



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

# **FINANCIAL STATEMENTS**

**MARCH 31, 2023**

## **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, 2023 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  
31 August 2023

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**Sylvain Fleury**

Acting Chief Financial Officer



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## INDEPENDENT AUDITOR'S REPORT

To the Parliamentary Budget Officer

### *Opinion*

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

- the statement of financial position as at March 31, 2023
- the statement of operations and Office of the Parliamentary Budget Officer's net financial position for the year then ended
- the statement of change in the Office of the Parliamentary Budget Officer's 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 Office as at March 31, 2023, and its results of operations and net financial position, its change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the Office 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



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

Those charged with governance are responsible for overseeing the Office'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 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 Entity'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 Entity'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 Entity 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' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants  
Ottawa, Canada  
August 31, 2023

## Office of the Parliamentary Budget Officer

### Statement of Financial Position

As at March 31

(in dollars)

	2023	2022
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 4)	507,870	489,850
Vacation pay and compensatory leave	434,545	378,689
Employee future benefits (notes 5(b) and 5(c))	241,052	318,889
<b>Total liabilities</b>	<b>1,183,467</b>	<b>1,187,428</b>
<b>Financial assets</b>		
Due from Consolidated Revenue Fund	382,076	349,473
Accounts receivable and advances (note 6)	125,794	140,377
<b>Total financial assets</b>	<b>507,870</b>	<b>489,850</b>
<b>The OPBO's net debt</b>	<b>675,597</b>	<b>697,578</b>
<b>Non-financial assets</b>		
Prepaid expenses	61,271	102,536
Tangible capital assets (note 7)	113,704	58,668
<b>Total non-financial assets</b>	<b>174,975</b>	<b>161,204</b>
<b>The OPBO's net financial position</b>	<b>500,622</b>	<b>536,374</b>

Contractual obligations (note 10)

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

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**Yves Giroux**

Parliamentary Budget Officer  
Ottawa, Canada  
31 August 2023

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**Sylvain Fleury**

Acting Chief Financial Officer

# Office of the Parliamentary Budget Officer

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

For the Year Ended March 31

(in dollars)

	2023 Planned results	2023	2022
<b>Expenses</b>			
Economic and fiscal analysis	8,110,765	7,166,793	6,807,816
<b>Cost of operations before government funding and transfers</b>	<b>8,110,765</b>	<b>7,166,793</b>	<b>6,807,816</b>
<b>Government funding and transfers</b>			
Net cash provided by Government		6,461,774	6,072,432
Change in due from Consolidated Revenue Fund		32,603	5,500
Services provided without charge by other government departments (note 8(a))		708,168	693,119
<b>Net cost of operations after government funding and transfers</b>		<b>(35,752)</b>	<b>36,765</b>
<b>The OPBO's net financial position – beginning of year</b>		<b>536,374</b>	<b>499,609</b>
<b>The OPBO's net financial position – end of year</b>		<b>500,622</b>	<b>536,374</b>

Segmented information (note 9)

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



**Office of the Parliamentary Budget Officer**

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

**For the Year Ended March 31**

(in dollars)

	<b>2023</b>	<b>2022</b>
<b>Net cost of operations after government funding and transfers</b>	<b>(35,752)</b>	<b>36,765</b>
<b>Change due to tangible capital assets</b>		
Acquisitions of tangible capital assets	89,516	32,680
Amortization of tangible capital assets	(34,480)	(16,524)
<b>Total change due to tangible capital assets</b>	<b>55,036</b>	<b>16,156</b>
<b>Change due to prepaid expenses</b>	<b>(41,265)</b>	<b>28,545</b>
<b>Net increase (decrease) in the OPBO's net debt</b>	<b>(21,981)</b>	<b>81,466</b>
<b>The OPBO's net debt – beginning of year</b>	<b>697,578</b>	<b>616,112</b>
<b>The OPBO's net debt – end of year</b>	<b>675,597</b>	<b>697,578</b>

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

Office of the Parliamentary Budget Officer

**Statement of Cash Flows**

**For the Year Ended March 31**

(in dollars)

	<b>2023</b>	<b>2022</b>
<b>Operating activities</b>		
Net cost of operations before government funding and transfers	7,166,793	6,807,816
Non-cash items:		
Amortization of tangible capital assets	(34,480)	(16,524)
Services provided without charge by other government departments (note 8(a))	(708,168)	(693,119)
Variations in Statement of Financial Position:		
Decrease in accounts payable and accrued liabilities	(18,020)	(32,592)
Decrease in vacation pay and compensatory leave	(55,856)	(21,123)
Decrease (increase) in employee future benefits	77,837	(60,343)
Increase (decrease) in accounts receivable and advances	(14,583)	27,092
Increase (decrease) in prepaid expenses	(41,265)	28,545
<b>Cash used in operating activities</b>	<b>6,372,258</b>	<b>6,039,752</b>
<b>Capital investing activities</b>		
Acquisitions of tangible capital assets	89,516	32,680
<b>Cash used in capital investing activities</b>	<b>89,516</b>	<b>32,680</b>
<b>Net cash provided by Government of Canada</b>	<b>6,461,774</b>	<b>6,072,432</b>

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

## Office of the Parliamentary Budget Officer

### Notes to the Financial Statements

For the Year 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 Year 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.

