



OFFICE OF THE PARLIAMENTARY BUDGET OFFICER  
BUREAU DU DIRECTEUR PARLEMENTAIRE DU BUDGET

# **FINANCIAL STATEMENTS**

**MARCH 31, 2020**

## Office of the Parliamentary Budget Officer

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## Statement of Management Responsibility Including Internal Control over Financial Reporting

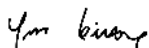
Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2020 and all information contained in these statements rests with the management of the Office of the Parliamentary Budget Officer (the "OPBO"). These financial statements have been prepared by management using Government of Canada accounting policies, which are based on Canadian public sector accounting standards.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment, and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the OPBO's financial transactions. Financial information submitted in the preparation of the *Public Accounts of Canada*, and included in the *OPBO's Annual Report*, is consistent with these financial statements.

Management is also responsible for maintaining an effective system of internal control over financial reporting ("ICFR") 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 *Financial Administration Act* and other applicable legislation, regulations, authorities and policies.

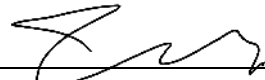
Management seeks to ensure the objectivity and integrity of data in its financial statements through careful selection, training and development of qualified staff; through organizational arrangements that provide appropriate divisions of responsibility; through communication programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout the OPBO.

At the request of management, these financial statements have been audited by KPMG, the independent auditors of the Office of the Parliamentary Budget Officer.



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**Yves Giroux**  
Parliamentary Budget Officer  
Ottawa, Canada  
September 30, 2020



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**Jason Jacques**  
Chief Financial Officer



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## INDEPENDENT AUDITORS' REPORT

To the Parliamentary Budget Officer

### ***Opinion***

We have audited the financial statements of the Office of the Parliamentary Budget Officer ("OBPO"), which comprise:

- the statement of financial position as at March 31, 2020
- the statement of operations and net financial position for the year then ended
- the statement of change in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the OBPO as at March 31, 2020, and its results of operations, its accumulated surplus 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 "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the OBPO 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.

### ***Other Matter – Comparative Information***

The financial statements for the year ended March 31, 2019 were audited by another auditor who expressed an unmodified opinion on those financial statements on August 1, 2019.

### ***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 OBPO'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 OBPO or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the OBPO's financial reporting process.

***Auditors' 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 auditors' 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 the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.  

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the OBPO'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 OBPO's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the OBPO 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

September 30, 2020

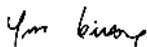
# Statement of Financial Position

As at March 31

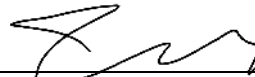
(in dollars)

	2020	2019
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 4)	886,720	1,067,342
Vacation pay and compensatory leave	283,914	187,239
Employee future benefits (notes 5(b) and (c))	201,252	61,864
<b>Total liabilities</b>	<b>1,371,886</b>	<b>1,316,445</b>
<b>Financial assets</b>		
Due from Consolidated Revenue Fund	625,071	809,985
Accounts receivable and advances (note 6)	261,649	257,357
<b>Total financial assets</b>	<b>886,720</b>	<b>1,067,342</b>
<b>The OPBO's net debt</b>	<b>485,166</b>	<b>249,103</b>
<b>Non-financial assets</b>		
Prepaid expenses	105,527	24,653
Tangible capital assets (note 7)	54,626	94,782
<b>Total non-financial assets</b>	<b>160,153</b>	<b>119,435</b>
<b>The OPBO's net financial position</b>	<b>325,013</b>	<b>129,668</b>
<b>Contractual obligations</b> (note 10)		

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



**Yves Giroux**  
Parliamentary Budget Officer  
Ottawa, Canada  
September 30, 2020



**Jason Jacques**  
Chief Financial Officer

# Statement of Operations and the Office of the Parliamentary Budget Officer's Net Financial Position

For the Period Ended March 31

(in dollars)

