IMP Group Ltd, Aerospace Division										
CH-124 Sea King Helicopter Third Line Support Contract.....	432	432	414	18	18	–	–	–	–	–
CH-149 Cormorant Helicopter in Service Support Contract.....	1,726	1,726	1,459	267	114	153	–	–	–	–
Irving Shipbuilding Inc										
Halifax Class modernization	1,126	990	818	172	119	53	–	–	–	–
Johnson Controls Canada LP										
Energy performance contract.....	22	22	5	17	1	1	2	2	2	9
Kelowna Flightcraft										
Repair and overhaul Primary Air Vehicle	21	21	11	10	5	5	–	–	–	–
Kongsberg Digital Simulation Ltd										
In-service support for naval simulators.....	22	15	5	10	2	2	2	2	2	–

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
<i>Krauss-Maffei Wegmann GmbH & Co KG,</i>										
<i>Munich, Germany</i>										
Leopard 2 engineering services	35	28	17	11	6	5	–	–	–	–
<i>L-3 Communications Electronic Systems</i>										
CP-140 Aurora Aircraft Avionics, Optimized Weapon System Support	425	425	412	13	13	–	–	–	–	–
<i>L-3 Technologies MAS Inc</i>										
CC-150 Fleet in-service support	456	456	273	183	43	48	46	45	1	–
CF-18 Hornet Aircraft System Engineering Support	1,394	1,277	1,266	11	11	–	–	–	–	–
<i>Lloyd's Register Canada Limited</i>										
Classification Society Support for Combatants	88	17	5	12	4	8	–	–	–	–
<i>Lockheed Martin Canada</i>										
Combat Systems Integration	461	447	220	227	90	90	47	–	–	–
Repair and overhaul of the Reprogrammable Advanced Electronic Countermeasure Multimode Shipborne System	83	64	7	57	15	15	1	2	2	22
<i>Lockheed Martin Corporation, Georgia</i>										
In-service support for the CC130J Hercules fleet	4,296	4,296	3,471	825	146	183	181	170	145	–
<i>Lockheed Martin Overseas Services Corporation, Manassas, Virginia</i>										
Victoria Class CCS876 Submarine Fire Control System	44	44	33	11	11	–	–	–	–	–
<i>Logistik Unicorp Inc</i>										
Consolidated Clothing Contract	961	721	705	16	16	–	–	–	–	–
<i>Mack Defense LLC, Allentown, Pennsylvania</i>										
In-service support of the Standard Military Pattern Vehicle	43	43	9	34	34	–	–	–	–	–
<i>Magellan Aerospace Services Limited</i>										
Repair and overhaul engines	42	42	25	17	6	5	6	–	–	–
<i>MCW Custom Energy Solutions Ltd</i>										
Energy performance contract	19	19	1	18	5	1	2	1	9	–
<i>Montfort Health Services</i>										
Provide medical and dental facility and professional services	112	112	91	21	11	10	–	–	–	–
<i>Northrop Grumman International Trading Inc, Charlottesville, Virginia</i>										
Navigation systems in service support	353	43	4	39	5	9	9	10	6	–
<i>NP Aerospace (Canada) Limited</i>										
CM735 Ballistic Helmet	35	33	8	25	9	9	7	–	–	–
<i>Orenda Aerospace Corporation</i>										
F404 Propulsion Group interim support	137	137	46	91	51	10	10	10	10	–
<i>Peraton Canada Corp</i>										
CF-18 Hornet Avionics Optimized Weapon System Support	447	280	224	56	46	10	–	–	–	–
<i>QinetiQ Group Canada Inc</i>										
Canadian Armed Forces Unmanned Aircraft System Intelligence, Surveillance, Target Acquisition, and Reconnaissance Service	51	51	–	51	17	17	17	–	–	–
<i>Raytheon Canada Limited</i>										
North Warning System operation and maintenance	364	364	238	126	41	42	43	–	–	–
Repair and overhaul of the Phalanx Close-in Weapon System	671	330	37	293	59	66	31	27	28	82

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Rheinmetal Canada Ltd										
Medium range radar acquisition	139	139	110	29	29	–	–	–	–	–
Medium range radar in service support	63	13	2	11	3	2	2	2	2	–
Serco Facilities Management Inc										
Provision of services at Goose Bay, Newfoundland and Labrador	211	127	87	40	40	–	–	–	–	–
Sikorsky International Operations Inc, Stratford, Connecticut										
In-service support contract for maritime helicopters	5,778	5,726	894	4,832	169	149	204	297	234	3,779
SNC Lavalin Defence Programs Inc										
In-service support contract for Maritime Coastal Defence Vessel	552	552	500	52	26	26	–	–	–	–
Southwest Research Institute, Texas										
Repair and overhaul of the radio direction finder set	31	23	5	18	5	4	5	4	–	–
Standard Aero Limited										
Repair and overhaul of CC-130 Hercules and CP-140 Aurora T56 engines	137	137	50	87	47	10	10	10	10	–
Textron Systems Canada Inc										
In-service support contract for Tactical Armoured Patrol Vehicle	103	103	77	26	6	7	6	7	–	–
Thales Canada Inc										
Arctic Offshore Patrol Ship and Joint Support Ship In Service Support	5,182	800	10	790	28	45	75	92	112	438
Toromont Cat Limited										
Diesel generator set replacement and in-service support	93	59	33	26	5	5	5	5	6	–
United States Department of Defense										
Iridium secure communication equipment and service	40	40	21	19	13	6	–	–	–	–
Operations and support of Advanced Extremely High Frequency Military Satellite Communications System	91	91	47	44	7	7	7	7	8	8
United States Department of the Air Force										
F117 engine sustainment support	67	67	4	63	16	16	16	15	–	–
In-service support for the CC-177 Globemaster III fleet	1,161	1,161	749	412	261	38	38	38	37	–
Install Joint Mission Planning Software	17	15	1	14	2	3	2	5	2	–
Large aircraft infrared measures	19	19	2	17	4	4	4	5	–	–
Wideband Global Satellite Communications System	408	408	385	23	1	1	1	1	2	17
United States Department of the Navy										
Aircraft simulator components and software ...	19	19	5	14	6	5	3	–	–	–
Aircraft structural components	34	34	10	24	6	5	6	5	2	–
Blackjack in-service support	24	24	–	24	8	8	8	–	–	–
CF-18 Electronic warfare systems	13	13	–	13	5	3	2	3	–	–
Flight training	17	17	5	12	12	–	–	–	–	–
Geosynchronous Project	25	25	–	25	4	10	9	2	–	–
Heavy weight torpedo upgrade	210	210	115	95	49	46	–	–	–	–
Lightweight torpedoes	45	40	3	37	10	8	1	1	17	–
Naval multiband terminal international partner variant in-service support	22	22	1	21	1	4	6	6	3	1
Program management case	18	18	1	17	4	4	4	5	–	–
Rental of ranges services and related equipment	20	20	2	18	18	–	–	–	–	–
Repair and overhaul MK-48 torpedo	83	83	62	21	5	5	5	6	–	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Repair and overhaul sonar systems.....	64	64	5	59	11	14	13	10	6	5
Royal Canadian Navy ship support.....	14	14	1	13	3	3	3	4	–	–
Victoria Shipbuilding Limited										
Halifax Class modernization	755	643	559	84	81	3	–	–	–	–
Weatherhaven Global Resources Inc										
Headquarters shelter systems.....	183	170	9	161	73	88	–	–	–	–
In-service support of the Headquarters shelter systems.....	128	12	1	11	1	3	7	–	–	–
Weir Canada Inc										
Maritime systems and engineering	600	490	326	164	55	54	55	–	–	–
Communications Security Establishment										
Plenary Properties										
Public-private partnership arrangement to design, build, finance and maintain (35 years), Ottawa, Ontario.....	3,188	3,188	568	2,620	113	104	110	109	121	2,063
	49,063	41,088	23,908	17,180	3,321	2,368	1,715	1,457	1,100	7,219
Natural Resources										
Atomic Energy of Canada Limited										
Purchase orders.....	693	693	319	374	374	–	–	–	–	–
Public Safety and Emergency Preparedness										
Canada Border Services Agency										
Corbel Management Corporation										
Detention facility management services	88	88	5	83	8	6	7	6	7	49
G4S Secure Solutions (Canada) Ltd										
Guard services.....	14	14	1	13	9	4	–	–	–	–
Correctional Service of Canada										
ADGA Group Consultants Incorporated										
Maintenance services for security systems.....	60	60	48	12	12	–	–	–	–	–
Cistel Technology										
Informatics professional services.....	23	23	12	11	11	–	–	–	–	–
Community residential facilities										
Aggregate.....	307	307	160	147	136	7	4	–	–	–
Logistik										
Correctional Services Canada Uniform Program.....	18	18	3	15	15	–	–	–	–	–
Royal Canadian Mounted Police										
Radio services										
Aggregate.....	121	121	5	116	10	10	10	10	10	66
Services of guards and matrons										
Aggregate.....	25	25	–	25	25	–	–	–	–	–
	656	656	234	422	226	27	21	16	17	115
Public Services and Procurement										
Department of Public Works and Government Services										
Build in Canada Innovation Program										
Aggregate.....	129	129	118	11	11	–	–	–	–	–
Brookfield Global Integrated Solutions Canada LP										
Building maintenance services	9,950	9,950	3,197	6,753	2,339	2,339	2,075	–	–	–
Card acceptance services										
Amex Bank of Canada	22	22	10	12	12	–	–	–	–	–
Moneris Solutions Corporation.....	185	185	95	90	90	–	–	–	–	–
Chandos Construction LP										
Construction management services, Abattoir in Lacombe, Alberta	12	12	–	12	8	4	–	–	–	–
Copyright Media Clearance Program										
Aggregate.....	43	14	–	14	7	7	–	–	–	–
Dragage Océan DS Inc										
Maintenance dredging, St Lawrence Seaway	31	31	–	31	–	5	5	5	5	11

