



Government
of Canada Gouvernement
du Canada

Prepared by the
Receiver General for Canada

Public Accounts of Canada

2022

Volume I

Summary Report and Consolidated Financial Statements

Canada

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P51-1E-PDF

ISSN 1483-8575

Cette publication est également disponible en français

To Her Excellency

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

May it please your Excellency:

I have the honour to present to Your Excellency the Public Accounts of Canada for the year ended March 31, 2022.

All of which is respectfully submitted.

Original signed by
Mona Fortier, P.C., M.P.
President of the Treasury Board

Ottawa, October 17, 2022

To The Honourable Mona Fortier, P.C., M.P.
President of the Treasury Board

Madam:

In accordance with the provisions of section 64(1) of the *Financial Administration Act*, I have the honour to transmit herewith the Public Accounts of Canada for the year ended March 31, 2022, to be laid by you before the House of Commons.

Respectfully submitted,

Original signed by
Helena Jaczek, P.C., M.P.
Receiver General for Canada

Ottawa, October 17, 2022

To The Honourable Helena Jaczek, P.C., M.P.
Receiver General for Canada

Madam:

I have the honour to submit the Public Accounts of Canada for the year ended March 31, 2022.

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

This annual report is presented in three volumes:

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

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

Volume III – Additional information and analyses

Respectfully submitted,

Original signed by
Paul Thompson
Deputy Receiver General for Canada

Ottawa, October 17, 2022

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Volume I

Public Accounts of Canada 2021–2022

Table of contents

Section

		<i>Page</i>
		<i>English</i> <i>French</i>
Introduction		
1.	Financial statements discussion and analysis.....	7 7
2.	Consolidated financial statements of the Government of Canada and report of the Auditor General of Canada	51 53
3.	Revenues, expenses and accumulated deficit.....	103 107
4.	Consolidated accounts	119 123
5.	Accounts payable and accrued liabilities	149 155
6.	Interest-bearing debt.....	161 167
7.	Cash and accounts receivable	269 279
8.	Foreign exchange accounts.....	273 283
9.	Loans, investments and advances	283 293
10.	Non-financial assets.....	321 333
11.	Contractual obligations, contractual rights and contingent liabilities.....	327 339
12.	Index.....	395 407

Introduction to the Public Accounts of Canada

Nature of the Public Accounts of Canada

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

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

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

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

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

Format of the Public Accounts of Canada

The Public Accounts of Canada is produced in 3 volumes:

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

Section 1

Public Accounts of Canada 2021–2022

Financial statements discussion and analysis

Table of contents

	<i>Page</i>
Financial statements discussion and analysis	8
Introduction	8
2022 financial highlights	8
Discussion and analysis	9
Economic developments.....	9
The budgetary balance.....	12
Revenues.....	14
Expenses	17
Comparison of actual results to budget projections	20
Accumulated deficit	22
Cash flow	38
Contractual obligations and contractual rights.....	38
Risks and uncertainties	39
Ten-year comparative financial information	40
Consolidated Statement of Operations and Accumulated Deficit—detailed	41
Consolidated Statement of Financial Position—detailed	42
Consolidated Statement of Change in Net Debt—detailed.....	43
Consolidated Statement of Cash Flow—detailed	44
Consolidated Statement of Non-Budgetary Transactions and of Non-Financial Assets—detailed.....	45
Consolidated Statement of Foreign Exchange, Unmatured Debt and Cash Transactions—detailed	46
Glossary of terms	47

Note to reader

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

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

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

Financial statements discussion and analysis

Introduction

The Public Accounts of Canada is a major accountability report of the Government of Canada. This section, together with the other sections in this volume and in Volumes II and III of the Public Accounts of Canada, provides detailed supplementary information in respect of matters reported in the audited consolidated financial statements in Section 2 of this volume. Supplementary discussion and analysis of the financial results can be found in the *Annual Financial Report of the Government of Canada—Fiscal Year 2021–2022*, available on the Department of Finance Canada’s website.

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

2022 financial highlights

- The government posted a budgetary deficit of \$90.2 billion for the fiscal year ended March 31, 2022, compared to a deficit of \$327.7 billion in the previous fiscal year. The year-over-year improvement in the budgetary balance reflects the strong recovery of the Canadian economy from the effects of the pandemic, as well as the transition from broad-based supports under Canada’s COVID-19 Economic Response Plan to more targeted measures.
- The budgetary deficit before net actuarial losses stood at \$80.0 billion in 2022, compared to \$312.4 billion in 2021. The budgetary balance before net actuarial losses is intended to supplement the traditional budgetary balance and improve the transparency of the government’s financial reporting by isolating the impact of the recognition of net actuarial losses arising from the government’s public sector pensions and other employee and veteran future benefits.
- Compared to projections in Budget 2022, the annual deficit was \$23.6 billion lower than the \$113.8-billion deficit projected, mainly reflecting higher-than-expected tax revenues and lower-than-expected expenses for COVID-19 programs. The annual deficit before net actuarial losses was \$23.4 billion lower than projected.
- Revenues increased by \$96.8 billion, or 30.6%, from 2021, reflecting a broad-based increase in revenue, compared to the previous year when COVID-19 lockdowns and federal government measures, such as the one-time Goods and Services Tax (GST) credit, had resulted in lower revenues.
- Program expenses excluding net actuarial losses decreased by \$139.7 billion, or 23.0%, from 2021, largely reflecting lower transfers to individuals, businesses, and other levels of government under the Economic Response Plan.
- Net actuarial losses, which reflect changes in the value of the government’s obligations and assets for public sector pensions and other employee and veteran future benefits recorded in previous fiscal years, decreased \$5.1 billion, or 33.4%. This decrease primarily reflects the amortization in 2022 of a decrease in the government’s obligations for pensions and other employee future benefits based on actuarial valuations prepared for the *Public Accounts of Canada 2021*.
- Public debt charges were up \$4.1 billion, or 20.3%, largely reflecting higher Consumer Price Index adjustments on Real Return Bonds, higher interest on the government’s pension and other employee future benefit obligations, and an increased stock of interest-bearing debt.
- The accumulated deficit (the difference between total liabilities and total assets), or federal debt, stood at \$1,134.5 billion at March 31, 2022. The accumulated deficit-to-GDP (gross domestic product) ratio was 45.5%, down from 47.5% in the previous year. As noted in Budget 2022, the government remains committed to unwinding COVID-19-related deficits and reducing the federal debt-to-GDP ratio over the medium term.
- As reported by the International Monetary Fund (IMF), Canada’s total government net debt-to-GDP ratio, which includes the net debt of the federal, provincial/territorial and local governments, as well as the net assets held in the Canada Pension Plan and Quebec Pension Plan, stood at 33.2% in 2021. This is the lowest level among Group of Seven (G7) countries, which the IMF expects recorded an average net debt of 101.2% of GDP for the same year.

Discussion and analysis

Economic developments¹

The Canadian economy staged a strong recovery in 2021 after contracting by 17% and shedding 3 million jobs during the depths of the COVID-19 pandemic in 2020. Workers and businesses have displayed remarkable resilience as the world endured multiple waves of COVID-19. Real GDP returned to pre-pandemic levels earlier than expected, while Canada's jobs recovery has outperformed most of its G7 peers and surpassed expectations.

For 2021 as a whole, real GDP expanded 4.5%, returning to its pre-pandemic level in the fourth quarter of 2021. The economy maintained a healthy momentum heading into 2022, bringing real GDP close to 1% above its pre-pandemic level by the first quarter – the second fastest recovery among G7 peers behind only the United States. The solid economic conditions also helped bring close to 870,000 additional Canadians in employment relative to 2020, contributing to a notable decline in the unemployment rate. Elevated demand, particularly for goods, paired with supply chain bottlenecks, meanwhile drove an increase in consumer prices of 3.4%. This, along with the strength in commodity prices, contributed to the solid rise in Canada's nominal GDP, the broadest measure of the tax base, which grew 13% in 2021 after contracting by 4.5% in 2020.

Canada entered the fiscal year 2022 just as the impacts of the subsequent pandemic waves of fall 2020 and winter 2021 were beginning to subside, providing strong footing to the economy heading into the spring of 2021. Provincial re-openings and the loosening of related public health measures supported a solid rebound in employment, with the economy adding more than 700,000 jobs between June and November 2021, bringing employment back to its pre-pandemic level. Overall, Canada experienced one of the fastest jobs recoveries among G7 economies.

As the Canadian economy was recovering, the Omicron variant of COVID-19 emerged in late fall, triggering household cautiousness and the reintroduction of targeted restrictions. Public health measures and widespread worker absences related to the Omicron variant slowed economic activity at the beginning of the first quarter of 2022 and led to a loss of 200,000 jobs in January 2022. However, the overall economic impacts were milder and shorter-lived than previous waves, with real GDP and employment rebounding to pre-Omicron levels by February 2022.

By that point, there was growing optimism that, with the worst of the pandemic behind us and higher vaccination rates, economies would return to normal, allowing consumer demand to rebalance away from traded goods, which would support the easing of supply chain bottlenecks globally. The end of February 2022 was however marked by one of the most significant geopolitical developments of the last decades with the invasion of Ukraine by Russia. The war had far-reaching economic impacts, weighing on global activity and resulting in greater volatility in financial markets. Russia and Ukraine are both critical suppliers of many commodities, including energy and food, and with the war disrupting global transportation and imports of these products, this led to sudden increases in the prices of those commodities. These price pressures were rapidly felt by consumers globally. By the end of March 2022, Canadian consumers were paying roughly 25% more for gasoline than they were just three months prior.

It is also against the stronger economic backdrop of spring 2021 that inflation began to accelerate, surpassing the Bank of Canada's target's upper bound of 3% for the first time since 2011. The inflation rate progressively increased and reached 6.7% year-over-year by the end of the fiscal year 2022. The war-induced rise in commodity prices paired with rebounding demand and acute supply chain stress pushed inflation to rates not seen since the early 1990s. With excess demand starting to emerge and elevated inflation, the Bank of Canada started to tighten monetary policy with a 25 basis points hike in its policy rate to 0.5% in early March 2022. The increase was the first time the Bank has tightened monetary policy since 2018. Since then, the Bank of Canada has raised its policy rate three more times by a combined 200 basis points to 2.5%, while inflation reached a forty-year high of 8.1% in June, before decelerating slightly in July.

The economic outlook heading into the last few months of calendar year 2022 appears increasingly uncertain and Canada would not be immune from potential setbacks. There are growing concerns that the global economy is becoming more fragile, with signs suggesting that growth in many leading economies is slowing. Moreover, the Russian invasion of Ukraine is still a critical source of macroeconomic risk six months after its onset. In this context, economic forecasts are subject to a particularly wide range of potential outcomes. The survey of private sector economists has been used as the basis for economic and fiscal planning since 1994 and introduces an element of independence into the government's forecasts. This practice has been supported by international organizations, such as the IMF.

¹ This section incorporates data available up to and including August 16, 2022. The annual results are on calendar year basis.

Average private sector forecasts

(in percentage)

	2020	2021	2022	2023
Real GDP growth				
Budget 2021	(5.2)	5.8	4.0	2.1
Budget 2022	(5.2)	4.5	3.9	3.1
Actual.....	(5.2)	4.5	—	—
Nominal GDP growth				
Budget 2021	(4.5)	9.5	6.0	4.0
Budget 2022	(4.5)	13.0	8.0	4.8
Actual.....	(4.5)	13.0	—	—
3-month Treasury bill rate				
Budget 2021	0.4	0.1	0.2	0.5
Budget 2022	0.4	0.1	0.8	1.7
Actual.....	0.4	0.1	—	—
10-year government bond rate				
Budget 2021	0.7	1.5	1.8	2.1
Budget 2022	0.7	1.4	2.0	2.4
Actual.....	0.7	1.4	—	—
Unemployment rate				
Budget 2021	9.6	8.0	6.5	6.2
Budget 2022	9.6	7.4	5.8	5.5
Actual.....	9.6	7.4	—	—
Consumer price index inflation				
Budget 2021	0.7	2.2	2.0	2.1
Budget 2022	0.7	3.3	3.9	2.4
Actual.....	0.7	3.4	—	—

Figures have been restated to reflect the historical revisions in the Canadian System of National Accounts as of the first quarter of 2022 released on May 31, 2022.

Canada's COVID-19 Economic Response Plan

Since March 2020, the government has committed over \$350 billion to support Canadians through the pandemic, with major investments in health care, procuring vaccines and personal protective equipment, income support for individuals, and responding to businesses' urgent needs.

Canada's COVID-19 economic response – including job protections through the Canada Emergency Wage Subsidy (CEWS), liquidity support through programs like the Canada Emergency Business Account (CEBA), and income support through the Canada Emergency Response Benefit and the suite of Recovery Benefits – has been key in bridging Canadians and businesses through the COVID-19 shock waves and stabilizing the economy.

The government's 2022 financial results show a marked improvement compared to the peak of the COVID-19 crisis reached in 2021, and the unprecedented level of temporary COVID-19 response measures at the time. During fiscal year 2022, many of these emergency COVID-19 programs were wound down, including the CEWS and CEBA, as the federal government pivoted from the broad-based supports that were appropriate at the height of lockdowns to more targeted measures, such as the Tourism and Hospitality Recovery Program and the Hardest-Hit Business Recovery Program.

The fiscal impact of the Economic Response Plan (ERP) on the government's 2022 financial results is estimated at over \$70 billion, the vast majority of which represents increased transfers to individuals, businesses, and provinces and territories. Some of the more significant ERP measures impacting the 2022 financial results include:

- \$22.3 billion in assistance under the CEWS;
- \$16.5 billion under the Canada Recovery Benefit, Canada Recovery Sickness Benefit, Canada Recovery Caregiving Benefit and the Canada Worker Lockdown Benefit;
- \$6.2 billion in expenses primarily associated with the distribution of vaccines, rapid test kits, therapeutics, and personal protective equipment to the provinces and territories;
- \$3.7 billion under the Canada Emergency Rent Subsidy;
- \$2.7 billion under the Tourism and Hospitality Recovery Program and the Hardest-Hit Business Recovery Program; and,
- \$2.0 billion in transfers to provinces and territories to reduce the backlogs of surgeries and procedures.

Additional details regarding the impact of the ERP on the government's financial results for 2022 are presented in the following sections of this financial statements discussion and analysis.

The budgetary balance

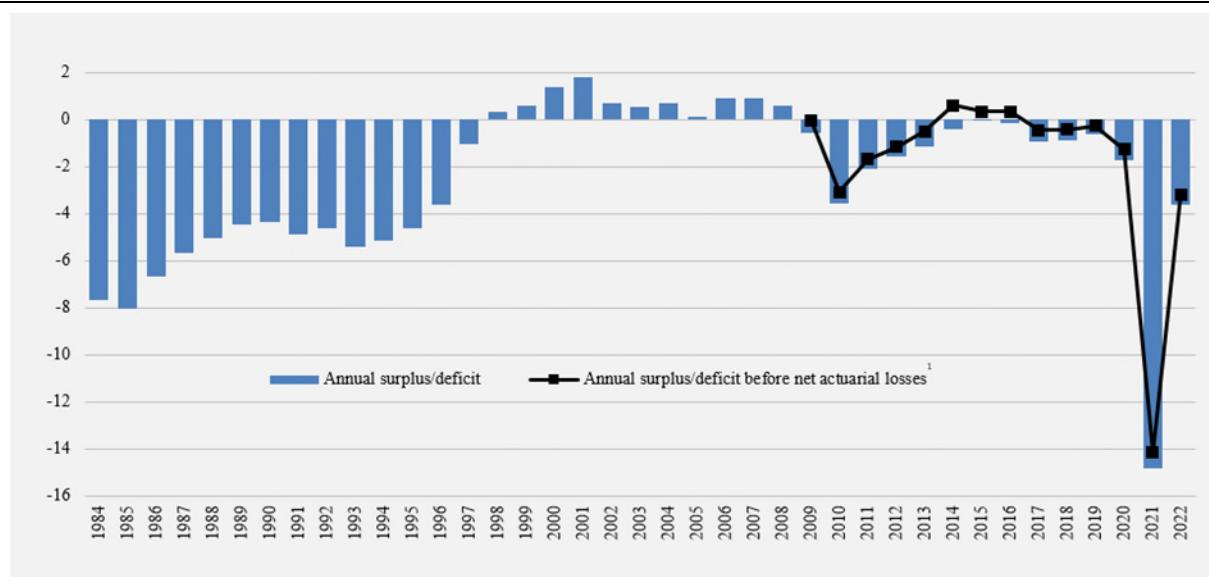
The budgetary balance is the difference between the government's revenues and total expenses over a fiscal year. It is one of the key measures of the government's annual financial performance. The government posted an annual deficit of \$90.2 billion in 2022, compared to a deficit of \$327.7 billion in 2021.

The annual deficit before net actuarial losses represents the difference between the government's revenues and expenses excluding net actuarial losses. By excluding the impact of changes in the value of the government's obligations and assets for public sector pensions and other employee and veteran future benefits recorded in previous fiscal years, this measure is intended to present a clearer picture of the results of government operations during the current fiscal year. The annual deficit before net actuarial losses stood at \$80.0 billion in 2022, compared to \$312.4 billion in 2021.

The following graph shows the government's budgetary balance since 1984, as well as the budgetary balance before net actuarial losses since 2009. To enhance the comparability of results over time and across jurisdictions, the budgetary balance and its components are presented as a percentage of GDP. In 2022, the budgetary deficit was 3.6% of GDP, compared to a deficit of 14.9% of GDP a year earlier. The budgetary deficit before net actuarial losses was 3.2% of GDP, compared to a deficit of 14.2% of GDP a year earlier.

Annual surplus/deficit

(percentage of GDP)



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

Revenues were up \$96.8 billion, or 30.6%, from the prior year, reflecting a broad-based increase in revenue as COVID-19 lockdowns eased, federal government measures under the ERP (e.g. the one-time GST credit) were reduced, and the general economic situation improved.

Total expenses were down \$140.7 billion, or 21.8%, from the prior year. Program expenses excluding net actuarial losses decreased by \$139.7 billion, or 23.0%, primarily reflecting lower transfers to individuals, businesses, and other levels of government under the ERP, including COVID-19 income support for workers, the CEWS, and transfers under the Safe Restart Agreement.

Net actuarial losses decreased by \$5.1 billion, or 33.4%, from the prior year, primarily reflecting the amortization of a decrease in the government's obligations for pensions and other employee future benefits based on actuarial valuations prepared for the *Public Accounts of Canada 2021*. This decrease was mainly due to a year-over-year increase in the discount rates used in valuing these obligations.

Public debt charges increased by \$4.1 billion, or 20.3%, from the prior year, largely reflecting higher Consumer Price Index adjustments on Real Return Bonds, higher interest on the government's pension and other employee future benefit obligations, and an increased stock of interest-bearing debt.

Annual deficit before net actuarial losses

The line item “annual deficit before net actuarial losses” was introduced in the 2020 Consolidated Statement of Operations and Accumulated Deficit to improve the transparency of the government’s financial reporting.

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

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

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

2022 Financial Highlights

(in millions of dollars)

	2022	2021
Consolidated Statement of Operations		
Revenues.....	413,277	316,446
Expenses		
Program expenses, excluding net actuarial losses	468,816	608,522
Public debt charges	24,487	20,358
Total expenses, excluding net actuarial losses.....	493,303	628,880
Annual deficit before net actuarial losses	(80,026)	(312,434)
Net actuarial losses	(10,186)	(15,295)
Annual deficit	(90,212)	(327,729)
<i>Percentage of GDP</i>	(3.6)%	(14.9)%
Consolidated Statement of Financial Position		
Liabilities		
Accounts payable and accrued liabilities.....	260,288	207,397
Interest-bearing debt	1,578,369	1,444,844
Total liabilities.....	1,838,657	1,652,241
Financial assets	600,291	502,416
Net debt	(1,238,366)	(1,149,825)
Non-financial assets	103,873	101,079
Accumulated deficit	(1,134,493)	(1,048,746)
<i>Percentage of GDP</i>	45.5%	47.5%

Revenues

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

Within the income tax category, personal income tax revenues are the largest source of federal revenues, and accounted for 48.0% of total revenues in 2022 (down from 55.2% in 2021). Corporate income tax revenues are the second largest source of revenues, and accounted for 19.1% of total revenues in 2022 (up from 17.1% in 2021). Non-resident income tax revenues are a comparatively smaller source of revenues, accounting for only 2.6% of total revenues in 2022 (unchanged from 2021).

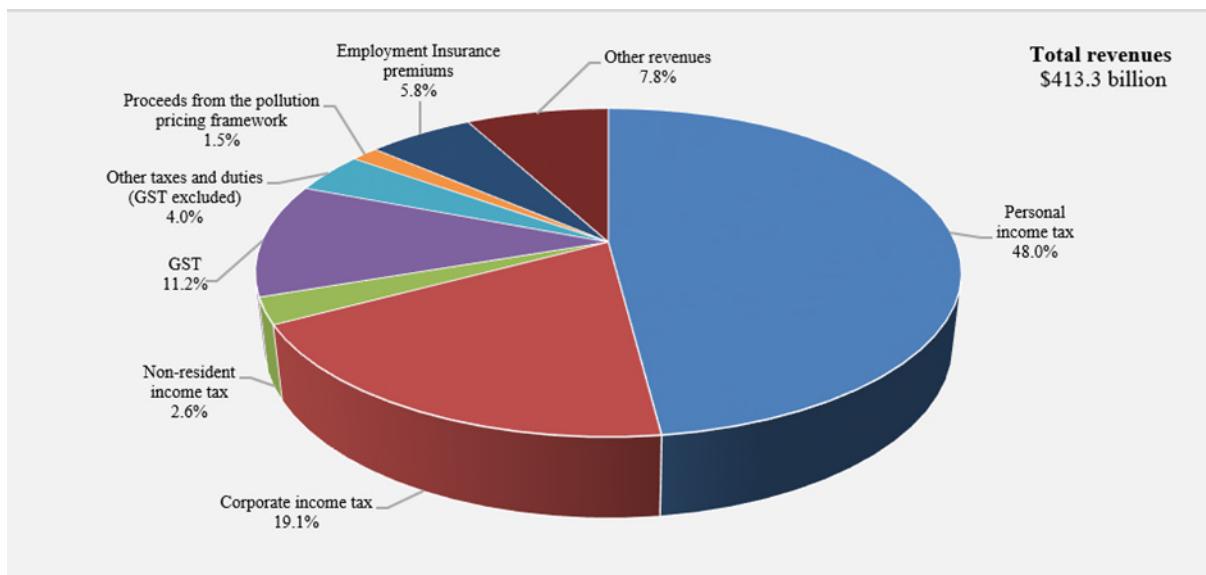
Other taxes and duties consist of revenues from the Goods and Services Tax (GST), energy taxes, customs import duties, and other excise taxes and duties. The largest component of this category—GST revenues—accounted for 11.2% of all federal revenues in 2022 (up from 10.2% in 2021). The share of the remaining components of other taxes and duties stood at 4.0% of total federal revenues (down from 4.6% in 2021).

EI premium revenues accounted for 5.8% of total federal revenues in 2022 (down from 7.1% in 2021).

Proceeds from the federal carbon pollution pricing framework accounted for 1.5% of total federal revenues in 2022 (up from 1.4% in 2021). All direct proceeds from the federal carbon pollution pricing system are returned to the jurisdictions where they were collected, as required under the *Greenhouse Gas Pollution Pricing Act*.

Other revenues are made up of three broad components: net income from enterprise Crown corporations and other government business enterprises; other program revenues from returns on investments, proceeds from the sales of goods and services, and other miscellaneous revenues; and foreign exchange revenues. Other revenues accounted for 7.8% of total federal revenues in 2022 (up from 1.8% in 2021).

Composition of revenues for 2022



Numbers may not add to 100% due to rounding.

Revenues compared to 2021

Total revenues amounted to \$413.3 billion in 2022, up \$96.8 billion, or 30.6%, from 2021. The following table compares revenues for 2022 to 2021.

Revenues

(in millions of dollars)

	2022	2021	\$	Change %
Income tax revenues				
Personal.....	198,385	174,755	23,630	13.5
Corporate	78,815	54,112	24,703	45.7
Non-resident.....	10,789	8,107	2,682	33.1
Total	287,989	236,974	51,015	21.5
Other taxes and duties				
Goods and services tax	46,165	32,415	13,750	42.4
Energy taxes.....	5,355	4,894	461	9.4
Customs import duties.....	5,237	4,254	983	23.1
Other excise taxes and duties.....	5,923	5,391	532	9.9
Total	62,680	46,954	15,726	33.5
Employment insurance premiums	23,856	22,392	1,464	6.5
Proceeds from the pollution pricing framework	6,341	4,380	1,961	44.8
Other revenues.....	32,411	5,746	26,665	464.1
Total revenues	413,277	316,446	96,831	30.6

- Personal income tax revenues increased by \$23.6 billion in 2022, or 13.5%, reflecting strong post-pandemic performance in the labour market, with very strong labour force participation and employment, as well as robust investment income due to growth in corporate profits and the price of real estate.
- Corporate income tax revenues increased by \$24.7 billion, or 45.7%, reflecting strong growth in corporate profits.
- Non-resident income tax revenues are paid by non-residents on Canadian-sourced income. These revenues increased by \$2.7 billion, or 33.1%, reflecting strong corporate earnings.
- Other taxes and duties increased by \$15.7 billion, or 33.5%. GST revenues increased by \$13.8 billion in 2022, or 42.4%, driven by current year consumer spending on goods and services and a more broad-based recovery from last year's lockdowns. The year-over-year increase also reflects the one-time low-income credit provided in 2021 to support households experiencing financial hardship resulting from the COVID-19 pandemic, which reduced revenues in that year. Energy taxes increased by \$0.5 billion, or 9.4%, driven by a rebound in motive fuel consumption. Customs import duties increased by \$1.0 billion, or 23.1%, as imports recovered following their decline in 2020 due to the COVID-19 pandemic. Other excise taxes and duties were up \$0.5 billion, or 9.9%, driven primarily by a significant rebound in revenues from the Air Travellers Security Charge.
- EI premium revenues increased by \$1.5 billion, or 6.5%, reflecting improving labour market conditions.
- Proceeds from the federal carbon pollution pricing framework increased by \$2.0 billion, or 44.8%, reflecting a higher carbon pollution price of \$40 per tonne in fiscal year 2022 versus \$30 per tonne in the year prior.
- Other revenues increased by \$26.7 billion, or 464.1%, largely reflecting changes in premiums paid and interest earned by the Bank of Canada on pandemic-related purchases of Government of Canada securities on the secondary market, as well as higher profits reported by other enterprise Crown corporations given broad improvements in the economy. Interest and penalty revenue also contributed to the growth in other revenues in 2022, as COVID-19 response measures, such as waivers on tax owing, no longer played a role.

Accounting for the Bank of Canada's purchases of Government of Canada bonds

In response to COVID-19, the Bank of Canada introduced several new facilities and operations to support liquidity and the proper functioning of core funding markets, and to provide monetary stimulus. With core markets functioning normally and the economy reopening, these facilities have been discontinued. One of these facilities, the Government of Canada Bond Purchase Program, which operated from April 2020 to April 2022, involved the purchase of Government of Canada nominal and real return bonds in the secondary market.

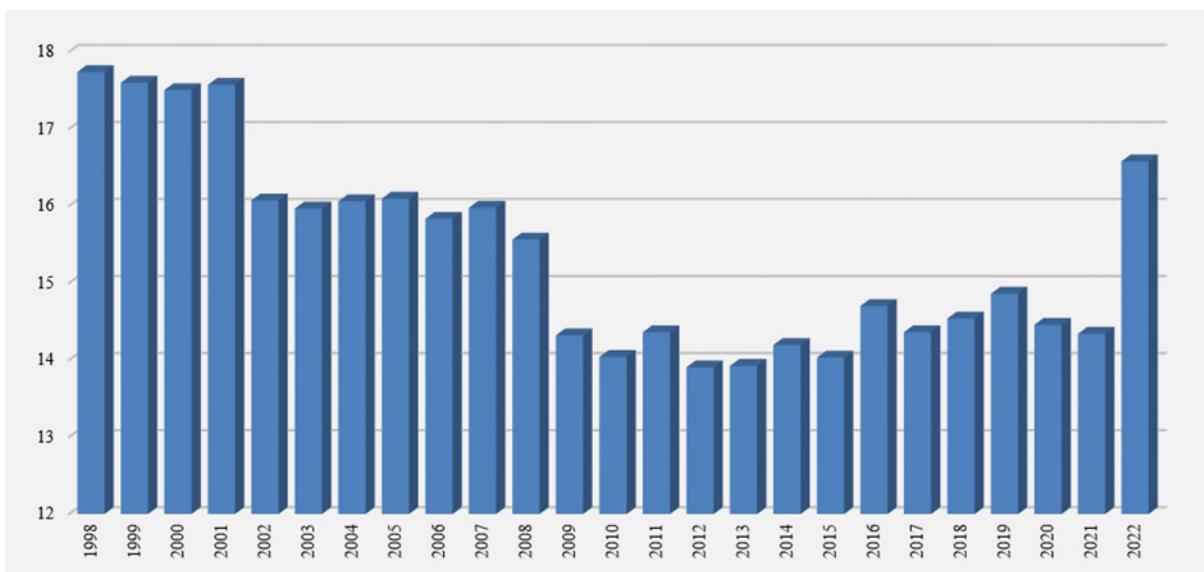
The Bank of Canada, as an enterprise Crown corporation, is part of the government reporting entity and is included as part of the government's consolidated financial statements. As a result, the purchase of Government of Canada bonds by the Bank on financial markets is accounted for similar to the government's own repurchase and retirement of its debt. That is, a gain or loss, equal to the difference between the carrying value of the debt in the accounts of the government and the price paid by the Bank to acquire the bond is recognized in the government's consolidated financial statements at the date of the Bank's purchase. For 2022, the government recorded net losses totalling \$1 billion (\$19 billion in 2021) in respect of the Bank's purchases of Government of Canada bonds. This net loss is recorded as part of Other revenues – enterprise Crown corporations and other government business enterprises on the Consolidated Statement of Operations and Accumulated Deficit.

This accounting treatment is referred to as a constructive debt retirement. The debt retirement is "constructive" because the debt remains outstanding from the viewpoint of the government and remains an investment from the point of view of the Bank. Similarly, the related interest on the bonds paid by the government to the Bank is reflected as part of public debt charges (expense) and as part the annual profits of the Bank (revenue) included in other revenues.

The revenue ratio – revenues as a percentage of GDP – compares the total of all federal revenues to the size of the economy. This ratio is influenced by changes in statutory tax rates and by economic developments. The ratio stood at 16.6% in 2022 (up from 14.3% in 2021), supported by strength in income tax revenues and enterprise Crown corporation profits, as well as reflecting the above-mentioned impact of the Bank of Canada's purchases of Government of Canada bonds.

Revenue ratio

(revenues as a percentage of GDP)



Expenses

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

Transfer payments are classified under five categories:

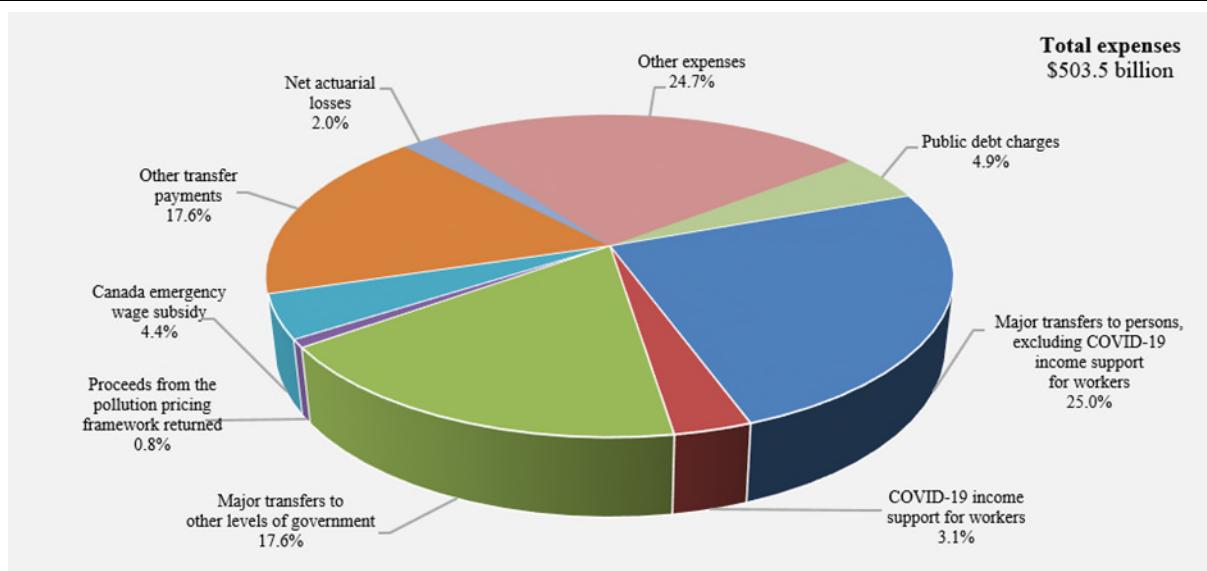
- Major transfers to persons made up 28.1% of total expenses (down from 31.1% in 2021). This category consists of elderly, EI and support measures, children's benefits, and COVID-19 income support for workers (the Canada Emergency Response Benefit, or CERB, the Canada Recovery Benefit, the Canada Recovery Sickness Benefit, the Canada Recovery Caregiving Benefit, and the Canada Worker Lockdown Benefit) introduced under Canada's COVID-19 Economic Response Plan. Of this, COVID-19 income support for workers accounted for 3.1% of total expenses (down from 12.5% in 2021, including CERB benefits processed through the EI Operating Account).
- Major transfers to other levels of government – which include the Canada Health Transfer, the Canada Social Transfer, Canada-wide early learning and child care, home care and mental health transfers, fiscal arrangements (Equalization, transfers to the territories, a number of smaller transfer programs and the Quebec Abatement), and the Canada Community-Building Fund (previously the Gas Tax Fund) transfers – made up 17.6% of total expenses in 2022 (up from 16.6% in 2021).
- Proceeds from the federal carbon pollution pricing framework returned made up 0.8% of expenses (up slightly from 0.7% in 2021). These transfers consist of payments to return all direct proceeds from the federal carbon pollution pricing system to the jurisdictions where they were collected, as required under the *Greenhouse Gas Pollution Pricing Act*. For more information on the return of proceeds, please consult the *Greenhouse Gas Pollution Pricing Act Annual Report to Parliament*.
- The CEWS, which provides payments to eligible employers as part of the Economic Response Plan, made up 4.4% of total expenses in 2022 (down from 12.4% in 2021).
- Other transfer payments, which include transfers to Indigenous peoples, assistance to farmers, students and businesses, support for research and development, and international assistance, made up 17.6% of expenses (up from 15.2% in 2021).

Other expenses, which represent the operating expenses of the government's 133 departments, agencies, and consolidated Crown corporations and other entities, accounted for 24.7% of total expenses in 2022. This was up from 18.5% in 2021, reflecting much higher transfer payments as a share of spending in the previous year as part of Canada's COVID-19 Economic Response Plan.

Public debt charges made up 4.9% of total expenses in 2022 (up from 3.2% in 2021).

Net actuarial losses made up the remaining 2.0% of total expenses in 2022, down from 2.4% in 2021.

Composition of expenses for 2022



Numbers may not add to 100% due to rounding.