	2020 Planned results	2020	2019
<b>Expenses</b>			
Economic and fiscal analysis	8,479,339	6,762,972	6,013,770
<b>Cost of operations before government funding and transfers</b>	<b>8,479,339</b>	<b>6,762,972</b>	<b>6,013,770</b>
<b>Government funding and transfers</b>			
Net cash provided by Government		6,073,386	4,789,696
Change in due from Consolidated Revenue Fund		(184,914)	632,723
Services provided without charge by other government departments (note 8(a))		679,155	676,250
<b>Net cost of operations after government funding and transfers</b>		<b>195,345</b>	<b>(84,899)</b>
<b>The OPBO's net financial position – beginning of year</b>		<b>129,668</b>	<b>214,567</b>
<b>The OPBO's net financial position – end of year</b>		<b>325,013</b>	<b>129,668</b>

Segmented information (note 9)

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

# Statement of Change in the Office of the Parliamentary Budget Officer's Net Debt

For the Period Ended March 31

(in dollars)

	2020	2019
<b>Net cost of operations after government funding and transfers</b>	<b>195,345</b>	<b>(84,899)</b>
<b>Change due to tangible capital assets</b>		
Acquisitions of tangible capital assets	7,797	—
Amortization of tangible capital assets	(47,953)	(47,391)
<b>Total change due to tangible capital assets</b>	<b>(40,156)</b>	<b>(47,391)</b>
<b>Change due to prepaid expenses</b>	<b>80,874</b>	<b>(3,490)</b>
<b>Net increase (decrease) in the OPBO's net debt</b>	<b>236,063</b>	<b>(135,780)</b>
<b>The OPBO's net debt – beginning of year</b>	<b>249,103</b>	<b>384,883</b>
<b>The OPBO's net debt – end of year</b>	<b>485,166</b>	<b>249,103</b>

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



## Statement of Cash Flows

For the Period Ended March 31

(in dollars)

	2020	2019
<b>Operating activities</b>		
Net cost of operations before government funding and transfers	6,762,972	6,013,770
Non-cash items:		
Amortization of tangible capital assets	(47,953)	(47,391)
Services provided without charge by other government departments (note 8(a))	(679,155)	(676,250)
Variations in Statement of Financial Position:		
Decrease (increase) in accounts payable and accrued liabilities	180,622	(863,798)
Decrease (increase) in vacation pay and compensatory leave	(96,675)	(8,734)
Decrease (increase) in employee future benefits	(139,388)	144,514
Increase (decrease) in accounts receivable and advances	4,292	231,075
Increase (decrease) in prepaid expenses	80,874	(3,490)
<b>Cash used in operating activities</b>	<b>6,065,589</b>	<b>4,789,696</b>
<b>Capital investing activities</b>		
Acquisitions of tangible capital assets	7,797	—
<b>Cash used in capital investing activities</b>	<b>7,797</b>	<b>—</b>
<b>Net cash provided by Government of Canada</b>	<b>6,073,386</b>	<b>4,789,696</b>

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

## Notes to the Financial Statements

### For the Period Ended March 31

#### 1. Authority and objectives

These statements provide the financial information related to all the operations controlled by the Office of the Parliamentary Budget Officer ("OPBO").

The *Budget Implementation Act, 2017, No. 1* (the "Act") introduced in April 2017 amended the *Parliament of Canada Act* to provide for the Office of the Parliamentary Budget Officer ("OPBO") to report directly to Parliament. The Act received royal assent on June 22, 2017, with the proclamation into force on September 21, 2017 by the Governor in Council.

The activity of the OPBO can be summarized as follows:

*Economic and fiscal analysis* – The OPBO provides independent, relevant, timely, and non-partisan analysis to enable Parliament to fulfill its constitutional obligation to hold the Government to account. The OPBO provides independent analysis to Parliament on the state of the nation's finances, the Government's estimates and, in the Canadian economy, and upon request from a committee or Parliamentarian, estimates the financial cost of any proposal for matters over which Parliament has jurisdiction. In addition, the OPBO is responsible for preparing cost estimates of political parties' platform commitments during the election period.