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Electronic Procurement Solution—Modernize the Government of Canada Procurement Function										
Aggregate.....	5	4	3	1	1	–	–	–	–	–
Infosys Public Services Inc	70	70	12	58	28	17	6	6	1	–
EllisDon Civil Ltd, Chant Limited										
Rehabilitation of earth dams (dykes), Talbot River dykes and locks 39, 40 & 41, Ontario.....	50	50	35	15	15	–	–	–	–	–
EllisDon Corporation										
Security Upgrades at Lester B Pearson Building.....	16	16	3	13	13	–	–	–	–	–
Fraser River Pile & Dredge Ltd Partnership										
Esquimalt Graving Dock South Jetty reconstruction.....	47	47	29	18	18	–	–	–	–	–
Giant Mine Remediation										
Parsons Canada Ltd.....	47	47	17	30	30	–	–	–	–	–
Green Timbers Limited Partnership										
Public-Private Partnership Relocation Project—RCMP "E" Division relocation, Surrey, British Columbia	740	740	188	552	32	30	31	13	12	434
Hewlett-Packard (Canada) Company										
Pension Modernization.....	355	355	340	15	15	–	–	–	–	–
IBM Canada Ltd										
Design, building, implementation and support of the Government of Canada pay system.....	205	198	96	102	53	49	–	–	–	–
Joneljim Concrete Construction (1994) Limited										
Mechanical and sprinkler system upgrades	46	46	1	45	12	13	10	10	–	–
Louis W Bray Construction Limited										
Jones Falls Locks 39-42 rehabilitation and Timber Bridge replacement	15	15	4	11	6	5	–	–	–	–
Maple Reinders Constructors Ltd										
Construction and rehabilitation of Port Severn and Northern area dams	41	41	12	29	13	12	4	–	–	–
Maple Reinders Constructors Ltd, Construction Demathieu et Bard Inc (joint venture)										
Rehabilitation and reconstruction of dams, dykes and locks of the Trent Severn Waterway Infrastructure, Ontario	270	270	67	203	113	68	22	–	–	–
Milestone Environmental Contracting Inc										
Esquimalt Y-Jetty and Lang Cove remediation.....	34	34	6	28	28	–	–	–	–	–
Randle Reef Sediment Remediation Project, stage 2—Dredging.....	33	33	18	15	15	–	–	–	–	–
Nuna East Ltd										
Runway and tarmac rehabilitation and construction of new tarmac, Eureka, Nunavut	36	36	22	14	14	–	–	–	–	–
Open Text Corporation										
Licence agreement	43	43	–	43	14	14	15	–	–	–
Pavex Ltd, 9184-1924 Quebec Inc, in joint venture										
Pavement of runway 07-25, taxiway, Bravo and Apron at Kuujuaq airport.....	18	18	1	17	9	8	–	–	–	–
PCL Constructors Canada Inc										
Construction management services, Province House Conservation.....	25	25	4	21	10	11	–	–	–	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Pomerleau Inc										
Canadian Centre for Inland Waters laboratory modernization.....	21	21	8	13	9	4	–	–	–	–
White Bear Industries Ltd										
North Alaska Highway maintenance and repair services, British Columbia.....	80	80	18	62	16	16	15	15	–	–
Tax and operation and maintenance portion on leases										
131 Queen Street Limited and Morguard Corporation										
Trusco Building, 131 Queen Street, Ottawa, Ontario.....	126	126	73	53	7	7	7	7	7	18
2237800 Ontario Ltd										
395 Terminal Avenue, Ottawa, Ontario.....	50	50	20	30	3	3	4	3	4	13
4345177 Canada Inc										
Fontaine Building, 200 Sacré-Cœur Boulevard, Gatineau, Quebec.....	42	42	31	11	3	3	3	2	–	–
6149625 Canada Inc										
Place Vincent Massey, 351 Saint-Joseph Boulevard, Gatineau, Quebec.....	23	23	5	18	1	1	1	1	1	13
6149626 Canada Inc										
Place Vincent Massey, 351 Saint-Joseph Boulevard, Gatineau, Quebec.....	114	114	28	86	4	4	4	5	5	64
8424934 Canada Inc										
2 Victoria Street, Miramichi, New Brunswick.....	40	40	2	38	1	2	1	2	2	30
Broccolini Construction										
455 de la Carrière Boulevard, Gatineau, Quebec.....	151	151	34	117	5	5	6	6	6	89
Computershare Trust Company of Canada										
Canada Place Building, 9700 Jasper Avenue, Edmonton, Alberta.....	418	418	142	276	18	18	19	19	20	182
Harry Hays Building, 220 - 4th Avenue, Calgary, Alberta.....	234	234	85	149	10	10	10	10	11	98
Joseph Shepard Building, 4900 Yonge Street, Toronto, Ontario.....	271	271	114	157	10	11	10	11	11	104
RCMP Building, 4225 Dorchester Boulevard West, Westmount, Quebec.....	123	123	41	82	5	5	6	6	6	54
Revenu Canada Building, 305 René-Lévesque Boulevard West, Montréal, Quebec.....	152	152	46	106	7	7	7	7	8	70
Skyline Complex, 1400 Merivale Road, Ottawa, Ontario.....	438	438	168	270	18	18	18	19	19	178
Thomas D'Arcy McGee Building, 90 Sparks Street, Ottawa, Ontario.....	282	282	102	180	12	12	12	12	13	119
Consortium GM Développement, OGESCO Construction, Pierre Martin & Associés, Design & Architecture										
1550 d'Estimauville Avenue, Québec, Quebec.....	52	52	19	33	2	2	3	2	3	21
M P N Holdings Ltd										
111 Lombard Avenue, Winnipeg, Manitoba.....	13	13	2	11	–	1	–	1	1	8
Minto Commercial Properties Inc										
Mercury Centre, 3000 Merivale Road, Ottawa, Ontario.....	270	270	100	170	12	12	12	13	13	108
Morguard Corporation and 3683249 Canada Inc										
181 Queen Street, Ottawa, Ontario.....	61	61	46	15	3	3	3	3	3	–
Pomerleau, Kevlar et Québec Inc										
2575 Ste-Anne Boulevard, Québec, Quebec.....	40	40	6	34	1	2	2	2	2	25