Expenses compared to 2021

Total expenses amounted to \$503.5 billion in 2022, down \$140.7 billion, or 21.8%, from 2021. The following table compares total expenses for 2022 to 2021.

Expenses

(in millions of dollars)

	2022	2021	Change
			\$
			%
Transfer payments			
Major transfers to persons			
Elderly benefits.....	60,774	58,529	2,245
Employment insurance and support measures.....	38,923	58,356	(19,433)
Children's benefits	26,226	27,370	(1,144)
COVID-19 income support for workers.....	15,582	55,832	(40,250)
Total.....	141,505	200,087	(58,582)
Major transfers to other levels of government			
Federal transfer support for health and other social programs.....	60,607	60,903	(296)
Fiscal arrangements and other transfers	27,779	45,750	(17,971)
Total.....	88,386	106,653	(18,267)
Proceeds from the pollution pricing framework returned.....	3,814	4,566	(752)
Canada emergency wage subsidy	22,291	80,166	(57,875)
Other transfer payments	88,478	97,961	(9,483)
Total transfer payments.....	344,474	489,433	(144,959)
Other expenses, excluding net actuarial losses.....	124,342	119,089	5,253
Total program expenses, excluding net actuarial losses	468,816	608,522	(139,706)
Public debt charges	24,487	20,358	4,129
Total expenses, excluding net actuarial losses	493,303	628,880	(135,577)
Net actuarial losses.....	10,186	15,295	(5,109)
Total expenses	503,489	644,175	(140,686)
			(21.8)

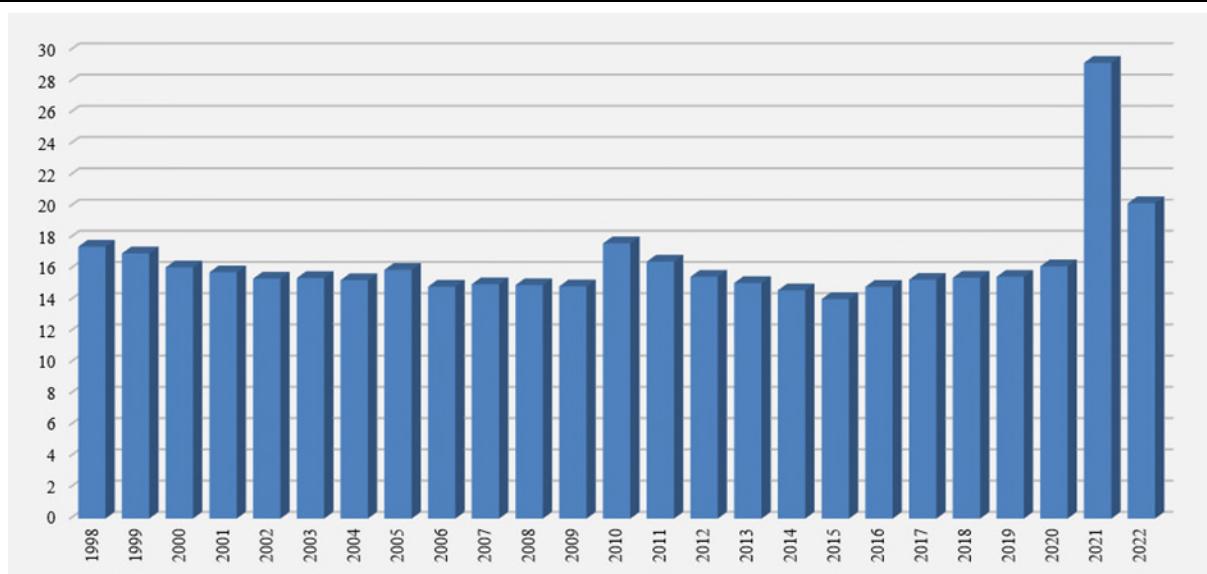
- Major transfers to persons decreased by \$58.6 billion in 2022, largely due to lower spending on COVID-19 income support for workers, which decreased \$40.3 billion, or 72.1%, as the recovery from the pandemic strengthened and many of these temporary programs ended. Elderly benefits increased by \$2.2 billion, or 3.8%, reflecting growth in the number of recipients and changes in consumer prices, to which benefits are fully indexed. EI benefits and support measures decreased by \$19.4 billion, or 33.3%, reflecting recovering labour markets following the early pandemic. In 2021, this category also included \$24.6 billion in EI Emergency Response Benefits (CERB benefits processed through the EI Operating Account), for which the EI Operating Account was reimbursed through funding from the government. Children's benefits decreased by \$1.1 billion, or 4.2%, primarily reflecting the May 2020 Canada Child Benefit top-up payment, which was partly offset by the temporary support for children under six provided in fiscal year 2022.
- Major transfers to other levels of government decreased by \$18.3 billion in 2022, primarily reflecting the end of one-time COVID-19 funding provided in 2021, including the Safe Restart Agreement, a top-up of the Canada Health Transfer to help health care systems recover, the COVID-19 Essential Workers Support Fund, and the Safe Return to Class Fund. These decreases were partially offset by \$2.9 billion for Canada-wide early learning and child care, \$2.2 billion in legislated growth under the Canada Health Transfer, the Canada Social Transfer, Equalization transfers and Territorial Formula Financing, a one-time \$2.0-billion top-up to the Canada Health Transfer to address the backlog of surgeries and procedures, and an increase of \$1.2 billion to the Home and Community Care and Mental Health and Addictions Services Funding Agreement with provinces and territories, which includes the \$1.0-billion Safe Long-term Care Fund.
- Proceeds from the federal carbon pollution pricing framework returned decreased by \$0.8 billion, or 16.5%, largely reflecting the change in the delivery of the Climate Action Incentive, from annually on personal income tax returns to a quarterly benefit, with the first quarterly benefit delivered in July 2022. The change from annual to quarterly payments delivers Climate Action Incentive payments on a more regular basis. This change results in a reduction in expenses in 2022, strictly owing to accounting differences in the treatment of payments delivered through the benefit system, compared to the personal income tax return approach used previously.
- The Canada Emergency Wage Subsidy decreased by \$57.9 billion, or 72.2%, in 2022, reflecting declines in the number of eligible employees and the average subsidy per employee during the first half of fiscal year 2022, and the wind-down of the program in October 2021.

- Other transfer payments decreased by \$9.5 billion, or 9.7%, in 2022, in large part reflecting the wind-down of the CEBA program in early 2022, offset in part by provisions recorded for disaster assistance for flooding, wildfires, and storms in British Columbia.
- Other expenses of departments, agencies, and consolidated Crown corporations and other entities, excluding net actuarial losses, increased by \$5.3 billion, or 4.4%, in large part reflecting the distribution of vaccines and rapid tests to provinces and territories in response to the COVID-19 pandemic and increased personnel costs, offset in part by lower growth in provisions for contingent liabilities.
- Public debt charges increased by \$4.1 billion, or 20.3%, reflecting higher Consumer Price Index adjustments on Real Return Bonds, higher interest on the government's pension and other employee future benefit obligations, and an increased stock of interest-bearing debt.
- Net actuarial losses, which reflect changes in the value of the government's obligations and assets for public sector pensions and other employee and veteran future benefits recorded in previous fiscal years, decreased \$5.1 billion, or 33.4%, primarily due to the amortization of a decrease in the government's obligations for pensions and other employee future benefits based on actuarial valuations prepared for the *Public Accounts of Canada 2021*. This decrease mainly reflected higher prevailing interest rates at the end of March 2021 used in valuing these obligations.

The expense ratio – expenses as a percentage of GDP – compares the total of all federal expenses to the size of the economy. This ratio is influenced by policy actions, economic developments, and changes in interest rates. The ratio stood at 20.2% in 2022 (down from 29.2% in 2021), largely reflecting temporary COVID-19 response measures in 2021.

Expense ratio

(expenses as a percentage of GDP)



Comparison of actual results to budget projections

Comparison to April 2022 budget plan

The \$90.2-billion deficit recorded in 2022 was \$23.6 billion lower than the \$113.8-billion deficit projected in the April 2022 federal budget.

- Overall, revenues were \$18.9 billion higher than forecast primarily due to higher tax revenues driven by an economic recovery that exceeded expectations.
- Program expenses, excluding net actuarial losses, were \$4.1 billion lower than expected, largely a result of lower-than-anticipated spending on COVID-19-related programs, including COVID-19 income supports for businesses, such as the Hardest-Hit Business Recovery Program, and COVID-19 income supports for workers.
- Public debt charges were \$0.4 billion lower than projected, primarily due to a lower-than-expected stock of interest-bearing debt.
- Net actuarial losses were \$0.2 billion lower than projected.

Comparison of 2022 outcomes to April 2022 budget plan

(in millions of dollars)

	Projection	Actual	Difference
Revenues	394,394	413,277	18,883
Expenses			
Program expenses, excluding net actuarial losses.....	472,951	468,816	(4,135)
Public debt charges.....	24,901	24,487	(414)
Total expenses, excluding net actuarial losses	497,852	493,303	(4,549)
Annual deficit before net actuarial losses	(103,458)	(80,026)	23,432
Net actuarial losses.....	(10,340)	(10,186)	154
Annual deficit.....	(113,798)	(90,212)	23,586

Numbers may not add due to rounding

Comparison to April 2021 budget plan

The 2022 budgetary deficit of \$90.2 billion was \$64.5 billion lower than the \$154.7-billion deficit projected for 2022 in the April 2021 Budget.

Revenues were \$58.1 billion, or 16.4%, higher than forecast in the April 2021 Budget, driven by higher income tax revenues as both personal and corporate income taxes were fuelled by a much stronger-than-expected recovery from the COVID-19 pandemic. The stronger-than-expected economic rebound also contributed to higher-than-expected other taxes and duties as well as enterprise Crown corporation profits, which are part of other revenues.

Total expenses, excluding net actuarial losses, were \$4.3 billion, or 0.9%, lower than projected in the April 2021 Budget, with program expenses \$6.7 billion lower than forecast and public debt charges \$2.4 billion higher than forecast.

- Major transfers to persons were \$3.3 billion lower than forecast, largely attributable to lower EI benefits resulting from lower-than-anticipated unemployment rates. This was offset in part by measures announced after Budget 2021, primarily the extension of the COVID-19 income supports for workers.
- Major transfers to other levels of government were \$2.1 billion lower than projected, due to lower-than-anticipated transfers under the fiscal stabilization program, partially offset by a \$2.0-billion top-up to the Canada Health Transfer announced on March 25, 2022.
- Proceeds from the pollution pricing framework returned were \$3.1 billion lower than projected, due mainly to the transition of Climate Action Incentive payments to a quarterly benefit system, as reflected in the fall 2021 Economic and Fiscal Update. The change from annual to quarterly payments delivers Climate Action Incentive payments on a more regular basis. This change results in a positive fiscal impact in 2022, strictly owing to accounting differences in the treatment of payments delivered through the benefit system, compared to the personal income tax return approach used previously. On a cash basis all proceeds raised are returned to Canadians from the federal pollution pricing framework to the jurisdiction of origin.
- Direct program expenses, which comprise the CEWS, other transfer payments, and other operating and capital amortization expenses, were \$1.7 billion higher than projected in the April 2021 federal budget. The variance from forecast is largely a result of measures announced after the budget, including the Hardest-Hit Business Recovery Program and the Canada Recovery Hiring Program, and supports for recent natural disasters in British Columbia. These higher expenses are partially offset by lower-than-expected take-up of COVID-related programming, specifically the CEWS.
- Public debt charges were \$2.4 billion higher than forecast, due in large part to Consumer Price Index adjustments on Real Return Bonds and interest on pension and other employee future benefit obligations being higher than expected, reflecting higher-than-expected inflation and interest rates.
- Net actuarial losses were \$2.0 billion lower than projected, reflecting higher-than-projected gains resulting from actuarial valuations prepared for the *Public Accounts of Canada 2021*.

Comparison of 2022 outcomes to April 2021 budget plan

(in millions of dollars)

	Projection ¹	Actual	Difference
Revenues			
Income tax revenues	240,497	287,989	47,492
Other taxes and duties	57,308	62,680	5,372
Employment insurance premiums	23,657	23,856	199
Proceeds from the pollution pricing framework	6,352	6,341	(11)
Other revenues	27,315	32,411	5,096
Total revenues	355,129	413,277	58,148
Expenses			
Program expenses			
Major transfers to persons	144,761	141,505	(3,256)
Major transfers to other levels of government	90,500	88,386	(2,114)
Proceeds from the pollution pricing framework returned	6,924	3,814	(3,110)
Direct program expenses			
Canada emergency wage subsidy	25,955	22,291	(3,664)
Other transfer payments	84,960	88,478	3,518
Other expenses, excluding net actuarial losses	122,465	124,342	1,877
Total program expenses, excluding net actuarial losses	475,565	468,816	(6,749)
Public debt charges	22,066	24,487	2,421
Total expenses, excluding net actuarial losses	497,631	493,303	(4,328)
Annual deficit before net actuarial losses	(142,502)	(80,026)	62,476
Net actuarial losses	(12,210)	(10,186)	2,024
Annual deficit	(154,712)	(90,212)	64,500

¹ To enhance comparability with actual 2022 results, certain Budget 2021 amounts have been reclassified to conform to the current year's presentation in the consolidated financial statements, with no overall impact on the projected 2022 annual deficit.

Accumulated deficit

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

Accumulated deficit

(in millions of dollars)

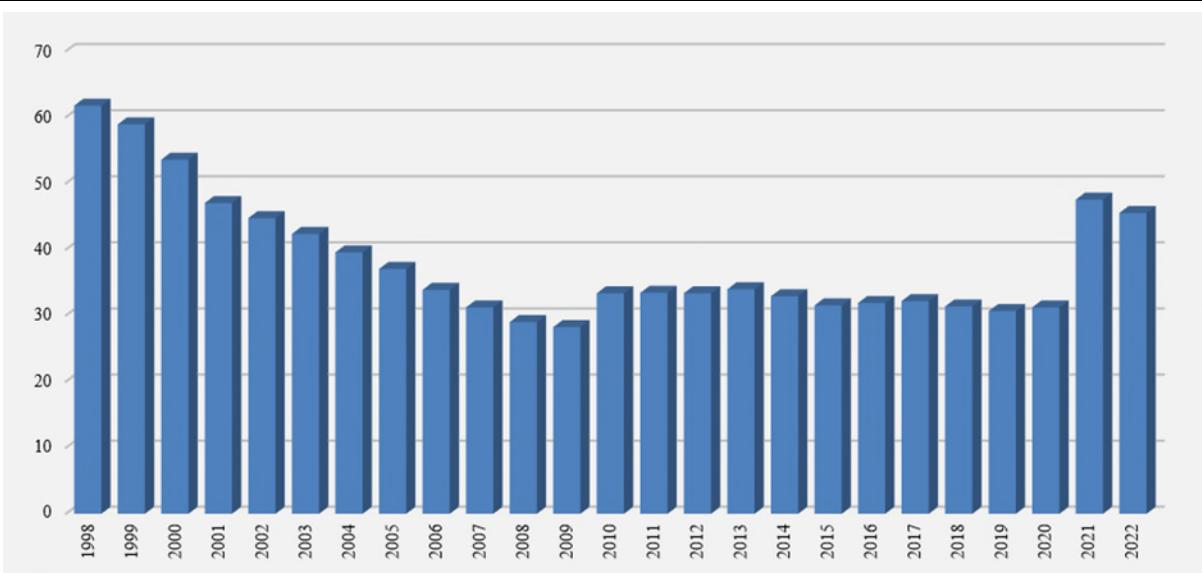
	2022	2021	Difference
Accumulated deficit at beginning of year	(1,048,746)	(721,360)	(327,386)
Annual deficit	(90,212)	(327,729)	237,517
Other comprehensive income.....	4,465	343	4,122
Accumulated deficit at end of year	(1,134,493)	(1,048,746)	(85,747)

The accumulated deficit increased by \$85.7 billion in 2022, reflecting the \$90.2-billion budgetary deficit, offset in part by \$4.5 billion in other comprehensive income.

The accumulated deficit decreased 2.0 percentage points to 45.5% of GDP at March 31, 2022. As its key fiscal anchor, the government is committed to reducing the accumulated deficit-to-GDP ratio over the medium term.

Accumulated deficit

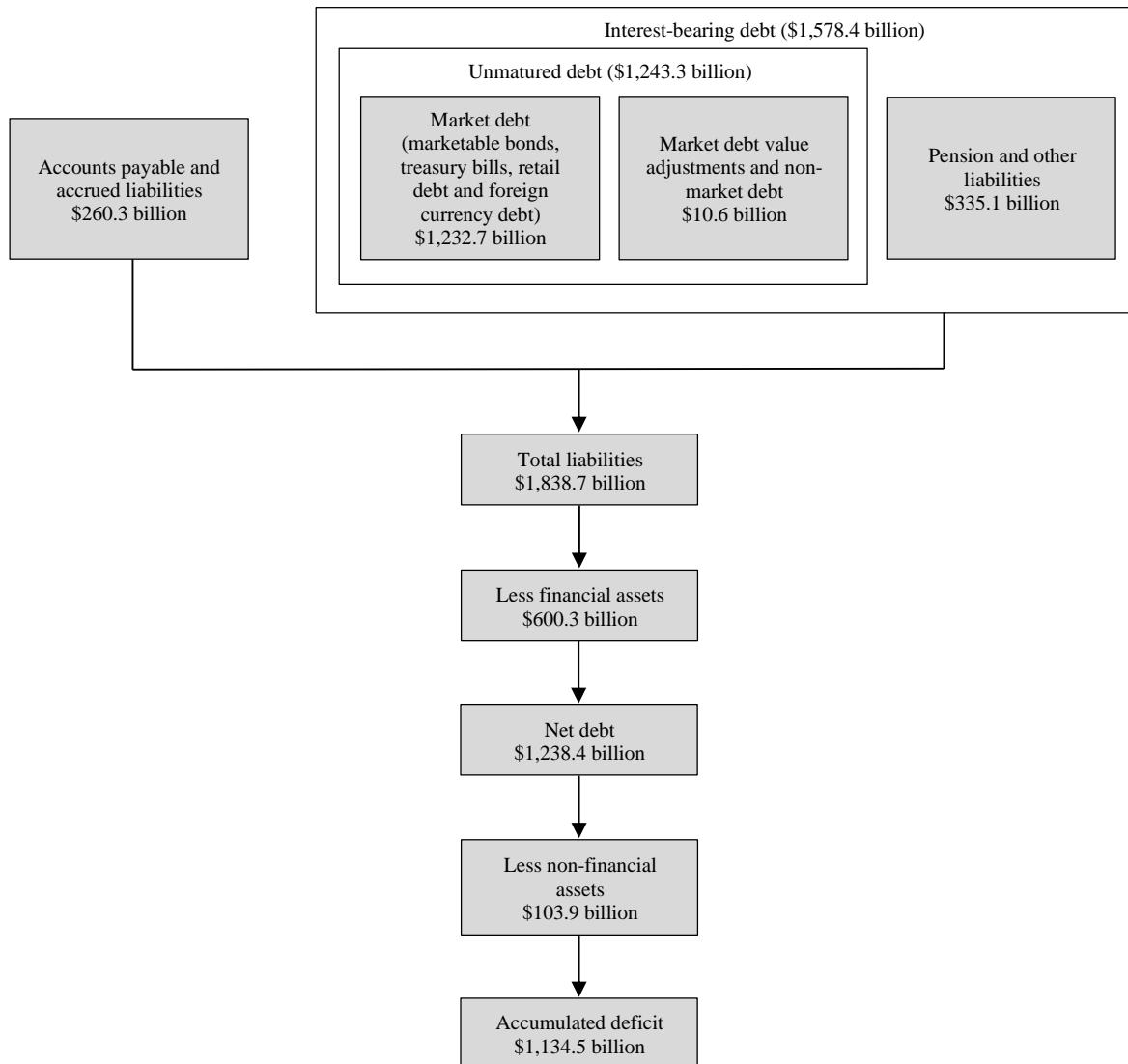
(as a percentage of GDP)



Measures of government debt

There are several generally accepted measures of government debt.

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



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

Statement of financial position

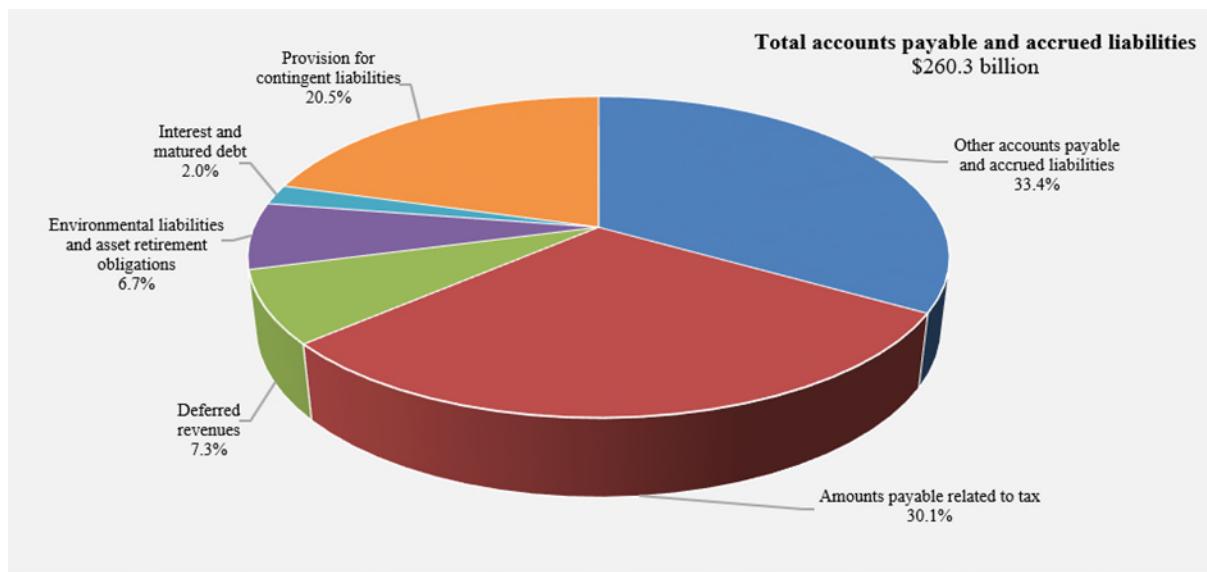
(in millions of dollars)

	2022	2021	Difference
Liabilities			
Accounts payable and accrued liabilities	260,288	207,397	52,891
Interest-bearing debt	1,243,291	1,125,186	118,105
Unmatured debt	327,371	312,947	14,424
Pensions and other future benefits.....	7,707	6,711	996
Other liabilities			
Total	1,578,369	1,444,844	133,525
Total liabilities	1,838,657	1,652,241	186,416
Financial assets			
Cash and accounts receivable	280,026	224,196	55,830
Foreign exchange accounts.....	104,031	92,622	11,409
Loans, investments and advances	207,031	179,278	27,753
Public sector pension assets.....	9,203	6,320	2,883
Total financial assets	600,291	502,416	97,875
Net debt	(1,238,366)	(1,149,825)	(88,541)
Non-financial assets	103,873	101,079	2,794
Accumulated deficit.....	(1,134,493)	(1,048,746)	(85,747)

Accounts payable and accrued liabilities

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

Accounts payable and accrued liabilities by category for 2022



Numbers may not add to 100% due to rounding.

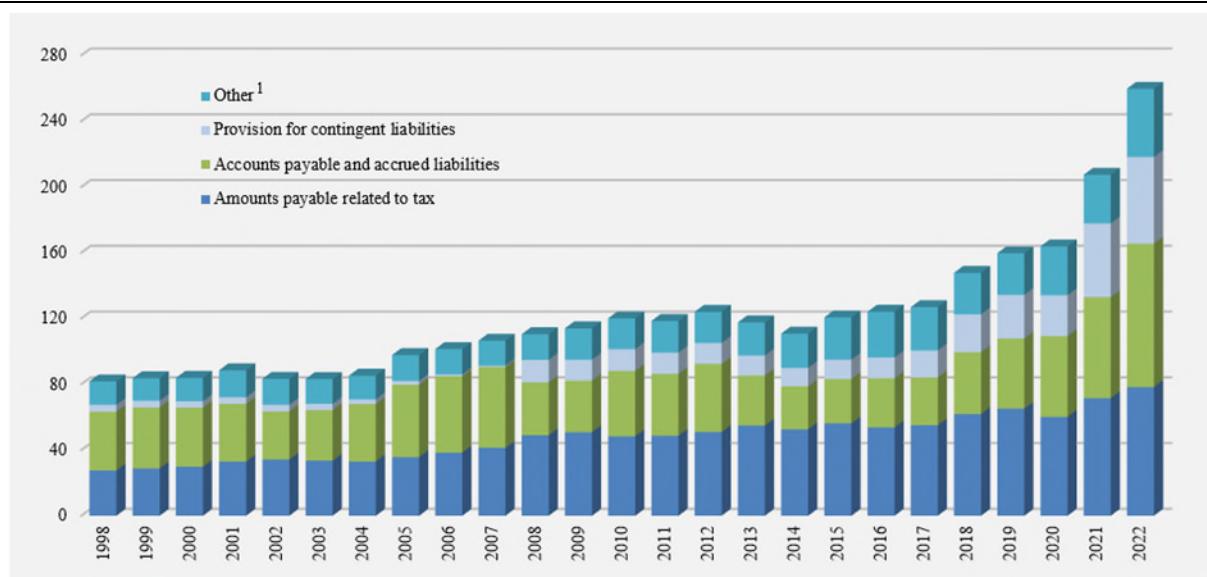
At March 31, 2022, accounts payable and accrued liabilities totalled \$260.3 billion, up \$52.9 billion from March 31, 2021. This increase reflects growth across all categories.

- Amounts payable related to tax increased by \$6.9 billion in 2022, from \$71.5 billion at March 31, 2021, to \$78.5 billion at March 31, 2022. This increase largely reflects higher accrued payables for individual income tax and higher refundable GST/HST credit returns.
- Provisions for contingent liabilities increased by \$8.6 billion.
- Environmental liabilities and asset retirement obligations increased by \$3.0 billion in 2022, reflecting revisions to previously estimated provisions, net of remediation activities undertaken in 2022.
- Deferred revenue increased by \$8.5 billion in 2022, largely reflecting proceeds from the 3500 MHz band spectrum auction, which concluded July 2021.
- Liabilities for interest and matured debt increased by \$0.4 billion from the prior year, reflecting accrued interest on a higher stock of debt at year-end and higher effective rates on marketable bonds.
- Other accounts payable and accrued liabilities increased by \$25.4 billion in 2022. Within this component, liabilities under tax collection agreements increased by \$16.1 billion, largely reflecting differences between estimated corporate income tax collected and actual payments made to provinces and territories, as well as timing differences in payments to provinces and territories. Accounts payable increased by \$9.5 billion, due in large part to the accrual of disaster assistance payments, and increased payables to the Canada Pension Plan (CPP) Account due to growth in CPP contributions. Other accounts payable increased by \$0.2 billion, while miscellaneous paylist deductions increased by \$27 million. These increases were offset in part by a \$0.4-billion decrease in accrued salaries and benefits, largely reflecting the payment of retroactive salaries during the year. Notes payable to international organizations were largely unchanged.

Accounts payable and accrued liabilities have increased significantly in recent years, from \$127.0 billion at March 31, 2017 to \$260.3 billion at March 31, 2022. This increase is due in large part to growth in amounts payable related to tax, reflecting growth in the tax base; increased provisions for contingent liabilities; growth in amounts payable to provinces, territories, and Indigenous governments under tax collection agreements; and, an increase in accounts payable pursuant to contractual agreements, for work performed, goods received, and services rendered.

Accounts payable and accrued liabilities

(in billions of dollars)



¹ Other includes provisions for environmental liabilities and asset retirement obligations, deferred revenues, and interest and matured debt.

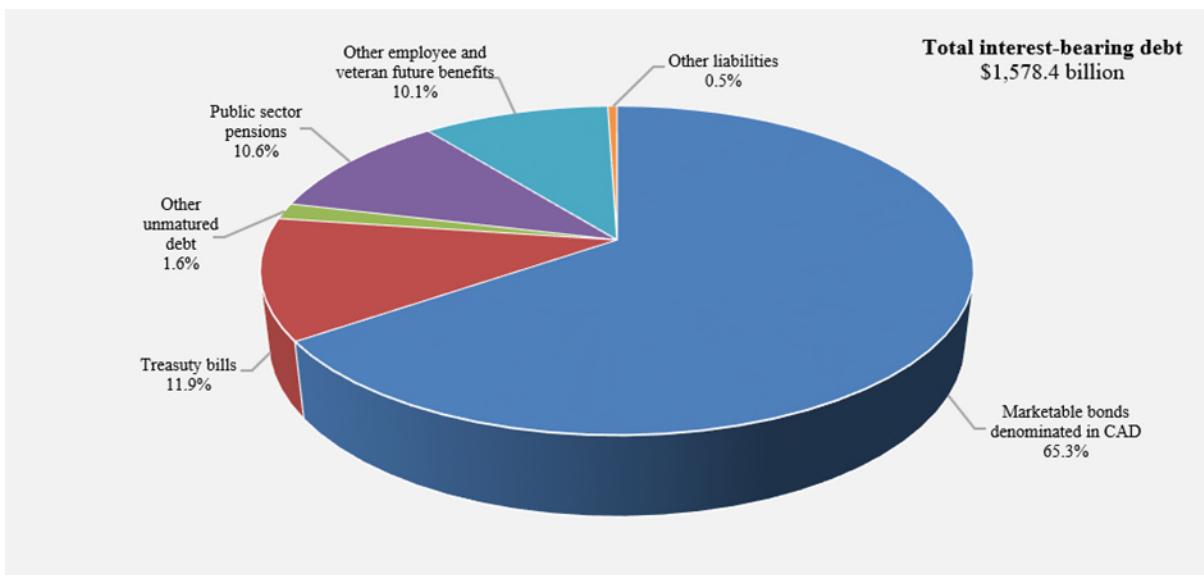
Interest-bearing debt

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

- Unmatured debt, which includes fixed-coupon marketable bonds, Real Return Bonds, treasury bills, foreign-currency-denominated debt, and obligations related to capital leases and public-private partnerships, amounted to 78.8% of interest-bearing debt at March 31, 2022.
- Pension and other future benefit liabilities include obligations for: federal public sector pensions sponsored by the government; disability and associated benefits available to war veterans, current and retired members of the Canadian Forces and the Royal Canadian Mounted Police, their survivors and dependants; health care and dental benefits available to retired employees and their dependants; accumulated sick leave entitlements; severance benefits; workers' compensation benefits; and other future benefits sponsored by some consolidated Crown corporations and other entities. Liabilities for public sector pensions made up 10.6% of interest-bearing debt, and other employee and veteran future benefits accounted for an additional 10.1% of interest-bearing debt.
- The remaining 0.5% of interest-bearing debt represents other interest-bearing liabilities of the government, which include deposit and trust accounts and other specified purpose accounts.

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

Interest-bearing debt by category for 2022



Numbers may not add to 100% due to rounding.

At March 31, 2022, interest-bearing debt totalled \$1,578.4 billion, up \$133.5 billion from March 31, 2021. Within interest-bearing debt, unmatured debt increased by \$118.1 billion, liabilities for public sector pensions decreased by \$1.1 billion, liabilities for other employee and veteran future benefits increased by \$15.5 billion, and other liabilities increased by \$1.0 billion.

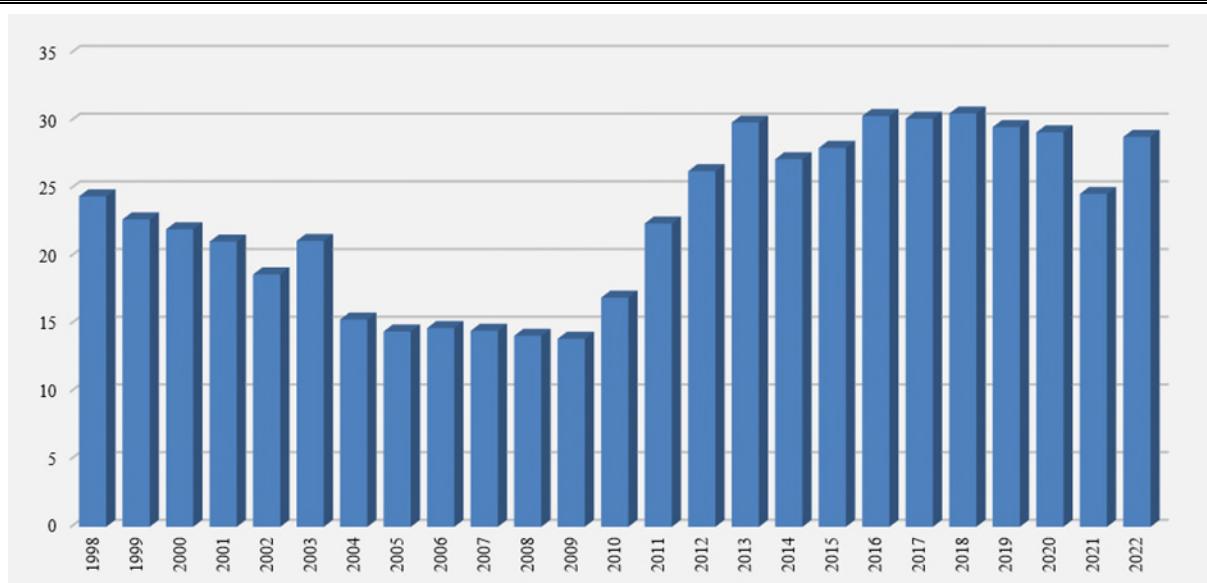
The \$118.1-billion increase in unmatured debt is largely attributable to a \$120.7-billion increase in market debt and related unamortized discounts and premiums, reflecting increased borrowings to meet the government's financial requirements, including temporary measures under the COVID-19 Economic Response Plan.

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

Foreign holdings of the government's unmatured debt are estimated at \$358.1 billion at March 31, 2022, representing approximately 28.8% of the government's total unmatured debt, up from 24.6% at March 31, 2021. In 2021, the Government of Canada significantly increased debt issuances to fund its COVID-19 support measures. This happened as the Bank of Canada significantly increased its purchases of Government of Canada securities to support liquidity in financial markets, which increased the Bank of Canada's share significantly relative to other investors, including foreign investors. This situation reversed in 2022 as the Bank of Canada wound down its purchases of Government of Canada securities, with foreign holdings of the government's unmatured debt increasing towards the level that existed before the pandemic.

Foreign holdings of Government of Canada unmatured debt

(as a percentage of unmatured debt)



Source: Statistics Canada

The government's liabilities for pensions and other future benefits stood at \$327.4 billion at March 31, 2022, up \$14.4 billion from the prior year. These liabilities reflect the estimated present value of pensions and other future benefits earned to March 31, 2022, by current and former employees, as measured annually on an actuarial basis, net of the value of assets set aside for funding purposes. Liabilities for pensions and other future benefits do not include benefits payable under the Canada Pension Plan (CPP). The CPP is not consolidated in the government's financial statements because changes to the CPP require the agreement of two-thirds of participating provinces and it is therefore not controlled by the government. Further information regarding the CPP can be found in Section 6 of this volume.

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

The government's \$327.4-billion liability for public sector pensions and other employee and veteran future benefits results from its promise to provide certain benefits to employees, veterans, Members of Parliament and employees of territorial governments during or after employment, or in retirement, in return for their service.