## Notes to the Financial Statements

For the Year Ended March 31

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

(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.

(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 Year 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:

<b>Asset Class</b>	<b>Amortization Period</b>
Machinery and equipment	5 years
Other equipment	3 –15 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*.
- (j) *Financial instruments* – Financial instruments are recorded at fair value on initial recognition, and are subsequently recorded at cost or amortized costs unless management has elected to carry the instruments at fair value. Management has not elected to record any financial instruments at fair value.

A statement of remeasurement gains and losses is not presented in these financial statements as the OPBO does not have financial instruments requiring remeasurement.

## Notes to the Financial Statements

For the Year Ended March 31

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

(k) *Adoption of new accounting standards* - The OPBO has adopted the following new public sector accounting standards in the year:

I. PS 3450 – Financial Instruments and PS 2601 – Foreign Currency Translation:

On April 1, 2022, the OPBO adopted Public Sector Accounting Standards PS 3450 – Financial Instruments and PS 2601 – Foreign Currency Translation. These standards were adopted prospectively from the date of adoption. These new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

The implementation of these standards did not require the OPBO to reflect any adjustments in these financial statements other than the additional disclosure of the financial risks provided in note 11.

II. PS 3280 – Asset Retirement Obligations:

On April 1, 2022, the OPBO adopted Public Sector Accounting Standards PS 3280 – Asset Retirement Obligations. This new accounting standards addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets by public sector entities. The standard was adopted on the modified retrospective basis at the date of adoption. Under the modified retrospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard.

Assumption used in the subsequent calculations are revised yearly.

The implementation of these standards did not require the OPBO to reflect any adjustments in these financial statements as the OPBO does not have any significant legal obligations with respect to retirement of its tangible capital assets.

## Notes to the Financial Statements

For the Year 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***

	<b>2023</b>	<b>2022</b>
	(in dollars)	
<b>Net cost of operations before government funding and transfers</b>	<b>7,166,793</b>	<b>6,807,816</b>
Adjustments for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(34,480)	(16,524)
Services provided without charge by other government departments	(708,168)	(693,119)
Decrease (increase) in vacation pay and compensatory leave	(55,856)	(21,123)
Decrease (increase) in employee future benefits	77,837	(60,343)
Refund of prior year's expenditures	569	9,175
<b>Total items affecting net cost of operations but not affecting authorities</b>	<b>(720,098)</b>	<b>(781,934)</b>
Adjustments for items not affecting net cost of operations but affecting authorities:		
Salary overpayment and advances	984	3,111
Acquisition of capital assets	89,516	32,680
Increase (decrease) in prepaid expenses	(41,265)	28,545
<b>Total items not affecting net cost of operations but affecting authorities</b>	<b>49,235</b>	<b>64,336</b>
<b>Current year authorities used</b>	<b>6,495,930</b>	<b>6,090,218</b>



Office of the Parliamentary Budget Officer

Notes to the Financial Statements

For the Year Ended March 31

3. Parliamentary authorities (continued)

*(b) Authorities provided and used*

	<b>2023</b>	<b>2022</b>
	<hr/>	
	(in dollars)	
Authorities provided:		
Vote 1 – Program expenditures	6,650,891	6,520,482
Statutory amounts	640,054	595,951
Less:		
Lapsed: Operating	(795,015)	(1,026,215)
	<hr/>	
<b>Current year authorities used</b>	<b>6,495,930</b>	<b>6,090,218</b>
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Office of the Parliamentary Budget Officer

Notes to the Financial Statements

For the Year Ended March 31

4. Accounts payable and accrued liabilities

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

	<b>2023</b>	<b>2022</b>
	<hr/> (in dollars) <hr/>	
Accounts payable – Other government departments and agencies	217,426	341,821
Accounts payable – External parties	156,292	26,022
	<hr/>	
Total accounts payable	373,718	367,843
Accrued liabilities	134,152	122,007
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<b>Total accounts payable and accrued liabilities</b>	<b>507,870</b>	<b>489,850</b>
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## Notes to the Financial Statements

For the Year 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 2022-2023 expense amounts to \$418,147 (\$402,625 in 2021-2022). For Group 1 members, the expense represents approximately 1.02 times (1.01 times in 2021-2022) the employee contributions, and for Group 2 members, approximately 1.00 times (1.00 times in 2021-2022) 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:

	<b>2023</b>	<b>2022</b>
	(in dollars)	
<b>Accrued benefit obligation – beginning of year</b>	<b>37,189</b>	<b>35,346</b>
Expense for the year	3,063	1,843
Benefits paid during the year	0	0
<b>Accrued benefit obligation – end of year</b>	<b>40,252</b>	<b>37,189</b>

## Notes to the Financial Statements

For the Year Ended March 31

### 5. Employee future benefits (continued)

**(b) Severance benefits (continued):**

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.