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Société d'habitation et de développement de Montréal										
National Film Board of Canada lease, Quartier des spectacles, Montréal, Quebec ³	54	54	—	54	1	2	3	2	3	43
Société en commandite Montcalm										
Montcalm Place, Phase II, 200 Montcalm Street, Gatineau, Quebec	21	21	9	12	1	1	2	1	2	5
The Canada Life Assurance Company										
Judicial Complex, 180 Queen Street West, Toronto, Ontario	83	83	53	30	4	4	4	4	5	9
The Great-West Life Assurance Company										
James Michael Flaherty Building, 90 Elgin Street, Ottawa, Ontario	336	336	53	283	11	12	12	12	12	224
Shared Services Canada										
Bell Canada										
Data centre co-location services	71	71	21	50	8	8	9	8	—	17
Government cabling services	150	150	102	48	30	18	—	—	—	—
Government of Canada Network wide area network international services, stream 3	90	90	—	90	—	18	18	18	18	18
Local access service	674	674	384	290	290	—	—	—	—	—
Bell Mobility										
Government cellular services	322	322	57	265	52	56	60	61	36	—
Computer Associates Canada Company										
Software licences, maintenance and support....	73	73	49	24	24	—	—	—	—	—
IBM Canada Ltd										
Data centre co-location services	43	43	7	36	5	5	5	5	5	11
Hosted Contact Centre Services	56	56	2	54	8	8	9	8	8	13
IBM mainframe	314	314	123	191	90	66	35	—	—	—
Supercomputer renewal, Dorval, Quebec	106	106	22	84	14	20	20	13	10	7
Microsoft Corporation, Washington										
Microsoft Enterprise agreement	771	771	—	771	105	111	111	111	111	222
Oracle Canada ULC										
Software update and licences support	47	47	36	11	11	—	—	—	—	—
Rogers Communications Canada Inc										
Toll-free network services	44	44	6	38	5	6	5	6	5	11
Telus Communications Company										
GC Net and WCS project migration	349	349	306	43	24	19	—	—	—	—
Government of Canada Network wide area network services, stream 1	213	58	18	40	17	16	7	—	—	—
Government of Canada Network wide area network services, stream 2	13	13	—	13	7	6	—	—	—	—
Unisys Canada Inc										
Maintenance and support services for Unisys mainframe	21	21	9	12	4	5	3	—	—	—
Zayo Canada Inc										
Government of Canada Network wide area network services, stream 1	213	20	6	14	7	7	—	—	—	—
	19,533	19,148	6,631	12,517	3,771	3,116	2,614	429	368	2,219
Transport										
Department of Transport										
PMG Technologies Inc										
Expenses required for the operation of the motor vehicle test centre	37	37	5	32	11	9	12	—	—	—

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Canadian Air Transport Security Authority										
Garda Security Screening Inc—Central	1,504	1,504	1,019	485	149	168	168	—	—	—
Garda Security Screening Inc—Prairies.....	1,049	1,049	718	331	104	114	113	—	—	—
G4S Secure Solutions (Canada) Ltd.....	943	943	655	288	91	99	98	—	—	—
L3 Communications.....	71	71	55	16	5	6	5	—	—	—
NAV Canada	58	58	48	10	5	5	—	—	—	—
Securitas Transport Aviation Security Ltd	1,129	1,129	752	377	121	128	128	—	—	—
Smiths Detection LLC / Morpho Detection Inc.....	219	219	171	48	13	12	13	10	—	—
Sun Life Assurance Company of Canada.....	31	31	20	11	6	5	—	—	—	—
VIA Rail Canada Inc.										
<i>Siemens</i>										
Technical services and parts	356	356	—	356	—	—	—	—	—	356
	5,397	5,397	3,443	1,954	505	546	537	10	—	356
Treasury Board										
Treasury Board Secretariat										
<i>Sun Life Assurance Company of Canada</i>										
Public Service Health Care Plan (Administrative services).....	328	328	248	80	46	34	—	—	—	—
Total—Purchases.....	79,242	70,814	36,108	34,706	8,648	6,332	4,999	1,995	1,561	11,171
Total—Capital assets and purchases.....	109,345	99,424	51,130	48,294	12,413	9,096	7,236	3,585	2,243	13,721
Operating leases										
Canadian Heritage and Multiculturalism										
Canada Council for the Arts										
Office accommodation, 150 Elgin Street, Ottawa, Ontario.....	69	68	4	64	4	4	4	4	4	44
Canadian Broadcasting Corporation										
Cominar REIT	18	18	4	14	1	1	1	1	1	9
Eurofax Properties	17	17	4	13	1	2	1	2	1	6
Morguard	659	659	—	659	15	22	22	22	22	556
Société en commandite La Nouvelle Maison	144	144	108	36	7	7	7	8	7	—
Canadian Museum of Immigration at Pier 21										
1055 Marginal Road, Halifax, Nova Scotia.....	69	69	11	58	2	1	2	1	2	50
National Capital Commission										
Chambers Building, Ottawa, Ontario	144	144	24	120	6	5	5	5	5	94
	1,120	1,119	155	964	36	42	42	43	42	759
Crown-Indigenous Relations										
Department of Indian Affairs and Northern Development										
<i>Residential housing leases</i>										
Aggregate.....	17	17	1	16	1	1	—	1	1	12
Environment and Climate Change										
Department of the Environment										
<i>Capilano Indian Reserve No. 5, Squamish First Nation, Vancouver, British Columbia</i>										
Lease of land—Pacific Environmental Center.....	562	562	228	334	13	13	13	13	13	269
Fisheries, Oceans and the Canadian Coast Guard										
Department of Fisheries and Oceans										
<i>Atlantic Towing Limited</i>										
Leasing of two Emergency Towing Vessels	58	58	8	50	19	19	12	—	—	—