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

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

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

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

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

The government's obligations for pensions and other future benefits are re-estimated on an annual basis to reflect actual experience and updated actuarial assumptions. Increases or decreases in the estimated value of the obligations are referred to as actuarial gains and losses. Actuarial gains and losses also result from differences between actual and expected returns on pension assets. Under Canadian public sector accounting standards, actuarial gains and losses are not recognized in the government's liabilities immediately due to their tentative nature and because further adjustments may be required in the future. Instead, these amounts are recognized to expense and to the government's liabilities over the expected average remaining service life of employees, which represents periods ranging from 4 to 23 years according to the plan in question, or the average remaining life expectancy of benefit recipients under wartime veteran plans, which represents periods ranging from 6 to 7 years.

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

The following table illustrates the change in the government's liabilities for pensions and other future benefits, net of public sector pension assets, in 2022.

Net pensions and other future benefit liabilities

(in millions of dollars)

	Pensions	Other future benefits	Total
Net future benefit liabilities at beginning of year.....	162,441	144,186	306,627
Add:			
Benefits earned during the year	8,681	10,961	19,642
Interest on accrued benefit obligations, net of the expected return on investments	2,110	4,047	6,157
Net actuarial losses recognized during the year	3,080	7,106	10,186
Plan amendment and valuation allowance	451	102	553
	14,322	22,216	36,538
Deduct:			
Benefits paid during the year ¹	14,097	6,590	20,687
Transfers to the PSPIB and net use of funds held in external trusts ²	3,159	—	3,159
Transfers to other plans and administrative expenses	1,044	107	1,151
	18,300	6,697	24,997
Net (decrease) increase	(3,978)	15,519	11,541
Net future benefit liabilities at end of year	158,463	159,705	318,168
Presented on the Consolidated Statement of Financial Position as:			
Public sector pension liabilities.....			167,666
Other employee and veteran future benefit liabilities			159,705
Total pension and other future benefit liabilities			327,371
Public sector pension assets			9,203
Net pensions and other future benefit liabilities.....			318,168

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

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

The increase in net liabilities for pensions and other future benefits in 2022 reflects the addition of \$19.6 billion in future benefits earned by employees during the year, as well as \$6.2 billion in net interest charges on the liabilities. The discount rates used in the measurement of the government-sponsored unfunded pension and other future benefit obligations and in calculating interest charges on the obligations are based on the actual zero-coupon yield curve for Government of Canada bonds at fiscal year-end. The discount rates used to value the government's obligations for funded pension benefits, which relate to post-March 2000 service that falls within the *Income Tax Act* limits under its three main pension plans – the public service, Canadian Forces–Regular Force, and Royal Canadian Mounted Police pension plans – as well as benefits under the Canadian Forces–Reserve Force pension plan are based on the streamed expected rates of return on invested funds.

The government's liabilities for pensions and other future benefits increased by an additional \$10.2 billion in 2022 due to the recognition of net actuarial losses. As of March 31, 2022, the government had net unamortized losses of \$59.0 billion. These losses will be amortized over time and recorded as part of net actuarial losses and as an increase in the government's liabilities.

The government also recorded a \$0.6-billion increase in liabilities for pensions and other future benefits to reflect the total impact of a plan amendment and valuation allowance during the year.

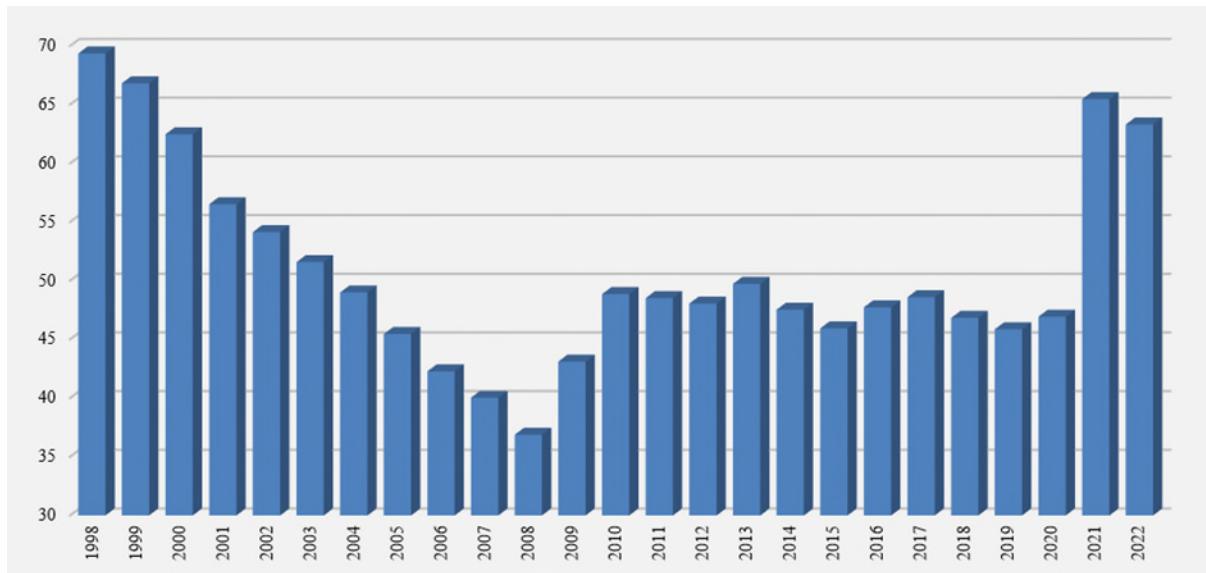
These increases were offset in part by reductions in the liabilities for benefits paid during the year (\$20.7 billion), net transfers to the PSPIB and net use of funds held in external trusts (\$3.2 billion), and transfers to other plans and administrative expenses (\$1.2 billion).

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

Interest-bearing debt stood at 63.3% of GDP in 2022, down from 65.5% in 2021. The increase since 2020 reflects borrowings undertaken to meet the government's financial requirements under the COVID-19 Economic Response Plan. As of 2022, this ratio is down 10.8 percentage points from its high of 74.1% in 1996.

Interest-bearing debt

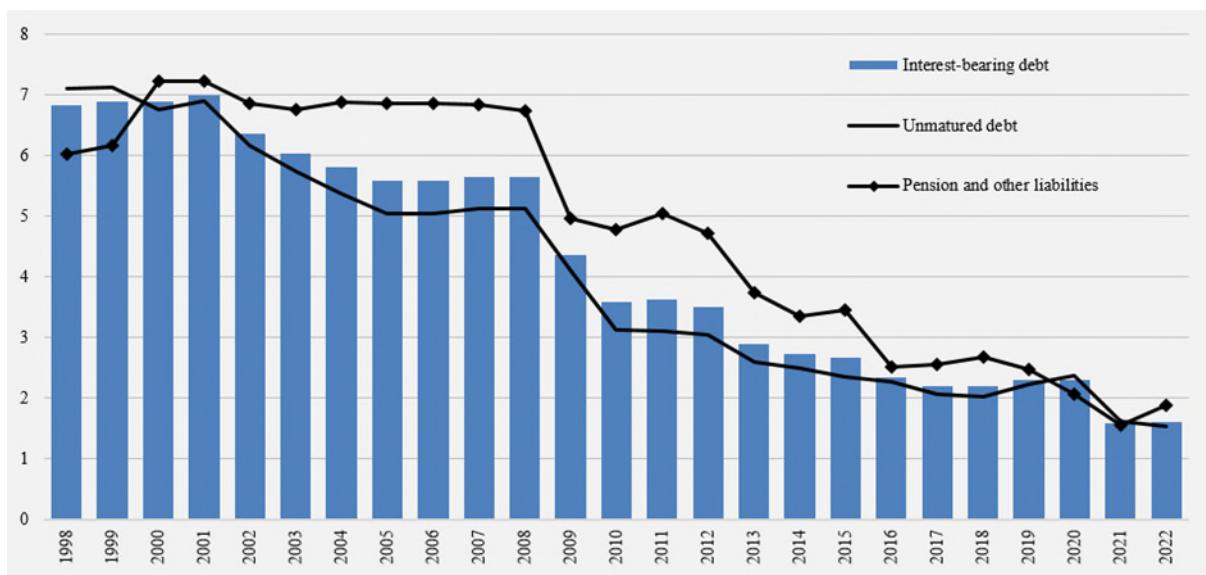
(as a percentage of GDP)



The average effective interest rate on the government's interest-bearing debt in 2022 was 1.6%, unchanged from 2021. The average effective interest rate on unmatured debt was 1.5%, while the average effective interest rate on pension and other liabilities was 1.9%.

Average effective interest rate on interest-bearing debt

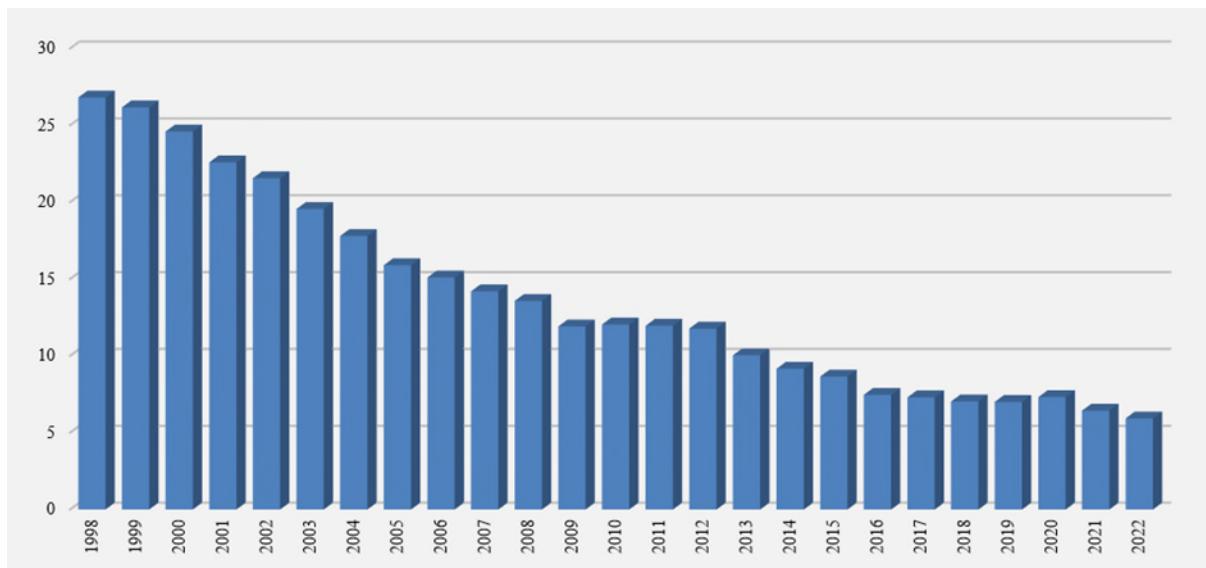
(in percentage)



The interest ratio (public debt charges as a percentage of revenues) shows the proportion of every dollar of revenue that is needed to pay interest and is therefore not available to pay for program initiatives. The interest ratio has been decreasing in recent years, falling from a peak of 37.6% in 1991 to 5.9% in 2022. This means that, in 2022, the government spent approximately 6 cents of every revenue dollar on servicing the public debt.

Interest ratio

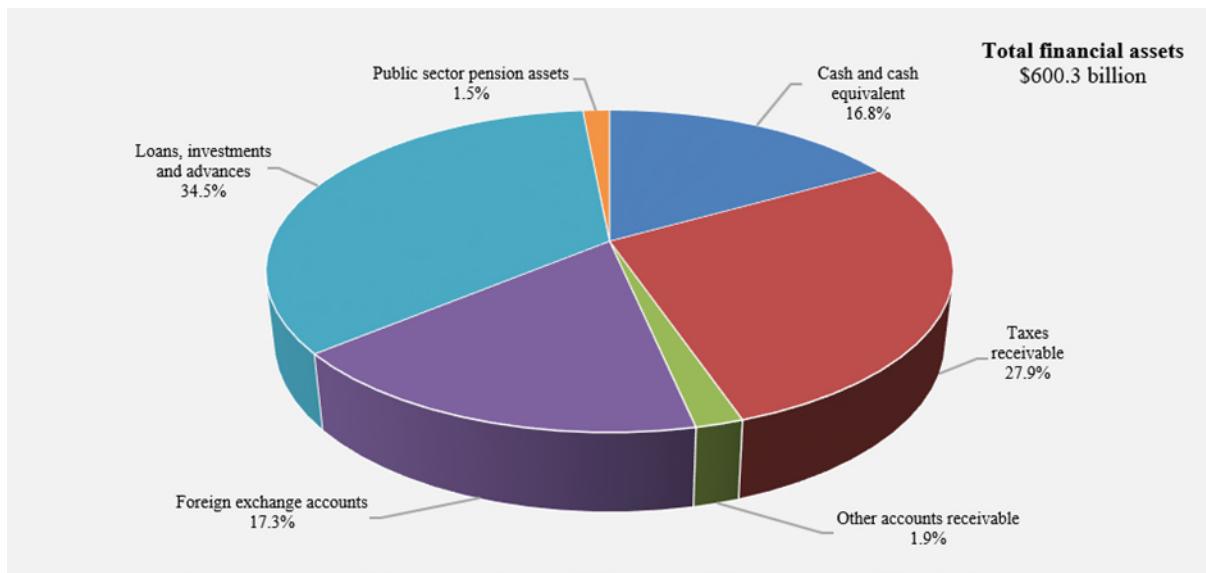
(public debt charges as a percentage of revenues)



Financial assets

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

Financial assets by category for 2022



Numbers may not add to 100% due to rounding.

At March 31, 2022, financial assets amounted to \$600.3 billion, up \$97.9 billion from March 31, 2021. The increase reflects growth across all major categories of financial assets.

At March 31, 2022, cash and accounts receivable totalled \$280.0 billion, up \$55.8 billion from March 31, 2021. Within this component, cash and cash equivalents increased by \$36.7 billion. The balance of cash and cash equivalents includes \$20 billion that has been designated as a deposit held with respect to prudential liquidity management. Taxes receivable increased by \$25.6 billion during 2022 to \$167.6 billion, largely reflecting growth in tax revenues. Other accounts receivable decreased by \$6.5 billion, largely reflecting the receipt during 2022 of dividends receivable from Export Development Canada and CMHC at March 31, 2021, offset in part by increased COVID-19 benefit overpayments receivable at March 31, 2022 as a result of redeterminations.

Loans, investments and advances in enterprise Crown corporations and other government business enterprises increased by \$23.7 billion in 2022. Investments in enterprise Crown corporations and other government business enterprises increased \$10.4 billion, largely reflecting \$11.5 billion in net profits and \$4.5 billion in other comprehensive income recorded by these entities during 2022, offset in part by \$6.0 billion in dividends paid to the government. Net loans and advances to enterprise Crown corporations and other government business enterprises were up \$13.3 billion. This growth primarily reflects a \$7.2-billion increase in loans to Crown corporations under the consolidated borrowing framework to finance the operational needs of CMHC, BDC and FCC, and \$6.3 billion in financing to the Canada Development Investment Corporation from the Canada Account to finance construction activities for the Trans Mountain expansion project. In February 2022, the government announced that future funding for the Trans Mountain expansion project would be sourced from third-party financing. In April 2022, Trans Mountain Corporation entered into a \$10-billion loan facility with a syndicate of lenders, with a guarantee provided by the government.

Other loans, investments and advances increased by \$4.0 billion, from \$59.3 billion to \$63.3 billion, in large part reflecting an increase in loans and investments under the Large Employer Emergency Funding Facility, a liquidity assistance program for large Canadian employers affected by the COVID-19 pandemic.

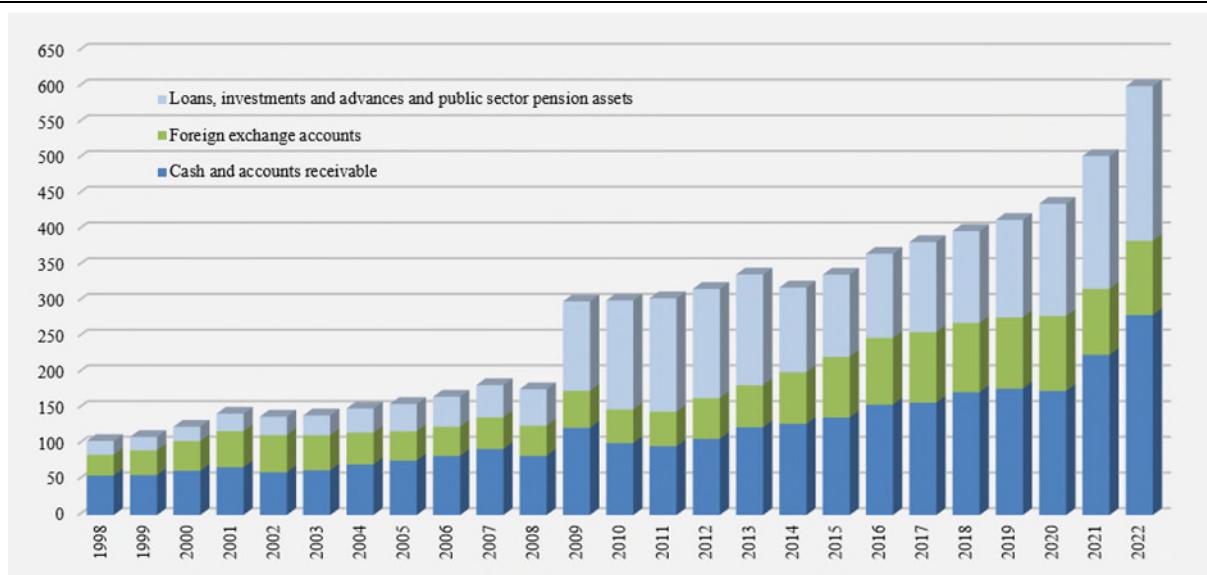
Public sector pension assets increased by \$2.9 billion, largely reflecting an increase in the net assets under the Public Service Pension Fund, which pertains to service accrued on or after April 1, 2000 that falls within the *Income Tax Act limits under the Public Service Superannuation Act*.

Foreign exchange accounts increased by \$11.4 billion in 2022, totalling \$104.0 billion at March 31, 2022, due mainly to an increase in net advances to the Exchange Fund Account. There were 10,566 million Special Drawing Rights (SDRs) allocated by the IMF to Canada during the year, valued at \$18.3 billion at March 31, 2022. SDRs represent both an asset (rights to purchase currencies of other countries participating in the IMF's Special Drawing Rights Department) and a liability (obligation to make payments to the IMF) within the foreign exchange accounts.

Since the accumulated deficit reached its post-World War II peak of 66.6% of GDP at March 31, 1996, financial assets have increased by \$507.6 billion, mainly reflecting higher levels of cash and cash equivalents and accounts receivable (up \$227.4 billion), an increase in the foreign exchange accounts (up \$85.0 billion), and an increase in loans, investments and advances (up \$186.0 billion). The increase in cash and cash equivalents and accounts receivable is largely attributable to growth in taxes receivable and cash balances. The increase in taxes receivable is broadly in line with the growth in the applicable tax bases. The growth in cash reflects an increase in balances held under the government's prudential liquidity management plan announced in Budget 2011, as well as the build-up of a larger cash position for contingency purposes following the onset of the pandemic. The increase in the foreign exchange accounts reflects a decision by the government in the late 1990s and more recently in the 2012 *Debt Management Strategy* to increase liquidity in these accounts. The increase in loans, investments and advances is attributable to several factors including the accumulation of net profits from enterprise Crown corporations, the government taking over the financing of the Canada Student Loans Program from the chartered banks in 2000, the issuance of direct loans to Crown corporations under the government's consolidated borrowing framework implemented in 2008, and the increase in loans to support businesses as part of the COVID-19 Economic Response Plan, such as through the CEBA program.

Financial assets

(in billions of dollars)



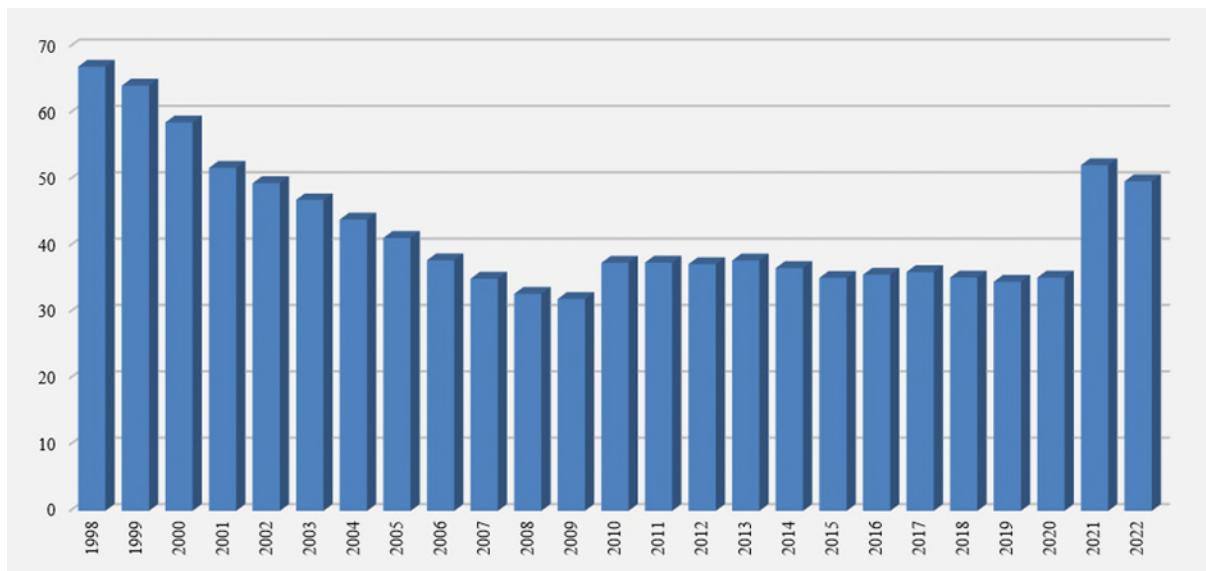
Net debt

The government's net debt – its total liabilities less financial assets – stood at \$1,238.4 billion at March 31, 2022. Net debt was 49.7% of GDP, down 2.4 percentage points from a year earlier, and 22.3 percentage points below its peak of 72.0% at March 31, 1996. The increase in net debt as a percentage of GDP since 2020 reflects borrowings undertaken to meet the government's financial requirements under the COVID-19 Economic Response Plan.

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

Net debt

(as a percentage of GDP)



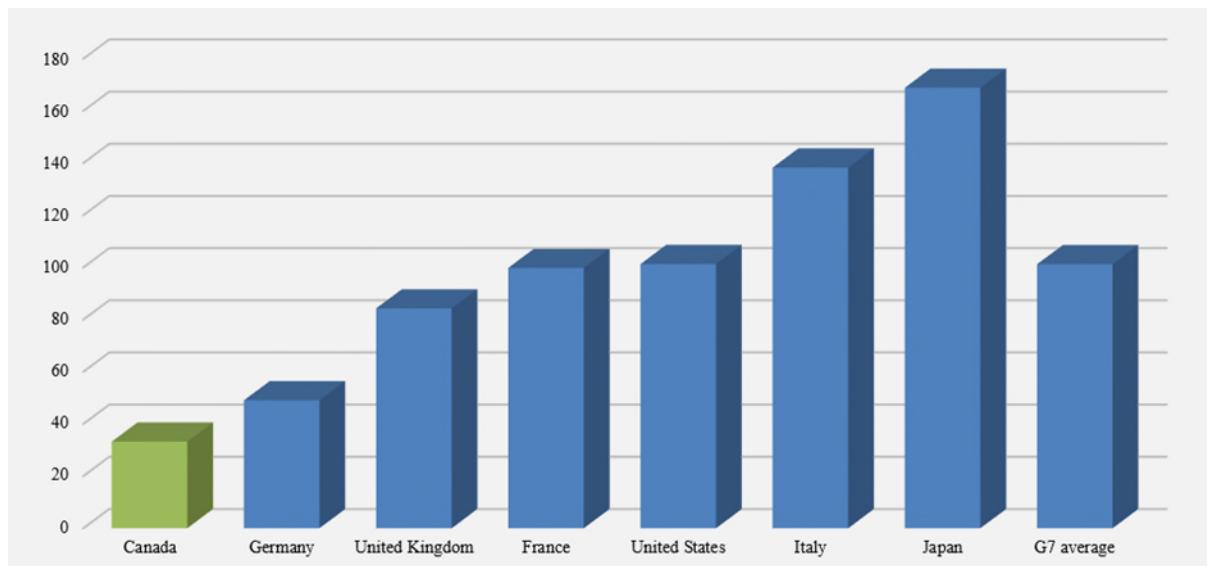
International comparisons of net debt

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

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

G7 total government net debt, 2021

(as a percentage of GDP)



Source: IMF

Canada's total government net debt-to-GDP ratio stood at 33.2% in 2021, according to the IMF. This is the lowest level among G7 countries, which the IMF estimates recorded an average net debt of 101.2% of GDP in that same year.

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

Reconciliation of 2022 accumulated deficit-to-GDP ratio to calendar 2021 total government net debt-to-GDP ratio

(as a percentage of GDP)

	% of GDP
Accumulated deficit	45.5
Add: Non-financial assets	4.2
Net debt (Public Accounts basis).....	49.7
Less:	
Liabilities for public sector pensions	(6.7)
Liabilities for other future benefits	(6.4)
National Accounts/Public Accounts methodological differences and timing adjustments ¹	(6.1)
Total federal net debt (National Accounts basis)	30.4
Add: Net debt of provincial/territorial and local governments.....	17.1
Less: Net assets of the CPP/QPP.....	(15.9)
Total government net debt²	31.6

Numbers may not add due to rounding.

Source: Statistics Canada and Public Accounts of Canada

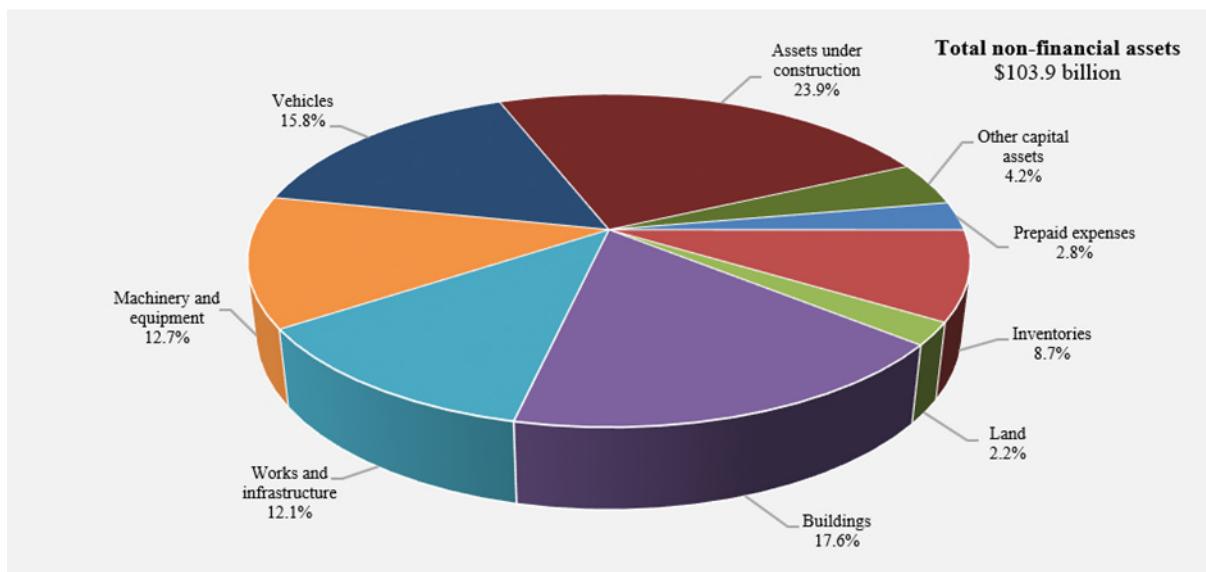
¹ Includes timing differences (National Accounts data are as of December 31), differences in the universe covered by each accounting system, and differences in accounting treatments of various transactions such as capital gains.

² The net debt figure has been revised by Statistics Canada since the publication of the IMF's April 2022 *Fiscal Monitor*, which is the source for the chart "G7 total government net debt, 2021". Net debt has been revised from 33.2% to 31.6%.

Non-financial assets

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

Non-financial assets by category for 2022



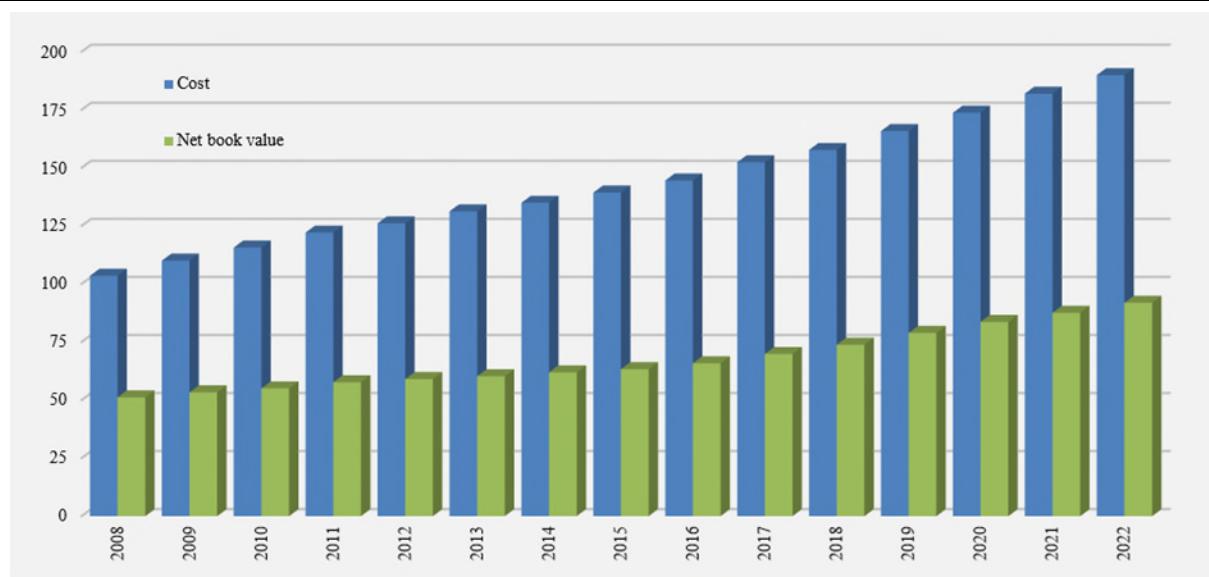
Numbers may not add to 100% due to rounding.

At March 31, 2022, non-financial assets stood at \$103.9 billion, up \$2.8 billion from a year earlier. This growth primarily relates to a \$4.3-billion increase in tangible capital assets, largely reflecting an increase in assets under construction and a net increase in ships and boats, offset in part by a \$0.7-billion decrease in inventories, largely reflecting changes in the stock of personal protective equipment, and a \$0.8-billion decrease in prepaid expenses primarily reflecting a lower balance of advance payments at year-end for vaccines.

At March 31, 2022, 60.2% of the original cost of the government's depreciable tangible capital assets had been amortized, an increase of 0.2% from a year earlier. Depreciable tangible capital assets exclude land and assets under construction, which are not yet available for use.

Tangible capital assets

(in billions of dollars)



Assets under construction totalled \$24.9 billion at March 31, 2022, some of which are being built using public-private partnerships in which the private sector partner designs, builds, finances, and/or operates and maintains large infrastructure projects. The government's liability for these long-term financing arrangements is included in obligations under public-private partnerships reported in Note 9 of the consolidated financial statements.

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

Cash flow

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

In 2022, the government had a total cash requirement of \$80.2 billion before financing activities, compared to a total cash requirement of \$324.5 billion before financing activities in 2021. Operating activities resulted in a net cash requirement of \$64.8 billion in 2022, compared to a net cash requirement of \$249.8 billion in 2021, reflecting the greater impact of COVID-19 and measures under the Economic Response Plan on the government's finances during the peak of the COVID-19 crisis in 2021. Cash used by capital investment activities resulted in a net cash requirement of \$8.9 billion in 2022, compared to a net cash requirement of \$10.0 billion in 2021. Cash used by investing activities totalled \$6.6 billion in 2022, compared to \$64.7 billion in 2021, largely reflecting loans advanced under CEBA in 2021.

Cash flow

(in millions of dollars)

	2022	2021
Cash used by operating activities	(64,754)	(249,773)
Cash used by capital investment activities	(8,858)	(10,015)
Cash used by investing activities.....	(6,562)	(64,675)
<i>Total cash used before financing activities.....</i>	<i>(80,174)</i>	<i>(324,463)</i>
Cash provided by financing activities	116,895	351,322
Net increase in cash and cash equivalents	36,721	26,859
Cash and cash equivalents at beginning of year.....	64,101	37,242
Cash and cash equivalents at end of year	100,822	64,101

Financing activities generated a \$116.9-billion source of cash in 2022, resulting in an overall net increase in cash of \$36.7 billion. The level of cash and cash equivalents stood at \$100.8 billion at March 31, 2022.

Contractual obligations and contractual rights

The nature of the government's operations results in large multi-year contracts and agreements that will generate expenses, liabilities and cash outflows in future years. Major contractual obligations of the government relate to transfer payments, capital assets and purchases, operating leases, public-private partnership arrangements, and payments to international organizations. As of March 31, 2022, future payments under contractual obligations totalled \$224.4 billion (\$188.0 billion as of March 31, 2021). The increase reflects increased contractual obligations related to transfer payment agreements, and capital assets and purchases.

Similarly, the activities of government can also involve the negotiation of contracts or agreements with third parties that result in the government having rights to both assets and revenues in the future. These arrangements typically relate to sales of goods and services, leases of property, and royalties and profit-sharing arrangements. The terms of these contracts and agreements may not always allow for a reasonable estimate of revenues in the future. For contracts and agreements that do allow for a reasonable estimate, total revenues to be received in the future under major contractual rights are estimated at \$32.8 billion at March 31, 2022 (\$33.1 billion as of March 31, 2021).

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

Risks and uncertainties

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

- changes in economic conditions – particularly changes in economic growth, inflation and interest rates
- outcomes from litigation, arbitration and negotiations with third parties, and the resolution of taxes under objection
- identification and quantification of environmental liabilities
- ageing tangible capital assets, including information technology infrastructure, and costs associated with dismantling capital assets at the end of their useful lives
- credit risk and foreign currency risk associated with the government's financial assets, including loans, investments and advances and foreign exchange accounts
- unforeseen situations such as natural catastrophes, geopolitical developments, cybersecurity incidents, or more currently, the COVID-19 pandemic
- changes in or the adoption of new accounting standards, such as the new Public Sector Accounting Standards on asset retirement obligations and financial instruments that came into effect on April 1, 2022, which can change the amounts previously recorded for assets and liabilities.

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

Another significant area of measurement uncertainty relates to contingent liabilities. Contingent liabilities represent possible obligations that may result in future payments when one or more events occur or fail to occur. Examples of contingent liabilities include loan guarantees; insurance programs, including the Deposit Insurance Fund operated by the Canada Deposit Insurance Corporation and the Mortgage Insurance Fund operated by CMHC; callable share capital in international financial institutions; and claims and pending and threatened litigation. This last category includes, among other items, specific claims that deal with the past grievances of First Nations related to Canada's obligations under historic treaties or the way it managed First Nations' funds or other assets, and comprehensive land claims, which relate to areas of the country where Aboriginal rights and title have not been resolved by treaty or by other legal means. As of March 31, 2022, the government's exposure to contingent liabilities totalled over \$2 trillion. However, the vast majority of this amount represents situations where the probability of a future payment is assessed as unlikely or not determinable. The government records a provision for contingent liabilities only in cases where the probability of future payment is considered likely and the amount is estimable. As of March 31, 2022, this provision totalled \$53.4 billion.