**(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:

	<b>2023</b>	<b>2022</b>
	(in dollars)	
<b>Employee sick leave benefit obligation – beginning of year</b>	<b>281,700</b>	<b>223,200</b>
Current service cost	63,900	63,600
Interest cost	8,300	4,900
Actuarial loss (gain)	(153,100)	(10,000)
	<b>(80,900)</b>	<b>58,500</b>
<b>Employee sick leave benefit obligation – end of year</b>	<b>200,800</b>	<b>281,700</b>

## Notes to the Financial Statements

For the Year Ended March 31

### 5. Employee future benefits (continued)

(c) **Sick leave benefit:** At the end of fiscal year 2022-2023, 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:

	2023	2022
Discount rate	2.40%	1.70%
Rate of compensation economic increase per year	2.40%	2.40%
Average remaining service period of active employees	16.9 years	16 years

### 6. Accounts receivable and advances

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

	2023	2022
	(in dollars)	
Receivables – Other government departments and agencies	119,096	130,237
Receivables – External parties	6,698	9,940
Employee advances	0	200
<b>Net accounts receivable</b>	<b>125,794</b>	<b>140,377</b>

Notes to the Financial Statements

For the Year Ended March 31

7. Tangible capital assets

(in dollars)

Capital asset class	Cost				Accumulated amortization				Net book value	
	Opening balance	Acquisitions	Adjustments	Closing balance	Opening balance	Amortization	Adjustments	Closing balance	2023	2022
Other equipment	7,797	5,655	0	13,452	3,681	1,748	0	5,429	8,023	4,116
Informatic Hardware	70,263	14,384	0	84,647	15,711	25,419	0	41,130	43,517	54,552
Computer software	142,173	0	0	142,173	142,173	0	0	142,173	0	0
Leasehold Improvement	0	69,477	0	69,477	0	7,313	0	7,313	62,164	0
Total	220,233	89,516	0	309,749	161,565	34,480	0	196,045	113,704	58,668

## Notes to the Financial Statements

For the Year 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:

	<b>2023</b>	<b>2022</b>
	(in dollars)	
Accommodation	301,691	290,574
Employer's contribution to health and dental insurance plan	406,477	402,545
<b>Total</b>	<b>708,168</b>	<b>693,119</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.

Office of the Parliamentary Budget Officer

Notes to the Financial Statements

For the Year Ended March 31

8. Related party transactions (continued)

*(b) Other transactions with related parties*

	<b>2023</b>	<b>2022</b>
	<hr/> (in dollars)	
Accounts receivable – Other government departments and agencies	119,096	130,237
Accounts payable – Other government departments and agencies	217,426	341,821
Expenses – Other government departments and agencies	6,098,660	5,760,639

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 Year Ended March 31

### 9. Segmented information

(in dollars)

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:

	<b>2023 Planned results</b>	<b>2023</b>	<b>2022</b>
<b>Expenses</b>			
Salaries and employee benefits	6,154,319	5,643,600	5,455,447
Accommodation	290,574	301,691	290,574
Professional and special services	1,344,348	378,953	400,459
Material, equipment and supplies	90,000	300,068	167,868
Rentals	100,000	348,533	202,501
Communications, travel and relocation	50,000	79,249	29,711
Amortization of tangible capital assets	16,524	34,480	16,524
Information	40,000	80,219	242,527
Repairs and maintenance	5,000	0	2,205
Acquisition machinery and equipment	20,000	0	0
<b>Total expenses</b>	<b>8,110,765</b>	<b>7,166,793</b>	<b>6,807,816</b>
<b>Net cost from continuing operations</b>	<b>8,110,765</b>	<b>7,166,793</b>	<b>6,807,816</b>

## Office of the Parliamentary Budget Officer

### Notes to the Financial Statements

For the Year 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:

2024	189,362
2025	23,492
2026	24,567
<b>Total</b>	<b>237,421</b>

#### 11. Financial risks:

The OPBO is subject to the following financial risks from its financial instruments:

(a) Credit risk:

Credit risk refers to the risk that the counterparty to a financial instrument will cause a financial loss to the OPBO by failing to discharge an obligation. The OPBO is exposed to credit risk relating to its accounts receivable and advances disclosed in note 6, which are due mostly from federal government departments, agencies and Crown corporations and external parties. Management believes that these balances do not have significant credit risk.

(b) Liquidity risk:

Liquidity risk refers to the risk that the OPBO will encounter difficulty in meeting its obligations associated with its financial liabilities. The Office receives annual Parliamentary authorities. The Office manages liquidity risk by ensuring that the total annual expenditures are within these authorities, as disclosed in note 3(b).

(c) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest risk, and other price risk. The OPBO's financial instruments are not subject to significant market risk as it does not hold investments, debt or foreign currency.

The OPBO's financial risks, and the process to manage these risks, have not changed significantly from the prior year.