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Global Affairs										
Department of Foreign Affairs, Trade and Development										
<i>237 Park Owner LLC.</i>										
Chancery, New York, United States	176	176	7	169	8	8	8	9	9	127
<i>AG Insurance S.A.</i>										
Chancery, Brussels, Belgium	15	15	3	12	1	1	1	1	1	7
<i>BTG Pactual Servicos Financeiros D</i>										
Chancery, Sao Paulo, Brazil	14	14	3	11	1	2	1	2	2	3
<i>Fifteen-O-One Fourth Ave Ltd</i>										
Chancery, Seattle, United States	13	13	2	11	1	1	1	1	2	5
<i>Main Business Administration for Services to the Diplomatic Corps (GlavUpDK)</i>										
Chancery, Moscow, Russia	60	60	30	30	3	3	4	3	3	14
<i>Shanghai JinAn Century Property Development Co Ltd</i>										
Chancery, Shanghai, China	16	16	6	10	4	3	3	–	–	–
Canadian Commercial Corporation										
Office space	24	24	3	21	1	2	1	2	2	13
International Development Research Centre										
Head office, 150 Kent Street, Ottawa, Ontario	27	27	6	21	6	6	6	3	–	–
	345	345	60	285	25	26	25	21	19	169
Public Safety and Emergency Preparedness										
Royal Canadian Mounted Police										
<i>Government of Alberta</i>										
Alberta First Responders Radio Communications System	385	385	72	313	24	24	24	24	24	193
Public Services and Procurement										
Department of Public Works and Government Services										
<i>0957333 BC Ltd</i>										
3991 Gladys Avenue, Abbotsford, British Columbia	24	24	11	13	2	2	1	2	1	5
<i>1301986 Ontario Inc</i>										
405 Termnial Avenue, Ottawa, Ontario	51	44	–	44	–	4	5	5	5	25
<i>160 Elgin Portfolio Inc and 160 Elgin Leaseholds Inc</i>										
Place Bell Canada, 160 Elgin Street, Ottawa, Ontario	12	12	1	11	2	1	2	1	2	3
<i>1823175 Ontario Inc</i>										
Pinecrest Office Park, 2745 Iris Street, Ottawa, Ontario	26	26	10	16	2	2	2	2	2	6
<i>389288 BC Limited</i>										
1188 West Georgia Street, Vancouver, British Columbia	20	20	4	16	2	2	2	2	2	6
<i>3934381 Canada Inc</i>										
1138 Melville Street, Vancouver, British Columbia	109	73	61	12	5	2	5	–	–	–
<i>519719 Ontario Inc</i>										
Star Top Building, 1600 Star Top Road, Ottawa, Ontario	29	29	–	29	7	10	10	2	–	–
<i>927094 Alberta Ltd</i>										
9240 - 49th Street, Edmonton, Alberta	105	49	18	31	3	3	4	3	3	15
<i>A N (Mega Centres) Inc</i>										
Place de la Cité, 550 de la Cité Boulevard, Gatineau, Quebec	21	21	2	19	7	7	5	–	–	–
<i>Arnon Corporation</i>										
785 Carling Avenue, Ottawa, Ontario	28	14	4	10	2	3	3	2	–	–
<i>Aspen Properties GP Inc</i>										
Bell Tower, 10104 - 103rd Avenue North West, Edmonton, Alberta	22	14	–	14	–	2	1	2	1	8

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						
					2020	2021	2022	2023	2024	2025 and subsequent	
Bona Building & Management Company Ltd											
Place Vanier, Towers A and B, 333 and 335 North River Road, Ottawa, Ontario	98	72	57	15	12	3	–	–	–	–	
1625 Vanier Parkway, Ottawa, Ontario	115	58	–	58	1	6	6	6	6	33	
BPO (Ontario Core) Ltd, Ontario Holdings Ltd and CREHOY Inc											
Place de Ville - Towers A, B and C, 320 Queen Street, Ottawa, Ontario	481	413	212	201	39	33	15	16	16	82	
Place de Ville Parking - Tower A, 320 Queen Street, Ottawa, Ontario	12	12	2	10	1	1	2	1	1	4	
Brookfield Office Properties Management											
Exchange Tower Building, 130 King Street West, Toronto, Ontario	21	14	–	14	2	2	2	2	2	4	
Capital City Shopping Centre Limited											
Billings Bridge Office Tower, 2323 Riverside Drive, Ottawa, Ontario	25	25	5	20	2	3	2	3	3	7	
City Centre Equities Inc, c/o Harvard Developments Inc											
1870 Hamilton Street, Regina, Saskatchewan	26	26	15	11	3	3	2	3	–	–	
Cominar Real Estate Investment Trust											
3400 Jean-Bélaud Avenue, Laval, Quebec	40	40	22	18	4	4	4	4	2	–	
Richelieu Building, 975 Saint-Joseph Boulevard, Gatineau, Quebec	13	13	2	11	3	2	3	3	–	–	
Desjardins Financial Security											
4342 Queen Street, Niagara Falls, Ontario	16	16	–	16	1	2	1	2	2	8	
Dream Office LP											
74 Victoria Street, Toronto, Ontario	30	30	3	27	8	7	8	4	–	–	
Dream Office Management Corp											
T & T Towers, 340 - 3rd Avenue North, Saskatoon, Saskatchewan	14	10	–	10	–	1	2	2	2	3	
Export Development Canada											
Export Development Canada Building, 150 Slater Street, Ottawa, Ontario	18	18	2	16	1	2	1	2	2	8	
H&R Real Estate Investment Trust											
Place Bell Canada, 160 Elgin Street, Ottawa, Ontario	25	25	6	19	4	3	4	4	3	1	
Holdings 1506 Enterprises Ltd											
4321 Still Creek Drive, Burnaby, British Columbia	16	16	3	13	2	1	2	1	2	5	
I G Investment Management, Ltd											
1980 Matheson Boulevard East, Mississauga, Ontario	17	17	4	13	3	3	3	3	1	–	
Kidinks Holdings Inc and Outcore Equities Inc											
234 Laurier Avenue West, Ottawa, Ontario	22	22	2	20	3	3	3	3	3	5	
KS 400 Cumberland Street Inc											
Cumberland Building, 400 Cumberland Street, Ottawa, Ontario	25	25	3	22	5	5	5	7	–	–	
Larco Investments Limited											
Dominion Public Building, 1 Front Street, Toronto, Ontario	101	71	32	39	14	14	11	–	–	–	
Leima Holdings Limited											
Leima Building, 410 Laurier Avenue West, Ottawa, Ontario	26	26	1	25	1	2	3	3	3	13	
London Life Insurance Company and The Great-West Life Assurance Company											
269 Laurier Avenue West, Ottawa, Ontario	39	23	–	23	–	2	4	5	5	7	
London Life Insurance, Great-West Life Assurance, Canada Life Insurance & Canada Life Assurance Companies											
219 Laurier Avenue West, Ottawa, Ontario	17	17	–	17	1	1	1	1	2	11	