The government's assumptions related to risks and uncertainties used in determining its financial results are reassessed at each fiscal year-end and updated as necessary. Exposure to measurement uncertainty from the use of accounting and other estimates in recording certain transactions is discussed in the notes to the consolidated financial statements. Further details with respect to the measurement of the government's tax revenues, provisions for accounts receivable, contingent liabilities, environmental liabilities, public sector pensions and other employee and veteran future benefits, and loans, investments and advances are included in the notes to the consolidated financial statements of the Government of Canada. Note 18 of the consolidated financial statements provides information on instruments and strategies used by the government to manage financial risks associated with its financial assets and liabilities.

As noted in Budget 2022, and in the discussion on Economic Developments earlier in this section, the global economic outlook remains uncertain, and any potential setbacks could have a major impact on Canada. The government's revenues and expenses are highly sensitive to changes in economic conditions – particularly to changes in economic growth, inflation and interest rates.

To illustrate the impact of changes in economic conditions, the Department of Finance Canada publishes, on a regular basis, sensitivity impacts on the budgetary balance. These are “rules of thumb” as the actual impact will depend on many other factors as well. As published in the April 7, 2022 federal budget, these show, for example, that:

- A one-year, 1-percentage-point decrease in real GDP growth would lower the budgetary balance by \$5.0 billion in the first year, \$5.4 billion in the second year, and \$6.4 billion in the fifth year.
- A one-year, 1-percentage-point decrease in GDP inflation would lower the budgetary balance by \$2.2 billion in the first year, \$2.3 billion in the second year, and \$1.8 billion in the fifth year.
- A sustained 100-basis-point increase in interest rates would lower the budgetary balance by \$5.1 billion in the first year, \$5.9 billion in the second year, and \$6.9 billion in the fifth year.

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

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

Ten-year comparative financial information

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

Table 1.1
Government of Canada
Consolidated Statement of Operations and Accumulated Deficit—detailed

(in millions of dollars)

	Year ended March 31 ^{1,2}									
	2013 ³	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
<i>Tax revenues</i>										
Income tax revenues										
Personal.....	125,728	130,811	135,743	144,897	143,680	153,619	163,881	167,576	174,755	198,385
Corporate.....	34,986	36,587	39,447	41,444	42,216	47,805	50,568	50,060	54,112	78,815
Non-resident.....	5,073	6,404	6,216	6,505	7,071	7,845	9,370	9,476	8,107	10,789
	165,787	173,802	181,406	192,846	192,967	209,269	223,619	227,112	236,974	287,989
Other taxes and duties										
Goods and services tax.....	28,821	30,998	31,349	32,952	34,368	36,751	38,221	37,386	32,415	46,165
Energy taxes.....	5,381	5,486	5,528	5,565	5,634	5,739	5,802	5,683	4,894	5,355
Customs import duties	3,979	4,239	4,581	5,372	5,478	5,416	6,881	4,853	4,254	5,237
Other excise taxes and duties	5,370	5,413	5,724	5,916	5,868	5,913	6,323	5,958	5,391	5,923
	43,551	46,136	47,182	49,805	51,348	53,819	57,227	53,880	46,954	62,680
Total tax revenues.....	209,338	219,938	228,588	242,651	244,315	263,088	280,846	280,992	283,928	350,669
Employment insurance premiums	20,395	21,766	22,564	23,070	22,125	21,140	22,295	22,219	22,392	23,856
Proceeds from the pollution pricing framework	—	—	—	—	—	—	—	—	2,655	4,380
Other revenues										
Enterprise Crown corporations and other government business enterprises	7,543	7,966	9,306	7,916	5,655	7,731	7,101	5,059	(10,542)	12,804
Net foreign exchange revenues.....	1,502	1,682	1,355	2,322	2,133	1,473	1,667	2,410	2,173	873
Other.....	15,632	18,660	18,092	16,649	16,640	17,784	20,309	20,796	14,115	18,734
Total other revenues	24,677	28,308	28,753	26,887	24,428	26,988	29,077	28,265	5,746	32,411
Total revenues	254,410	270,012	279,905	292,608	290,868	311,216	332,218	334,131	316,446	413,277
Expenses										
<i>Program expenses</i>										
Transfer payments										
Old age security benefits, guaranteed income supplement and spouse's allowance	40,255	41,786	44,103	45,461	48,162	50,644	53,366	56,227	58,529	60,774
Major transfer payments to other levels of government										
Canada Health Transfer.....	28,912	30,543	32,114	34,025	36,057	37,124	38,568	40,872	45,880	45,133
Canada Social Transfer.....	11,860	12,215	12,582	12,959	13,348	13,748	14,161	14,585	15,023	15,474
Canada-Wide Early Learning and Child Care	—	—	—	—	—	—	—	—	—	2,948
Fiscal arrangements.....	15,595	15,610	16,271	16,893	17,145	17,575	17,929	18,030	19,299	19,121
Other major transfers.....	2,003	2,107	2,142	1,973	2,102	2,072	5,267	5,688	26,451	5,710
	58,370	60,475	63,109	65,850	68,652	70,519	75,925	79,175	106,653	88,386
Employment insurance and support measures	17,099	17,300	18,052	19,419	20,711	19,715	18,888	21,750	58,356	38,923
Children's benefits	12,975	13,136	14,303	18,025	22,065	23,432	23,882	24,344	27,370	26,226
COVID-19 income support for workers	—	—	—	—	—	—	—	4,739	55,832	15,582
Canada emergency wage subsidy	—	—	—	—	—	—	—	—	80,166	22,291
Proceeds from the pollution pricing framework returned	—	—	—	—	—	—	664	2,636	4,566	3,814
Other transfer payments	34,862	36,698	35,126	34,874	41,580	47,138	51,753	54,405	97,961	88,478
Total transfer payments.....	163,561	169,395	174,693	183,629	201,170	211,448	224,478	243,276	489,433	344,474
Other expenses, excluding net actuarial losses....	74,314	64,277	73,971	79,939	77,519	86,488	90,077	95,191	119,089	124,342
Total program expenses, excluding net actuarial losses.....	237,875	233,672	248,664	263,568	278,689	297,936	314,555	338,467	608,522	468,816
Public debt charges.....	25,533	24,729	24,207	21,837	21,232	21,889	23,266	24,447	20,358	24,487
Total expenses, excluding net actuarial losses	263,408	258,401	272,871	285,405	299,921	319,825	337,821	362,914	628,880	493,303
Annual (deficit) surplus before net actuarial losses.....	(8,998)	11,611	7,034	7,203	(9,053)	(8,609)	(5,603)	(28,783)	(312,434)	(80,026)
Net actuarial losses	(12,295)	(19,661)	(7,584)	(10,064)	(9,904)	(10,352)	(8,361)	(10,609)	(15,295)	(10,186)
Annual deficit.....	(21,293)	(8,050)	(550)	(2,861)	(18,957)	(18,961)	(13,964)	(39,392)	(327,729)	(90,212)
Accumulated deficit at beginning of year—as previously reported.....	(591,040)	(609,391)	(611,881)	(612,330)	(615,986)	(631,899)	(671,254)	(685,450)	(721,360)	(1,048,746)
Accounting change and restatement—Public sector pensions	(8,341)	(11,219)	(14,119)	(16,580)	(18,454)	(19,641)	—	—	—	—
Other comprehensive income (loss).....	64	2,660	(2,360)	(2,669)	1,857	(753)	(232)	3,482	343	4,465
Accumulated deficit at end of year.....	(620,610)	(626,000)	(628,910)	(634,440)	(651,540)	(671,254)	(685,450)	(721,360)	(1,048,746)	(1,134,493)

¹ The figures up to 2018 have been restated in the fiscal year 2019 to reflect the change in revenue recognition criteria for consolidated Crown corporations. Other than the 2018 restated figures, the restatements in the prior years have not been audited.

² The figures up to 2017 have been restated in the fiscal year 2018 to reflect the impact of the change in methodology for the determination of the discount rate for unfunded pension benefits. Other than the 2017 restated figures, the restatements in the prior years have not been audited.

³ The 2013 accumulated deficit at beginning of year has been adjusted to include the restatement amount of \$5,669 million and \$1,795 million for the buy-back of bonds and the loans expected to be repaid from future appropriations done in the course of the fiscal year 2014.

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

(in millions of dollars)

	As at March 31 ^{1,2}									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Liabilities										
<i>Accounts payable and accrued liabilities</i>										
Amounts payable related to tax	54,877	52,600	56,198	53,697	55,077	61,876	65,200	60,186	71,516	78,463
Other accounts payable and accrued liabilities.....	30,369	26,170	26,986	29,979	29,034	37,692	42,674	49,055	61,459	86,905
Provision for contingent liabilities.....	12,262	11,135	11,757	12,562	16,511	23,030	26,447	24,928	44,815	53,436
Environmental liabilities and asset retirement obligations	10,600	11,143	12,296	13,282	12,599	12,291	13,192	14,646	14,484	17,482
Deferred revenue.....	3,570	4,147	8,161	9,684	9,066	8,220	7,500	10,522	10,424	18,892
Interest and matured debt	5,955	5,585	5,240	4,922	4,663	4,690	4,694	4,496	4,699	5,110
Total accounts payable and accrued liabilities	117,633	110,780	120,638	124,126	126,950	147,799	159,707	163,833	207,397	260,288
<i>Interest-bearing debt</i>										
<i>Unmatured debt</i>										
Payable in Canadian currency										
Marketable bonds	469,039	473,319	487,881	504,068	536,280	574,968	569,526	596,864	875,306	1,030,896
Treasury bills.....	180,689	152,990	135,692	138,100	136,700	110,700	134,300	151,867	218,775	187,381
Retail debt.....	7,481	6,327	5,660	5,076	4,533	2,586	1,237	497	299	—
Bonds for Canada Pension Plan	—	—	—	—	—	—	—	—	—	—
	657,209	632,636	629,233	647,244	677,513	688,254	705,063	749,228	1,094,380	1,218,277
Payable in foreign currencies	10,802	16,030	20,267	22,482	17,609	16,049	16,011	15,941	15,427	14,451
Cross-currency swap revaluation.....	(3,419)	2,326	6,669	8,391	7,764	7,835	7,274	10,592	450	(2,247)
Unamortized discounts and premiums on market debt.....	3,231	3,184	4,296	5,047	5,322	3,467	2,163	2,487	9,690	7,443
Obligation related to capital leases	3,647	3,603	3,710	3,477	3,226	3,203	2,893	2,913	2,708	2,786
Obligation under public-private partnership	917	1,179	1,005	1,570	2,199	2,393	3,511	2,590	2,531	2,581
Total unmatured debt.....	672,387	658,958	665,180	688,211	713,633	721,201	736,915	783,751	1,125,186	1,243,291
<i>Pensions and other future benefits</i>										
Public sector pensions.....	162,886	167,281	169,244	170,681	171,447	170,914	168,782	168,596	168,761	167,666
Other employee and veteran future benefits	67,301	71,959	76,140	85,681	93,568	104,793	113,862	126,378	144,186	159,705
Total pensions and other future benefits.....	230,187	239,240	245,384	256,362	265,015	275,707	282,644	294,974	312,947	327,371
Canada Pension Plan Account	68	140	212	35	106	32	163	279	139	101
Other liabilities.....	5,978	5,774	5,790	5,567	5,583	5,638	5,742	5,772	6,572	7,606
Total interest-bearing debt.....	908,620	904,112	916,566	950,175	984,337	1,002,578	1,025,464	1,084,776	1,444,844	1,578,369
Total liabilities	1,026,253	1,014,892	1,037,204	1,074,301	1,111,287	1,150,377	1,185,171	1,248,609	1,652,241	1,838,657
Financial assets										
<i>Cash and accounts receivable</i>										
Cash and cash equivalents	27,341	31,429	34,999	38,570	36,500	34,642	37,635	37,242	64,101	100,822
Taxes receivable.....	92,115	92,489	98,499	105,848	110,514	123,035	127,561	121,098	142,023	167,588
Other accounts receivable.....	3,587	3,706	3,031	10,139	10,316	14,380	11,845	15,375	18,072	11,616
Total cash and accounts receivable	123,043	127,624	136,529	154,557	157,330	172,057	177,041	173,715	224,196	280,026
<i>Foreign exchange accounts</i>										
International reserves held in the Exchange Fund Account	63,381	77,365	91,961	101,379	106,668	105,430	107,200	112,017	97,589	127,099
International Monetary Fund—Subscriptions	9,694	10,883	11,129	20,170	19,892	20,647	20,449	21,178	19,633	19,051
International Monetary Fund—Loans.....	1,457	1,665	1,353	1,278	1,125	775	546	368	197	132
Less: International Monetary Fund—Notes payable and special drawing rights allocations	15,773	17,651	19,425	29,288	28,888	29,914	28,507	28,660	24,797	42,251
Total foreign exchange accounts.....	58,759	72,262	85,018	93,539	98,797	96,938	99,688	104,903	92,622	104,031
<i>Loans, investments and advances</i>										
Enterprise Crown corporations and other government business enterprises	131,785	94,815	89,375	91,116	99,427	100,775	108,169	125,108	119,994	143,717
Other loans, investments and advances	23,134	22,820	24,306	24,841	24,579	25,596	25,743	27,394	59,284	63,314
Total loans, investments and advances	154,919	117,635	113,681	115,957	124,006	126,371	133,912	152,502	179,278	207,031
Public sector pension assets	—	938	1,263	1,639	1,900	2,124	2,406	4,598	6,320	9,203
Total financial assets	336,721	318,459	336,491	365,692	382,033	397,490	413,047	435,718	502,416	600,291
Net Debt.....	(689,532)	(696,433)	(700,713)	(708,609)	(729,254)	(752,887)	(772,124)	(812,891)	(1,149,825)	(1,238,366)
Non-financial assets										
Tangible capital assets	60,241	61,942	63,347	65,838	69,676	73,835	78,942	83,682	87,583	91,889
Inventories.....	7,453	7,316	7,250	7,221	6,842	6,679	6,601	6,171	9,764	9,026
Prepaid expenses	1,228	1,175	1,206	1,110	1,196	1,119	1,131	1,678	3,732	2,958
Total non-financial assets.....	68,922	70,433	71,803	74,169	77,714	81,633	86,674	91,531	101,079	103,873
Accumulated deficit	(620,610)	(626,000)	(628,910)	(634,440)	(651,540)	(671,254)	(685,450)	(721,360)	(1,048,746)	(1,134,493)

¹ The figures up to 2018 have been restated in the fiscal year 2019 to reflect the change in revenue recognition criteria for consolidated Crown corporations. Other than the 2018 restated figures, the restatements in the prior years have not been audited.

² The figures up to 2017 have been restated in the fiscal year 2018 to reflect the impact of the change in methodology for the determination of the discount rate for unfunded pension benefits. Other than the 2017 restated figures, the restatements in the prior years have not been audited.

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

(in millions of dollars)

	Year ended March 31 ^{1,2}									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net debt at beginning of year—as previously reported	(650,135)	(671,363)	(682,314)	(686,959)	(693,751)	(714,457)	(752,887)	(772,124)	(812,891)	(1,149,825)
Accounting changes and restatement										
Accumulated sick leave entitlements	(1,400)	—	—	—	—	—	—	—	—	—
Unamortized premiums and discounts on the buy-back of bonds	(5,669)	(5,387)	—	—	—	—	—	—	—	—
Loans expected to be repaid from future appropriations	(1,795)	(1,563)	—	—	—	—	—	—	—	—
Public sector pensions	(8,341)	(11,219)	(14,119)	(16,580)	(18,454)	(19,641)	—	—	—	—
Change in revenue recognition criteria	—	—	—	2,826	3,596	4,844	—	—	—	—
Net debt at beginning of year—as restated	(667,340)	(689,532)	(696,433)	(700,713)	(708,609)	(729,254)	(752,887)	(772,124)	(812,891)	(1,149,825)
Change in net debt during the year										
Annual deficit	(21,293)	(8,050)	(550)	(2,861)	(18,957)	(18,961)	(13,964)	(39,392)	(327,729)	(90,212)
Change due to tangible capital assets										
Acquisition of tangible capital assets	(7,175)	(7,129)	(7,204)	(8,015)	(8,547)	(9,793)	(11,134)	(10,286)	(10,127)	(9,588)
Amortization of tangible capital assets	5,184	4,865	5,090	5,049	5,168	5,261	5,643	5,790	5,969	5,433
Proceeds from disposal of tangible capital assets	319	804	855	610	373	236	433	41	15	28
Net loss (gain) on disposal of tangible capital assets, including adjustments	478	(241)	(146)	(135)	(832)	137	(49)	(285)	242	(179)
Total change due to tangible capital assets	(1,194)	(1,701)	(1,405)	(2,491)	(3,838)	(4,159)	(5,107)	(4,740)	(3,901)	(4,306)
Change due to inventories	(457)	137	66	29	379	163	78	430	(3,593)	738
Change due to prepaid expenses	688	53	(31)	96	(86)	77	(12)	(547)	(2,054)	774
Net increase in net debt due to operations	(22,256)	(9,561)	(1,920)	(5,227)	(22,502)	(22,880)	(19,005)	(44,249)	(337,277)	(93,006)
Other comprehensive income (loss)	64	2,660	(2,360)	(2,669)	1,857	(753)	(232)	3,482	343	4,465
Net increase in net debt	(22,192)	(6,901)	(4,280)	(7,896)	(20,645)	(23,633)	(19,237)	(40,767)	(336,934)	(88,541)
Net debt at end of year	(689,532)	(696,433)	(700,713)	(708,609)	(729,254)	(752,887)	(772,124)	(812,891)	(1,149,825)	(1,238,366)

¹ The figures up to 2018 have been restated in the fiscal year 2019 to reflect the change in revenue recognition criteria for consolidated Crown corporations. Other than the 2018 restated figures, the restatements in the prior years have not been audited.

² The figures up to 2017 have been restated in the fiscal year 2018 to reflect the impact of the change in methodology for the determination of the discount rate for unfunded pension benefits. Other than the 2017 restated figures, the restatements in the prior years have not been audited.

Table 1.4
Government of Canada
Consolidated Statement of Cash Flow—detailed

(in millions of dollars)

	Year ended March 31 ^{1,2,3}									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Operating activities										
Annual deficit.....	(21,293)	(8,050)	(550)	(2,861)	(18,957)	(18,961)	(13,964)	(39,392)	(327,729)	(90,212)
Non-cash items										
Share of annual (profit) loss in enterprise Crown corporations and other government business enterprises.....	(4,995)	(5,945)	(8,365)	(7,316)	(4,920)	(6,959)	(5,920)	(3,588)	11,638	(11,535)
Amortization of premiums and discounts on debt.....	2,919	2,792	2,261	2,374	1,936	1,999	3,044	4,649	1,559	3,416
Provision for valuation on other loans, investments and advances.....	763	1,798	1,056	1,034	869	(109)	2,080	425	17,175	2,563
Amortization of tangible capital assets.....	5,184	4,865	5,090	5,049	5,168	5,261	5,643	5,790	5,969	5,433
Net loss (gain) on disposal and write-offs of tangible capital assets, including adjustments.....	478	(241)	(146)	(135)	(832)	137	(49)	(285)	242	(179)
Cross-currency swap revaluation.....	1,029	5,745	4,343	1,722	(627)	71	(561)	3,318	(10,142)	(2,696)
Pensions and other future benefit and interest expenses.....	25,737	24,549	21,817	26,491	25,884	29,588	25,662	28,954	35,152	32,127
Provision for doubtful accounts.....	3,278	3,921	4,315	4,325	2,566	2,323	4,024	4,403	6,257	5,571
Net losses on write-offs and write-down of inventory	(2)	115	327	698	370	613	400	307	486	2,236
Foreign exchange revaluation.....	(304)	(6,720)	(6,653)	(2,471)	214	(771)	(589)	(5,298)	7,199	3,450
Change in taxes receivable	(9,358)	(4,125)	(9,920)	(11,182)	(7,425)	(15,846)	(8,292)	2,198	(26,049)	(30,653)
Pension and other future benefit payments	(14,717)	(16,434)	(15,998)	(15,889)	(17,492)	(19,120)	(19,007)	(18,816)	(18,901)	(20,586)
Change in foreign exchange accounts.....	(1,543)	(7,163)	(6,746)	(6,198)	(5,594)	3,755	(2,259)	(72)	4,038	(14,742)
Change in accounts payable and accrued liabilities.....	(6,386)	(6,853)	9,858	3,488	2,824	20,849	11,908	4,126	43,564	52,591
Net change in cash collateral.....	–	–	–	(6,557)	(349)	(1,841)	1,622	(2,825)	9,286	1,802
Net change in other accounts.....	(1,259)	(3,067)	(824)	(3,068)	(720)	(516)	1,118	1,036	(9,517)	(3,340)
Cash (used) provided by operating activities.....	(20,469)	(14,813)	(135)	(10,496)	(17,085)	473	4,860	(15,070)	(249,773)	(64,754)
Capital investment activities										
Acquisition of tangible capital assets	(7,175)	(7,129)	(6,804)	(7,379)	(7,834)	(9,220)	(10,010)	(9,598)	(10,030)	(8,886)
Proceeds from disposal of tangible capital assets	319	804	855	610	373	236	433	41	15	28
Cash used by capital investment activities.....	(6,856)	(6,325)	(5,949)	(6,769)	(7,461)	(8,984)	(9,577)	(9,557)	(10,015)	(8,858)
Investing activities										
Enterprise Crown corporations and other government business enterprises										
Dividends received and other equity adjustments	1,445	5,165	3,514	4,975	2,195	7,993	6,302	1,992	(13,989)	13,187
Issuance of loans and advances	(65,183)	(70,328)	(79,905)	(54,542)	(52,213)	(42,756)	(48,889)	(54,334)	(48,985)	(67,331)
Repayment of loans and advances	66,156	110,259	88,168	52,699	48,703	39,884	41,086	42,648	47,837	54,205
Issuance of other loans, investments and advances.....	(5,446)	(5,145)	(7,481)	(7,601)	(5,978)	(7,483)	(7,446)	(8,158)	(54,548)	(14,316)
Repayment of other loans, investments and advances	3,071	4,402	4,991	5,383	4,708	3,120	4,555	4,699	5,010	7,693
Cash (used) provided by investing activities.....	43	44,353	9,287	914	(2,585)	758	(4,392)	(13,153)	(64,675)	(6,562)
Total cash (used) generated before financing activities.....	(27,282)	23,215	3,203	(16,351)	(27,131)	(7,753)	(9,109)	(37,780)	(324,463)	(80,174)
Financing activities										
Issuance of Canadian currency borrowings	579,456	512,009	468,021	452,850	507,483	441,307	437,135	468,722	1,048,574	710,292
Repayment of Canadian currency borrowings.....	(542,063)	(536,364)	(471,891)	(435,143)	(477,549)	(433,801)	(424,926)	(430,279)	(698,130)	(592,308)
Issuance of foreign currency borrowings	7,782	12,011	16,961	26,817	21,702	15,847	19,631	17,821	34,185	31,377
Repayment of foreign currency borrowings	(7,695)	(6,783)	(12,724)	(24,602)	(26,575)	(17,458)	(19,738)	(18,877)	(33,307)	(32,466)
Cash provided (used) by financing activities	37,480	(19,127)	367	19,922	25,061	5,895	12,102	37,387	351,322	116,895
Net increase (decrease) in cash and cash equivalents	10,198	4,088	3,570	3,571	(2,070)	(1,858)	2,993	(393)	26,859	36,721
Cash and cash equivalents at beginning of year	17,143	27,341	31,429	34,999	38,570	36,500	34,642	37,635	37,242	64,101
Cash and cash equivalents at end of year.....	27,341	31,429	34,999	38,570	36,500	34,642	37,635	37,242	64,101	100,822

¹ Certain comparative figures have been reclassified to conform to the current year's presentation.² The figures up to 2018 have been restated in the fiscal year 2019 to reflect the change in revenue recognition criteria for consolidated Crown corporations. Other than the 2018 restated figures, the restatements in the prior years have not been audited.³ The figures up to 2017 have been restated in the fiscal year 2018 to reflect the impact of the change in methodology for the determination of the discount rate for unfunded pension benefits. Other than the 2017 restated figures, the restatements in the prior years have not been audited.

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

	Year ended March 31 ^{1,2}										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Loans, investments and advances											
Enterprise Crown corporations and other government business enterprises											
Loans and advances											
Canada Mortgage and Housing Corporation.....	3,472	41,951	10,465	177	720	1,124	592	(6,282)	(907)	(2,024)	
Business Development Bank of Canada	(653)	(1,106)	(1,356)	(1,266)	(1,869)	(1,659)	(1,765)	(1,170)	5,179	(1,846)	
Farm Credit Canada	(1,848)	(855)	(662)	(747)	(2,246)	(2,324)	(1,854)	(2,791)	(1,688)	(3,114)	
Canadian Development Investment Corporation	—	—	—	—	—	—	(4,790)	(1,465)	(3,725)	(6,290)	
Other.....	2	(59)	(185)	(7)	(115)	(13)	14	22	(8)	154	
	973	39,931	8,262	(1,843)	(3,510)	(2,872)	(7,803)	(11,686)	(1,149)	(13,120)	
Investments											
Share of annual loss (profit)	(4,995)	(5,945)	(8,365)	(7,316)	(4,920)	(6,959)	(5,920)	(3,588)	11,638	(11,535)	
Other comprehensive (income) loss.....	(64)	(2,660)	2,360	2,669	(1,857)	753	232	(3,482)	(343)	(4,465)	
Dividends	1,445	5,215	2,341	4,002	2,320	8,058	6,427	3,618	13,592	6,050	
Capital	—	(50)	1,030	973	(125)	(65)	(125)	(1,816)	(18,470)	(435)	
Transition adjustment and other	—	—	143	—	—	—	—	190	(24)	2	
	(3,614)	(3,440)	(2,491)	328	(4,582)	1,787	614	(5,078)	6,393	(10,383)	
	Total.....	(2,641)	36,491	5,771	(1,515)	(8,092)	(1,085)	(7,189)	(16,764)	5,244	(23,503)
Less:											
Loans expected to be repaid from future appropriations	(1,519)	(480)	353	221	218	264	204	167	115	225	
Unamortized discounts and premiums.....	—	1	(22)	5	1	(1)	1	8	15	(6)	
	Total.....	(1,122)	36,970	5,440	(1,741)	(8,311)	(1,348)	(7,394)	(16,939)	5,114	(23,722)
Other loans, investments and advances											
Portfolio investments.....	5	—	10	5	—	5	—	—	(53)	(26)	
National governments, including developing countries	18	(7)	(606)	22	(49)	78	55	432	109	37	
International organizations.....	(885)	(900)	(1,039)	(972)	(703)	(888)	(989)	(1,183)	(1,231)	(1,163)	
Provincial and territorial governments	803	849	765	693	126	(98)	(16)	60	(9)	55	
Other loans, investments and advances	(1,254)	(1,049)	(1,751)	(1,352)	32	760	(1,242)	(1,295)	(47,757)	(4,319)	
Total.....	(1,313)	(1,107)	(2,621)	(1,604)	(594)	(143)	(2,192)	(1,986)	(48,941)	(5,416)	
Less: allowance for valuation.....	(436)	(1,421)	(1,135)	(1,069)	(856)	874	(2,045)	(335)	(17,051)	(1,387)	
	Total.....	(877)	314	(1,486)	(535)	262	(1,017)	(147)	(1,651)	(31,890)	(4,029)
Total loans, investments and advances.....	(1,999)	37,284	3,954	(2,276)	(8,049)	(2,365)	(7,541)	(18,590)	(26,776)	(27,751)	
Pensions and other future benefits											
Public sector pensions	5,635	3,457	1,638	1,061	505	(757)	(2,414)	(2,378)	(1,557)	(3,979)	
Other employee and veteran future benefits.....	5,386	4,658	4,181	9,541	7,887	11,225	9,069	12,516	17,808	15,519	
	Total pensions and other future benefits.....	11,021	8,115	5,819	10,602	8,392	10,468	6,655	10,138	16,251	11,540
Other liabilities											
Canada Pension Plan Account	(70)	72	72	(177)	71	(74)	131	115	(139)	(38)	
Other liabilities.....	(817)	(204)	16	(223)	16	55	104	31	800	1,034	
	Total other liabilities.....	(887)	(132)	88	(400)	87	(19)	235	146	661	996
Non-financial assets											
Tangible capital assets	(1,194)	(1,701)	(1,405)	(2,491)	(3,838)	(4,159)	(5,107)	(4,740)	(3,901)	(4,307)	
Inventories	(458)	137	66	29	379	163	78	430	(3,593)	738	
Prepaid expenses.....	688	53	(31)	96	(86)	77	(12)	(547)	(2,054)	774	
	Total non-financial assets	(964)	(1,511)	(1,370)	(2,366)	(3,545)	(3,919)	(5,041)	(4,857)	(9,548)	(2,795)
Other transactions											
Taxes receivable.....	(6,109)	(374)	(6,010)	(7,349)	(4,666)	(12,521)	(4,526)	6,463	(21,444)	(25,565)	
Other accounts receivable.....	(58)	(119)	675	(7,108)	(177)	(4,064)	2,535	(3,530)	(2,179)	6,456	
Provincial, Territorial and Indigenous											
Tax Agreements Account	(7,130)	(1,584)	951	2,780	(1,942)	5,034	(351)	(4,710)	7,691	16,140	
Amounts payable related to tax.....	3,925	(2,277)	3,598	(2,501)	1,380	6,799	3,324	(5,014)	11,330	6,947	
Other liabilities.....	(3,181)	(2,992)	5,309	3,208	3,386	9,016	8,936	13,849	24,543	29,804	
	Total other transactions.....	(12,553)	(7,346)	4,523	(10,970)	(2,019)	4,264	9,918	7,058	19,941	33,782
Total non-budgetary transactions and non-financial assets											
	(5,382)	36,410	13,014	(5,410)	(5,134)	8,429	4,226	(6,105)	529	15,772	

¹ The figures up to 2018 have been restated in the fiscal year 2019 to reflect the change in revenue recognition criteria for consolidated Crown corporations. Other than the 2018 restated figures, the restatements in the prior years have not been audited.

² The figures up to 2017 have been restated in the fiscal year 2018 to reflect the impact of the change in methodology for the determination of the discount rate for unfunded pension benefits. Other than the 2017 restated figures, the restatements in the prior years have not been audited.

Table 1.6
Government of Canada
Consolidated Statement of Foreign Exchange, Unmatured Debt and Cash Transactions—detailed

(in millions of dollars)

	Year ended March 31									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Foreign exchange accounts										
International reserves held in the Exchange Fund Account.....	(1,240)	(13,984)	(14,596)	(9,418)	(5,289)	1,238	(1,770)	(4,817)	14,427	(29,510)
International Monetary Fund—Subscriptions.....	148	(1,189)	(246)	(9,041)	278	(755)	198	(729)	1,546	581
International Monetary Fund—Loans.....	(132)	(208)	312	75	153	350	229	178	171	65
	(1,224)	(15,381)	(14,530)	(18,384)	(4,858)	833	(1,343)	(5,368)	16,144	(28,864)
Less: International Monetary Fund										
Special drawing rights allocations	139	(1,118)	(231)	(493)	150	(409)	107	(396)	840	(17,945)
Notes payable.....	398	(760)	(1,543)	(9,370)	250	(617)	1,300	243	3,023	490
	537	(1,878)	(1,774)	(9,863)	400	(1,026)	1,407	(153)	3,863	(17,455)
Total foreign exchange accounts	(1,761)	(13,503)	(12,756)	(8,521)	(5,258)	1,859	(2,750)	(5,215)	12,281	(11,409)
Unmatured debt										
Payable in Canadian currency										
Marketable bonds.....	20,899	4,280	14,562	16,187	32,212	38,688	(5,442)	27,338	278,442	155,590
Treasury bills.....	17,468	(27,699)	(17,298)	2,408	(1,400)	(26,000)	23,600	17,567	66,908	(31,394)
Retail debt.....	(1,441)	(1,154)	(667)	(584)	(543)	(1,947)	(1,349)	(740)	(198)	(299)
Bonds for Canada Pension Plan.....	(11)	—	—	—	—	—	—	—	—	—
	36,915	(24,573)	(3,403)	18,011	30,269	10,741	16,809	44,165	345,152	123,897
Payable in foreign currencies	87	5,228	4,237	2,215	(4,873)	(1,560)	(38)	(70)	(514)	(976)
Cross-currency swap revaluation	1,029	5,745	4,343	1,722	(627)	71	(561)	3,318	(10,142)	(2,697)
Unamortized discounts and premiums market debt	7,526	(47)	1,112	751	275	(1,855)	(1,304)	324	7,203	(2,247)
Obligation related to capital leases.....	14	(45)	107	(233)	(251)	(23)	(310)	20	(205)	78
Obligation under public-private partnership.....	464	262	(174)	565	629	194	1,118	(921)	(59)	50
Total unmatured debt.....	46,035	(13,430)	6,222	23,031	25,422	7,568	15,714	46,836	341,435	118,105
Cash and cash equivalents at end of year										
In Canadian currency.....										
In Canadian currency.....	27,130	31,415	34,716	36,022	35,353	34,110	36,840	36,400	63,685	100,166
In foreign currencies.....	211	14	283	2,548	1,147	532	795	842	416	656
Total cash and cash equivalents	27,341	31,429	34,999	38,570	36,500	34,642	37,635	37,242	64,101	100,822

Glossary of terms

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

TERMIUM at btb.termiumplus.gc.ca

The CPA Canada Public Sector Accounting Handbook

Glossary of frequently-used terms, Finance Canada

Accounts of Canada

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

Accrued benefit obligation

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

Accumulated deficit

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

Actuarial valuation for accounting purposes

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

Allowance

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

Appropriation

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

Canada Account

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

Capital lease

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

Consolidated Revenue Fund

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

Consumer Price Index (CPI)

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

Contingent liability

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

Contractual obligation

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

Deficit

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

Defined benefit pension plan

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

Enterprise Crown corporation

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

Financial assets

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

Full accrual accounting

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

G7 (Group of Seven)

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

Gross domestic product (GDP)

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

National Accounts

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

Net book value of tangible capital assets

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

Net debt

The total liabilities of the government less its financial assets.

Non-financial assets

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

Operating lease

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

Other comprehensive income

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

Public money

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

Real return bonds

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

Retail debt

Canada Savings Bonds and Canada Premium Bonds.

Surplus

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

Swap

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

Tangible capital asset

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

Transfer payments

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

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Section 2

Public Accounts of Canada 2021–2022

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

Table of contents

	<i>Page</i>
Preface	52
Statement of responsibility	53
Auditor General of Canada—Independent Auditor's Report.....	54
Consolidated financial statements of the Government of Canada	
Consolidated Statement of Operations and	
Accumulated Deficit	57
Consolidated Statement of Financial Position.....	58
Consolidated Statement of Change in Net Debt.....	59
Consolidated Statement of Cash Flow	60
Notes to the consolidated financial statements of the	
Government of Canada.....	61

Note to reader

The observations of the Auditor General of Canada on the consolidated financial statements are now published in the Office of the Auditor General's *Commentary on the 2021–2022 Financial Audits*. This report is available on the web at:

oag-bvg.gc.ca/internet/English/parl_lpf_e_42210

Preface to the consolidated financial statements of the Government of Canada

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

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

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

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

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

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

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

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

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

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

Statement of responsibility

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

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

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

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

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

On behalf of the Government of Canada.

