



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

FINANCIAL STATEMENTS

MARCH 31, 2019

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, 2019 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 EY, the independent auditors of the Office of the Parliamentary Budget Officer.



Yves Giroux
Parliamentary Budget Officer
Ottawa, Canada
June 26, 2019

Jason Jacques
Chief Financial Officer

Independent auditor's report

To the **Parliamentary Budget Officer**

Opinion

We have audited the financial statements of the **Office of the Parliamentary Budget Officer** ["OPBO"], which comprise the statement of financial position as at March 31, 2018 and March 31, 2019, and the statement of operations and net financial position, the statement of changes in net debt and the statement of cash flows for the periods 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 OPBO as at March 31, 2018 and March 31, 2019 and the results of its operations, the change in its net debt and its cash flows for the periods 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 OPBO 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 Information

Other information consists of the information included in the OPBO Annual Report dated June 2019 other than the financial statements and our auditor's report referred to thereon. Management is responsible for the other information.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 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 OPBO'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 OPBO or to cease operations, or has no realistic alternative but to do so.

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



Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of OPBO'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 OPBO'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 OPBO 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.

Ottawa, Canada
June 26, 2019

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants



Statement of Financial Position

As at
(in dollars)

	March 31, 2019	March 31, 2018	September 21, 2017 [see Note 1 and 11]
Liabilities			
Accounts payable and accrued liabilities (note 4)	1,067,342	203,544	—
Vacation pay and compensatory leave	187,239	178,505	167,260
Employee future benefits (note 5(b) and (c))	61,864	206,378	181,996
Total liabilities	1,316,445	588,427	349,256
Financial assets			
Due from Consolidated Revenue Fund	809,985	177,262	—
Accounts receivable and advances (note 6)	257,357	26,282	200
Total financial assets	1,067,342	203,544	200
The OPBO's net debt	249,103	384,883	349,056
Non-financial assets			
Prepaid expenses	24,653	28,143	—
Tangible capital assets (note 7)	94,782	142,173	—
Total non-financial assets	119,435	170,316	—
The OPBO's net financial position	129,668	214,567	349,056

Contractual obligations (note 10)

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


Yves Giroux
 Parliamentary Budget Officer
 Ottawa, Canada
 June 26, 2019


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)

	2019 Planned results	Twelve-month period ended March 31, 2019	Period from September 21, 2017 to March 31, 2018
Expenses			
Economic and fiscal analysis	8,362,100	6,013,770	2,115,873
Cost of operations before government funding and transfers	8,362,100	6,013,770	2,115,873
Government funding and transfers			
Net cash provided by Government		4,789,696	1,807,691
Change in due from Consolidated Revenue Fund		632,723	177,262
Services provided without charge by other government departments (note 8(a))		676,250	265,409
Net cost of operations after government funding and transfers		(84,899)	(134,489)
The OPBO's net financial position – beginning of year		214,567	349,056
The OPBO's net financial position – end of year		129,668	214,567

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)

	Twelve-month period ended March 31, 2019	Period from September 21, 2017 to March 31, 2018
Net cost of operations after government funding and transfers	(84,899)	(134,489)
Change due to tangible capital assets		
Acquisitions of tangible capital assets	—	142,173
Amortization of tangible capital assets	(47,391)	—
Total change due to tangible capital assets	(47,391)	142,173
Change due to prepaid expenses	(3,490)	28,143
Net increase (decrease) in the OPBO's net debt	(135,780)	35,827
The OPBO's net debt – beginning of year	384,883	349,056
The OPBO's net debt – end of year	249,103	384,883

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

Statement of Cash Flows**For the Period Ended March 31**

(in dollars)

	Twelve-month period ended March 31, 2019	Period from September 21, 2017 to March 31, 2018
Operating activities		
Net cost of operations before government funding and transfers	6,013,770	2,115,873
Non-cash items:		
Amortization of tangible capital assets	(47,391)	—
Services provided without charge by other government departments (note 8(a))	(676,250)	(265,409)
Variations in Statement of Financial Position:		
Decrease (increase) in accounts payable and accrued liabilities	(863,798)	(203,544)
Decrease (increase) in vacation pay and compensatory leave	(8,734)	(11,245)
Decrease (increase) in employee future benefits	144,514	(24,382)
Increase (decrease) in accounts receivable and advances	231,075	26,082
Increase (decrease) in prepaid expenses	(3,490)	28,143
Cash used in operating activities	4,789,696	1,665,518
Capital investing activities		
Acquisitions of tangible capital assets	—	142,173
Cash used in capital investing activities	—	142,173
Net cash provided by Government of Canada	4,789,696	1,807,691

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

	Twelve-month period ended March 31, 2019	Period from September 21, 2017 to March 31, 2018
	(in dollars)	
Net cost of operations before government funding and transfers	6,013,770	2,115,873
Adjustments for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(47,391)	—
Services provided without charge by other government departments	(676,250)	(265,409)
Decrease (increase) in vacation pay and compensatory leave	(8,734)	(178,505)
Decrease (increase) in employee future benefits	144,514	(206,378)
Total items affecting net cost of operations but not affecting authorities	(587,861)	(650,292)
Adjustments for items not affecting net cost of operations but affecting authorities:		
Salary overpayment and advances	8,986	200
Acquisition of capital assets	—	142,173
Increase (decrease) in prepaid expenses	(3,490)	28,143
Total items not affecting net cost of operations but affecting authorities	5,496	170,516
Government transfers		
Transfer from other Parliamentary entity	—	349,056
Current year authorities used	5,431,405	1,985,153