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
Lord Realty (Quebec) Limited Partnership										
Canada Economic Development, 800 René-Lévesque Boulevard West, Montréal, Quebec	18	18	2	16	1	2	2	2	2	7
Lord Realty Holdings Limited and Privest Properties Ltd										
555 West Hastings Street, Vancouver, British Columbia	29	29	10	19	3	3	3	3	3	4
Manulife Ontario Property Portfolio Inc										
5343 Dundas Street West, Toronto, Ontario	28	18	3	15	2	2	3	2	2	4
Minto Commercial Properties Inc										
Canada Building, 344 Slater Street and Enterprise Building, 427 Laurier Avenue West, Ottawa, Ontario	160	120	69	51	12	13	13	13	—	—
Morguard Investments Limited in trust										
Standard Life Centre, 280 Slater Street, Ottawa, Ontario	63	63	34	29	6	7	6	7	3	—
Morguard Investments Limited in trust for Cordova Equities Inc										
Standard Life Centre II, 333 Laurier Avenue West, Ottawa, Ontario	27	27	12	15	6	5	4	—	—	—
Morguard Investments Ltd										
10044 - 108st Street, Edmonton, Alberta.....	16	11	—	11	1	2	1	2	1	4
Heritage Place Building, 155 Queen Street, Ottawa, Ontario	25	25	2	23	2	2	2	2	2	13
Sun Life Financial Centre, 50 O'Connor Ottawa, Ontario	17	17	1	16	2	2	1	2	1	8
Morguard (Jean Edmonds) Limited and 10938629 Canada Inc										
Jean Edmonds Building, North Tower, 300 Slater Street, Ottawa, Ontario	99	99	30	69	10	10	10	10	10	19
Jean Edmonds Building, South Tower, 365 Laurier Avenue West, Ottawa, Ontario	94	65	29	36	9	9	10	8	—	—
Morguard Real Estate Investment Trust										
7575 - 8th Street North-East, Calgary, Alberta	30	30	15	15	3	3	3	3	3	—
Morguard Realty Holdings Inc and HOOPP Realty Inc										
333 Laurier Avenue West, Ottawa, Ontario.....	24	18	2	16	3	3	3	3	1	3
MTCC GP Inc										
277 Front Street West, Toronto, Ontario	22	22	10	12	4	5	3	—	—	—
Nadjam Holdings Inc										
360 Lisgar Avenue, Ottawa, Ontario	18	18	2	16	1	2	1	2	1	9
Newvest Realty Corporation										
105 Hôtel-de-Ville Street, Gatineau, Quebec...	32	32	7	25	5	4	5	5	5	1
Omers Realty Corporation and CPP Investment Board Real Estate Holdings Inc										
Constitution Square, 350-360 Albert Street, Ottawa, Ontario	92	92	66	26	10	10	6	—	—	—
OMNI Property Management Inc										
1611 Main Street, Vancouver, British Columbia	93	68	21	47	4	5	4	5	5	24
OPB (Centre 10) Inc										
517 - 10th Avenue South West, Calgary, Alberta	174	70	32	38	7	7	7	7	7	3
Orlando Corporation										
5800 Hurontario Street, Mississauga, Ontario .	63	63	52	11	7	4	—	—	—	—
Outcore Equities Inc and Slate Asset Management GP Inc										
Sir Richard Scott Building, 191 Laurier Avenue, Ottawa, Ontario	54	54	13	41	6	5	6	6	6	12

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
<i>Oxford Properties Group Inc and 231867 Ontario Limited</i>										
800 Burrard Street, Vancouver, British Columbia	95	66	7	59	9	9	10	9	10	12
<i>Oxford Properties Group Inc and OREC (RAC) Holdings Inc</i>										
120 Adelaide Street West and 101 Richmond Street West, Toronto, Ontario	168	82	7	75	8	8	8	8	8	35
<i>Pensionfund Realty Limited</i>										
59 Camelot Drive, Ottawa, Ontario	29	29	8	21	3	3	3	3	3	6
250 Albert Street, Ottawa, Ontario	30	19	2	17	4	4	4	4	1	–
<i>Place Bonaventure Property Management Inc</i>										
Place Bonaventure, 800 de la Gauchetière Street West, Montréal, Quebec	20	20	2	18	2	2	2	2	2	8
<i>Place Montcalm (Phase III) S E N C</i>										
Place Montcalm, phase III, 70 Crémazie Street, Gatineau, Quebec.....	42	36	3	33	8	7	8	7	3	–
<i>RIZE Alliance (Terminal Building) Inc</i>										
Canada Revenue Agency Tax Services Office, 468 Terminal Avenue, Vancouver, British Columbia	78	78	10	68	5	5	5	5	5	43
<i>Roscourt Investments Inc</i>										
30 McGill Street, Montréal, Quebec.....	10	10	–	10	3	4	3	–	–	–
<i>Sixty Queen Limited</i>										
60 Queen Street, Ottawa, Ontario.....	17	17	2	15	2	2	2	2	2	5
<i>Station Lands Ltd</i>										
Epcor Tower, 10423 - 101st Street, Edmonton, Alberta.....	140	76	56	20	8	8	4	–	–	–
<i>Sun Life Assurance Company of Canada</i>										
Heritage Place Building, 155 Queen Street, Ottawa, Ontario	16	16	1	15	2	2	2	2	2	5
<i>Sun Life Assurance Company of Canada and Ontari Holdings Limited</i>										
99 Bank Street, Ottawa, Ontario.....	14	14	1	13	1	1	2	1	1	7
Sun Life Financial Centre, 50 O'Connor Street, Ottawa, Ontario	51	51	6	45	5	5	5	5	5	20
Sun Life Financial Centre, East Tower, 50 O'Connor Street, Ottawa, Ontario	70	53	15	38	5	5	6	5	6	11
<i>Surrey CC Properties Inc</i>										
13450 - 102nd Avenue, Surrey, British Columbia	31	31	9	22	3	3	3	3	3	7
<i>The Chambers Equities Limited</i>										
Chambers Building, 40 Elgin Street, Ottawa Ontario	15	12	1	11	1	1	1	1	2	5
<i>The Great-West Life Assurance Company</i>										
Centennial Towers, 200 Kent Street, Ottawa, Ontario	234	182	76	106	15	26	16	16	12	21
<i>The Typhon Group (Richmond Hill) Ltd</i>										
5 Via Renzo Drive, Richmond Hill, Ontario	18	14	1	13	1	2	1	1	2	6
<i>TNC 340 Laurier Ltd</i>										
Sir Wilfrid Laurier Building, 304 Laurier Avenue West, Ottawa, Ontario	17	17	5	12	6	6	–	–	–	–
<i>TNC 360 Laurier Ltd</i>										
Narono Building, 360 Laurier Avenue West, Ottawa, Ontario	15	14	2	12	3	3	3	3	–	–
<i>West Corr Holdings Ltd</i>										
3427 Faithfull Avenue, Saskatoon, Saskatchewan	24	24	7	17	2	1	2	1	2	9

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2019—concluded

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2020	2021	2022	2023	2024	2025 and subsequent
<i>Westcliff Development Ltd and Centre Commercial Manicouagan Ltée</i>										
Place du Centre, 200 Promenade du Portage, Gatineau, Quebec	15	15	–	15	1	1	2	1	2	8
<i>Whiterock 219 Laurier Avenue West Inc</i>										
219 Laurier Avenue West, Ottawa, Ontario.....	61	61	6	55	4	4	4	4	4	35
<i>Winnipeg Square Leaseco Inc</i>										
Commodity Exchange and Winnipeg Square, 360 Main Street, Winnipeg, Manitoba	41	41	–	41	–	1	4	4	4	28
	4,073	3,252	1,121	2,131	347	359	317	265	202	641
Transport										
Canadian Air Transport Security Authority										
Sun Life Assurance Company of Canada.....	49	49	32	17	5	4	5	3	–	–
VIA Rail Canada Inc.										
<i>City of Toronto</i>										
Union Station	211	211	53	158	4	4	4	4	4	138
<i>SITQ</i>										
Place Ville Marie, Montréal	33	33	19	14	3	3	4	4	–	–
	293	293	104	189	12	11	13	11	4	138
Total—Operating leases	6,853	6,031	1,749	4,282	477	495	446	378	305	2,181
Grand total	279,823	268,923	111,171	157,752	43,908	28,735	22,380	14,420	9,175	39,134

¹ The amount disbursed relates to the reduction of contractual obligations for assets under construction through a public-private partnership arrangement.