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

Original signed by
Michael Sabia
Deputy Minister of Finance

Original signed by
Paul Thompson
Deputy Receiver General for Canada

Original signed by
Roch Huppé
Comptroller General of Canada

September 12, 2022



Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

Independent Auditor's Report

To the House of Commons

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Government of Canada and its controlled entities (the Group), which comprise the consolidated statement of financial position as at 31 March 2022, and the consolidated statement of operations and accumulated deficit, consolidated statement of change in net debt and consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2022, and the consolidated results of its operations, consolidated changes in its net debt, and its consolidated cash flows for the year then ended in accordance with the stated accounting policies of the Government of Canada set out in Note 1 to the consolidated financial statements, which conform with Canadian public sector accounting standards.

Basis for Opinion

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

Emphasis of Matter – Impact of the ongoing COVID-19 pandemic

The Government of Canada continued to take actions to protect public health and reduce economic impacts on individuals and businesses in response to the COVID-19 pandemic. As a result, these actions had a significant impact on the consolidated financial statements. We draw attention to

- the annual deficit in the consolidated statement of operations and accumulated deficit, which was significantly impacted by expenses disclosed in
 - Note 5(c), which presents the COVID-19 income support for workers
 - Note 5(d), which presents the Canada Emergency Wage Subsidy
 - Note 5(f), which presents Other transfer payments that include significant COVID-19 support measures
- unmatured debt in the consolidated statement of financial position, which was significantly impacted as a result of increased borrowing disclosed in
 - Note 3(c), which describes the extraordinary borrowing authorities the Government of Canada invoked in response to the COVID-19 pandemic
 - Note 9, which presents total unmatured debt
- Note 5, which discloses information related to COVID-19 benefit overpayments for ineligible amounts that have not been determined as at the reporting date

Our opinion is not modified in respect of this matter.

Independent Auditor's Report—continued*Other Information*

Management is responsible for the other information. The other information comprises the information included in the *Public Accounts of Canada – 2022 – Volume I*, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

Independent Auditor's Report—concluded

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

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

Report on Other Legal and Regulatory Requirements

Opinion

As required by Section 6 of the *Auditor General Act*, we report that, in our opinion, the stated accounting policies of the Government of Canada have been applied on a basis consistent with that of the preceding year.

Original signed by
Karen Hogan, FCPA, FCA
Auditor General of Canada

Ottawa, Canada
12 September 2022

Government of Canada**Consolidated Statement of Operations and Accumulated Deficit
for the year ended March 31, 2022**

(in millions of dollars)

	2022	2021
	Budget	Actual
(Note 3d)		
Revenues (Note 4 and Note 20)		
<i>Tax revenues</i>		
Income tax revenues		
Personal.....	180,353	198,385
Corporate	50,257	78,815
Non-resident.....	9,887	10,789
Total income tax revenues.....	240,497	287,989
Other taxes and duties	57,308	62,680
Total tax revenues.....	297,805	350,669
<i>Employment insurance premiums</i>	23,657	23,856
<i>Proceeds from the pollution pricing framework</i>	6,352	6,341
<i>Other revenues</i>		
Enterprise Crown corporations and other government business enterprises	7,109	12,804
Net foreign exchange revenues	1,726	873
Other.....	18,480	18,734
Total other revenues	27,315	32,411
Total revenues.....	355,129	413,277
	316,446	
Expenses (Note 5 and Note 20)		
<i>Program expenses</i>		
Transfer payments		
Old age security benefits, guaranteed income supplement and spouse's allowance.....	62,474	60,774
Major transfer payments to other levels of government	90,500	88,386
Employment insurance and support measures	41,179	38,923
Children's benefits.....	27,190	26,226
COVID-19 income support for workers	13,918	15,582
Canada emergency wage subsidy	25,955	22,291
Proceeds from the pollution pricing framework returned.....	6,924	3,814
Other transfer payments	84,960	88,478
Total transfer payments.....	353,100	344,474
Other expenses, excluding net actuarial losses.....	122,465	124,342
Total program expenses, excluding net actuarial losses.....	475,565	468,816
<i>Public debt charges</i>	22,066	24,487
Total expenses, excluding net actuarial losses.....	497,631	493,303
	628,880	
Annual deficit before net actuarial losses	(142,502)	(80,026)
Net actuarial losses (Note 10).....	(12,210)	(10,186)
Annual deficit	(154,712)	(90,212)
Accumulated deficit at beginning of year	(1,048,746)	(1,048,746)
Other comprehensive income (Note 6 and Note 15).....	–	4,465
Accumulated deficit at end of year (Note 6)	(1,203,458)	(1,134,493)
	(1,048,746)	

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

Government of Canada**Consolidated Statement of Financial Position
as at March 31, 2022**

(in millions of dollars)

	2022	2021
Liabilities		
<i>Accounts payable and accrued liabilities</i>		
Amounts payable related to tax	78,463	71,516
Other accounts payable and accrued liabilities	86,905	61,459
Provision for contingent liabilities (Note 7)	53,436	44,815
Environmental liabilities and asset retirement obligations (Note 8)	17,482	14,484
Deferred revenue	18,892	10,424
Interest and matured debt	5,110	4,699
<i>Total accounts payable and accrued liabilities</i>	260,288	207,397
<i>Interest-bearing debt</i>		
Unmatured debt (Note 9)	1,243,291	1,125,186
Pensions and other future benefits		
Public sector pensions (Note 10)	167,666	168,761
Other employee and veteran future benefits (Note 10)	159,705	144,186
<i>Total pensions and other future benefits</i>	327,371	312,947
Other liabilities (Note 11)	7,707	6,711
<i>Total interest-bearing debt</i>	1,578,369	1,444,844
Total liabilities	1,838,657	1,652,241
Financial assets		
<i>Cash and accounts receivable</i>		
Cash and cash equivalents (Note 12)	100,822	64,101
Taxes receivable (Note 13)	167,588	142,023
Other accounts receivable (Note 13)	11,616	18,072
<i>Total cash and accounts receivable</i>	280,026	224,196
<i>Foreign exchange accounts (Note 14)</i>	104,031	92,622
<i>Loans, investments and advances</i>		
Enterprise Crown corporations and other government business enterprises (Note 15)	143,717	119,994
Other loans, investments and advances (Note 16)	63,314	59,284
<i>Total loans, investments and advances</i>	207,031	179,278
<i>Public sector pension assets (Note 10)</i>	9,203	6,320
Total financial assets	600,291	502,416
Net debt	(1,238,366)	(1,149,825)
Non-financial assets		
Tangible capital assets (Note 17)	91,889	87,583
Inventories (Note 17)	9,026	9,764
Prepaid expenses	2,958	3,732
<i>Total non-financial assets</i>	103,873	101,079
Accumulated deficit (Note 6)	(1,134,493)	(1,048,746)
Contractual obligations and contractual rights (Note 19)		

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

Government of Canada**Consolidated Statement of Change in Net Debt
for the year ended March 31, 2022**

(in millions of dollars)

	2022	2021
	Budget	Actual
	(Note 3d)	
Net debt at beginning of year	(1,149,825)	(1,149,825)
Change in net debt during the year		
Annual deficit	(154,712)	(90,212)
Changes due to tangible capital assets		
Acquisition of tangible capital assets	(11,197)	(9,588)
Amortization of tangible capital assets.....	6,009	5,433
Proceeds from disposal of tangible capital assets	157	28
Net loss (gain) on disposal of tangible capital assets, including adjustments.....	115	(179)
Total change due to tangible capital assets.....	(4,916)	(4,306)
Change due to inventories	—	738
Change due to prepaid expenses	2,000	774
Net increase in net debt due to operations.....	(157,628)	(93,006)
Other comprehensive income (Note 6 and Note 15).....	—	4,465
Net increase in net debt	(157,628)	(88,541)
Net debt at end of year.....	(1,307,453)	(1,238,366)
		(1,149,825)

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

Government of Canada**Consolidated Statement of Cash Flow
for the year ended March 31, 2022**

(in millions of dollars)

	2022	2021
Operating activities		
Annual deficit	(90,212)	(327,729)
Non-cash items		
Share of annual (profit) loss in enterprise Crown corporations and other government business enterprises	(11,535)	11,638
Amortization of premiums and discounts on debt	3,416	1,559
Provision for valuation on other loans, investments and advances	2,563	17,175
Amortization of tangible capital assets.....	5,433	5,969
Net (gain) loss on disposal and write-offs of tangible capital assets, including adjustments.....	(179)	242
Cross-currency swap revaluation	(2,696)	(10,142)
Pension and other future benefit and interest expenses.....	32,127	35,152
Provision for doubtful accounts	5,571	6,257
Net losses on write-offs and write-down of inventory.....	2,236	486
Foreign exchange revaluation	3,450	7,199
Change in taxes receivable	(30,653)	(26,049)
Pension and other future benefit payments	(20,586)	(18,901)
Change in foreign exchange accounts.....	(14,742)	4,038
Change in accounts payable and accrued liabilities	52,591	43,564
Net change in cash collateral	1,802	9,286
Net change in other accounts	(3,340)	(9,517)
<i>Cash used by operating activities.....</i>	(64,754)	(249,773)
Capital investment activities		
Acquisition of tangible capital assets.....	(8,886)	(10,030)
Proceeds from disposal of tangible capital assets.....	28	15
<i>Cash used by capital investment activities.....</i>	(8,858)	(10,015)
Investing activities		
Enterprise Crown corporations and other government business enterprises		
Dividends received and other equity adjustments.....	13,187	(13,989)
Issuance of loans and advances.....	(67,331)	(48,985)
Repayment of loans and advances.....	54,205	47,837
Issuance of other loans, investments and advances.....	(14,316)	(54,548)
Repayment of other loans, investments and advances.....	7,693	5,010
<i>Cash used by investing activities</i>	(6,562)	(64,675)
Financing activities		
Issuance of Canadian currency borrowings.....	710,292	1,048,574
Repayment of Canadian currency borrowings	(592,308)	(698,130)
Issuance of foreign currency borrowings	31,377	34,185
Repayment of foreign currency borrowings.....	(32,466)	(33,307)
<i>Cash provided by financing activities</i>	116,895	351,322
Net increase in cash and cash equivalents	36,721	26,859
Cash and cash equivalents at beginning of year.....	64,101	37,242
Cash and cash equivalents at end of year (Note 12).....	100,822	64,101
Supplementary information		
Cash used for interest	14,793	15,094

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

Notes to the consolidated financial statements of the Government of Canada

1. Summary of significant accounting policies

Reporting entity

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

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

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

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

Basis of accounting

These consolidated financial statements are prepared using the government's accounting policies stated below, which are based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Foreign currency translation

Transactions involving foreign currencies are translated into Canadian dollar equivalents using rates in effect at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using rates at March 31. Gains and losses resulting from foreign currency translation are reported on the Consolidated Statement of Operations and Accumulated Deficit according to the activities to which they relate. Net gains and losses relating to the foreign exchange accounts, foreign debt, swap and foreign exchange forward agreement revaluations are presented with investment revenues from foreign exchange accounts under net foreign exchange revenues. Net gains and losses relating to loans, investments and advances are presented with the return on investments from these loans, investments and advances under other revenues. Net foreign exchange gains and losses relating to transfer payments are reported in the transfer payment expenses under other transfer payments. Net foreign exchange gains and losses relating to departmental sale or purchase of goods or services in foreign currency are reported under other expenses.

Measurement uncertainty

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

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

- the accrual of tax revenues and the related amounts receivable, other receivables and payables, and the allowance for doubtful accounts (Note 4 and Note 13)
- expenses (Note 5)
- the provision for contingent liabilities (Note 7)
- environmental liabilities and asset retirement obligations (Note 8)
- public sector pensions and other employee and veteran future benefits (Note 10)
- enterprise Crown corporations and other government business enterprises (Note 15)
- other loans, investments and advances (Note 16)
- the expected useful life of tangible capital assets (Note 17)
- inventory (Note 17)
- contractual rights (Note 19b)

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

Measurement uncertainties exist at March 31, 2022 as a result of the on-going COVID-19 pandemic, global supply shortages, higher than expected inflation rates, increasing interest rates, and the Russia-Ukraine conflict. The consolidated financial statements reflect the impacts to the extent known and estimable at the reporting date. The government continues to assess and monitor the effects of these measurement uncertainties on its financial position, including related estimates and assumptions used in the preparation of its statements. The full potential impact on the assumptions used for the year is unknown as it will depend on future developments that are uncertain.

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

Additional significant accounting policies

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

- revenues (Note 4)
- expenses (Note 5)
- contingent liabilities (Note 7)
- environmental liabilities and asset retirement obligations (Note 8)
- unmatured debt (Note 9)
- public sector pensions and other employee and veteran future benefits (Note 10)
- taxes and other accounts receivable (Note 13)
- foreign exchange accounts (Note 14)
- enterprise Crown corporations and other government business enterprises (Note 15)
- other loans, investments and advances (Note 16)
- tangible capital assets and inventories (Note 17)
- contractual obligations and contractual rights (Note 19)
- segmented information (Note 20)

2. Comparative information

Certain comparative figures have been reclassified to conform to the current year's presentation. In particular, the government has changed the presentation of the Consolidated Statement of Cash Flow to segregate cash from non-cash items related to foreign exchange revaluation which were substantially included in change in foreign exchange accounts in the prior year's presentation.

3. Spending and borrowing authorities

(a) Spending authorities

The authority of Parliament is required before moneys can be spent by the government. Approvals are given in the form of annually approved limits through appropriation acts or through legislation in the form of statutory spending authority for specific purposes. In response to the COVID-19 pandemic, the COVID-19 support measures were implemented through both voted and statutory expenditures. When Parliament is dissolved for the purposes of general election, section 30 of the *Financial Administration Act* authorizes the Governor General, under certain conditions, to issue a special warrant authorizing the government to withdraw funds from the Consolidated Revenue Fund. During fiscal year 2022, there were no requirements to issue special warrants to support expenditures. The government uses the full accrual method of accounting to prepare its Budget and present its current consolidated financial statements. However, the spending authorities voted by Parliament are on an expenditure basis, which uses only a partial accrual method of accounting. During the year, expenditures were made under the authorities indicated in the following table:

(in millions of dollars)

	2022	2021
Annual spending limits voted by Parliament	188,841	166,152
Expenditures permitted under other legislation	228,174	308,733
 Total budgetary expenditures authorized	 417,015	 474,885
Less: amounts available for use in subsequent years and amounts that have lapsed	40,936	35,246
 Total net budgetary expenditures	 376,079	 439,639
Effect of consolidation and full accrual accounting, excluding net actuarial losses	117,224	189,241
 Total expenses, excluding net actuarial losses	 493,303	 628,880
Net actuarial losses	10,186	15,295
 Total expenses	 503,489	 644,175

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

In addition to the authorities for budgetary expenditures, non-budgetary spending of \$311,014 million (\$343,633 million in 2021) was authorized for loans, investments and advances. A net amount of \$66,324 million (\$107,653 million in 2021) was used, an amount of \$18 million (\$14 million in 2021) lapsed and an amount of \$244,672 million (\$235,966 million in 2021) is available for use in subsequent years.

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

(b) Over-expenditure of spending authorities

There were no over-expenditures of spending authorities in 2022.

(c) Borrowing authorities

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

Borrowing Authority Act: Maximum Amount

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

Subject to limited exceptions, borrowings undertaken by the Minister – together with amounts borrowed by agent Crown corporations and Canada Mortgage Bonds guaranteed by the Canada Mortgage and Housing Corporation – may not exceed the maximum amount specified in the BAA, which was \$1,168,000 million for the period from April 1, 2020 to May 5, 2021.

On May 6, 2021, the maximum amount in the BAA was amended to \$1,831,000 million when the *Economic Statement Implementation Act, 2020*, received royal assent. As at March 31, 2022, the outstanding borrowings subject to the maximum amount was \$1,529,422 million (\$1,132,650 million as at March 31, 2021).

Financial Administration Act: Annual Borrowing Authority

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

For the fiscal year 2022, the GIC specified a maximum amount of \$635,000 million (\$550,000 million in 2021). The GIC authority is calculated as the sum of *i*) the maximum stock of treasury bills anticipated to be outstanding during the year, *ii*) the total value of new issuances of marketable bonds, and *iii*) the total value of new issuances for the Exchange Fund Account. During fiscal year 2022, \$451,648 million (\$315,156 million in 2021) has been borrowed by the Minister.

Extraordinary Borrowings

The BAA also sets out exceptions for amounts not counting toward the maximum amount in the BAA, including borrowing for the purpose of making payments in extraordinary circumstances, such as in the event of a natural disaster or to promote the stability or maintain the efficiency of the financial system in Canada.

In response to the COVID-19 pandemic, the government invoked extraordinary borrowing authorities on one occasion during fiscal year 2022 under paragraph 46.1(c) of the FAA for the period from April 1, 2021 to May 6, 2021 (similarly, the government invoked extraordinary borrowings on one occasion during fiscal year 2021 from March 23, 2021 to March 31, 2021, inclusive). From April 1, 2021 to May 6, 2021, inclusive, the total amount borrowed under paragraph 46.1(c) was \$1,629 million (\$6,596 million in 2021). As at March 31, 2022, the outstanding borrowings under that authority was \$8,225 million. Although this amount does not count towards the maximum amount specified in the BAA, it counts towards the annual maximum amount specified by the GIC.

(d) Source of budget amounts

The budget amounts included in the Consolidated Statement of Operations and Accumulated Deficit and the Consolidated Statement of Change in Net Debt are derived from the amounts that were budgeted for 2022 in the April 2021 Budget Plan (Budget 2021). To enhance comparability with actual 2022 results, Budget 2021 amounts have been reclassified to conform to the current year's presentation in the consolidated financial statements, with no overall impact on the budgeted 2022 annual deficit.

Since actual opening balances of the accumulated deficit and net debt were not available at the time of preparation of Budget 2021, the corresponding amounts in the budget column have been adjusted to the actual closing balances of the previous year.

4. Revenues

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

Significant accounting policies
Revenues
<p>Tax revenues are recognized in the period in which the taxable event occurs and when they are authorized by legislation or the ability to assess and collect the tax has been provided through legislative convention. The policy is applied in the following manner for the following tax revenue streams:</p> <ul style="list-style-type: none"> Income tax revenue is recognized when the taxpayer has earned the income subject to the tax. Income is calculated net of tax deductions and credits allowed under the <i>Income Tax Act</i>, including refundable taxes resulting from current-year activity. For non-resident taxpayers (individuals and corporations), revenues are recognized when the taxpayers receive income from which tax is withheld on active and inactive income they earned in Canada. Domestic goods and services tax (GST) which includes the federal portion of the harmonized sales tax (HST) revenue is recognized at the time of the sale of goods or the provision of services. These revenues are reported net of input tax credits, GST rebates, and the GST quarterly tax credits. The GST quarterly tax credit for low-income individuals and families is recorded in the period the event giving rise to the GST quarterly credit occurred. Customs duties and goods and services tax revenue on imports are recognized when goods are authorized to enter Canada. Excise tax revenue is recognized when a taxpayer sells goods taxable under the <i>Excise Tax Act</i>. Excise duties revenue is recognized when the taxpayer manufactures goods taxable under the <i>Excise Act</i> and the <i>Excise Act, 2001</i>. <p>Tax revenues are measured from amounts assessed/reassessed and from estimates of amounts not yet assessed/reassessed based on cash received that relates to the fiscal year ended March 31. Revenues also include adjustments between the estimated revenues of previous years and actual amounts, as well as revenues from reassessments relating to prior years. Revenues do not include estimates of unreported taxes, or the impact of future reassessments that cannot yet be reliably determined.</p> <p>Taxes under objection are assessed taxes for which the taxpayer filed a notice of objection. An amount for federal taxes under objection is recognized as a reduction of tax revenues for cases where it has been determined that the government had little or no discretion to avoid settlement. The amounts in objection for which the likelihood of an adverse outcome was not determinable or for which an amount could not be reasonably estimated are disclosed in Note 4(c) to the consolidated financial statements.</p> <p>Tax expenditures that reduce taxes paid or payable are considered tax concessions and are netted against the applicable tax revenue. Refundable tax credits, deductions, or exemptions provided by the government are considered tax concessions when they provide tax relief to taxpayers and relate to the types of taxes that are a revenue source. Tax expenditures that provide a financial benefit through the tax system, and are not related to the relief of taxes paid or payable, are recorded as transfer payments and are not netted against tax revenue.</p> <p>Tax revenues that were not collected at year end and refunds that were not yet disbursed are reported respectively as taxes receivable (Note 13) and amounts payable related to tax on the Consolidated Statement of Financial Position. These amounts also include other receivables and payables for amounts collected through the tax system such as provincial and territorial taxes, as well as Employment Insurance premiums and Canada Pension Plan contributions receivable from individuals and employers as applicable.</p> <p>Tax collected on behalf of the provincial/territorial governments is not included in tax revenues. It is recorded as payable to the provincial/territorial governments included within other accounts payable and accrued liabilities and distributed by the Department of Finance in accordance with associated agreements.</p> <p>The following policies are applied for non-tax revenue streams:</p> <ul style="list-style-type: none"> Employment Insurance premiums are recognized as revenue in the period the insurable earnings are earned. Fuel charge proceeds are recognized as revenues in the period the charge is earned which is the production and the delivery by registered distributor of the fuel under the <i>Greenhouse Gas Pollution Pricing Act</i>. The compensation for excess emissions provided for under the <i>Greenhouse Gas Pollution Pricing Act</i> are recognized upon confirmation by the registered facility that the compensation is to be provided. Spectrum licence fees are recognized as other revenue on a straight-line basis over the term of the licence. Deferred revenue consists of spectrum licence fees and other amounts received in advance for the delivery of goods and rendering of services that will be recognized as revenue in a subsequent fiscal year as it is earned. Other revenues are recognized in the period the transactions or events giving rise to the respective revenues occurred.

Measurement uncertainty
<p>Tax revenues are subject to measurement uncertainty due to the use of estimates of amounts not yet assessed/reassessed based on cash received as well as taxpayer objections to assessed federal tax. Key assumptions used in estimating tax revenues are tax instalments, historical information on refund rates, payments received on filing tax returns, and amounts receivable assessed. Relevant factors such as new administered activities, legislative changes, and economic factors may also be considered. These are also indicators of tax revenue earned to March 31 that has not yet been assessed. The estimates are reviewed in subsequent years and compared to actual results to assess if refinements to the estimation methodology are required.</p> <p>Measurement uncertainties exist at March 31, 2022 as a result of the on-going COVID-19 pandemic and uncertainties around the economic outlook. These measurement uncertainties will impact the estimation of tax revenues. Historical experiences related to the estimates of unassessed tax revenues may not be relevant to predict future outcomes which may lead to a greater possibility of a material variance in the upcoming year.</p>

(a) Proceeds from the pollution pricing framework

As part of the federal carbon pollution pricing framework, fuel and excess emission charges are collected pursuant to the *Greenhouse Gas Pollution Pricing Act* and are applicable to jurisdictions that voluntarily adopt the federal carbon pollution pricing framework and those that do not meet the federal benchmark requirements. As of March 31, 2022, there were \$6,106 million of fuel charge proceeds recorded (\$4,219 million in 2021).

As of March 31, 2022, the excess emission charges revenue pursuant to the output-based pricing system for industrial facilities with high emissions totalled \$235 million (\$161 million in 2021).

(b) Other taxes and duties

(in millions of dollars)

	2022	2021
Goods and services tax	46,165	32,415
Energy taxes	5,355	4,894
Customs import duties	5,237	4,254
Other excise taxes and duties	5,923	5,391
Total other taxes and duties.....	<u>62,680</u>	<u>46,954</u>

Goods and service tax revenues are reduced by the additional GST credit payments in response to the impact of the COVID-19 pandemic totalling nil (\$5,425 million in 2021).

(c) Federal tax objections

As of March 31, 2022, \$19,258 million of federal taxes were under objection (\$20,059 million for 2021).

5. Expenses

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

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

Other expenses include personnel, professional and special services, repair and maintenance, utilities, materials and supplies, as well as amortization of tangible capital assets. Provisions to reflect changes in the value of assets or liabilities, such as provisions for bad debts, loans, investments and advances and inventory obsolescence, as well as utilization of inventories and prepaid expenses, are also included in other expenses. Public sector pension and other employee and veteran future benefit expenses are included in personnel expenses except for net actuarial gains and losses which are presented separately on the Consolidated Statement of Operations and Accumulated Deficit.

Public debt charges include interest, servicing costs, costs of issuing new borrowings, amortization of premiums and discounts on market debt including amounts arising on the extinguishment of debt, as well as interest on obligations for public sector pensions and other employee and veteran future benefits.

Significant accounting policies
<p>Transfer payments are recorded as an expense in the year the transfer is authorized and all eligibility criteria have been met by the recipient. Overpayments or underpayments identified through post-payment verification are recorded in the year when the existence and amounts have been determined.</p> <p>Other expenses are generally recorded when goods are received or services are rendered.</p> <p>Public sector pension and other employee and veteran future benefit expenses are recorded as employees render services using the projected benefit method prorated on service, except for: veteran future benefits and workers' compensation where benefits are accrued on an event driven basis; and accumulated sick leave entitlements where benefits are recognized using an accrued benefit method. Past service costs or cost reductions related to amendments and curtailments are recorded when amendments and curtailments are approved while past service costs or cost reductions related to settlements are recorded when benefits are paid.</p> <p>To enhance financial reporting and decision-making for users of the consolidated financial statements, the impacts of re-measurements of public sector pension and other employee and veteran future benefit obligations were isolated as they are often significant and could potentially mask underlying events and trends in current government spending. These amounts are presented in the Consolidated Statement of Operations and Accumulated Deficit line item titled net actuarial losses.</p> <p>Public debt charges are recorded when incurred.</p>
Measurement uncertainty
<p>Measurement uncertainties that impact certain expenses are described in the following consolidated financial statement notes: contingent liabilities (Note 7), environmental liabilities and asset retirement obligations (Note 8), public sector pensions and other employee and veteran future benefits (Note 10), taxes and other accounts receivable (Note 13), other loans, investments and advances (Note 16), and tangible capital assets and inventories (Note 17).</p> <p>Measurement uncertainties exist at March 31, 2022 as a result of the on-going COVID-19 pandemic, global supply shortages, higher than expected inflation rates, increasing interest rates, and the Russia-Ukraine conflict. These measurement uncertainties continue to impact the estimation of certain expenses.</p> <p>The various COVID-19 support measures were designed to issue payments on an expedited basis. The government's post-payment verification activities commenced shortly after payment issuance and are expected to continue for a number of years. The future cumulative value of COVID-19 benefit overpayments related to ineligible amounts have not been determined as at the reporting date; however could be material.</p>

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

(a) Major transfer payments to other levels of government

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

Most of the significant COVID-19 emergency funding to other levels of government under major transfers payments ended in 2021. The following notable major transfers to other levels of governments for the COVID-19 pandemic were nil for 2022: Safe Restart Agreement (\$12,977 million in 2021); Essential Workers Wage Top-up (\$2,884 million in 2021), additional one-time payments under the Canada Community-Building Fund (\$2,170 million in 2021), and Safe Return to Class Fund (\$2,000 million in 2021).

(in millions of dollars)

	2022	2021
Canada Health Transfer	45,133	45,880
Canada Social Transfer.....	15,474	15,023
Canada-wide Early Learning and Child Care	2,948	—
Fiscal arrangements	19,121	19,299
Other major transfers	5,710	26,451
Total major transfer payments to other levels of government.....	88,386	106,653

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

Canada health transfer expenses includes an additional \$2,000 million, a top-up in response to the COVID-19 pandemic in 2022 (\$4,000 million in 2021).

(b) Employment insurance and support measures

Pursuant to the *Employment Insurance Act*, employment insurance includes unemployment and self-employed benefits and support measures paid to/for individuals of \$36,588 million (\$31,412 million in 2021) and payments to provinces and territories related to Labour Market Development Agreements of \$2,375 million (\$2,300 million in 2021). The *Employment Insurance Act* was amended to authorize the emergency response benefit payments, as part of the Government's Economic Response Plan. As at March 31, 2022, benefit overpayments to be recovered of \$40 million related to the Employment Insurance Emergency Response Benefit (EI-ERB) were recorded (\$24,644 million of expenses in 2021). Refer to Note 5(c)i for information on the Canada Emergency Response Benefit (CERB).

(c) COVID-19 income support for workers

i. Canada Emergency Response Benefit

The emergency response benefits through CERB and EI-ERB provided benefits to Canadians who met certain eligibility criteria between March 15, 2020 and October 3, 2020.

Pursuant to the *Canada Emergency Response Benefit Act*, benefit overpayments to be recovered of \$954 million were recorded for CERB (\$39,049 million of expenses in 2021) and are recorded under COVID-19 income support for workers on the Consolidated Statement of Operations and Accumulated Deficit.

Combined, the emergency response benefit overpayments to be recovered recorded through CERB and EI-ERB totalled \$994 million in 2022 (\$63,693 million of expenses in 2021).

ii. Canada Recovery Benefits

To provide continued financial support to workers during the COVID-19 pandemic, the government introduced three new temporary recovery benefits starting September 27, 2020: the Canada Recovery Benefit (CRB), the Canada Recovery Caregiving Benefit (CRCB), and the Canada Recovery Sickness Benefit (CRSB). CRB support ended on October 23, 2021, while CRCB and CRSB ended on May 7, 2022. Support under these three benefit programs totalled \$15,626 million (\$16,783 million in 2021), which includes benefit overpayments and benefit repayments from higher income recipients to be recovered of \$665 million (\$266 million in 2021).

iii. Canada Worker Lockdown Benefit

The Canada Worker Lockdown Benefit (CWLB) gives temporary income support to eligible employed and self-employed Canadians for designated COVID-19 lockdowns between October 24, 2021 and May 7, 2022. As of March 31, 2022, \$910 million was expensed.

(d) Canada Emergency Wage Subsidy

The Canada Emergency Wage Subsidy (CEWS), provided a wage subsidy to eligible employers who have experienced a drop in qualifying revenues between March 15, 2020 and October 23, 2021. As of March 31, 2022, \$22,291 million (\$80,166 million in 2021) was expensed. These expenses include \$807 million (\$888 million in 2021) incurred for the 10% Temporary Wage Subsidy which complimented the CEWS to support eligible employers.

(e) Proceeds from the pollution pricing framework returned

As part of the federal carbon pollution pricing framework, the government returns all direct proceeds from the fuel charge directly to the governments of those jurisdictions that voluntarily adopt the federal carbon pollution pricing framework, and for those that do not meet federal benchmark requirements, they are returned directly to recipients through the tax system, such as the Climate Action Incentive (CAI) payments, various federal programming, and other transfers. For the year-ended March 31, 2022, these expenses for proceeds returned include \$3,762 million (\$4,547 million in 2021) in CAI payments.

(f) Other transfer payments

Other transfer payments totalling \$88,478 million (\$97,961 million in 2021) include various amounts paid or payable through federal programs to stabilize market prices for commodities, develop new technologies, conduct research, provide international development assistance, support health care and infrastructure of First Nations and Inuit communities, support social housing and families and promote educational and cultural activities. Also included are expenses of other consolidated entities and other miscellaneous payments. The various types of transfer payments are being delivered by departments according to their departmental legislative mandates.

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

- i. \$3,702 million for Canada Emergency Rent Subsidy (\$4,045 million in 2021);
- ii. \$2,214 million for Tourism and Hospitality Recovery Program (nil in 2021);
- iii. \$1,679 million for the one-time payment for seniors (\$2,455 million in 2021);
- iv. \$1,515 million for the Canada Emergency Business Account loan incentive (\$13,085 million in 2021). Refer to Note 16 for further details of the Canada Emergency Business Account;
- v. \$41 million for Canada Emergency Student Benefit (\$2,880 million in 2021); and
- vi. Nil in 2022 to Canada Mortgage and Housing Corporation for the Canada Emergency Commercial Rent Assistance Program (\$2,152 million in 2021).

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

(g) Public debt charges

(in millions of dollars)

	2022	2021
Public debt charges related to unmatured debt		
Interest on unmatured debt	15,033	14,074
Amortization of discounts on Canada and Treasury bills.....	473	1,216
Amortization of premiums and discounts on all other debts	2,943	343
Net interest on cross-currency swaps.....	(601)	(544)
Servicing costs and costs of issuing new borrowings.....	19	7
Interest on capital lease obligations	163	163
Interest on obligations under public-private partnerships.....	124	135
Total.....	<u>18,154</u>	<u>15,394</u>
Interest expense related to pensions and other employee and veteran future benefits	6,157	4,801
Other liabilities	176	163
Total public debt charges	<u>24,487</u>	<u>20,358</u>

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

(h) Total expenses by segment

The government has defined segments as Ministries which groups the activities of departments, agencies and consolidated Crown corporations and other entities for which a Minister is responsible to Parliament. Additional segmented information is provided in Note 20. The following table presents the total expenses by segment after the elimination of internal transactions:

(in millions of dollars)

	2022	2021
Ministries		
Agriculture and Agri-Food	3,283	4,277
Canadian Heritage	5,774	4,944
Crown-Indigenous Relations and Northern Affairs	14,181	8,571
Economic Development Agency of Canada for the regions of Quebec ¹	293	370
Employment, Workforce Development and Disability Inclusion ¹	135,874	195,574
Environment and Climate Change	2,726	2,755
Finance	106,553	122,283
Fisheries, Oceans and the Canadian Coast Guard	2,751	2,857
Global Affairs	9,128	24,786
Health	18,138	9,066
Immigration, Refugees and Citizenship	3,773	3,401
Indigenous Services ¹	22,727	18,422
Innovation, Science and Industry ¹	9,153	10,053
Intergovernmental Affairs, Infrastructure and Communities ¹	11,870	14,036
Justice	2,066	1,956
National Defence	29,113	28,972
National Revenue	75,659	130,945
Natural Resources	4,079	2,665
Office of the Governor General's Secretary	24	25
Parliament	750	861
Privy Council ¹	327	330
Public Safety	20,307	13,398
Public Services and Procurement ¹	6,174	6,390
Transport	3,911	3,309
Treasury Board	11,699	3,825
Veterans Affairs	434	487
Women, Gender Equality and Youth	229	219
Provision for valuation and other items	(7,693)	14,103
Total expenses, excluding net actuarial losses	493,303	628,880
Net actuarial losses ²	10,186	15,295
Total expenses	503,489	644,175

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

¹ Comparative figures have been reclassified to conform to the current year's presentation (Note 2).

² Allocation by segment provided in Note 20.