## Notes to the Financial Statements

### For the Period Ended March 31

#### 2. Summary of significant accounting policies

These financial statements have been prepared using the Government of Canada'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.

Significant accounting policies are as follows:

- (a) *Parliamentary authorities* – The OPBO is financed by the Government of Canada through parliamentary authorities. Financial reporting of authorities provided to the OPBO does not parallel financial reporting according to Canadian generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and the OPBO's Net Financial Position and in the Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a reconciliation between the basis of reporting. The planned results amounts in the "Expenses" section of the Statement of Operations and the OPBO's Net Financial Position and in the Segmented Information (Note 9) are based on the amounts in the OPBO's Main Estimates and have been adjusted to reflect amortization of tangible capital assets, accommodation expense and health and dental benefits expenses that are not included in the Main Estimates. Planned results are not presented in the "Government funding and transfers" section of the Statement of Operations and the OPBO's Net Financial Position and in the Statement of Change in the OPBO's Net Debt because these amounts were not included in the Main Estimates.
- (b) *Net cash provided by government* – The OPBO operates within the Consolidated Revenue Fund (the "CRF"), which is administered by the Receiver General for Canada. All cash received by the OPBO is deposited to the CRF and all cash disbursements made by the OPBO are paid from the CRF. The net cash provided from the CRF is the difference between all cash receipts and all cash disbursements including transactions between departments of the Government.
- (c) *Amounts due from the Consolidated Revenue Fund* – Amounts due from the CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that the OPBO is entitled to draw from the CRF without further appropriations to discharge its liabilities.
- (d) *Expenses* – Expenses are recorded on the accrual basis:
  - i. Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.
  - ii. Services provided without charge by other government departments for accommodation and the employer's contribution to the health and dental insurance plans are recorded as operating expenses at their estimated cost.

## Notes to the Financial Statements

### For the Period Ended March 31

#### 2. Summary of significant accounting policies (continued)

(e) *Employee future benefits*

- i. Pension benefits: Eligible employees participate in the Public Service Pension Plan (the "Plan"), a multi-employer pension plan administered by the Government of Canada. The OPBO's contributions to the Plan are charged to expenses in the year incurred and represent the total obligation of the OPBO to the Plan. The OPBO's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, the Plan's sponsor.
- ii. Severance benefits: Employees entitled to severance benefits under labour contracts or conditions of employment earn these benefits as services necessary to earn them are rendered. The obligation relating to the benefits earned by employees is calculated using information derived from the actual remaining liability for employee severance benefits for the OPBO as a whole.
- iii. Sick leave: Employees of the OPBO are eligible to accumulate sick leave until termination of employment. Unused sick leave is not eligible for payment on retirement or termination, nor can it be used as vacation. All sick leave is an accumulating non-vesting benefit. A liability is recorded for sick leave balances expected to be taken in excess of future allotments. The cost of sick leave as well as the present value of the obligation is determined using an actuarial valuation. Any gains and losses are recognized in net results in the period in which they arise.

(f) *Accounts receivable and advances* – Accounts receivable and advances are stated at the lower of cost and net recoverable value; a valuation allowance is recorded for receivables where recovery is considered uncertain.

(g) *Foreign currency transactions* – Transactions involving foreign currencies are translated into Canadian dollar equivalents using rates of exchange in effect at the time of those transactions. Monetary assets and liabilities denominated in a foreign currency are translated into Canadian dollars using the rate of exchange in effect at year-end.

## Notes to the Financial Statements

### For the Period Ended March 31

#### 2. Summary of significant accounting policies (continued)

(h) *Tangible capital assets* – All tangible capital assets and leasehold improvements having an initial cost of \$2,500 or more are recorded at their acquisition cost.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset Class	Amortization Period
Machinery and equipment	5 years
Other equipment	3 - 10 years
Computer equipment	3 years
Computer software	3 years
Leasehold improvements	over the lease term

Asset under construction are recorded in the applicable class in the year they are put into service and are not amortized until they are put into service.