² The amounts shown relate to a future capital lease obligation.

³ The amounts shown relate to interest and executory costs associated with a future capital lease obligation.

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, 2019.

Table 11.4 presents information that is summarized in Note 19 to the consolidated financial statements in Section 2 of this volume.

Table 11.4
International contractual obligations

(in millions of dollars)¹

	Transfer payments	Undisbursed loans and advances	Future paid-in share capital	Total
Non-budgetary share capital and loans				
Global Affairs				
Department of Foreign Affairs, Trade and Development				
Inter-American Investment Corporation	–	–	32	32
Budgetary transfer payments, loans and advances				
Environment and Climate Change				
Department of the Environment				
World Meteorological Organization	10	–	–	10
Finance				
Department of Finance				
African Development Fund—Multilateral Debt Relief Initiative	402	–	–	402
International Development Association				
Multilateral Debt Relief Initiative	952	–	–	952
Subscriptions and contributions	441	–	–	441
	1,795	–	–	1,795
Global Affairs				
Department of Foreign Affairs, Trade and Development				
Development, peace and security programming	2,012	–	–	2,012
International advocacy and diplomacy	56	–	–	56
African Development Bank	–	109	–	109
Asian Development Fund	–	66	–	66
Caribbean Development Bank—Special Development Fund	–	35	–	35
Global Environment Facility Trust Fund	–	187	–	187
International Fund for Agricultural Development	–	50	–	50
Multilateral Fund for the implementation of the Montreal Protocol	–	16	–	16
International Development Research Centre				
African Institute for Mathematical Sciences	15	–	–	15
	2,083	463	–	2,546
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	31	–	–	31
Innovation, Science and Economic Development				
Department of Industry				
International Telecommunication Union	29	–	–	29
Canadian Space Agency				
European Space Agency	68	–	–	68
National Research Council of Canada				
Canada-France-Hawaii Telescope Corporation	29	–	–	29
The National Science Foundation	20	–	–	20
TMT International Observatory LLC	172	–	–	172
	318	–	–	318
	4,250	463	–	4,713
Total	4,250	463	32	4,745

¹ Foreign currencies were translated into Canadian dollars using the closing rates of exchange at March 31, 2019 (\$1 USD = \$1.3362 CAD; 1 SDR = \$1.8550 CAD; 1 EUR = \$1.4989 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, 2019

(in millions of dollars)

	Outstanding revenue to be earned by March 31						2025 and subsequent
	Outstanding revenue ¹	2020	2021	2022	2023	2024	
Sales of goods and services							
Environment and Climate Change							
Department of the Environment.....	39	15	14	10	–	–	–
Global Affairs							
Canadian Commercial Corporation.....	62	20	16	14	11	1	–
Public Safety and Emergency Preparedness							
Royal Canadian Mounted Police.....	36,215	2,330	2,399	2,470	2,544	2,620	23,852
Total—Sales of goods and services.....	36,316	2,365	2,429	2,494	2,555	2,621	23,852
Leases of property							
Canadian Heritage and Multiculturalism							
Canadian Broadcasting Corporation	431	9	10	10	10	11	381
National Capital Commission	95	6	20	1	2	7	59
Environment and Climate Change							
Parks Canada Agency ²	197	7	6	7	7	7	163
Global Affairs							
Department of Foreign Affairs, Trade and Development	11	3	4	4	–	–	–
Public Services and Procurement							
Department of Public Works and Government Services	11	1	–	1	–	1	8
Transport							
Department of Transport ²	2,322	421	441	475	488	497	–
Total—Leases of property	3,067	447	481	498	507	523	611
Royalties and revenue/profit-sharing arrangements							
Innovation, Science and Economic Development							
National Research Council of Canada.....	20	2	3	2	2	1	10
Total—Royalties and revenue/profit-sharing arrangements	20	2	3	2	2	1	10
Other							
Agriculture and Agri-Food							
Department of Agriculture and Agri-Food.....	166	34	24	20	19	11	58
Environment and Climate Change							
Parks Canada Agency ³	10	2	2	2	2	2	–
Families, Children and Social Development							
Department of Employment and Social Development.....	358	358	–	–	–	–	–
Innovation, Science and Economic Development							
Department of Industry.....	154	14	15	15	14	14	82
National Defence							
Department of National Defence.....	31	–	–	–	–	–	31
Natural Resources							
Department of Natural Resources	326	15	14	15	14	14	254
Total—Other.....	1,045	423	55	52	49	41	425
Total	40,448	3,237	2,968	3,046	3,113	3,186	24,898

¹ 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.

² 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.

³ 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.

In addition to the contractual rights presented in Table 11.5, the Department of Natural Resources and the Parks Canada Agency have agreements that entitle them 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. Revenues have not been estimated due to uncertainty.

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, 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 7 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, 2019

(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		294,734 ¹
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>	5,000	1,675
<i>Farm Improvement Loans Act</i> and <i>Canadian Agricultural Loans Act</i>	3,000	98
Families, Children and Social Development		
Department of Employment and Social Development		
<i>Canada Student Loans Act</i>	10,782	2
Finance		
Department of Finance		
Coast Capital Savings and Federal Credit Union	1,500	1,500
International Bank for Reconstruction and Development	158	158
Indigenous Services		
Department of Indigenous Services		
Indian Economic Development Guarantee Program	60	1
On-Reserve Housing Guarantee Program	2,200	
Canada Mortgage and Housing Corporation		1,509
Other approved lenders		281
Innovation, Science and Economic Development		
Department of Industry		
<i>Canada Small Business Financing Act</i>	2,585	946
Regional Aircraft Credit Facility	1,500	17
Natural Resources		
Department of Natural Resources		
Lower Churchill Hydro Electric Projects	9,200	8,650
Total—Loan guarantees	35,985	14,837

Table 11.6
Guarantees provided by the Government as at March 31, 2019—concluded

(in millions of dollars)

	Authorized limit (where applicable)	Principal amount outstanding
Insurance programs managed by the Government		
Canadian Heritage and Multiculturalism		
Department of Canadian Heritage		
<i>Canada Travelling Exhibitions Indemnification Act</i>	3,000	–
Finance		
Department of Finance		
Mortgage or Hypothecary Insurance Protection	350,000	241,676
Global Affairs		
Department of Foreign Affairs, Trade and Development		
Accounts administered for the Government by Export Development Canada	20,000	89
Natural Resources		
Department of Natural Resources		
Nuclear Liability Account		–
Total—Insurance programs managed by the Government	373,000	241,765
Other explicit guarantees		
Agriculture and Agri-Food		
Department of Agriculture and Agri-Food		
National Biomass Ethanol Program	140	–
Price Pooling Program— <i>Agricultural Marketing Programs Act</i>		–
Total—Other explicit guarantees	140	–
Total—Gross guarantees	409,125	551,336
Less: allowance for guarantees		277
Net exposure under guarantees		551,059

This table excludes insurance programs operated by agent enterprise Crown corporations. Information on these programs is disclosed in Note 7 to the consolidated financial statements in Section 2 of this volume and additional information is provided in Table 11.8 of this section.