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

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

(in millions of dollars)

Objects of expense	2022	2021
Transfer payments	344,474	489,433
Other expenses		
Personnel, excluding net actuarial losses	63,301	59,623
Transportation and communications	2,669	2,069
Information	530	422
Professional and special services	14,649	11,847
Rentals	3,248	2,861
Repair and maintenance	3,654	3,585
Utilities, materials and supplies	12,128	8,758
Other subsidies and expenses	18,624	23,890
Amortization of tangible capital assets	5,433	5,969
Net loss on disposal of assets.....	106	65
Total other expenses, excluding net actuarial losses	124,342	119,089
Total program expenses, excluding net actuarial losses.....	468,816	608,522
Public debt charges	24,487	20,358
Total expenses, excluding net actuarial losses.....	493,303	628,880
Net actuarial losses	10,186	15,295
Total expenses	503,489	644,175

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

6. Accumulated deficit

The government includes in its revenues and expenses certain accounts established for specified purposes. Legislation requires that revenues received for purposes specified in the legislation be credited to these accounts and that related payments be charged to these accounts. Any deficiency of revenues over payments must be met through future revenues or transfers credited to these accounts. The following table shows the balance of these consolidated accounts and accumulated other comprehensive income included in the accumulated deficit:

(in millions of dollars)

	2022	2021
Accumulated deficit, excluding consolidated specified purpose accounts and accumulated other comprehensive income ¹	(1,111,253)	(1,043,125)
Consolidated specified purpose accounts		
Employment Insurance Operating Account	(24,972)	(7,706)
Other insurance accounts	811	798
Other consolidated accounts	721	628
	<u>(1,134,693)</u>	<u>(1,049,405)</u>
Accumulated other comprehensive income	200	659
Accumulated deficit.....	<u>(1,134,493)</u>	<u>(1,048,746)</u>

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

Accumulated other comprehensive income

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

Other comprehensive loss or income is excluded from the calculation of the government's annual deficit. It is instead recorded directly to the government's accumulated deficit. Upon realization of the gains and losses on financial instruments, the associated amounts are reclassified to the profit or loss of enterprise Crown corporations and other government business enterprises and then reflected in the government's annual deficit. The actuarial gains and losses related to pensions and other employee future benefits are not reclassified.

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

(in millions of dollars)

	2022	2021
Accumulated other comprehensive income at beginning of year.....	659	784
Other comprehensive income		
Net change in unrealized (losses) gains on financial instruments measured at fair value through other comprehensive income	(458)	99
Net change in fair value of derivatives designated as hedges.....	(1)	(224)
Actuarial gains on pensions and other employee future benefits.....	4,924	468
Total.....	<u>4,465</u>	<u>343</u>
Less: Actuarial gains on pensions and other employee future benefits recorded directly to accumulated deficit	4,924	468
Accumulated other comprehensive income at end of year.....	200	659

7. Provision for contingent liabilities

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

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

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

(in millions of dollars)

	2022	2021
Claims		
Pending and threatened litigation and other claims	30,765	25,644
Specific claims	15,169	11,503
Comprehensive land claims	7,112	6,948
Provision for guarantees provided by the government	390	720
Total provision recorded	53,436	44,815

(a) Claims

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

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

Claims for which the outcome is not determinable and for which an amount has not been accrued are estimated at \$4,186 million (\$4,791 million in 2021). The resolution of these claims may result in a liability, if any, that differs from the estimated amount.

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

Specific claims: Specific claims deal with the past grievances of First Nations related to Canada's obligations under historic treaties or the way it managed First Nations' funds or other assets. The past grievances may be proceeding via the legal system or via the specific claims program. The Government of Canada will pursue a settlement agreement with the First Nation when a claim demonstrates an outstanding lawful obligation. There are currently 677 (627 in 2021) specific claims under negotiation, accepted for negotiation or under review. A liability is estimated and recorded for claims that have progressed to a point where quantification is possible. This estimate also includes projections based on historical rates and costs of settlement for similar claims and includes an estimate for claims which have been filed but not yet assessed.

Comprehensive land claims: Comprehensive land claims arise in areas of the country where Aboriginal rights and title have not been resolved by treaty or by other legal means. There are currently 84 (84 in 2021) comprehensive land claims under negotiation, accepted for negotiation or under review. A liability is estimated and recorded for claims that have progressed to a point where quantification is possible. This estimate also includes projections based on historical rates and costs of settlement for similar claims.

(b) Guarantees provided by the government

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

(in millions of dollars)

	2022	2021
	Principal amount outstanding	Principal amount outstanding
Guarantees with an authorized limit (2022 limit: \$506,096; 2021 limit: \$505,420).....	270,872	269,018
Guarantees with no authorized limit (including borrowings of agent enterprise Crown corporations and other government business enterprises).....	304,871	314,727
Total	<u>575,743</u>	<u>583,745</u>
Less: provision for guarantees.....	390	720
Net exposure under guarantees	<u>575,353</u>	<u>583,025</u>

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

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

(c) Other

Assessed taxes under appeal: Contingent liabilities include previously assessed federal taxes where amounts are being appealed to the Tax Court of Canada, the Federal Court of Appeal, or the Supreme Court of Canada. As of March 31, 2022, an amount of \$5,634 million (\$4,269 million in 2021) was being appealed to the courts, for which the likelihood of an adverse outcome was not determinable or for which an amount could not be reasonably estimated. The government has recorded, in the amounts payable related to tax or in reduction of the amounts receivable from taxpayers, as applicable, the estimated amount of appeals that are considered likely to be lost and that can be reasonably estimated.

International organizations: The government has callable share capital whereby certain international organizations have the ability to require payments. As at March 31, 2022, the callable share capital amounts to \$37,522 million (\$37,781 million in 2021). No payments (nil in 2021) have been requested by international organizations or paid by the government in the year related to the callable share capital.

Insurance programs of agent enterprise Crown corporations: Four agent enterprise Crown corporations operate insurance programs for the government. In the event that the corporations have insufficient funds, the government will have to provide financing. The Canada Deposit Insurance Corporation operates the Deposit Insurance Fund which provides basic protection coverage to depositors for up to \$100,000 of eligible deposits with each member bank, trust or loan company; the Canada Mortgage and Housing Corporation operates the Mortgage Insurance Fund which provides insurance for mortgage lending on Canadian housing by private institutions and the Mortgage-Backed Securities Guarantee Fund which guarantees the timely payment of the principal and interest for investors of securities based on the *National Housing Act* through the Mortgage-Backed Securities program and the bonds issued by the Canada Housing Trust through the Canada Mortgage Bond program; Export Development Canada provides export and foreign investment insurance to help with export trade; and Farm Credit Canada sells group creditor life and accident insurance to its customers through a program administered by a major insurance provider and Farm Credit Canada's risk of the insurance program is limited. At March 31, 2022, total insurance in force amounts to \$1,912,891 million (\$1,902,250 million in 2021). The government expects that all four corporations will cover the cost of both current claims and possible future claims.

8. Environmental liabilities and asset retirement obligations

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

Asset retirement obligations represent the amount required to retire tangible capital assets at the end of their useful lives.

Significant accounting policies
An environmental liability for the remediation of contaminated sites is recognized when all of the following criteria are satisfied: an environmental standard exists, contamination exceeds the environmental standard, the government is directly responsible or accepts responsibility, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. The liability reflects management's best estimate of the amount required to remediate the sites to the current minimum environmental standard for its use prior to contamination. When the future cash flows required to settle or otherwise extinguish a liability are estimable, predictable and expected to occur over extended future periods, a present value technique is used. The discount rate used reflects the government's cost of borrowing, associated with the estimated number of years to complete remediation.
A liability for unexploded explosive ordnance (UXO) affected legacy sites is recognized when there is an appropriate basis for measurement and a reasonable estimate can be made. These liabilities are present obligations arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits.
An asset retirement obligation is recognized when all of the following criteria are satisfied: there is an agreement, contract, legislation, or a constructive or equitable obligation for the government to incur retirement costs for a tangible capital asset; the past event or transaction giving rise to the retirement liability has occurred; it is expected that the government will give up future economic benefits to retire the asset; and, a reasonable estimate of the amount can be made. The costs to retire an asset are normally capitalized and amortized over the asset's estimated remaining useful life. If the asset is fully amortized, its retirement costs are expensed. The asset retirement obligation is the present value of estimated future cash flows required to retire the assets where amounts can be reasonably estimated and is expected to be settled as the related sites, facilities or assets are removed from service. The estimated future cash flows are adjusted for inflation using the consensus forecasts and historical and target inflation rates set by the Bank of Canada. The discount rate is a weighted average rate of the government's cost of borrowing for the period to settlement of the obligation calculated at the date of the initial recognition of the obligation and on subsequent changes to expected cash flows.
The recorded liabilities are adjusted each year, as required, for present value adjustments, inflation, new obligations, and changes in management estimates and actual costs incurred.
If the likelihood of the government's responsibility is not determinable, a contingent liability is disclosed in the notes to the consolidated statements.
Measurement uncertainty
Environmental liabilities and asset retirement obligations are subject to measurement uncertainty due to the evolving technologies used in remediation activities of contaminated sites or asset retirements, the use of discounted present value of future estimated costs, high inflation rates, increasing interest rates and the fact that not all sites have had a complete assessment of the extent and nature of remediation or asset retirement costs. Changes to underlying assumptions, the timing of the expenditures, the technology employed, the revisions to environmental standards or changes in regulatory requirements could result in significant changes to the liabilities recorded.
The government's ongoing efforts to assess contaminated sites, UXO affected sites and asset retirement obligations may result in additional liabilities.

Environmental liabilities and asset retirement obligations include:

(in millions of dollars)

	2022	2021
Gross remediation liability for contaminated sites.....	10,024	7,051
Less expected recoveries	(26)	(25)
Net remediation liability for contaminated sites.....	9,998	7,026
Other environmental liabilities	140	95
Asset retirement obligations.....	7,344	7,363
Total environmental liabilities and asset retirement obligations	<u>17,482</u>	<u>14,484</u>

(a) Remediation of contaminated sites

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

The government has identified 6,462 sites (6,857 sites in 2021) where contamination may exist and assessment, remediation and monitoring may be required. Of these, the government has identified 2,524 sites (2,555 sites in 2021), where action is required and for which a gross liability of \$9,768 million (\$6,806 million in 2021) has been recorded. This liability estimate has been determined based on site assessments performed by environmental experts. In addition, a statistical model based upon a projection of the number of sites that will proceed to remediation and upon which current and historical costs are applied is used to estimate the liability for a group of unassessed sites. This group includes 3,079 unassessed sites (3,438 sites in 2021), of which 1,330 sites (1,412 sites in 2021) are projected to proceed to remediation and for which an estimated liability of \$256 million (\$245 million in 2021) has been recorded. These two estimates combined, totalling \$10,024 million (\$7,051 million in 2021), represents management’s best estimate of the costs required to remediate sites to the current minimum environmental standard for its use prior to contamination, based on information available on March 31.

For the remaining 859 sites (864 sites in 2021), no liability for remediation has been recognized. Some of these sites are at various stages of testing and evaluation and, if remediation is required, liabilities will be reported as soon as a reasonable estimate can be determined. For other sites, the government does not expect to give up any future economic benefits (there is likely no significant environmental impact or human health threats). These sites will be re-examined and a liability for remediation will be recognized if future economic benefits will be given up.

When the liability estimate is based on a future cash requirement, the amount is adjusted for inflation using a forecast CPI rate of 2.0% (2.0% in 2021). Inflation is included in the undiscounted amount. The Government of Canada’s cost of borrowing by reference to the actual zero-coupon yield curve for Government of Canada bonds has been used to discount the estimated future expenditures. March 2022 discount rates range from 1.88% (0.16% in 2021) for a 1-year term to 2.35% (2.01% in 2021) for a 30 or greater year term.

(in millions of dollars)

	2022					2021				
	Total number of sites	Number of sites with a liability	Estimated liability	Estimated total undiscounted expenditures	Estimated recoveries	Total number of sites	Number of sites with a liability	Estimated liability	Estimated total undiscounted expenditures	Estimated recoveries
Former mineral exploration sites ¹	124	106	6,250	9,684	26	124	106	4,028	6,507	25
Radioactive material ²	7	6	1,535	1,694	—	7	6	794	865	—
Military and former military sites ³	410	214	510	561	—	428	218	478	506	—
Fuel related practices ⁴	1,670	1,116	441	462	—	1,722	1,159	440	448	—
Marine facilities/aquatic sites ⁵	2,079	1,124	539	586	—	2,393	1,204	570	591	—
Landfill/waste sites ⁶	1,067	694	230	242	—	1,056	679	219	228	—
Other ⁷	1,105	594	519	539	—	1,127	595	522	532	—
Total	6,462	3,854	10,024	13,768	26	6,857	3,967	7,051	9,677	25

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

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

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

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

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

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

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

Also, during the year, 558 sites (307 sites in 2021) were closed as they were either remediated or assessed to confirm that they no longer meet all the criteria required to record a liability for contaminated sites.

(b) Other environmental liabilities

The government has identified approximately 528 unexploded explosive ordnance (UXO) suspected sites (526 in 2021) for which clearance action may be necessary. Of these sites, 29 (38 in 2021) are confirmed UXO affected sites. Based on management's best estimates, a liability of \$140 million (\$95 million in 2021) has been recorded for clearance action on 5 of the confirmed UXO sites (8 in 2021). Remediation has been completed on 11 sites during the year (3 in 2021). The remaining 512 suspect sites (515 in 2021) are currently in the assessment stage and a reasonable estimate cannot yet be determined. Of these sites, the obligation for clearance action is likely for 17 (21 in 2021), indeterminable for 37 (51 in 2021) and unlikely for the 458 remaining (443 in 2021).

(c) Asset retirement obligations

The asset retirement obligation is \$7,344 million (\$7,363 million in 2021) of which Atomic Energy of Canada Ltd. has recorded \$7,343 million (\$7,362 million in 2021) for nuclear facility decommissioning.

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

(in millions of dollars)

	2022	2021
Opening balance	7,363	7,186
Liabilities settled	(453)	(432)
Revision in estimate	154	338
Accretion expense ¹	280	271
Closing balance.....	<u>7,344</u>	<u>7,363</u>

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

The undiscounted future expenditures, adjusted for inflation, for the planned projects comprising the liability are \$15,841 million (\$16,074 million at March 31, 2021).

Key assumptions used in determining the provision are as follows:

	2022	2021
Weighted average discount rate	3.78%	3.80%
Discount period.....	163 years	164 years
Long-term rate of inflation	1.70%	1.70%

9. Unmatured debt

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

Significant accounting policies
Market debt is recorded at face value and is adjusted by discounts and premiums which are amortized on a straight-line basis over the term to maturity of the respective debt instrument.
When a marketable bond is exchanged or repurchased, and the transaction results in an extinguishment of the debt, the difference between the carrying amount of the debt instrument and the net consideration paid is recognized as a gain or loss in the Consolidated Statement of Operations and Accumulated Deficit, and the debt instrument is derecognized. An extinguishment occurs on the repurchase of bonds, or when there is an exchange of bonds with an existing bond holder and the terms of the original debt and the replacement debt are substantially different. Exchanged bonds are considered to have substantially different terms when the discounted present value of the cash flows under the new terms, including any amounts paid on the exchange, and discounted using the average effective interest rate of the original debt, is at least 10% different from the discounted present value of the remaining cash flows of the original debt. If an exchange of bonds with an existing bond holder does not result in an extinguishment, the carrying amount of the debt is adjusted for any amounts paid on the exchange, and the unamortized premiums or discounts relating to the original debt and arising on the exchange transaction are amortized over the remaining term to maturity of the replacement debt on a straight-line basis. The government's holdings of its own securities, if any, are deducted from market debt to report unmatured debt owed to external parties.
Cross-currency swap revaluations consist of unrealized gains or losses due to fluctuations in the foreign exchange value of the cross-currency swaps entered into by the government.
Capital lease obligations are the present value of the remaining minimum lease payments under capital lease agreements.
Obligations under public-private partnerships (P3s) result from the government's agreements with private sector partners to design, build, finance and/or operate and maintain certain tangible capital assets. The obligation represents the government's liability for the tangible capital asset component of these long-term financing arrangements. These liabilities are recognized on a percentage-of-completion basis over the period of construction of the P3 asset and reduced by progress payments and capital payments made to the P3 partner.
Measurement uncertainty
There are no significant measurement uncertainties related to unmatured debt.

Unmatured debt includes:

(in millions of dollars)

	2022	2021
Market debt		
Payable in Canadian currency	1,218,277	1,094,380
Payable in foreign currencies.....	14,451	15,427
Total.....	1,232,728	1,109,807
Unamortized discounts and premiums on market debt	7,443	9,690
Market debt including unamortized discounts and premiums.....	1,240,171	1,119,497
Cross-currency swap revaluations.....	(2,246)	450
Obligation related to capital leases.....	2,785	2,708
Obligation under public-private partnerships	2,581	2,531
Total unmatured debt	1,243,291	1,125,186

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

At March 31, 2022, the fair value of market debt including unamortized discounts and premiums is \$1,227,428 million (\$1,161,979 million in 2021). For marketable bonds denominated in Canadian dollars and foreign currencies, treasury bills issued in Canadian dollars and Canada bills, fair values are established using market quotes or the discounted cash flow calculated using year-end market interest and exchange rates.

The government has entered into individual cross-currency swap contracts with various counterparties. Terms and conditions associated with these outstanding contracts are established using International Swaps and Derivatives Association (ISDA) master agreements, which are in place with each counterparty. Cross-currency swaps are used primarily to fund foreign-denominated asset levels in the foreign exchange accounts.

Included in Cross-currency swap revaluations is \$4,715 million (\$2,794 million at March 31, 2021) related to individual cross-currency swap contracts that have a net foreign-exchange asset value to the government upon revaluation and \$2,468 million (\$3,244 million at March 31, 2021) relating to individual cross-currency swap contracts that have a net foreign-exchange liability value, resulting in an overall cross-currency swap net asset revaluation of \$2,247 million (net liability revaluation of \$450 million at March 31, 2021).

(a) Market debt

The following table presents the contractual maturity of debt issues and interest rates by currency and type of instrument at gross value (in Canadian dollars) and the effective weighted average annual interest rates as at March 31, 2022:

(in millions of dollars)

Maturing year	Marketable bonds		Treasury bills	Canada bills	Total
	CAD	USD	CAD	USD	
2023.....	181,706	3,750	187,400	2,575	375,431
2024.....	152,966	—	—	—	152,966
2025.....	105,066	3,750	—	—	108,816
2026.....	102,734	—	—	—	102,734
2027.....	62,155	4,376	—	—	66,531
2028 and subsequent.....	426,007	—	—	—	426,007
	1,030,634	11,876	187,400	2,575	1,232,485
Less: Government holdings of unmatured debt and consolidation adjustment ¹	(262)	—	19	—	(243)
Total market debt.....	1,030,896	11,876	187,381	2,575	1,232,728
Nature of interest rate ²	Fixed ³	Fixed	Variable	Variable	
Effective weighted average annual interest rates.....	1.52	1.42	0.60	0.33	
Range of interest rates.....	0.25 - 9.25	0.75 - 2.0	0.21 - 1.99	0.05 - 1.03	

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

¹ Includes \$24 million of securities held by consolidated Crown corporations and other entities and \$267 million of borrowings by consolidated agent Crown corporations.

² Debt with terms to maturity of less than one year is considered to have a variable interest rate. For marketable bonds and foreign currency notes, some of the fixed interest rates were converted into variable interest rates through swap agreements.

³ Includes real return bonds which have a variable component based on the consumer price index.

(b) Obligation related to capital leases

The total obligation related to capital leases as at March 31, 2022, is \$2,785 million (\$2,708 million in 2021). Interest on this obligation of \$163 million (\$163 million in 2021) is reported in the Consolidated Statement of Operations and Accumulated Deficit as part of public debt charges. At March 31, future minimum lease payments are summarized as follows:

(in millions of dollars)

Year	2022
2023.....	414
2024.....	399
2025.....	375
2026.....	328
2027.....	304
2028 and subsequent.....	2,205
Total minimum lease payments.....	4,025
Less: imputed interest at the average discount rate of 5.07%	1,240
Obligation related to capital leases.....	2,785

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

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

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

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

Significant accounting policies
<p>Public sector pensions and other employee and veteran future benefits are measured on an actuarial basis. The actuarial valuations estimate the current value of benefits earned and use various actuarial assumptions in the process. When actual experience varies from estimates or when actuarial assumptions change, actuarial gains or losses arise. Actuarial gains and losses are not recognized immediately but rather over the expected average remaining service life (EARSL) of the employees, which varies across plans, or the average remaining life expectancy (ARLE) of the benefit recipients under wartime veteran plans. Recognition commences in the year following the determination of the actuarial gains and losses. In addition, an unrecognized net actuarial loss is recognized immediately upon an amendment, up to a maximum of the related decrease in the accrued benefit obligation; similarly, an unrecognized net actuarial gain is recognized immediately, up to a maximum of the related increase in the accrued benefit obligation. The unrecognized net actuarial loss or gain, relating to the obligation that is curtailed or settled, is recognized immediately upon a curtailment or settlement.</p> <p>Pension and other future benefit assets include investments held by the Public Sector Pension Investment Board (PSPIB), which are valued at market-related value. Under this valuation methodology, the expected return on investments is recorded immediately while the difference between the expected and the actual return on investments is recorded over a five-year period through actuarial gains and losses. The market-related value of investments is adjusted, if necessary, to ensure that it does not fall outside a limit of plus or minus 10% of the market value of investments at year end; any amount outside this limit is recorded immediately through actuarial gains and losses.</p> <p>Contributions receivable from employees for past service buyback elections are discounted to approximate their fair value.</p>
Measurement uncertainty
<p>As the accrued benefit obligations for public sector pensions and other employee and veteran future benefits are actuarially determined, the actual experience may differ significantly from the assumptions used in the calculation of the accrued benefit obligations. The actuarial assumptions used in measuring the accrued benefit obligations are outlined in Section (g) below and a sensitivity analysis showing how the accrued benefit obligations would have been affected by changes in the principal actuarial assumptions is found in Section (h) below.</p> <p>Measurement uncertainties exist at March 31, 2022 as a result of the on-going COVID-19 pandemic, global supply shortages, higher than expected inflation rates, increasing interest rates, and the Russia-Ukraine conflict. The economic environment continues to be subject to sustained volatility and unpredictability, which could continue to impact the actuarial assumptions used to measure the present value of the accrued benefit obligations and the market value of PSPIB's portfolio. The accrued benefit obligations and the investments held by PSPIB, as at March 31, 2022, as well as the return on investments for the year, reflect the impacts resulting from these events to the extent known and estimable at the reporting date.</p>

(a) Overview of benefits

i. Pension benefits

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

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

Pension benefits generally accrue as follows:

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

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

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

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

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

ii. Other future benefits

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

(b) Financing arrangements

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

i. Funded pension benefits

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

ii. Unfunded pension benefits

For unfunded pension benefits, separate invested funds are not maintained. These relate to all pre April 2000 service, and only to post March 2000 service that falls above the *Income Tax Act* limits for the three main public sector pension plans, all service periods for the pension plans of the federally appointed judges and Members of Parliament, and some of the consolidated Crown corporations and other entities' pension plans. Employee and employer contributions for unfunded pension benefits sponsored by the government are part of general government funds. Contributions amounted to \$7,976 million (\$2,929 million in 2021) of which \$105 million (\$112 million in 2021) represents regular employer contributions, \$7,805 million (\$2,751 million in 2021) represents special employer contributions, and \$66 million (\$66 million in 2021) represents employee contributions.

iii. Other future benefits

Other employee and veteran future benefits sponsored by the government and almost all of the other employee future benefits sponsored by the consolidated Crown corporations and other entities are unfunded. The health care and dental plans for retired employees are contributory plans, whereby contributions by retired plan members are made to obtain coverage. These contributions amounted to \$507 million (\$486 million in 2021). The cost of benefits earned and benefits paid are presented net of these contributions. Additional details can be found in Section 6 (unaudited) of this volume.

(c) Actuarial valuations

i. For funding purposes

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

The most recent triennial actuarial valuations were conducted as at March 31, 2018, for the Royal Canadian Mounted Police pension plan; as at March 31, 2019, for the Canadian Forces - Regular Force and Reserve Force, the Members of Parliament and the federally appointed judges pension plans; and as at March 31, 2020, for the public service pension plan.

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

ii. For accounting purposes

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

(d) Change to benefits

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

(e) Net future benefit liabilities and assets

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

i. Accrued benefit obligations

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

(in millions of dollars)

	2022				2021			
	Pension benefits			Other future benefits	Pension benefits			Other future benefits
	Funded	Unfunded	Total		Funded	Unfunded	Total	
Accrued benefit obligations at beginning of year	176,047	192,767	368,814	209,544	166,313	216,936	383,249	232,020
Benefits earned.....	8,122	559	8,681	10,961	7,824	632	8,456	10,777
Interest on average accrued benefit obligations	9,211	3,428	12,639	4,047	8,420	2,550	10,970	3,010
Benefits paid	(4,915)	(9,182)	(14,097)	(6,590)	(4,457)	(9,163)	(13,620)	(5,802)
Administrative expenses.....	(108)	(75)	(183)	(107)	(100)	(76)	(176)	(92)
Net transfers to other plans	(810)	(51)	(861)	—	(658)	(40)	(698)	—
Amendment costs	—	—	—	102	—	—	—	—
Actuarial (gains) losses	1,627	(9,140)	(7,513)	13,521	(1,295)	(18,072)	(19,367)	(30,369)
Accrued benefit obligations at end of year	189,174	178,306	367,480	231,478	176,047	192,767	368,814	209,544

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

ii. Pension and other future benefit assets

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

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

(in millions of dollars)

	2022		2021	
	Funded pension benefits	Other future benefits	Funded pension benefits	Other future benefits
Investments at beginning of year.....	200,810	1	181,049	1
Expected return on average market-related value of investments.....	10,529	—	9,179	—
Contributions				
Employees	4,142	—	3,933	—
Public Service corporations, territorial governments and Crown corporations and other entities.....	298	—	284	—
Government.....	4,248	—	4,007	—
Benefits paid, transfers and others.....	(5,528)	—	(5,520)	—
Actuarial gains	7,756	—	7,878	—
Investments at end of year	222,255	1	200,810	1
Contributions receivable from employees for past service	420	—	554	—
Total pension and other future benefit assets at end of year	222,675	1	201,364	1

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

As at March 31, the market value of the investments is \$243,814 million (\$217,511 million in 2021). The actual return on investments is \$23,286 million (\$33,032 million in 2021) and the actual net rate of return on investments, calculated on a time-weighted basis, is 10.7% (18.1% in 2021) for the year.

iii. Net future benefit liabilities and assets

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

(in millions of dollars)

	2022				2021			
	Pension benefits			Other future benefits	Pension benefits			Other future benefits
	Funded	Unfunded	Total		Funded	Unfunded	Total	
Accrued benefit obligations	189,174	178,306	367,480	231,478	176,047	192,767	368,814	209,544
Less: Pension and other future benefit assets	222,675	—	222,675	1	201,364	—	201,364	1
Subtotal.....	(33,501)	178,306	144,805	231,477	(25,317)	192,767	167,450	209,543
Plus: Unrecognized net actuarial gains (less losses).....	23,484	(10,700)	12,784	(71,770)	19,076	(24,507)	(5,431)	(65,355)
Less:								
Contributions after measurement date up to March 31	6	—	6	—	7	—	7	—
Benefits paid after measurement date up to March 31	—	—	—	2	—	—	—	2
Subtotal.....	(10,023)	167,606	157,583	159,705	(6,248)	168,260	162,012	144,186
Plus: Valuation allowance.....	880	—	880	—	429	—	429	—
Net future benefit liabilities (assets).....	(9,143)	167,606	158,463	159,705	(5,819)	168,260	162,441	144,186

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

Public sector pension liabilities ¹	60	167,606	167,666	—	501	168,260	168,761	—
Other employee and veteran future benefit liabilities	—	—	—	159,705	—	—	—	144,186
Less: Public sector pension assets ¹	9,203	—	9,203	—	6,320	—	6,320	—
Net future benefit liabilities (assets).....	(9,143)	167,606	158,463	159,705	(5,819)	168,260	162,441	144,186

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

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

(f) Benefit and interest expenses

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

(in millions of dollars)

	2022				2021			
	Pension benefits			Other future benefits	Pension benefits			Other future benefits
	Funded	Unfunded	Total		Funded	Unfunded	Total	
Benefit expense								
Benefits earned, net of employee contributions	3,777	493	4,270	10,961	3,699	567	4,266	10,777
Amendment costs	—	—	—	102	—	—	—	—
Valuation allowance	451	—	451	—	13	—	13	—
Total benefit expense included in personnel expenses	4,228	493	4,721	11,063	3,712	567	4,279	10,777
Actuarial (gains) losses recognized during the year	(1,587)	4,667	3,080	7,106	(799)	6,179	5,380	9,915
Total benefit expense.....	2,641	5,160	7,801	18,169	2,913	6,746	9,659	20,692
Interest expense								
Interest on average accrued benefit obligations	9,211	3,428	12,639	4,047	8,420	2,550	10,970	3,010
Expected return on average market-related value of investments.....	(10,529)	—	(10,529)	—	(9,179)	—	(9,179)	—
Total interest expense.....	(1,318)	3,428	2,110	4,047	(759)	2,550	1,791	3,010

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

Net actuarial losses of \$10,186 million (\$15,295 million in 2021) are presented in the Consolidated Statement of Operations and Accumulated Deficit. The net actuarial losses are comprised of actuarial gains of \$1,587 million (\$799 million in 2021) on funded pension benefits, actuarial losses of \$4,667 million (\$6,179 million in 2021) on unfunded pension benefits and actuarial losses of \$7,106 million (\$9,915 million in 2021) on other future benefits.

(g) Actuarial assumptions

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

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

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

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

	2022		2021	
	Accrued benefit obligations	Benefit and interest expenses	Accrued benefit obligations	Benefit and interest expenses
Discount rates				
Funded pension benefits ¹	5.8%	5.2%	5.7%	5.0%
Unfunded pension benefits ²	2.4%	1.8%	1.8%	1.2%
Other employee and veteran future benefits ²	2.4%	1.9%	1.9%	1.3%
Expected rate of return on investments	—	5.2%	—	5.0%
Long-term rate of inflation.....	2.0%	2.0%	2.0%	2.0%
Long-term general wage increase.....	2.6%	2.6%	2.6%	2.6%
Assumed health care cost trend rates				
Initial health care cost trend rate.....	6.5%	4.8%	4.8%	4.9%
Cost trend rate is expected to stabilize at	4.3%	4.3%	4.3%	4.5%
Year that the rate is expected to stabilize.....	2041	2041	2041	2029

¹ In regards to funded pension benefits, the streamlined discount rates used to measure the accrued benefit obligations are equivalent to the flat discount rates presented in the table; the initial discount rates used to measure the benefit and interest expenses are presented in the table whereas the ultimate discount rates are expected to reach 5.9% by 2034 (5.9% by 2034 in 2021).

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

The discount rates used to measure the significant classes of pensions and other employee future benefits sponsored by the consolidated Crown corporations and other entities are based on a variety of methodologies. To measure the present value of their accrued benefit obligations, these consolidated Crown corporations and other entities used expected rates of return on invested funds ranging from 4.8% to 5.8% (4.7% to 5.8% in 2021) for the funded pension benefits, discount rates ranging from 1.7% to 4.0% (1.1% to 3.3% in 2021) for the unfunded pension benefits and discount rates ranging from 1.6% to 4.0% (1.1% to 3.5% in 2021) for the other employee future benefits. The long-term general wage increase ranged from 2.5% to 3.5% (2.5% to 3.5% in 2021). The long-term inflation rate has remained consistent at 2.0% (2.0% in 2021).

The expected average remaining service life (EARSL) of the employees represent periods ranging from 4 to 23 years (4 to 23 years in 2021) according to the plan in question; more specifically, from 11 to 15 years (12 to 15 years in 2021) for the three main public sector pension plans. The average remaining life expectancy (ARLE) of the benefit recipients under wartime veteran plans represent periods ranging from 6 to 7 years (6 to 7 years in 2021).

(h) Sensitivity analysis

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

(in millions of dollars)

	2022			2021		
	Pension benefits		Other future benefits	Pension benefits		Other future benefits
	Funded	Unfunded		Funded	Unfunded	
Possible impact on the accrued benefit obligations due to:						
Increase of 1% in discount rates	(27,900)	(20,300)	(40,100)	(25,800)	(23,700)	(37,400)
Decrease of 1% in discount rates	35,900	25,100	55,000	33,500	29,000	51,900
Increase of 1% in rate of inflation.....	25,200	23,300	47,600	23,600	26,700	45,800
Decrease of 1% in rate of inflation.....	(20,800)	(19,400)	(34,600)	(19,300)	(22,400)	(34,000)
Increase of 1% in general wage increase	7,800	400	300	7,600	500	300
Decrease of 1% in general wage increase	(7,100)	(400)	(300)	(6,800)	(900)	(300)
Increase of 1% in assumed health care cost trend rates.....	—	—	8,200	—	—	9,400
Decrease of 1% in assumed health care cost trend rates.....	—	—	(6,000)	—	—	(6,900)

11. Other Liabilities

Other liabilities include:

(in millions of dollars)

	2022	2021
Canada Pension Plan Accounts	101	139
Others		
Government Annuities Account	82	98
Deposit and trust accounts.....	2,949	2,015
Other specified purpose accounts	4,575	4,459
	<hr/> 7,606	<hr/> 6,572
Total other liabilities	7,707	6,711

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

(a) Canada Pension Plan Accounts

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

The CPP is a federal/provincial social insurance program established by an Act of Parliament. It is compulsory and in operation in all parts of Canada, except for the Province of Quebec. The objective of the program is to provide a measure of protection to workers and their families against the loss of earnings due to retirement, disability or death. The CPP is financed from employee, employer and self-employed worker contributions, as well as investment earnings. The CPP's investments are held and managed by the Canada Pension Plan Investment Board (CPPIB). As administrator of the CPP, the government's authority to provide benefits is limited to the consolidated net assets of the CPP. As at March 31, the fair value of the CPP's consolidated net assets is \$534,480 million (\$496,073 million in 2021) for the CPP Account and \$13,598 million (\$6,755 million in 2021) for the Additional CPP Account.

Pursuant to the *Canada Pension Plan Act*, the transactions of the CPP are recorded in the Canada Pension Plan Accounts (the Accounts) within the accounts of Canada. The Accounts also record the amounts transferred to or received from the CPPIB. The \$101 million (\$139 million in 2021) balance in the Accounts represents the CPP's deposit with the Receiver General for Canada and, therefore, is reported as a liability. The CPP's deposit with the Receiver General for Canada is comprised of the CPP Account balance of \$78 million (\$119 million in 2021) and the Additional CPP Account balance of \$23 million (\$20 million in 2021).

(b) Others

Deposit and trust accounts are a group of liabilities representing the government's financial obligations in its role as administrator of certain funds that it has received or collected for specified purposes and that it will pay out accordingly. The net liability of the government is presented after reducing applicable accounts for securities held in trust. Certain accounts earn interest which is charged to interest on the public debt. Some of the largest deposit and trust accounts are the swap collateral guarantee deposit account of \$1,771 million (\$829 million in 2021) and the Indian band funds account in the amount of \$506 million (\$526 million in 2021). These accounts were established to record cash received as credit support under a collateral agreement with financial institutions and to record funds belonging to Indian bands throughout Canada pursuant to the *Indian Act*.

Other specified purpose accounts are liability accounts that are used to record transactions made under authorities obtained from Parliament through either the *Financial Administration Act* or other specific legislation. Certain accounts earn interest which is charged to interest on the public debt. The largest other specified purpose account is the Public Service Death Benefit Account totalling \$4,063 million (\$3,977 million in 2021). This account was established under the *Public Service Superannuation Act* to provide life insurance to contributing members of the public service.

12. Cash and cash equivalents

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

Cash and cash equivalents are as follows:

(in millions of dollars)

	2022	2021
Cash ¹	100,822	64,101
Cash equivalents ²	—	—
Total cash and cash equivalents	100,822	64,101

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

¹ Included in cash is \$20,000 million (\$20,000 million in 2021) which has been designated as a deposit held at the Bank of Canada with respect to prudential liquidity management undertaken by the government.

² Less than \$500,000.