(i) *Measurement uncertainty* – The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are the liability for employee severance benefits, the liability for employee sick leave benefit and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

## Notes to the Financial Statements

### For the Period Ended March 31

### 3. Parliamentary authorities

The OPBO receives most of its funding through annual parliamentary authorities. Items recognized in the Statement of Operations and the OPBO's Net Financial Position and in the Statement of Financial Position in one year may be funded through parliamentary authorities in prior, current or future years. Accordingly, the OPBO has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

#### *(a) Reconciliation of net cost of operations to current year authorities used*

	2020	2019
	(in dollars)	
Net cost of operations before government funding and transfers	<u>6,762,972</u>	<u>6,013,770</u>
Adjustments for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(47,953)	(47,391)
Services provided without charge by other government departments	(679,155)	(676,250)
Decrease (increase) in vacation pay and compensatory leave	(96,675)	(8,734)
Decrease (increase) in employee future benefits	(139,388)	144,514
Refund of prior year's expenditures	<u>35,032</u>	<u>—</u>
Total items affecting net cost of operations but not affecting authorities	<u>(928,139)</u>	<u>(587,861)</u>
Adjustments for items not affecting net cost of operations but affecting authorities:		
Salary overpayment and advances	—	8,986
Acquisition of capital assets	7,797	—
Increase (decrease) in prepaid expenses	<u>80,874</u>	<u>(3,490)</u>
Total items not affecting net cost of operations but affecting authorities	<u>88,671</u>	<u>5,496</u>
<b>Current year authorities used</b>	<u><b>5,923,504</b></u>	<u><b>5,431,405</b></u>

## Notes to the Financial Statements

### For the Period Ended March 31

#### 3. Parliamentary authorities (continued)

##### *(b) Authorities provided and used*

	<u>2020</u>	<u>2019</u>
	(in dollars)	
Authorities provided:		
Vote 1 – Program expenditures	7,016,482	6,983,524
Statutory amounts	505,386	384,730
Less:		
Lapsed: Operating	<u>(1,598,364)</u>	<u>(1,936,849)</u>
<b>Current year authorities used</b>	<u><b>5,923,504</b></u>	<u><b>5,431,405</b></u>

## Notes to the Financial Statements

### For the Period Ended March 31

#### 4. Accounts payable and accrued liabilities

The following table presents details of the OPBO's accounts payable and accrued liabilities:

	<u>2020</u>	<u>2019</u>
	(in dollars)	
Accounts payable – Other government departments and agencies	<b>739,914</b>	748,491
Accounts payable – External parties	<b>27,098</b>	63,796
Total accounts payable	<b>767,012</b>	812,287
Accrued liabilities	<b>119,708</b>	255,055
<b>Total accounts payable and accrued liabilities</b>	<b><u>886,720</u></b>	<b><u>1,067,342</u></b>



## Notes to the Financial Statements

### For the Period Ended March 31

#### 5. Employee future benefits

**(a) Pension benefits:** The OPBO's employees participate in the Public Service Pension Plan (the "Plan"), which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2% per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plan benefits and they are indexed to inflation.

Both the employees and the OPBO contribute to the cost of the Plan. Due to the amendment of the *Public Service Superannuation Act* following the implementation of provisions related to *Economic Action Plan 2012*, employee contributors have been divided into two groups – Group 1 relates to existing plan members as of December 31, 2012, and Group 2 relates to members joining the Plan as of January 1, 2013. Each group has a distinct contribution rate.

The 2019-2020 expense amounts to \$350,131 (\$268,311 in 2018-2019). For Group 1 members, the expense represents approximately 1.01 times (1.01 times in 2018–2019) the employee contributions, and for Group 2 members, approximately 1.00 times (1.00 times in 2018–2019) the employee contributions.