Notes to the Financial Statements

For the Period Ended March 31

3. Parliamentary authorities (continued)

(b) Authorities provided and used

	Twelve-month period ended March 31, 2019	Period from September 21, 2017 to March 31, 2018
	(in dollars)	
Authorities provided:		
Vote 1 – Program expenditures	6,983,524	2,201,031
Statutory amounts	384,730	166,066
Less:		
Lapsed: Operating	(1,936,849)	(381,944)
Current year authorities used	5,431,405	1,985,153

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:

	March 31, 2019	March 31, 2018
	(in dollars)	
Accounts payable – Other government departments and agencies	748,491	—
Accounts payable – External parties	63,796	13,472
Total accounts payable	812,287	13,472
Accrued liabilities	255,055	190,072
Total accounts payable and accrued liabilities	1,067,342	203,544

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 2018-2019 expense amounts to \$268,311 (\$113,091 in 2017-2018.) For Group 1 members, the expense represents approximately 1.01 times (1.01 times in 2017-2018) the employee contributions and, for Group 2 members, approximately 1.00 times (1.00 times in 2017-2018) 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:

	March 31, 2019	March 31, 2018	September 21, 2017
		(in dollars)	
Accrued benefit obligation – Beginning of year	186,815	181,996	—
Transferred from other Parliamentary Entity (Note 11)	—	—	181,996
Expense for the year	14,233	4,819	—
Benefits paid during the year	(167,809)	—	—
Accrued benefit obligation – End of year	33,239	186,815	181,996

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:

	2019	2018
	(in dollars)	
Employee sick leave benefit obligation – beginning of year	19,563	—
Adjustment at the beginning of the period (at September 21, 2017)	—	17,000
Current service cost	12,000	4,000
Interest cost	1,000	—
Actuarial loss (gain)	2,062	563
	15,062	4,563
Benefits paid during the year	(6,000)	(2,000)
Employee sick leave benefit obligation – end of year	28,625	19,563

At the end of fiscal year 2018-2019, an actuarial valuation of the OPBO's employee sick leave benefit obligation was completed using the projected benefit method prorated on service. The significant actuarial assumptions adopted in measuring the employee sick leave benefit obligation are as follows:

	2019	2018
Discount rate	1.60%	2.10%
Rate of compensation economic increase per year	2.40%	2.40%
Average remaining service period of active employees	18 years	16 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>March 31, 2019</u>	<u>March 31, 2018</u>	<u>September 21, 2017</u>
		(in dollars)	
Receivables – Other government departments and agencies	247,459	21,061	—
Receivables – External parties	9,698	5,021	—
Employee advances	200	200	200
Net accounts receivable	<u>257,357</u>	<u>26,282</u>	<u>200</u>

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	
	April 1, 2018	Acquisitions	Adjustments ⁽¹⁾	March 31, 2019	April 1, 2018	Amortization	Adjustments ⁽¹⁾	March 31, 2019	2019	2018
Computer software	—	—	142,173	142,173	—	47,391	—	47,391	94,782	—
Asset under development	142,173	—	(142,173)	—	—	—	—	—	—	142,173
Total	142,173	—	—	142,173	—	47,391	—	47,391	94,782	142,173

(1) Adjustments include assets under construction of \$142,173 that were transferred to other categories upon completion of the assets

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:

	Twelve-month period ended March 31, 2019	Period from September 21, 2017 to March 31, 2018
	(in dollars)	
Accommodation	379,719	141,999
Employer's contribution to health and dental insurance plan	296,531	123,410
Total	676,250	265,409

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

	2019	2018
	(in dollars)	
Accounts receivable – Other government departments and agencies	247,459	21,061
Accounts payable – Other government departments and agencies	748,491	—
Expenses – Other government departments and agencies	4,202,646	1,855,713

Expenses and revenues 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

Presentation by segment is based on the OPBO's program activity structure. 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:

	2019 Planned results	Twelve-month period ended March 31, 2019	Period from September 21, 2017 to March 31, 2018
Expenses			
Salaries and employee benefits	5,099,582	4,034,087	1,666,518
Accommodation	379,719	379,719	141,999
Professional and special services	1,847,408	1,229,699	240,974
Material, equipment and supplies	590,000	139,518	16,111
Rentals	83,000	59,388	14,651
Communications, travel and relocation	65,000	86,170	22,770
Amortization of tangible capital assets	47,391	47,391	—
Information	250,000	35,385	12,850
Repairs & maintenance	—	2,413	—
Total expenses	8,362,100	6,013,770	2,115,873
Net cost from continuing operations	8,362,100	6,013,770	2,115,873

Notes to the Financial Statements

For the Period Ended March 31

10. Contractual obligations

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

2020	178,070
2021	24,432
Total	<u>202,502</u>

11. Transfer from other parliamentary entity

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 and to be supported by an office that is separate from the Library of Parliament. The Act received Royal Assent on June 22, 2017. With the proclamation on September 21, 2017, by the Governor in Council of the coming into force of the provisions pertaining to the OPBO, the new officer of Parliament now operates as a distinct office made under a reformed mandate. The Library of Parliament transferred the following assets and liabilities to the OPBO on September 21, 2017.

Assets

Standing advance	200
Total assets transferred	<u>200</u>

Liabilities

Vacation pay and compensatory leave	167,260
Severance liability	181,996
Total liabilities transferred	<u>349,256</u>
Total transferred from other Parliamentary Entity	<u>(349,056)</u>