13. Taxes and other accounts receivable

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

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

Significant accounting policies
Tax revenues and other revenues that were not collected at year end are reported as taxes receivable and other accounts receivable on the Consolidated Statement of Financial Position.
COVID-19 benefits paid are subject to pre and post-payment verification procedures. A recipient of a COVID-19 benefit payment is obligated to repay benefits for any amounts for which they were not eligible. These overpayments are reported as other accounts receivable when determined and management has an appropriate basis of measurement.
Taxes and other accounts receivable are measured at amortized cost. An allowance for doubtful accounts is recorded where recovery is considered uncertain. The annual provision for the allowance for doubtful accounts is reported as a bad debt expense which is charged against other expenses.
The allowance for doubtful accounts for taxes receivable is management's best estimate of the uncollectible amounts that have been assessed, including the related interest and penalties.
The allowance for doubtful accounts for taxes receivable has two components. A general allowance is calculated based on the age and type of tax accounts using rates based on historical collection experience. A specific allowance is calculated based on an annual review of all accounts over \$25 million. The allowance for doubtful accounts is adjusted every year through a provision for doubtful accounts and is reduced by amounts written off as uncollectible during the year.
The allowance for doubtful accounts for other accounts receivables represents management's best estimate of uncollectable amounts receivable. The allowance is determined based on an analysis of historic loss experience and an assessment of current economic conditions.
Measurement uncertainty
Tax receivable and the allowance for doubtful accounts are subject to measurement uncertainty due to the use of estimates of amounts not yet assessed/reassessed based on cash received as well as taxpayer objections to assessed federal tax.
Key assumptions used in estimating tax revenues are tax instalments, historical information on refund rates, payments received on filing tax returns, and amounts receivable assessed.
Measurement uncertainties exist at March 31, 2022 as a result of the on-going COVID-19 pandemic and uncertainties around the economic outlook. Historical experiences related to the estimated tax receivables, other accounts receivable and the allowance for doubtful accounts, may not be relevant to predict future outcomes which may lead to a greater possibility of a material variance in the upcoming year.

(a) Taxes receivable

The government has established an allowance for doubtful accounts of \$21,508 million (\$18,905 million in 2021) and has recorded a bad debt expense of \$5,088 million (\$5,124 million in 2021) under other expenses, excluding net actuarial losses on the Consolidated Statement of Operations and Accumulated Deficit.

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

	2022			2021		
	Total taxes receivable	Allowance for doubtful accounts	Net	Total taxes receivable	Allowance for doubtful accounts	Net
Income taxes receivable						
Individuals ¹	95,893	9,408	86,485	80,291	9,187	71,104
Employers	28,106	1,497	26,609	25,407	1,379	24,028
Corporations.....	28,292	4,571	23,721	24,285	3,821	20,464
Non-residents	3,257	320	2,937	2,122	314	1,808
Goods and services tax receivable.....	31,188	5,412	25,776	26,756	3,849	22,907
Customs import duties receivable	766	144	622	622	112	510
Other excise taxes and duties receivable	1,594	156	1,438	1,445	243	1,202
Total	189,096	21,508	167,588	160,928	18,905	142,023

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

¹ Income taxes receivable from individuals includes COVID-19 benefit overpayments of \$665 million (\$266 million in 2021).

(b) Other accounts receivable

Billed or accrued financial claims arising from amounts owed to the government total \$14,086 million (\$19,366 million in 2021), which includes \$5,119 million in COVID-19 benefit overpayments receivable from individuals (\$3,742 million in 2021), and are presented net of an allowance for doubtful accounts of \$2,975 million (\$2,660 million in 2021). Further details can be found in Section 7 (unaudited) of this volume.

Cash collateral pledged to counterparties of \$506 million (\$1,366 million in 2021) represents collateral support under International Swaps and Derivatives Association (ISDA) master agreements in respect of outstanding cross-currency swap arrangements. Further details can be found in Note 18.

14. Foreign exchange accounts

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

Significant accounting policies
Short-term deposits, marketable securities and special drawing rights held in the foreign exchange accounts are recorded at cost. Marketable securities are adjusted for amortization of purchase discounts and premiums. Purchases and sales of securities are recorded at the settlement date. Transaction costs are expensed as incurred for all classes of financial instruments.
The government assesses at the end of each reporting period whether there has been a loss in the value of the investments held in the foreign exchange accounts. When conditions indicate a loss in value that is other than a temporary decline, the carrying value of the investment is written down to reflect its recoverable amount. A loss in value of a portfolio investment that is other than a temporary decline occurs when the actual value of the investment to the government becomes lower than the carrying value and the impairment is expected to remain for a prolonged period.
Investment income earned with respect to foreign exchange accounts, as well as write-downs to reflect other-than-temporary declines in the value of securities, are included in net foreign exchange revenues.
Canada's subscriptions to the capital of the International Monetary Fund and loans to the International Monetary Fund are recorded at cost.
Measurement uncertainty
There are no significant measurement uncertainties related to foreign exchange accounts.

As at March 31, 2022, the fair value of the marketable securities held in the Exchange Fund Account is \$88,890 million (\$85,964 million in 2021), established using market quotes or other available market information. Further details on these investments are provided in the unaudited financial statements of the Exchange Fund Account in Section 8 of this volume.

Subscriptions and loans to the International Monetary Fund (IMF) and special drawing rights allocations are denominated in special drawing rights (SDR). The SDR serves as the unit of account for the IMF and its value is based on a basket of key international currencies (US dollar, Euro, Japanese yen, British pound sterling and Chinese renminbi). Canada participates in two lending arrangements with the IMF along with a group of other member countries. Collectively, maximum direct lending under these arrangements is limited to no more than the equivalent of SDR 11,279 million (\$19,492 million) at March 31, 2022.

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

(in millions of dollars)

	2022	2021
International reserves held in the Exchange Fund Account		
Cash and cash equivalents		
US dollar	4,596	1,390
Euro	387	674
British pound sterling	19	196
Japanese yen	353	60
Total	<u>5,355</u>	<u>2,320</u>
Marketable securities ¹		
US dollar	63,690	53,571
Euro	14,079	17,376
British pound sterling	8,122	8,055
Japanese yen	5,861	5,427
Total	<u>91,752</u>	<u>84,429</u>
Special drawing rights	29,992	10,840
Total international reserves held in the Exchange Fund Account.....	<u>127,099</u>	<u>97,589</u>
International Monetary Fund		
Subscriptions	19,052	19,633
Loans	<u>132</u>	<u>197</u>
Total	<u>146,283</u>	<u>117,419</u>
Less: International Monetary Fund		
Special drawing rights allocations	28,609	10,664
Notes payable	<u>13,643</u>	<u>14,133</u>
Total	<u>42,252</u>	<u>24,797</u>
Total foreign exchange accounts.....	<u>104,031</u>	<u>92,622</u>

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

¹ Interest earned on marketable securities was \$852 million (\$1,011 million in 2021).

15. Enterprise Crown corporations and other government business enterprises

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

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

(a) Enterprise Crown corporations and other government business enterprises

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

(in millions of dollars)

	2022	2021
Investments		
Canada Mortgage and Housing Corporation.....	12,285	13,153
Export Development Canada.....	14,782	12,644
Farm Credit Canada.....	8,576	8,013
Business Development Bank of Canada	20,404	18,004
Canada Port Authorities	4,236	4,045
Canada Deposit Insurance Corporation	5,383	3,842
Canada Development Investment Corporation	107	164
Canada Post Corporation	5,358	2,034
Other	1,678	1,448
Inter-organizational adjustments.....	(18,079)	(19,001)
Total investments	54,730	44,346
 Loans and advances		
Farm Credit Canada.....	37,456	34,342
Business Development Bank of Canada	20,072	18,226
Canada Mortgage and Housing Corporation.....	17,308	15,284
Canada Development Investment Corporation	16,270	9,980
Other	286	439
Total loans and advances	91,392	78,271
 Less:		
Loans expected to be repaid from future appropriations	2,378	2,603
Unamortized discounts and premiums	27	20
	2,405	2,623
 Total loans, investments and advances to enterprise Crown corporations and other government business enterprises.....	143,717	119,994

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

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

(in millions of dollars)

	2022			2021		
	Government, Crown corporations and other entities		Total	Government, Crown corporations and other entities		Total
	Third Parties			Third Parties		
Assets						
Financial assets.....	480,322	472,148	952,470	582,649	437,330	1,019,979
Non-financial assets	31,570		31,570	24,250		24,250
Total assets.....	511,892	472,148	984,040	606,899	437,330	1,044,229
Liabilities.....	726,244	184,987	911,231	835,171	145,711	980,882
Equity of Canada as reported			72,809			63,347
Inter-organizational adjustments			(18,079)			(19,001)
Equity of Canada			54,730			44,346
Revenues	30,555	8,437	38,992	30,056	8,972	39,028
Expenses.....	26,144	1,979	28,123	30,275	1,939	32,214
Profit as reported.....			10,869			6,814
Adjustments and others.....			666			(18,452)
Profit (Loss).....			11,535			(11,638)
Other changes in equity						
Equity adjustments and other.....			(2)			24
Other comprehensive income			4,465			343
Dividends ¹			(6,049)			(13,592)
Capital ²			435			18,470
			10,384			(6,393)
Equity of Canada at beginning of year			44,346			50,739
Equity of Canada at end of year			54,730			44,346
Contingent liabilities			8,098			4,718
Contractual obligations			45,599			

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

¹ Amounts reported as dividends include \$2,180 million (\$3,895 million in 2021) from Canada Mortgage and Housing Corporation, nil (\$7,280 million in 2021) from Export Development Canada, \$560 million (nil in 2021) from Farm Credit Canada, \$735 million (nil in 2021) from Business Development Bank of Canada and \$2,390 million (\$2,296 million in 2021) from the Bank of Canada. Of these amounts, dividends declared but not yet paid as of March 31, 2022, include \$995 million (\$3,895 million in 2021) from Canada Mortgage and Housing Corporation, \$520 million (\$911 million in 2021) from the Bank of Canada and nil (\$4,280 million in 2021) from Export Development Canada.

² Amounts reported as capital include a purchase of common shares of \$435 million (\$7,503 million in 2021) from Business Development Bank of Canada, and nil (\$10,967 million in 2021) from Export Development Canada.

(b) Non-public property

Non-public property (NPP), as defined under the *National Defence Act*, consists of money and property contributed to or by Canadian Forces members and is administered for their benefit and welfare by the Canadian Forces Morale and Welfare Services (CFMWS). The CFMWS is responsible for delivering selected morale and welfare programs, services and activities through three operational divisions, Canadian Forces Exchange System (CANEX), Personnel Support Programs and Service Income Security Insurance Plan (SISIP) Financial Services. Under the *National Defence Act*, NPP is explicitly excluded from the *Financial Administration Act*. The government provides some services related to NPP activities such as accommodation and security for which no amount is charged. The cost of providing these services is included in the consolidated financial statements of the Government of Canada. In 2022, CFMWS administered estimated revenues and expenses of \$402 million (\$420 million in 2021) and \$382 million (\$329 million in 2021) respectively and had net equity of \$868 million at March 31, 2022 (\$853 million at March 31, 2021). These amounts are excluded from the consolidated financial statements of the Government of Canada.

16. Other loans, investments and advances

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

Significant accounting policies
Other loans, investments and advances are initially recorded at cost and are discounted to reflect their concessionary terms or their net recoverable value. Concessionary terms include cases where loans are made on a long-term, low interest or interest-free basis, or forgiveness clauses.
When necessary, an allowance for valuation is recorded to reduce the carrying value of other loans, investments and advances to amounts that approximate their net recoverable value. The allowance for valuation for other loans, investments and advances, reflects the possibility of losses associated with potential default. The determination of the valuation allowance considers the credit risk of borrowers, collateral provided as well as previous repayment history. When they are determined to be uncollectible, other loans, investments and advances are written off. Subsequent recoveries are recorded as revenue when received.
Measurement uncertainty
Other loans, investments and advances are subject to measurement uncertainty due to the use of estimates relating to the allowance for valuation that reflects the possibility of losses associated with potential defaults, as well as for determining whether investments are concessionary in nature and the valuation of the concession.
The estimate of the provision for other loans, investments and advances is regularly reviewed and refined in light of several factors, including: historical loan loss rates, residual values, expert judgment, management assumptions, and model-based approaches that consider current economic conditions. Similarly, any changes to the terms of Canada's investments (such as changes to the discount rate, the expected return on investment, and how much of the initial capital is expected to be returned) would result in a review of the estimates used to determine any associated concessions.
Measurement uncertainties exist at March 31, 2022 as a result of the on-going COVID-19 pandemic, global supply shortages, higher than expected inflation rates, increasing interest rates, and the Russia-Ukraine conflict. The current economic uncertainties heighten the measurement uncertainty related to the valuation of loans, investments and advances. In particular, given the unique nature of the pandemic there is limited historical experience to assess the expected recoveries of the Canada Emergency Business Account (CEBA) loans which may lead to a material variance in the valuation of the loans receivable. The full potential impact of current economic uncertainties on the assumptions such as credit quality and probability of default used to measure the allowance for valuation is unknown as it will depend on future developments that are uncertain.

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

(in millions of dollars)

	2022	2021
National governments, including developing countries and international organizations		
National governments including developing countries	304	341
International organizations	27,319	26,156
Total	<u>27,623</u>	<u>26,497</u>
Other loans, investments and advances		
Loans for the development of export trade	97	340
Provincial and territorial governments.....	301	355
Unconditionally repayable contributions	7,449	6,185
Other loans, investments and advances.....	76,021	72,697
Total	<u>83,868</u>	<u>79,577</u>
Total	<u>111,491</u>	<u>106,074</u>
Less: allowance for valuation.....	<u>48,177</u>	<u>46,790</u>
Total other loans, investments and advances.....	<u>63,314</u>	<u>59,284</u>

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

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

(in millions of dollars)

	2022		2021	
	Loans, investments and advances in base currency	Foreign exchange rate	Loans, investments and advances in CAD	Loans, investments and advances in CAD
Canadian dollar.....	103,976		103,976	101,452
US dollar.....	4,985	1.2502	6,232	3,256
Special drawing rights.....	735	1.7282	1,270	1,352
Various other currencies			13	14
Total			111,491	106,074

Loans to national governments consist mainly of loans for international development assistance to developing countries totalling \$50 million (\$60 million in 2021), and development of export trade totalling \$254 million (\$281 million in 2021) which are administered by Export Development Canada. Certain loans are non-interest bearing and others bear interest at rates varying from 0.1% to 10.3%. These loans are repayable over 1 to 55 years, with final instalments due in 2045.

Loans, investments and advances to international organizations include subscriptions to the share capital of international banks totalling \$16,757 million (\$15,976 million in 2021) as well as loans and advances to associations and other international organizations totalling \$10,562 million (\$10,180 million in 2021). These subscriptions are composed of both paid-in and callable capital. The majority of these investments are treated as concessionary as they do not provide a return on investment, but are repayable on termination of the organization or withdrawal from it. Most loans and advances to international organizations are made to banks and associations that use these funds to make loans to developing countries at significantly concessionary terms.

Loans for the development of export trade bear interest at rates varying from 1.9% to 8.1% and are administered by Export Development Canada. Collateral of \$50 million (\$77 million in 2021) is held on these loans and they are repayable over 1 to 55 years with final instalments due in 2048.

Loans to provinces and territories include loans made under relief acts and other legislation. Loans totalling \$297 million (\$352 million in 2021) are non-interest bearing and will be repaid over 1 to 11 years.

Unconditionally repayable contributions are in substance loans aimed at stimulating economic development or for assistance. Certain contributions are non-interest bearing and others bear interest at rates varying from 0.3% to 7.0%, some of which have concessional terms, and are repayable at various due dates with final instalments due within 2 to 30 years of initial disbursement.

Other loans, investments and advances include loans under the Canada Emergency Business Account (CEBA), the Canada Student Financial Assistance Program, and other loans and other investments in bonds, market funds and fixed income securities.

Loans under the CEBA program of \$44,666 million (\$44,881 million in 2021) are provided interest free until December 31, 2023, with repayment incentives of a loan forgiveness of up to a maximum of \$20,000 on loans of \$60,000 where loan repayment has been made in full by December 31, 2023, as amended in fiscal year 2022. Amounts expected to be forgiven, on loans disbursed during the fiscal year, of \$1,515 million (\$13,085 million in 2021) have been reported in other transfer payments expenses on the Consolidated Statement of Operations and Accumulated Deficit as disclosed in Note 5(f)iv as the Canada Emergency Business Account loan incentive. Loans not repaid by December 31, 2023 are subject to a one-time extension of two years and 5% interest per annum commencing on January 1, 2024. No principal repayments are required until December 31, 2025, at which time the entire loan and all accrued and unpaid interest becomes due and payable.

Loans under the Canada Student Financial Assistance Program of \$23,696 million (\$23,473 million in 2021) are provided interest-free to students while they are still studying and during the 6-month grace period after completing their studies or apprenticeship program. Afterwards, they bear interest at either prime rate or prime rate plus 2.0%. The repayment period is generally 10 years, with a maximum of 15 years. To further support borrowers during the COVID-19 pandemic the Government of Canada has extended the waiver of interest accrual on Canada Student Loans and Canada Apprentice Loans until March 31, 2023.

Other loans, investments and advances were \$7,659 million (\$4,343 million in 2021).

17. Tangible capital assets and inventories

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

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

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

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

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

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

(in millions of dollars)

	Cost					Accumulated amortization					Net book value 2022 ²	Net book value 2021	
	Opening balance	Acquisitions	Disposals	Adjustments ¹	Closing balance	Opening balance	Amortization expense	Disposals	Adjustments	Closing balance			
Land.....	2,237	36	(6)	21	2,288	—	—	—	—	—	2,288	2,237	
Buildings	37,385	115	(160)	1,413	38,753	19,623	990	(129)	1	20,485	18,268	17,762	
Works and infrastructure	23,285	182	(306)	667	23,828	10,907	657	(272)	(40)	11,252	12,576	12,378	
Machinery and equipment.....	42,241	770	(552)	1,191	43,650	29,002	2,166	(528)	(173)	30,467	13,183	13,239	
Vehicles	45,268	241	(462)	2,739	47,786	29,997	1,202	(360)	542	31,381	16,405	15,271	
Leasehold improvements.....	4,158	9	(30)	292	4,429	2,629	225	(26)	4	2,832	1,597	1,529	
Assets under construction.....	22,578	7,899	³	(40)	(5,582)	24,855	—	—	—	—	24,855	22,578	
Assets under capital leases	4,798	336	³	(191)	(602)	4,341	2,209	193	(177)	(601)	1,624	2,717	2,589
Total	181,950	9,588	(1,747)	139	189,930	94,367	5,433	(1,492)	(267)	98,041	91,889	87,583	

¹ Adjustments include assets under construction of \$5,399 million (\$5,444 million in 2021) that were transferred to other categories upon completion of the assets.

² The government has \$119 million (\$44 million in 2021) in net book value of capital assets with an original acquisition cost of \$1,504 million (\$1,155 million in 2021) that have been declared surplus. Upon physical disposal, the government's investment in the tangible capital asset will be removed.

³ Acquisitions of \$72 million (\$59 million in 2021) in assets under construction through public-private partnership arrangements, including \$21 million (\$18 million in 2021) in interest, and \$336 million (\$42 million in 2021) in assets under capital leases do not involve the use of cash and are therefore excluded from the Consolidated Statement of Cash Flow.

18. Financial instruments

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

(a) Derivative financial instruments

i. Swap agreements

Government debt is issued at both fixed and variable interest rates and is denominated in Canadian dollars and US dollars. The government has entered into cross-currency swap agreements to facilitate management of its debt structure. Using cross-currency swap agreements, Canadian dollar and other foreign currency debt has been converted into US dollars or other foreign currencies with either fixed interest rates or variable interest rates. As a normal practice, the government's swap positions are held to maturity.

The interest paid or payable and the interest received or receivable on all swap transactions are recorded as part of public debt charges. Unrealized gains or losses due to fluctuations in the foreign exchange value of the swaps are presented in the cross-currency swap revaluation account and are recognized as part of net foreign exchange revenues in the Consolidated Statement of Operations and Accumulated Deficit.

The government enters into two-way Credit Support Annex agreements for cross-currency swaps with certain counterparties pursuant to International Swaps and Derivatives Association (ISDA) master agreements. Under the terms of those agreements, the government may be required to pledge and/or receive eligible collateral relating to obligations to the counterparties. In the normal course of business, these pledged collateral amounts (which may include cash and/or securities) will be returned to the pledgor when there are no longer any outstanding obligations. At March 31, 2022, cash collateral pledged of \$506 million (\$1,366 million in 2021) is recorded in other accounts receivable, and cash collateral received of \$1,771 million (\$829 million in 2021) is recorded in other liabilities. In addition, the government holds collateral in securities from counterparties with a nominal amount of \$2,206 million and fair value of \$2,363 million (nominal amount of \$1,829 million and fair value of \$1,975 million in 2021), which has not been recognized in the statement of financial position as the government does not obtain economic ownership unless the pledgor defaults.

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

(in millions of dollars)

Maturing year	2022
2023.....	7,128
2024.....	8,868
2025.....	7,447
2026.....	8,149
2027.....	12,496
2028 and subsequent.....	45,533
Total	89,621

ii. Foreign exchange forward agreements

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

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

The notional principal amount of a foreign exchange forward agreement refers to the principal amount used to calculate contractual cash flows. This amount does not represent an asset or liability, and is not included in the Consolidated Statement of Financial Position. Foreign exchange forward agreements outstanding at March 31, with notional principal amounts in Canadian dollars of \$4,665 million (\$4,191 million at March 31, 2021), mature during the next fiscal year.

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

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

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

The government does not have a significant concentration of credit risk with any individual institution and does not anticipate any counterparty credit loss with respect to its swap and foreign exchange forward agreements.

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

(in millions of dollars)

Credit ratings	2022	2021
A+.....	27,246	22,021
A.....	56,271	37,666
A-	10,769	21,332
Total	94,286	81,019

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

Foreign currency and interest rate risks are managed using a strategy of matching the duration and the currency of the foreign exchange accounts assets and the related foreign currency borrowings of the government. At March 31, 2022, assets within the foreign exchange accounts and their related foreign currency borrowings substantially offset each other on a market value basis. Accordingly, the impact of price changes affecting these assets and the liabilities funding these assets naturally offset each other, resulting in no significant impact to the government's net debt.

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

The majority of the government foreign currency assets and related liabilities are held in four currency portfolios: the US dollar, the Euro, the British pound sterling and the Japanese yen. At March 31, 2022, a 1% appreciation in the Canadian dollar as compared to the US dollar, the Euro, the British pound sterling and the Japanese yen would result in a foreign exchange loss of \$11 million due to the exposure of the US dollar portfolio and a foreign exchange loss of \$4 million due to the exposure of the British pound sterling portfolio. There is no significant exposure related to the Euro and Japanese yen portfolios.

The net foreign exchange loss included in net foreign exchange revenues, other revenues and other expenses on the Consolidated Statement of Operations and Accumulated Deficit amounts to \$12 million (net foreign exchange loss of \$137 million in 2021).

(c) Fair value information

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

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

(in millions of dollars)

	2022		2021	
	Principal amount	Fair value	Principal amount	Fair value
Cross-currency swaps	89,621	370	76,828	(1,109)
Foreign exchange forward agreements	4,665	119	4,191	130
Total	94,286	489	81,019	(979)

Fair values of the swap and foreign exchange forward agreements are the estimated amount that the government would receive or pay, based on market factors, if the agreements were terminated on March 31. They are established by discounting the expected cash flows of the swap and foreign exchange forward agreements, calculated from the contractual or notional principal amounts, using year-end market interest and exchange rates. A positive (negative) fair value indicates that the government would receive (make) a payment if the agreements were terminated on March 31.

19. Contractual obligations and contractual rights

(a) Contractual obligations

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

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

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

(in millions of dollars)

Minimum payments expected to be made in:	Transfer payment agreements ¹	Capital assets and purchases	Operating leases	International organizations ²	Total
2023.....	42,429	22,847	538	3,097	68,911
2024.....	28,535	11,194	542	1,325	41,596
2025.....	22,452	7,418	529	794	31,193
2026.....	19,721	5,803	492	311	26,327
2027.....	8,598	3,311	405	155	12,469
2028 and subsequent.....	24,007	16,720	2,187	976	43,890
Total	145,742	67,293	4,693	6,658	224,386

¹ Includes future expenditures of \$4,592 million that the government has committed to as part of a legal settlement.

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

(b) Contractual rights

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

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

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

(in millions of dollars)

Revenue expected to be received in:	Sales of goods and services	Leases of property	Royalties and revenue/profit-sharing arrangements	Other	Contractual rights subject to non-disclosure clauses	Total
2023.....	2,842	348	4	511	2	3,707
2024.....	2,852	445	3	36	2	3,338
2025.....	2,865	476	2	33	2	3,378
2026.....	2,883	485	2	26	3	3,399
2027.....	2,895	493	2	26	3	3,419
2028 and subsequent.....	14,623	604	15	137	159	15,538
Total	28,960	2,851	28	769	171	32,779

20. Segmented information

The government segmented information is based on the ministry structure, which groups the activities of departments, agencies and consolidated Crown corporations and other entities for which a Minister is responsible, and the enterprise Crown corporations and other government business enterprises as described in Note 1 and Note 15.

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

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

(in millions of dollars)

	2022										
	Employment, Workforce Development and Disability Inclusion		National Finance	National Defence	National Revenue	Public Safety	Other ministries	Enterprise Crown corporations and other government business enterprises	Adjust- ments ¹	Total	
Revenues											
Tax revenues											
Income tax revenues	—	—	—	287,989	—	—	—	—	287,989		
Other taxes and duties.....	—	—	—	28,449	34,231	—	—	—	62,680		
Total tax revenues	—	—	—	316,438	34,231	—	—	—	350,669		
Employment insurance premiums	24,305	—	—	—	—	(1)	—	(448)	23,856		
Proceeds from the pollution pricing framework	—	—	—	6,106	—	235	—	—	6,341		
Total other revenues	3,107	1,985	402	6,846	3,497	20,989	12,804	(17,219)	32,411		
Total revenues	27,412	1,985	402	329,390	37,728	21,223	12,804	(17,667)	413,277		
Expenses											
Program expenses											
Transfer payments											
Old age security benefits, guaranteed income supplement and spouse's allowance.....	60,774	—	—	—	—	—	—	—	60,774		
Major transfer payments to other levels of government.....	2,948	80,619	—	—	—	4,819	—	—	88,386		
Employment insurance and support measures.....	38,923	—	—	—	—	—	—	—	38,923		
Children's benefits.....	3	—	—	26,223	—	—	—	—	26,226		
COVID-19 income support for workers	15,582	—	—	—	—	—	—	—	15,582		
Canada emergency wage subsidy	—	—	—	22,291	—	—	—	—	22,291		
Proceeds from the pollution pricing framework returned	—	—	—	3,814	—	—	—	—	3,814		
Other transfer payments	12,257	785	314	12,808	5,557	57,193	—	(436)	88,478		
Total transfer payments	130,487	81,404	314	65,136	5,557	62,012	—	(436)	344,474		
Other expenses, excluding net actuarial losses.....	7,827	872	29,022	11,107	15,118	77,622	—	(17,226)	124,342		
Total program expenses, excluding net actuarial losses.....	138,314	82,276	29,336	76,243	20,675	139,634	—	(17,662)	468,816		
Public debt charges	—	24,204	67	—	1	220	—	(5)	24,487		
Total expenses, excluding net actuarial losses.....	138,314	106,480	29,403	76,243	20,676	139,854	—	(17,667)	493,303		
Net actuarial losses	—	—	6,719	—	1,294	2,173	—	—	10,186		
Total expenses.....	138,314	106,480	36,122	76,243	21,970	142,027	—	(17,667)	503,489		

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

¹ Represents consolidation adjustments to eliminate internal transactions.

(in millions of dollars)

	2021										
	Employment, Workforce Development and Disability Inclusion ²		National Finance	National Defence	National Revenue	Public Safety	Other ministries ²	Enterprise Crown corporations and other government business enterprises	Adjust- ments ¹	Total	
Revenues											
Tax revenues											
Income tax revenues	—	—	—	236,974	—	—	—	—	236,974		
Other taxes and duties.....	—	—	—	18,688	28,266	—	—	—	46,954		
Total tax revenues	—	—	—	255,662	28,266	—	—	—	283,928		
Employment insurance premiums.....	22,881	—	—	—	—	—	—	(489)	22,392		
Proceeds from the pollution pricing framework	—	—	—	4,219	—	161	—	—	4,380		
Total revenues	53,343	2,901	400	264,599	31,022	18,368	(10,542)	(43,645)	316,446		
Expenses											
Program expenses											
Transfer payments											
Old age security benefits, guaranteed income supplement and spouse's allowance.....	58,529	—	—	—	—	—	—	—	58,529		
Major transfer payments to other levels of government.....	—	101,063	—	—	—	5,590	—	—	106,653		
Employment insurance and support measures.....	58,356	—	—	—	—	—	—	—	58,356		
Children's benefits.....	6	—	—	27,364	—	—	—	—	27,370		
COVID-19 income support for workers ...	55,832	—	—	—	—	—	—	—	55,832		
Canada emergency wage subsidy	—	—	—	80,166	—	—	—	—	80,166		
Proceeds from the pollution pricing framework returned	—	—	—	4,566	—	—	—	—	4,566		
Other transfer payments ²	44,430	493	264	8,619	514	71,470	—	(27,829)	97,961		
Total transfer payments	217,153	101,556	264	120,715	514	77,060	—	(27,829)	489,433		
Other expenses, excluding net actuarial losses	8,017	712	28,926	10,836	13,200	73,213	—	(15,815)	119,089		
Total program expenses, excluding net actuarial losses	225,170	102,268	29,190	131,551	13,714	150,273	—	(43,644)	608,522		
Public debt charges	—	20,062	68	—	—	229	—	(1)	20,358		
Total expenses, excluding net actuarial losses	225,170	122,330	29,258	131,551	13,714	150,502	—	(43,645)	628,880		
Net actuarial losses	—	—	9,381	—	1,703	4,211	—	—	15,295		
Total expenses	225,170	122,330	38,639	131,551	15,417	154,713	—	(43,645)	644,175		

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

¹ Represents consolidation adjustments to eliminate internal transactions.² Comparative figures have been reclassified to conform to the current year's presentation (Note 2).

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Section 3

*Public Accounts of Canada
2021–2022*

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

Table of contents

	<i>Page</i>
Revenues	104
Tax revenues.....	104
Employment insurance premiums.....	105
Other revenues.....	106
Return on investments	107
Expenses	108
Accounting for expenses.....	108
Expenses by segment.....	110
Government's cost of operations	110
Expenses by object	115
Expenditures under statutory authorities.....	116

Revenues, expenses and accumulated deficit

Table 3.1
Revenues, expenses and accumulated deficit

(in millions of dollars)

	2022	2021
Revenues		
Tax revenues, Table 3.2.....	350,669	283,928
Employment insurance premiums.....	23,856	22,392
Proceeds from the pollution pricing framework.....	6,341	4,380
Other revenues, Table 3.4.....	32,411	5,746
Total revenues.....	413,277	316,446
Expenses		
Transfer payments.....	344,474	489,433
Other expenses, excluding net actuarial losses.....	124,342	119,089
Total program expenses, excluding net actuarial losses.....	468,816	608,522
Public debt charges, Table 3.8.....	24,487	20,358
Total expenses, excluding net actuarial losses, Table 3.6.....	493,303	628,880
Annual deficit before net actuarial losses	(80,026)	(312,434)
Net actuarial losses.....	(10,186)	(15,295)
Annual deficit	(90,212)	(327,729)
Accumulated deficit at beginning of year	(1,048,746)	(721,360)
Other comprehensive income	4,465	343
Accumulated deficit at end of year	(1,134,493)	(1,048,746)

Revenues

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

Tax revenues

Table 3.2
Tax revenues

(in millions of dollars)

	2022	2021
Tax revenues		
Income tax revenues		
Personal	198,385	174,755
Corporate	78,815	54,112
Non-resident	10,789	8,107
Total income tax revenues	287,989	236,974
Other taxes and duties		
Goods and services tax, Table 3.3.....	46,165	32,415
Energy taxes		
Excise tax—Gasoline	4,087	3,722
Excise tax—Aviation gasoline and diesel fuel.....	1,268	1,172
Total energy taxes	5,355	4,894
Customs import duties	5,237	4,254
Other excise taxes and duties		
Excise duties	5,329	5,204
Air travellers security charge.....	413	11
Other miscellaneous excise taxes and duties	181	176
Total other excise taxes and duties	5,923	5,391
Total other taxes and duties	62,680	46,954
Total tax revenues¹	350,669	283,928

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

Personal income tax

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

Corporate income tax

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

Non-resident income tax

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

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

Other taxes and duties

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

Goods and services tax

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

Table 3.3
Goods and services tax

(in millions of dollars)

	2022	2021
GST	54,187	46,006
Less: remission order for the GST paid and accrued by ministries on or for goods and services purchased from outside parties.....	2,949	3,173
Gross GST from outside parties.....	51,238	42,833
Less: quarterly tax credits ¹	5,073	10,418
Net GST from outside parties.....	46,165	32,415

¹ Includes the additional GST credit payments totalling nil (\$5,425 million in 2021), in response to the impact of the COVID-19 pandemic.

Energy taxes

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

Customs import duties

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

Other excise taxes and duties

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

Employment insurance premiums

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

Other revenues

Table 3.4
Other revenues

(in millions of dollars)

	2022	2021
Other revenues		
Enterprise Crown corporations and other government business enterprises		
Share of annual profit (loss).....	11,535	(11,638)
Interest and other	1,269	1,096
<i>Total enterprise Crown corporations and other government business enterprises</i>	<i>12,804</i>	<i>(10,542)</i>
Other programs		
Return on investments, Table 3.5.....	398	399
Sales of goods and services		
Rights and privileges.....	2,162	1,596
Lease and use of public property	496	331
Services of a regulatory nature	2,014	1,471
Services of a non-regulatory nature	4,696	3,954
Sales of goods and information products	1,207	985
Other fees and charges	865	815
<i>Total sales of goods and services</i>	<i>11,440</i>	<i>9,152</i>
Miscellaneous		
Interest and penalties.....	5,787	3,855
Other	1,109	709
<i>Total miscellaneous</i>	<i>6,896</i>	<i>4,564</i>
<i>Total other programs</i>	<i>18,734</i>	<i>14,115</i>
Net foreign exchange revenues		
Exchange Fund Account.....	709	2,541
International Monetary Fund	169	(310)
Other.....	(5)	(58)
<i>Total net foreign exchange revenue</i>	<i>873</i>	<i>2,173</i>
Total other revenues¹	32,411	5,746

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

Enterprise Crown corporations and other government business enterprises

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

Other programs

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

Net foreign exchange revenues

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

Return on investments

Table 3.5
Return on investments¹

(in millions of dollars)

	2022	2021
Cash and accounts receivable		
Interest on bank deposits	271	214
Loans, investments and advances		
National governments including developing countries	(71)	38
International organizations	2	2
Other loans, investments and advances.....	204	290
Total loans, investments and advances.....	135	330
Other accounts	3	2
Total ministerial return on investments	409	546
Net loss on exchange	(15)	(150)
Accrual of other revenues	4	4
Total return on investments.....	398	400
Elimination of return on investments internal to the government	— ²	(1)
Total external return on investments	398	399

¹ Additional details are provided in Table 4a in Section 1 of Volume II and in Section 10 of Volume III of the Public Accounts of Canada.² Less than \$500,000.

Expenses

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

Accounting for expenses

The government reports all expenses on an accrual basis.