¹ Details can be found in Table 9.5, Section 9 of this volume.

Advance Payments Program—*Agricultural Marketing Programs Act*

The Advance Payments Program (APP) provides producers with a cash advance on the value of their agricultural products during a specified period. By improving their cash flow throughout the year, the APP helps crop and livestock producers meet their financial obligations and benefit from the best market conditions.

Under the APP, the federal government guarantees repayment of cash advances issued to farmers by the producer organization. These guarantees help the producer organization borrow money from financial institutions at lower interest rates and issue producers a cash advance on the anticipated value of their farm product that is being produced or that is in storage. The maximum cash advance of the program is \$0.4 million and the loans generally have a repayment term of 18-24 months.

Farm Improvement Loans Act and 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.

The CALA program builds on and replaces the previous *Farm Improvement and Marketing Co-operative Loans Act* program, which has helped farming operations grow their businesses by guaranteeing loans issued through financial institutions since 1988.

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 \$0.5 million. 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.

Coast Capital Savings Federal Credit Union

Pursuant to section 39.02 of the *Bank Act*, the Minister of Finance has authorized a loan guarantee in the amount of \$1.5 billion for a line of credit extended by federal financial institutions to Coast Capital Savings Federal Credit Union (CCS). The eligibility of each drawdown under this line of credit for the guarantee must be approved by the Minister of Finance. The loan guarantee agreement expires on October 31, 2021.

Under this guarantee, the Government would pay eligible outstanding principal, interest and other expenses, if CCS defaults. Following default, the Government has the option to pursue recovery under the Indemnity Agreement between CCS and the government.

As at March 31, 2019, there were no approved drawdowns on the line of credit giving rise to a loan guarantee exposure. Therefore, no provision and associated losses have been recognized.

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.

Indian Economic Development Guarantee Program

This program authorizes the Department of Indigenous Services Canada 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 Canada.

On-Reserve Housing Guarantee Program

This program authorizes the Department of Indigenous Services Canada 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 of 25 years. The interest rates on the guaranteed loans are consistent with conventional mortgage interest rates offered by the major banks.

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 loans that would not otherwise have been available, or would only have been available under less favourable terms. In the event a registered loan defaults, 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.

Regional Aircraft Credit Facility

The Regional Aircraft Credit Facility Program was established in 2004 to provide sales financing assistance in the form of loan guarantees to enable domestic air carriers to acquire Canadian-built fixed-wing commercial jets.

The guarantees are provided on commercial terms and are secured by the aircraft financed by private lenders. These guarantees have a life of 15 years. This program expired on March 31, 2008.

Lower Churchill Hydroelectric Projects

The Government of Canada provided loan guarantee support for 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). In 2013, the financing was completed for the Nalcor-led projects, raising \$5 billion of guaranteed debt in the form of a bond financing. These bonds have a life varying from about 15 years to 40 years. In 2014, the bond financing was completed for the Maritime Link, raising \$1.3 billion of guaranteed debt for a life of about 39 years. Further to an announcement made by the Minister of Natural Resources in November 2016, in May 2017, the Minister of Natural Resources signed two additional Guarantee Agreements to provide additional loan guarantee support to the Nalcor-sponsored projects. On May 25, 2017, the financing was completed, raising \$2.9 billion of guaranteed debt in the form of a bond financing. These bonds have terms varying from 3½ years to 40 years. As per the terms of the bonds that were issued under both the original guarantees and the additional guarantees, initially, only interest payments are being made on the guaranteed debt. The commencement of principal payments on the guaranteed debt has been scheduled to begin shortly after the expected commissioning dates of the projects, with the schedule of these payments depending on the specific terms and conditions of each of the guaranteed bonds. Among the many safeguards put in place to protect Canada's interests, all of the project entities' shares, assets and agreements have been pledged as security to Canada. The Maritime Link project has successfully completed all construction activities and was commissioned on February 9, 2018. As per the terms of the loan guarantee agreements, principal repayments will begin on December 1, 2020. These principal and interest payments will be made on a semi-annual basis until maturity date of December 1, 2052. As of March 31, 2019, \$8,649,906,890 of guaranteed debt has been released to the project entities.

Canada Travelling Exhibitions Indemnification Act

Pursuant to s. 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, 2019, the aggregate outstanding principal amount of loans that are guaranteed under the PRMHIA is estimated at \$273.7 billion (\$281.9 billion in 2018). Any payment by the Minister is subject to a deductible equal to 10% of the original principal amount of these loans, or \$32.1 billion (\$32.3 billion in 2018). 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, 2019, there are two approved mortgage insurers under the PRMHIA: Genworth Financial Mortgage Insurance Company Canada, and Canada Guaranty Mortgage Insurance Company.

Accounts administered for the Government by Export Development Canada

The Government of Canada has authorized support for insurance and guarantee programs which, on the basis of Export Development Canada's (EDC) risk management practices, could not be supported under EDC's Corporate Account but are in the national interest. Canada Account transactions consist of activities undertaken by EDC pursuant to Section 23 of the *Export Development Act*.

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), 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, an amount to be phased in over four years with \$650 million applying in 2017, \$750 million in 2018, \$850 million in 2019 and \$1 billion in 2020. 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 normal emissions, and bodily injury occurring 10 to 30 years after a nuclear incident. Through the indemnity agreement, entered into with 16 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 the \$850 million liability amount assigned in the NLCA in 2019. 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 previous 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, 2019, is \$4,439,445. 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.

National Biomass Ethanol Program

By Agreement dated March 30, 2001 (and amended in September 1, 2003), Her Majesty the Queen in Right of Canada as represented by the Minister of Agriculture and Agri-Food and Farm Credit Canada (FCC) entered into the National Biomass Ethanol Program. The purpose of the program is to encourage new biomass fuel ethanol production in Canada. Guarantees are provided in relation to the Line of Credit Agreements entered into by FCC.

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 7 to the consolidated financial statements in Section 2 of this volume.

Table 11.7
International organizations—Contingent liabilities

(in millions of dollars)¹

	2019	2018
Non-budgetary share capital and loans		
Callable share capital		
Finance		
Department of Finance		
Asian Infrastructure Investment Bank.....	1,064	1,026
European Bank for Reconstruction and Development.....	1,211	1,280
International Bank for Reconstruction and Development (World Bank).....	10,529	8,512
Multilateral Investment Guarantee Agency.....	61	59
	<i>12,865</i>	<i>10,877</i>
Global Affairs		
Department of Foreign Affairs, Trade and Development		
African Development Bank.....	4,402	4,282
Asian Development Bank.....	8,503	8,205
Caribbean Development Bank.....	164	158
Inter-American Development Bank.....	8,817	8,508
	<i>21,885</i>	<i>21,153</i>
Total	34,750	32,030

¹ Foreign currencies were translated into Canadian dollars using the closing rates of exchange at March 31, 2019 (\$1 USD = \$1.3362 CAD; 1 SDR = \$1.855 CAD; 1 EUR = \$1.4989 CAD).

Pending and threatened litigation and other claims

Please refer to Note 7 to the consolidated financial statements in Section 2 of this volume for information on pending and threatened litigation and other claims.