The OPBO's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the Financial Statements of the Government of Canada, as the Plan's sponsor.

**(b) Severance benefits:** The OPBO provides severance benefits to its employees based on eligibility, years of service and salary at termination of employment. These severance benefits are not pre-funded. Benefits will be paid from future authorities. Information about the severance benefits, is as follows:

	2020	2019
	(in dollars)	
<b>Accrued benefit obligation – Beginning of year</b>	<b>33,239</b>	186,815
Expense (recovery) for the year	<b>12,929</b>	14,233
Benefits paid during the year	<u>(11,516)</u>	<u>(167,809)</u>
<b>Accrued benefit obligation – End of year</b>	<b><u>34,652</u></b>	<b><u>33,239</u></b>

As part of collective agreement negotiations with all employee groups, and changes to conditions of employment for executives and certain non-represented employees, the accumulation of severance benefits under the employee severance pay program ceased for these employees commencing in 2012. Employees subject to these changes have been given the option to be immediately paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits on termination from the public service. These changes have been reflected in the calculation of the outstanding severance benefit obligation.

Office of the Parliamentary Budget Officer  
**Notes to the Financial Statements**  
For the Period Ended March 31

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**5. Employee future benefits (continued)**

**(c) Sick leave benefit:** The OPBO provides benefits for sick leave to its eligible employees consisting of one and one-quarter (1.25 days) days of sick leave per calendar month. Sick leave can only be used for paid time off at the employee's normal rate of pay when the employee is unable to perform their duties because of illness or injury. Unused sick leave benefits accumulate during the employee's period of service, and no payment is due to employees upon termination of employment for unused days. Information about the sick leave benefits, measured as at March 31, is as follows:

	2020	2019
	(in dollars)	
<b>Employee sick leave benefit obligation – beginning of year</b>	<b>28,625</b>	19,563
Expense for the year		
Current service cost	<b>34,000</b>	12,000
Interest cost	<b>1,500</b>	1,000
Actuarial loss (gain)	<b>423,775</b>	2,062
	<b>459,275</b>	<b>15,062</b>
Benefits paid during the year	<b>(321,300)</b>	(6,000)
<b>Employee sick leave benefit obligation – end of year</b>	<b>166,600</b>	<b>28,625</b>

The latest actuarial valuation of the OPBO's employee sick leave benefit obligation was completed as at March 31, 2020. The valuation was performed using the projected benefit method, prorated on service. The next actuarial valuation will be completed on March 31, 2023, at the latest. The significant actuarial assumptions adopted in measuring the employee sick leave benefit obligation are as follows:

	2020	2019
Discount rate	<b>1.00%</b>	1.60%
Rate of compensation economic increase per year	<b>2.40%</b>	2.40%
Average remaining service period of active employees	<b>16 years</b>	18 years

## Notes to the Financial Statements

### For the Period Ended March 31

#### 6. Accounts receivable and advances

The following table presents details of the OPBO's accounts receivable and advances balances:

	<u>2020</u>	<u>2019</u>
	(in dollars)	
Receivables – Other government departments and agencies	<b>257,124</b>	247,459
Receivables – External parties	<b>4,325</b>	9,698
Employee advances	<b>200</b>	200
<b>Accounts receivable and advances</b>	<b><u>261,649</u></b>	<b><u>257,357</u></b>

## Notes to the Financial Statements

### For the Period Ended March 31

#### 7. Tangible capital assets

(in dollars)

Capital asset class	Cost				Accumulated amortization				Net book value	
	Opening balance	Acquisitions	Disposal and write down	Closing balance	Opening Balance	Amortization	Disposal	Closing balance	2020	2019
Other Equipment	—	7,797	—	7,797	—	562	—	562	7,235	—
Computer software	142,173	—	—	142,173	47,391	47,391	—	94,782	47,391	94,782
<b>Total</b>	<b>142,173</b>	<b>7,797</b>	<b>—</b>	<b>149,970</b>	<b>47,391</b>	<b>47,953</b>	<b>—</b>	<b>95,344</b>	<b>54,626</b>	<b>94,782</b>

## Notes to the Financial Statements

### For the Period Ended March 31

#### 8. Related party transactions

The OPBO is related, as a result of common ownership, to all Government of Canada departments, agencies and Crown corporations. The OPBO enters into transactions with these entities in the normal course of business and on normal trade terms. In addition, the OPBO has agreements with the House of Commons related to the provision of information technology services. During the year, the OPBO received common services that were obtained without charge from other Government departments as presented in part (a) below.