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 Her 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, 2019

(in millions of dollars)

	Canada Deposit Insurance Corporation ¹		Canada Mortgage and Housing Corporation ²				Export Development Canada ³		Farm Credit Canada ⁴	
	2019	2018	Mortgage Insurance Fund	2019	2018	Mortgage-Backed Securities Guarantee Fund	2019	2018	2019	2018
Insurance in force as at reporting date...	807,398	773,568	442,000	472,000	494,000	481,000	24,069	21,937	5,318	5,952
Opening balance of Fund	2,322	2,236	14,295	18,316	2,394	2,136	³	³	30	18
Revenues for the period										
Premiums and fees	645	535	1,427	1,533	508	410	204	201	27	26
Investment income	66	46	559	657	59	49	–	–	–	1
Other revenues	–	–	(3)	2	5	6	–	–	–	–
Total revenues	711	581	1,983	2,192	572	465	204	201	27	27
Expenses for the period										
Loss on/provision for claims	–	450	218	135	–	–	–	–	5	5
Administrative expenses.....	42	45	325	316	48	45	–	–	7	7
Other expenses (includes taxes).....	6	–	358	423	131	105	289	146	24	3
Total expenses	48	495	901	874	179	150	289	146	36	15
Net income or (loss) for the period.....	663	86	1,082	1,318	393	315	(85)	55	(9)	12
Adjustments	–	–	(3,335)	(5,339)	(350)	(57)	–	–	–	–
Closing balance of Fund	2,985	2,322	12,042	14,295	2,437	2,394	³	³	21	30
Net claims during the period ⁵			248	320			336	153	5	5
Five year average of net claims paid			334	364			153	98	7	7

¹ 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.

² 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 \$237,516 million (\$233,981 million in 2018) 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.

³ 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 \$450 million (\$540 million in 2018).

⁴ Farm Credit Canada sells group creditor life and accident insurance to its customers through a program administered by a major insurance provider.

⁵ 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 7 to the consolidated financial statements in Section 2 of this volume.

This page has been intentionally left blank.

Section 12

Public Accounts of Canada
2018–2019

Index

Index

	<i>Page</i>	
	<i>English</i>	<i>French</i>
A		
Accounting for expenses.....	102	104
Accounting policies, Summary of significant	54	55
Accounts payable and accrued liabilities, Section 5		
Accumulated deficit.....	18, 64	18, 65
Allowance for valuation	307	311
Amounts payable related to tax.....	150	152
Assets under capital leases.....	314	318
Auditor General of Canada—Independent Auditor's Report.....	48	48
B		
Budgetary balance, The	10	10
C		
Canada bills	159	161
Canada Pension Plan	188	190
Financial statements.....	210	212
Cash and accounts receivable, Section 7		
Cash and cash equivalents	79, 256	81, 260
Cash flow.....	32	32
Comparison of actual results to budget projections	16	16
Consolidated accounts, Section 4		
Consolidated agent Crown corporations, Borrowings by.....	118	120
Consolidated Crown corporations and other entities.....	113	115
Contingent liabilities of	118	120
Summary financial statements of.....	113	115
Consolidated Crown corporations, Financial assistance under budgetary appropriations to	119	121
Consolidated financial statements of the Government of Canada and report of the Auditor General of Canada, Section 2		
Consolidated financial statements of the Government of Canada		
Notes to the.....	54	55
Preface to the	46	46
Consolidated specified purpose accounts.....	120	122
Consolidated Statement of Cash Flow	53	54
Detailed	38	38
Consolidated Statement of Change in Net Debt.....	52	53
Detailed	37	37
Consolidated Statement of Financial Position	51	52
Detailed	36	36
Consolidated Statement of Foreign Exchange, Unmatured Debt and Cash Transaction—detailed.....	40	40
Consolidated Statement of Non-Budgetary Transactions and of Non-Financial Assets—detailed	39	39
Consolidated Statement of Operations and Accumulated Deficit	50	51
Detailed	35	35
Contingent liabilities.....	65, 363	66, 367
Contractual obligations.....	33, 90, 316	33, 92, 320
Contractual obligations, contractual rights and contingent liabilities, Section 11		
Contractual rights	33, 90, 361	33, 92, 365
Cross-currency swap revaluation.....	160	162
D		
Deferred revenues.....	146	148
Deposit and trust accounts	191	193

Index—continued

	Page	
	English	French
E		
Economic developments	9	9
Employment Insurance Operating Account financial statements	126	128
Employment insurance premiums	99	101
Endowment principal	125	127
Enterprise Crown corporations and other government business enterprises	82, 271	84, 275
Borrowings by	280	284
Contingent liabilities of	281	285
Contractual obligations of	282	286
Financial assistance to	282	286
Maturity and currency of borrowings by	281	285
Summary financial statements of	275	279
Environmental liabilities and asset retirement obligations	67, 151	68, 153
Exchange Fund Account		
Financial statements	263	267
International reserves held in the	261	265
Expenditures under statutory authorities	108	110
Expenses	14, 60, 102	15, 61, 104
by object	107	109
by segment	104	106
F		
Financial highlights, 2019	8	8
Financial instruments	88	89
Financial statements discussion and analysis, Section 1		
Financial statements discussion and analysis	8	8
Foreign exchange accounts, Section 8		
Foreign exchange accounts	80	82
G		
Glossary of terms	41	41
Government Annuities Account	190	192
Financial statements	237	240
Government's cost of operations	104	106
I		
Insurance accounts	122	124
Interest and matured debt	152	154
Interest-bearing debt, Section 6		
Interest rates	160	162
International Monetary Fund	262	266
International organizations	290	294
L		
Loans, investments and advances, Section 9		
Loans, investments and advances	84, 270	86, 274
M		
Marketable bonds	155	157
Maturity of Government debt	161	163
Medium-term notes	159	161

Index—concluded

	Page	
	English	French
N		
National governments including developing countries	286	290
Non-financial assets, Section 10		
Non-financial assets.....	311	315
O		
Obligations related to capital leases.....	162	164
Other accounts payable and accrued liabilities	142	144
Other accounts receivable.....	258	262
Other consolidated specified purpose accounts.....	124	126
Other employee and veteran future benefits	186	188
Other liabilities.....	78, 188	80, 190
Other loans, investments and advances.....	84, 297	86, 301
Other revenues.....	100	102
Other specified purpose accounts	199	201
P		
Pension and other future benefits.....	167	169
Portfolio investments.....	283	287
Provincial and territorial governments.....	296	300
Public sector pensions	167	169
Public sector pensions and other employee and veteran future benefits.....	72	73
R		
Restatement and reclassification of comparative information.....	56	57
Retail debt	158	160
Return on investments	101	103
Revenues	11, 59, 97	11, 59, 99
Revenues, expenses and accumulated deficit, Section 3		
Risk and uncertainties.....	33	33
Royal Canadian Mounted Police (Dependants) Pension Fund financial statements.....	247	250
S		
Segmented information.....	91	93
Special drawing rights allocations	262	266
Spending and borrowing authorities	57	58
Statement of all borrowing transactions on behalf of Her Majesty	162	164
Statement of responsibility	47	47
T		
Tangible capital assets	312	316
Tangible capital assets and inventories	86	88
Tax revenues.....	98	100
Taxes and other accounts receivable.....	79	81
Taxes receivable	257	261
Ten-year comparative financial information.....	35	34
Treasury bills.....	157	159
U		
Unamortized discounts and premiums on market debt	160	162
Unmatured debt	70, 155	71, 154
V		
Vehicles.....	314	318