##### *(a) Common services provided without charge by other government departments*

During the year, the OPBO received services without charge from certain common service organizations, related to accommodation and the employer's contribution to the health and dental insurance plans. These services provided without charge have been recorded in the OPBO's Statement of Operations and Net Financial Position as follows:

	2020	2019
	(in dollars)	
Accommodation	292,731	379,719
Employer's contribution to health and dental insurance plan	386,424	296,531
<b>Total</b>	<b>679,155</b>	<b>676,250</b>

The Government has centralized some of its administrative activities for efficiency, cost-effectiveness purposes and economic delivery of programs to the public. As a result, the Government uses central agencies and common service organizations so that one department performs services for all other departments and agencies without charge. The costs of these services, such as the payroll, cheque issuance and translation services provided by Public Services and Procurement Canada ("PSPC"), are not included in the OPBO's Statement of Operations and the OPBO's Net Financial Position. In addition, the costs of maintenance, identity cards, transportation and messenger services provided by the Senate and the House of Commons are also not included in the Statement of Operations and the OPBO's Net Financial Position.

## Notes to the Financial Statements

### For the Period Ended March 31

#### 8. Related party transactions (continued)

##### *(b) Other transactions with related parties*

	<u>2020</u>	<u>2019</u>
	(in dollars)	
Accounts receivable – Other government departments and agencies	257,124	247,459
Accounts payable – Other government departments and agencies	739,914	748,491
Expenses – Other government departments and agencies	5,670,274	4,202,646

Expenses disclosed in note 8(b) exclude common services provided without charge, which are already disclosed in note 8(a).

## Notes to the Financial Statements

### For the Period Ended March 31

#### 9. Segmented information

(in dollars)

Presentation by segment is based on the OPBO's program activity structure that has identified only one segment being Economic and fiscal analysis. The presentation by segment is based on the same accounting policies as described in the Summary of significant accounting policies in note 2. The following table presents the expenses incurred by major object of expenses. The segment results for the period are as follows:

	2020 Planned results	2020	2019
<b>Expenses</b>			
Salaries and employee benefits	5,867,221	5,328,132	4,034,087
Accommodation	379,719	292,731	379,719
Professional and special services	1,920,008	867,203	1,229,699
Material, equipment and supplies	50,000	82,387	139,518
Rentals	20,000	87,711	59,388
Communications, travel and relocation	65,000	37,003	86,170
Amortization of tangible capital assets	47,391	47,953	47,391
Information	130,000	19,309	35,385
Repairs & maintenance	—	543	2,413
<b>Total expenses</b>	<b>8,479,339</b>	<b>6,762,972</b>	<b>6,013,770</b>
<b>Net cost from continuing operations</b>	<b>8,479,339</b>	<b>6,762,972</b>	<b>6,013,770</b>

## Notes to the Financial Statements

### For the Period Ended March 31

#### 10. Contractual obligations

(in dollars)

The Office of the Parliamentary Budget Officer has entered into contractual obligations. Commitments for contractual obligations are as follows:

2021	55,932
2022	49,313
2023	20,689
Total	<u>125,934</u>

#### 11. Effects of COVID-19

Prior to the Entity's year-end, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact.

At the time of approval of these financial statements, the OPBO has implemented a work from home requirement to all its employees. The remaining impact of COVID-19 on the OPBO's budget and future spending is not currently known.