Expenses for government operations are recorded when goods are received or services are rendered. Transfer payments are recorded as expenses in the year the transfer is authorized and all eligibility criteria have been met by the recipient. Public debt charges are recorded when incurred. They include interest, servicing costs, costs of issuing new borrowings, amortization of premiums and discounts on market debt, as well as interest on public sector pensions and other employee and veteran future benefits.

Table 3.6
External expenses by segment and by type

(in millions of dollars)

	Major transfer payments ¹		Other transfer payments ²	
	2022	2021	2022	2021
Ministries				
Agriculture and Agri-Food	—	—	2,223	3,208
Canadian Heritage	—	—	1,735	1,715
Crown-Indigenous Relations and Northern Affairs	—	—	7,766	6,484
Economic Development Agency of Canada for the Regions of Québec ³	—	—	225	322
Employment, Workforce Development and Disability Inclusion ³	118,230	172,723	12,257	17,697
Environment and Climate Change	—	—	648	700
Finance	80,619	101,063	785	493
Fisheries, Oceans and the Canadian Coast Guard	—	—	618	407
Global Affairs	—	—	6,185	22,734
Health	2,500	1,250	2,588	2,428
Immigration, Refugees and Citizenship	—	—	1,770	1,697
Indigenous Services	—	—	15,916	14,171
Innovation, Science and Industry ³	—	—	5,635	6,527
Intergovernmental Affairs, Infrastructure and Communities ³	2,319	4,340	8,610	8,137
Justice	—	—	518	443
National Defence	—	—	314	264
National Revenue	48,514	107,530	16,622	13,185
Natural Resources	—	—	1,306	695
Office of the Governor General's Secretary	—	—	—	—
Parliament	—	—	2	2
Privy Council ³	—	—	1	—
Public Safety	—	—	5,557	514
Public Services and Procurement ³	—	—	5	1
Transport	—	—	1,010	592
Treasury Board	—	—	1	1
Veterans Affairs	—	—	43	59
Women, Gender Equality and Youth	—	—	177	167
Provision for valuation and other items	—	—	(225)	(116)
Total expenses, excluding net actuarial losses	252,182	386,906	92,292	102,527
Net actuarial losses	—	—	—	—
Total expenses⁴	252,182	386,906	92,292	102,527

¹ Includes transfer payments of \$60,774 million (\$58,529 million in 2021) for old age security benefits, the guaranteed income supplement and the spouse's allowance; \$88,386 million (\$106,653 million in 2021) to other levels of government; \$38,923 million (\$58,356 million in 2021) for employment insurance and support measures, \$26,226 million (\$27,370 million in 2021) for children's benefits, \$15,582 million (\$55,832 million in 2021) for COVID-19 income support for workers (previously Canada emergency response benefit and Canada recovery benefits) and, \$22,291 million (\$80,166 million in 2021) for the Canada emergency wage subsidy. Additional information is provided in Table 3.7 of this section.

² Includes transfer payments of \$3,814 million (\$4,566 million in 2021) for the proceeds for the pollution pricing framework returned, many of the other COVID-19 support measures, such as \$1,515 million for the Canada Emergency Business Account loan incentive (\$13,085 million in 2021); \$3,702 million for the Canada Emergency Rent Subsidy and Lockdown Support (\$4,045 million in 2021); \$2,214 million for the Tourism and Hospitality Recovery Program (nil in 2021); \$41 million for the Canadian Emergency Student Benefit (\$2,880 million in 2021); nil to Canada Mortgage and Housing Corporation for the Canada Emergency Commercial Rent Assistance Program (\$2,152 million in 2021); and, \$1,679 million for the one-time payment for seniors (\$2,455 million in 2021).

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

⁴ Additional information is provided in Table 2a in Section 1 of Volume II of the Public Accounts of Canada.

⁵ Additional information is provided in Table 3.8 of this section.

Expenses include provisions to reflect changes in the value of assets or liabilities, including provisions for bad debts, for loans, investments and advances, as well as for inventory obsolescence. Expenses also include amortization of tangible capital assets, utilization of inventories, as well as prepaid expenses and other.

Organizations within the government's reporting entity transact with each other on a day-to-day basis and thus contribute to the revenues and expenses recorded in the accounts. In preparing the consolidated financial statements, these "internal transactions" are eliminated so as to report on the basis of transactions with outside parties only.

Table 3.6 presents a comparative summary of external expenses by type. The table also discloses the external expenses by segment.

Total transfer payments		Other expenses		Public debt charges ⁵		Total expenses	
2022	2021	2022	2021	2022	2021	2022	2021
2,223	3,208	1,060	1,069	—	—	3,283	4,277
1,735	1,715	4,031	3,221	8	8	5,774	4,944
7,766	6,484	6,415	2,087	—	—	14,181	8,571
225	322	68	48	—	—	293	370
130,487	190,420	5,387	5,154	—	—	135,874	195,574
648	700	2,078	2,055	—	—	2,726	2,755
81,404	101,556	945	665	24,204	20,062	106,553	122,283
618	407	2,133	2,450	—	—	2,751	2,857
6,185	22,734	2,943	2,052	—	—	9,128	24,786
5,088	3,678	13,050	5,388	—	—	18,138	9,066
1,770	1,697	2,003	1,704	—	—	3,773	3,401
15,916	14,171	6,811	4,251	—	—	22,727	18,422
5,635	6,527	3,518	3,526	—	—	9,153	10,053
10,929	12,477	898	1,507	43	52	11,870	14,036
518	443	1,548	1,513	—	—	2,066	1,956
314	264	28,732	28,640	67	68	29,113	28,972
65,136	120,715	10,523	10,230	—	—	75,659	130,945
1,306	695	2,772	1,969	1	1	4,079	2,665
—	—	24	25	—	—	24	25
2	2	748	859	—	—	750	861
1	—	326	330	—	—	327	330
5,557	514	14,749	12,884	1	—	20,307	13,398
5	1	6,045	6,264	124	125	6,174	6,390
1,010	592	2,857	2,675	44	42	3,911	3,309
1	1	11,698	3,824	—	—	11,699	3,825
43	59	391	428	—	—	434	487
177	167	52	52	—	—	229	219
(225)	(116)	(7,463)	14,219	(5)	—	(7,693)	14,103
344,474	489,433	124,342	119,089	24,487	20,358	493,303	628,880
—	—	10,186	15,295	—	—	10,186	15,295
344,474	489,433	134,528	134,384	24,487	20,358	503,489	644,175

Expenses by segment

The government's segmented information is based on the ministerial portfolio structure. It groups the activities of departments, agencies and consolidated Crown corporations and other entities for which a minister is responsible, as described in Note 1 to the consolidated financial statements in Section 2 of this volume.

Government's cost of operations

Government's cost of operations consists of three major types: transfer payments, other expenses, and public debt charges.

Transfer payments

The major transfer payments include payments to persons and payments to provinces and territories.

Payments to persons include payments for income support or income supplement. Assistance is based on age, family status, income, and employment criteria.

Payments to provinces and territories are made under the following major programs:

- The fiscal arrangements allow for unconditional fiscal transfer payments to lower income provinces including subsidies under the Constitution Acts; and,
- The Canada Health Transfer and the Canada Social Transfer allow for the provision of the federal share in support of social programs administered by the provinces.

The other transfer payments include various subsidies paid through federal programs to stabilize market prices for commodities, to develop new technologies, to conduct research, to establish new jobs through support for training and to promote educational and cultural activities. Expenses of other consolidated entities and other miscellaneous payments are also included.

Other expenses

Other expenses include personnel, professional and special services, repair and maintenance, utilities, materials and supplies, as well as amortization of tangible capital assets. Provisions to reflect changes in the value of assets or liabilities, such as provisions for bad debts, loans, investments and advances and inventory obsolescence, as well as utilization of inventories, prepaid expenses, and other are also included in other expenses. Public sector pensions and other employee and veteran future benefits are included in personnel expenses.

Public debt charges

Public debt charges include interest, servicing costs, costs of issuing new borrowings, amortization of premiums and discounts on market debt including amounts arising on the extinguishment of debt, as well as interest on public sector pensions and other employee and veteran future benefits.

Table 3.7
Major transfer payments by province and territory

(in millions of dollars)

	Fiscal year	Old Age Security benefits ¹	Canada Health Transfer ²	Canada Social Transfer	Fiscal arrangements	Quebec Abatement ³
Newfoundland and Labrador.....	2022	1,223	641	210	10	—
	2021	1,177	578	207	10	—
Prince Edward Island	2022	303	203	67	485	—
	2021	288	176	63	455	—
Nova Scotia	2022	1,976	1,222	401	2,448	—
	2021	1,877	1,077	386	2,148	—
New Brunswick	2022	1,704	972	319	2,276	—
	2021	1,626	860	309	2,212	—
Quebec.....	2022	16,692	10,602	3,480	13,124	(6,832)
	2021	16,032	9,463	3,396	13,258	(5,582)
Ontario.....	2022	23,135	18,272	6,000	9	—
	2021	22,113	16,209	5,816	9	—
Manitoba.....	2022	2,043	1,707	561	2,722	—
	2021	1,963	1,520	545	2,513	—
Saskatchewan.....	2022	1,756	1,455	478	2	—
	2021	1,687	1,296	465	2	—
Alberta.....	2022	5,441	5,470	1,796	5	—
	2021	5,155	4,860	1,744	5	—
British Columbia.....	2022	8,773	6,430	2,110	4	—
	2021	8,384	5,701	2,042	3	—
Total provinces	2022	63,046	46,974	15,422	21,085	(6,832)
	2021	60,302	41,740	14,973	20,615	(5,582)
Northwest Territories	2022	39	56	19	1,480	—
	2021	37	50	18	1,413	—
Nunavut	2022	11	49	16	1,782	—
	2021	12	43	15	1,713	—
Yukon Territory	2022	37	54	17	1,118	—
	2021	35	47	17	1,055	—
International.....	2022	300	—	—	—	—
	2021	301	—	—	—	—
Total expenses for provinces and territories	2022	63,433	47,133	15,474	25,465	(6,832)
	2021	60,687	41,880	15,023	24,796	(5,582)
Accrual and other adjustments	2022	(2,659)	(2,000)	—	(87)	575
	2021	(2,158)	4,000	—	85	—
Subtotal.....	2022	60,774	45,133	15,474	25,378	(6,257)
	2021	58,529	45,880	15,023	24,881	(5,582)
Transfers made through the tax system	2022	—	—	—	—	—
	2021	—	—	—	—	—
Total major transfer payments.....	2022	60,774	45,133	15,474	25,378	(6,257)
	2021	58,529	45,880	15,023	24,881	(5,582)

¹ Includes the guaranteed income supplement and the spouse's allowance.² Includes an additional \$2,000 million (\$4,000 million in 2021), a top-up in response to the COVID-19.³ The Quebec Abatement is comprised of federal tax abated under the Alternative Payments for Standing Programs and the Youth Allowance Program of that province.⁴ Includes Employment Insurance Emergency Response Benefit overpayments to be recovered of \$40 million (\$24,644 million of expenses in 2021).⁵ Includes the contributions under the federal Canada Community-Building Fund (previously Gas Tax Fund) program of \$2,320 million (\$4,341 million in 2021). Certain COVID-19 support measures were nil for 2022: Safe Restart Agreement (\$12,977 million in 2021); Essential Workers Wage Top-up (\$2,884 million in 2021); additional one-time payments under the Canada Community-Building Fund (\$2,170 million in 2021), and Safe Return to Class Fund (\$2,000 million in 2021).

Fiscal year	Employment insurance and support measures ⁴	Children's benefits	COVID-19 income support for workers	Canada emergency wage subsidy	Canada-wide Early Learning and Child Care	Other major transfers ⁵	Total
2022	1,715	—	—	—	—	215	4,014
2021	1,713	—	—	—	—	738	4,423
2022	407	—	—	—	—	101	1,566
2021	423	—	—	—	—	101	1,506
2022	1,589	—	—	—	—	206	7,842
2021	1,849	—	—	—	—	506	7,843
2022	1,672	—	—	—	—	166	7,109
2021	1,807	—	—	—	—	372	7,186
2022	7,800	—	—	—	—	1,798	46,664
2021	12,601	—	—	—	—	4,946	54,114
2022	13,808	—	—	—	—	3,019	64,243
2021	21,507	—	—	—	—	8,288	73,942
2022	1,337	—	—	—	—	276	8,646
2021	1,900	—	—	—	—	739	9,180
2022	1,090	—	—	—	—	237	5,018
2021	1,507	—	—	—	—	968	5,925
2022	4,812	—	—	—	—	905	18,429
2021	7,540	—	—	—	—	3,301	22,605
2022	4,533	—	—	—	—	1,048	22,898
2021	7,339	—	—	—	—	3,146	26,615
2022	38,763	—	—	—	—	7,971	186,429
2021	58,186	—	—	—	—	23,105	213,339
2022	57	—	—	—	—	40	1,691
2021	65	—	—	—	—	54	1,637
2022	43	—	—	—	—	39	1,940
2021	39	—	—	—	—	53	1,875
2022	50	—	—	—	—	40	1,316
2021	59	—	—	—	—	52	1,265
2022	10	—	—	—	—	—	310
2021	7	—	—	—	—	—	308
2022	38,923	—	—	—	—	8,090	191,686
2021	58,356	—	—	—	—	23,264	218,424
2022	—	—	15,582	22,291	2,948	(2,380)	34,270
2021	—	—	55,832	80,166	—	3,187	141,112
2022	38,923	—	15,582	22,291	2,948	5,710	225,956
2021	58,356	—	55,832	80,166	—	26,451	359,536
2022	—	26,226	—	—	—	—	26,226
2021	—	27,370	—	—	—	—	27,370
2022	38,923	26,226	15,582	22,291	2,948	5,710	252,182
2021	58,356	27,370	55,832	80,166	—	26,451	386,906

Public debt charges

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

Table 3.8 discloses the reconciling items between the total public debt charges, as reported in the ministerial section of the Department of Finance in Section 8 of Volume II of the Public Accounts of Canada, and the total expenses of the public debt indicated in Table 3.6 of this volume. The reconciling items include the interest expenses on capital leases as well as accrual and other adjustments.

Table 3.8
Public debt charges¹
(in millions of dollars)

	2022	2021
Unmatured debt		
Interest on:		
Marketable bonds	15,032	14,072
Retail debt	1	(1)
Medium-term notes.....	—	3
	15,033	14,074
Amortization of discounts on Canada and Treasury bills		
Treasury bills	470	1,203
Canada bills	3	13
	473	1,216
Amortization of premiums and discounts on all other debts		
Marketable bonds	(280)	(197)
Foreign bonds	9	5
Real return bonds.....	(133)	(126)
Consumer price index adjustments on real return bonds	3,347	661
	2,943	343
Net interest on cross-currency swaps.....	(601)	(544)
Servicing costs and costs of issuing new borrowings.....	19	7
Interest on capital lease obligations	163	163
Interest on obligations under public-private partnerships.....	124	135
Total public debt charges related to unmatured debt	18,154	15,394
Pensions and other future benefits		
Interest on:		
Public sector pensions—Superannuation accounts.....	4,941	5,165
Allowance for pension adjustments	(2,623)	(3,200)
Consolidated Crown corporations and other entities pensions.....	(208)	(174)
	2,110	1,791
Other employee and veteran future benefits		
Public Service Health Care Plan and Pensioners' Dental Service Plan.....	761	575
Severance and other benefits	34	21
Accumulated sick leave entitlements.....	28	19
Worker's compensation	32	20
Veterans' disability and other future benefits.....	2,613	1,936
Royal Canadian Mounted Police disability and other future benefits.....	573	432
Consolidated Crown corporations and other entities.....	6	7
	4,047	3,010
Total public debt charges related to pensions and other future benefits.....	6,157	4,801
Other liabilities		
Canada Pension Plan	1	1
Government Annuities Account	5	5
Deposit and trust accounts.....	12	7
Other specified purpose accounts	139	141
Other liabilities.....	19	9
	176	163
Total public debt charges related to other liabilities		
Consolidated specified purpose accounts		
Interest	5	1
Total public debt charges related to consolidated specified purpose accounts	5	1
Total public debt charges before consolidation adjustments	24,492	20,359
Less: consolidation adjustments	5	1
Total public debt charges ^{1 2}	24,487	20,358

Table 3.8
Public debt charges¹—concluded

(in millions of dollars)

	2022	2021
Comprised of:		
Total public debt charges under statutory authorities before accrual and other adjustments and consolidation adjustments	22,989	20,425
Accrual and other adjustments.....	1,503	(66)
Consolidation adjustments.....	(5)	(1)
Total public debt charges	24,487	20,358

¹ A summary is provided in Table 2a in Section 1 of Volume II of the Public Accounts of Canada.² Additional details are provided in Section 7 of Volume III of the Public Accounts of Canada.

Expenses by object

Table 3.9 reconciles the total net expenditures by object initially recorded by departments under the partial accrual method of accounting to the total expenses which is based on the full accrual method of accounting. Reconciliation items represent the effect of consolidation and full accrual accounting.

Table 3.9
Total expenses by object¹

(in millions of dollars)

	Total net expenditures	Reconciliation	Total expenses
Transfer payments	242,761	101,713	344,474
Other expenses			
Personnel, excluding net actuarial losses	60,676	2,625	63,301
Transportation and communications	2,974	(305)	2,669
Information	647	(117)	530
Professional and special services	17,511	(2,862)	14,649
Rentals	4,180	(932)	3,248
Repair and maintenance	3,672	(18)	3,654
Utilities, materials and supplies	11,031	1,097	12,128
Acquisition of land, buildings and works	2,019	(2,019)	—
Acquisition of machinery and equipment	5,288	(5,288)	—
Other subsidies and expenses	15,242	3,382	18,624
Amortization of tangible capital assets	—	5,433	5,433
Net loss on disposal of assets.....	—	106	106
Total other expenses, excluding net actuarial losses.....	123,240	1,102	124,342
Public debt charges	23,223	1,264	24,487
Total gross expenses	389,224	104,079	493,303
Revenues netted against expenditures	(13,145)	13,145	—
Total expenses, excluding net actuarial losses.....	376,079	117,224	493,303
Net actuarial losses	—	—	10,186
Total expenses	376,079	117,224	503,489

¹ Additional details are provided in Table 3a in Section 1 of Volume II of the Public Accounts of Canada.

Expenditures under statutory authorities

Spending authorities provided by statutory authorities are for specified purposes and for such amounts and such time periods as the acts prescribe. These spending authorities do not generally lapse at the end of the year during which they were granted. Expenditures under such authorities account for approximately half of the total program expenses each year.

Table 3.10
Expenditures under statutory authorities

(in millions of dollars)

	2022	2021
Canada Health Transfer (Part V.1— <i>Federal-Provincial Fiscal Arrangements Act</i>)	47,133	41,880
Old Age Security payments (<i>Old Age Security Act</i>)	46,221	44,383
Public debt charges	22,988	20,426
Fiscal Equalization (Part I— <i>Federal-Provincial Fiscal Arrangements Act</i>)	20,911	20,573
Payments related to <i>Canada Recovery Benefits Act</i>	16,582	16,850
Canada Social Transfer (Part V.1— <i>Federal-Provincial Fiscal Arrangements Act</i>)	15,474	15,023
Guaranteed Income Supplement payments (<i>Old Age Security Act</i>)	14,005	13,685
Gas Tax Fund	4,551	2,200
Territorial Financing (Part I.I— <i>Federal-Provincial Fiscal Arrangements Act</i>)	4,380	4,180
Climate action incentive payments.....	3,762	4,547
Canada Student Grants to qualifying full and part-time students pursuant to the <i>Canada Student Financial Assistance Act</i>	3,155	2,921
Payments to the provinces for Early Learning and Child Care (Part 4, Division 33 of the <i>Budget Implementation Act, 2021, No. 1</i>)	2,648	—
Transfer payments in connection with the <i>Budget Implementation Act</i>	1,836	22
Payments related to the direct financing arrangement under the <i>Canada Student Financial Assistance Act</i>	1,224	749
Canada Education Savings Grant payments to Registered Education Savings Plan (RESP) trustees on behalf of RESP beneficiaries to encourage Canadians to save for post-secondary education for their children	1,090	1,017
Discharge of obligations and forgiveness of non-budgetary loans pursuant to section 23 of the <i>Export Development Act</i>	1,016	—
Payments to the provinces and territories in respect of Canada's COVID-19 immunization plan (<i>Budget Implementation Act, 2021, No. 1</i> , Part 4, division 12)	1,000	—
Canada Worker Lockdown Benefit (Sec. 29 of the <i>Canada Worker Lockdown Benefit Act</i>)	946	—
Contribution payments for the AgriInsurance program	720	646
Payments for expenses in relation to COVID-19 tests pursuant to <i>An Act respecting certain measures related to COVID-19, SC 2022, c. 2 (Bill C-10)</i>	711	—
Judges' salaries, allowances and annuities, annuities to spouses and children of judges and lump sum payments to spouses of judges who die while in office	656	614
Spending of revenue received pursuant to section 60 of the <i>Canada Revenue Agency Act</i>	584	348
Electoral expenditures (<i>Canada Elections Act</i> and the <i>Referendum Act</i>)	558	144
Allowance payments (<i>Old Age Security Act</i>).....	529	572
Canada disability savings grants	469	407
Grants in support of the Farm Income payment	460	459
Grant and contribution payments for the Agricultural Disaster Relief Program (<i>Farm Income Protection Act</i>)	444	21
Payments to the Newfoundland offshore petroleum resource revenue fund pursuant to the <i>Canada-Newfoundland and Labrador Atlantic Accord Implementation Act, Part IV</i>	438	212
Payments to International Development Association	423	423
Losses on foreign exchange	118	735
One time payment to persons with disabilities	33	797
Payments for the Canada Emergency Response Benefit pursuant to <i>the Public Health Events of National Concern Payments Act</i>	—	62,162
Payments related to Significant and Systematic Economic and Financial Distress	—	16,656
Benefit enhancement measures for the Employment Insurance Operating Account	(95)	27,331
Youth Allowances Recovery (<i>Federal-Provincial Fiscal Revision Act, 1964</i>)	(1,699)	(1,013)
Alternative Payments for Standing Programs (Part VI— <i>Federal-Provincial Fiscal Arrangements Act</i>)	(5,133)	(4,570)
Total ²	208,138	294,400
Superannuation, supplementary retirement benefits, death benefits and other pensions ¹		
Public Service		
Government's contribution to the Public Service Pension Plan and the Retirement Compensation Arrangements Account	10,690	2,774
Government's contribution to the Canada and the Quebec pension plans	1,061	1,084
Government's contribution to the Employment Insurance Operating Account	348	376
Government's contribution to the Supplementary Death Benefit Account	16	15
Total	12,115	4,249

Table 3.10
Expenditures under statutory authorities—concluded

(in millions of dollars)

	2022	2021
Canadian Forces		
Government's contribution to the Canadian Forces Pension Plan and the Retirement Compensation Arrangements Account.....	1,031	3,652
Government's contribution to the Canada and the Quebec pension plans.....	212	271
Government's contribution as employer to the Employment Insurance Operating Account	67	90
Statutory payments under the <i>Supplementary Retirement Benefits Act</i>	1	1
Government's contribution to the Death Benefit Account	3	3
Total	1,314	4,017
Royal Canadian Mounted Police		
Government's contribution to the Royal Canadian Mounted Police Pension Plan and the Retirement Compensation Arrangements Account	401	266
Government's contribution to the Canada and the Quebec pension plans.....	110	70
Government's contribution as employer to the Employment Insurance Operating Account	34	23
Statutory payments under the <i>Supplementary Retirement Benefits Act</i>	4	5
Total	549	364
Shared Services Canada		
Government's contribution to the Canada and the Quebec pension plans ²	1	1
Government's contribution to the Royal Canadian Mounted Police Pension Plan and the Retirement Compensation Arrangements Account ²	4	4
Total	5	5
All other statutory expenditures ²	4,210	3,770
Total ministerial expenditures under statutory authorities ³	226,331	306,805

¹ Details related to other pension accounts, such as the Members of Parliament Retiring Allowances Account, are not included.² Comparative figures have been reclassified to conform to the current year's presentation.³ Additional information on the ministerial expenditures under statutory authorities are provided in Table 7 in Section 1 of Volume II of the Public Accounts of Canada.

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Section 4

*Public Accounts of Canada
2021–2022*

Consolidated accounts as at March 31

Table of contents

	<i>Page</i>
Consolidated Crown corporations and other entities	121
Summary financial statements of consolidated Crown corporations and other entities.....	121
Borrowings by consolidated agent Crown corporations.....	126
Contingent liabilities of consolidated Crown corporations and other entities	126
Financial assistance under budgetary appropriations to consolidated Crown corporations	127
Consolidated specified purpose accounts	128
Insurance accounts.....	130
Other consolidated specified purpose accounts.....	131
Endowment principal.....	132
Supplementary statement Employment Insurance Operating Account	133

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Consolidated Crown corporations and other entities

This section provides all related information on consolidated Crown corporations and other entities. Consolidated entities rely on government funding as their principal source of revenue and are controlled by the government.

Consolidation involves the combination of the accounts of these corporations and other entities on a line-by-line and uniform basis of accounting and the elimination of inter-organizational balances and transactions. Consequently, the corporations and other entities' accounts must be adjusted to the government's basis of accounting. All corporations and other entities follow either Canadian Public Sector Accounting Standards or International Financial Reporting Standards. The financial information reported by all of the consolidated Crown corporations and other entities in the following summary tables has been prepared and reported based upon Canadian Public Sector Accounting Standards.

Consolidated Crown corporations are also categorized as being either agents or non-agents of the Crown. Agency status may be expressly stated in the incorporating legislation or conferred under the provisions of the *Government Corporations Operation Act*.

Summary financial statements of consolidated Crown corporations and other entities

These tables present financial information on consolidated parent Crown corporations and other entities, as well as financial information on wholly-owned subsidiaries that are considered “deemed parent Crown corporations” and thus consolidated directly in the consolidated financial statements of the government and excluded from the consolidated financial statements of their parent Crown corporations. The annual *Inventory of Federal Organizations and Interests* includes a complete list of federal organizations and interests.

For those corporations and other entities having year ends other than March 31, the data are based on unaudited interim financial statements which have been prepared on a basis consistent with the most recent audited financial statements.

Table 4.1 and Table 4.2 present summarized financial information of the consolidated Crown corporations and other entities. Balances reported under government, Crown corporations and other entities represent those between related parties. Of note, borrowings from third parties represent long-term debts payable of the corporations and other entities. Revenues are broken down to identify revenues arising from normal operations and financial assistance from the government in respect of the current year's operations. Equity adjustments include prior period adjustments and other miscellaneous items recorded by the corporations and other entities. Remeasurement gains and losses comprise certain unrealized gains and losses on financial instruments excluded from the annual surplus (deficit). Upon realization, these gains and losses are included in the annual surplus (deficit). Equity transactions with the government include dividends declared or transfers of profits to the government, as well as capital transactions with the government. The line “Conversion to the government accounting basis for consolidation purposes” represents the adjustments required to bring the corporations and other entities' accounting policies in line with those of the government.

Table 4.1
Financial position of consolidated Crown corporations and other entities
Assets, liabilities and equity as at March 31, 2022

(in thousands of dollars)

Consolidated Crown corporations and other entities	Assets			
	Financial			Total assets
	Third parties	Government, Crown corporations and other entities	Non-financial	
Crown corporations¹				
Atomic Energy of Canada Limited	487,638	15,348	942,766	1,445,752
Canada Council for the Arts	624,870	5,835	27,578	658,283
Canada Development Investment Corporation				
Canada Enterprise Emergency Funding Corporation ²	3,210,136	—	—	3,210,136
Canada Infrastructure Bank	1,505,280	3,430,322	2,369	4,937,971
Canadian Air Transport Security Authority	115,958	98,697	425,712	640,367
Canadian Broadcasting Corporation	1,985,532	99,428	1,338,386	3,423,346
Canadian Commercial Corporation	89,865	1,324	2,538	93,727
Canadian Dairy Commission	31,594	—	31,508	63,102
Canadian Museum for Human Rights	27,617	76	253,338	281,031
Canadian Museum of History	126,565	6,223	192,113	324,901
Canadian Museum of Immigration at Pier 21	16,688	170	7,827	24,685
Canadian Museum of Nature	29,566	11	159,703	189,280
Canadian Race Relations Foundation	28,504	1,590	133	30,227
Canadian Tourism Commission	28,155	383	6,020	34,558
Defence Construction (1951) Limited	58,129	17,916	3,139	79,184
International Development Research Centre	71,718	41,789	2,913	116,420
Marine Atlantic Inc.	196,868	13,954	405,683	616,505
National Arts Centre Corporation	39,793	489	206,227	246,509
National Capital Commission	263,197	35,972	774,022	1,073,191
National Gallery of Canada	37,265	604	68,250	106,119
National Museum of Science and Technology	30,014	507	249,830	280,351
Standards Council of Canada	6,865	3,907	2,992	13,764
Telefilm Canada	8,110	70,873	10,311	89,294
The Federal Bridge Corporation Limited	15,089	1,541	367,549	384,179
The Jacques Cartier and Champlain Bridges Inc.	63,146	22,172	673,267	758,585
VIA Rail Canada Inc.	651,887	58,291	1,468,340	2,178,518
Windsor-Detroit Bridge Authority	117,013	1,044	2,537,970	2,656,027
Total—Crown corporations	9,867,062	3,928,466	10,160,484	23,956,012
Conversion to the government accounting basis for consolidation purposes	(52,877)	(3,430,322)	(102,142)	(3,585,341)
Net Crown corporations on the government accounting basis	9,814,185	498,144	10,058,342	20,370,671
Other entities³				
Canada Foundation for Innovation	153,765	265	2,096	156,126
Canada Foundation for Sustainable Development Technology	19,833	—	909	20,742
First Nations Market Housing Fund	339,607	42,447	264	382,318
St. Lawrence Seaway Management Corporation	250,500	10,886	13,886	275,272
Capital Fund Trust	2,513	1,789	—	4,302
Employee Termination Benefits Trust Fund	435	11	—	446
Total—Other entities	766,653	55,398	17,155	839,206
Conversion to the government accounting basis for consolidation purposes	(1,456)	41	(16)	(1,431)
Net other entities on the government accounting basis	765,197	55,439	17,139	837,775
Total	10,579,382	553,583	10,075,481	21,208,446

¹ All Crown corporations listed at the margin in this table are parent Crown corporations.² Canada Enterprise Emergency Funding Corporation (CEEFC) is a federal Crown corporation, incorporated in May 2020 and is wholly owned by Canada Development Investment Corporation (CDEV), a parent Crown corporation. CEEFC is responsible for administering the Large Employer Emergency Funding Facility (LEEFF).³ These entities, which are not Crown corporations or agents of the Crown, are considered other consolidated entities.

Liabilities								
Third parties								
Borrowings	Other	Government, Crown corporations and other entities	Total liabilities	Accumulated profits (losses)	Contributed surplus	Capital stock	Equity of Canada	Total liabilities and equity
–	9,116,891	263	9,117,154	(8,136,114)	449,712	15,000	(7,671,402)	1,445,752
–	259,921	1,391	261,312	396,971	–	–	396,971	658,283
–	2,027	228	2,255	3,207,881	–	–	3,207,881	3,210,136
–	13,717	–	13,717	4,924,254	–	–	4,924,254	4,937,971
–	141,264	544	141,808	498,559	–	–	498,559	640,367
207,047	794,279	7,479	1,008,805	2,414,541	–	–	2,414,541	3,423,346
–	51,473	16,720	68,193	15,534	10,000	–	25,534	93,727
10,016	51,060	2,026	63,102	–	–	–	–	63,102
–	138,920	130,102	269,022	12,009	–	–	12,009	281,031
–	34,677	218,296	252,973	71,928	–	–	71,928	324,901
–	10,374	7,524	17,898	6,787	–	–	6,787	24,685
–	32,523	148,498	181,021	8,259	–	–	8,259	189,280
–	988	2,929	3,917	26,310	–	–	26,310	30,227
–	12,495	176	12,671	21,887	–	–	21,887	34,558
–	49,428	2,804	52,232	26,952	–	–	26,952	79,184
–	68,889	16,364	85,253	31,167	–	–	31,167	116,420
–	115,010	–	115,010	501,495	–	–	501,495	616,505
–	23,767	204,691	228,458	18,051	–	–	18,051	246,509
–	170,389	46,572	216,961	856,230	–	–	856,230	1,073,191
–	7,934	87,910	95,844	10,275	–	–	10,275	106,119
–	7,554	258,010	265,564	14,787	–	–	14,787	280,351
–	5,694	13	5,707	8,057	–	–	8,057	13,764
–	48,097	189	48,286	41,008	–	–	41,008	89,294
50,373	15,744	2,180	68,297	315,882	–	–	315,882	384,179
–	119,424	–	119,424	639,161	–	–	639,161	758,585
–	274,215	1,398,091	1,672,306	496,912	–	9,300	506,212	2,178,518
–	950,693	–	950,693	1,705,334	–	–	1,705,334	2,656,027
267,436	12,517,447	2,553,000	15,337,883	8,134,117	459,712	24,300	8,618,129	23,956,012
–	(3,125)	755,054	751,929	(3,853,258)	(459,712)	(24,300)	(4,337,270)	(3,585,341)
267,436	12,514,322	3,308,054	16,089,812	4,280,859	–	–	4,280,859	20,370,671
–	2,273	153,853	156,126	–	–	–	–	156,126
–	9,456	11,286	20,742	–	–	–	–	20,742
–	78,660	303,658	382,318	–	–	–	–	382,318
–	113,756	8,335	122,091	153,181	–	–	153,181	275,272
–	10	4,292	4,302	–	–	–	–	4,302
–	10	436	446	–	–	–	–	446
–	204,165	481,860	686,025	153,181	–	–	153,181	839,206
–	(45)	(476,041)	(476,086)	474,655	–	–	474,655	(1,431)
–	204,120	5,819	209,939	627,836	–	–	627,836	837,775
267,436	12,718,442	3,313,873	16,299,751	4,908,695	–	–	4,908,695	21,208,446

Table 4.2
**Revenues, expenses and other changes in equity of consolidated Crown corporations
and other entities for the year ended March 31, 2022**

(in thousands of dollars)

Consolidated Crown corporations and other entities	Revenues			
	Third parties	Government, Crown corporations and other entities		
		Financial assistance	Other	Total
Crown corporations				
Atomic Energy of Canada Limited	156,294	1,008,769	4,228	1,169,291
Canada Council for the Arts	45,918	510,389	2,340	558,647
Canada Development Investment Corporation				
Canada Enterprise Emergency Funding Corporation	203,410	—	2,670,000	2,873,410
Canada Infrastructure Bank	22,658	3,239,035	—	3,261,693
Canadian Air Transport Security Authority	1,505	684,760	—	686,265
Canadian Broadcasting Corporation	646,392	1,250,424	6,708	1,903,524
Canadian Commercial Corporation	12,079	13,000	2,440	27,519
Canadian Dairy Commission	249,218	4,291	366	253,875
Canadian Museum for Human Rights.....	8,033	31,355	—	39,388
Canadian Museum of History	8,331	85,869	253	94,453
Canadian Museum of Immigration at Pier 21	1,489	11,473	99	13,061
Canadian Museum of Nature	5,413	42,396	—	47,809
Canadian Race Relations Foundation	1,728	3,071	(26)	4,773
Canadian Tourism Commission.....	2,762	121,160	49	123,971
Defence Construction (1951) Limited	477	—	150,840	151,317
International Development Research Centre.....	56,605	148,611	10,945	216,161
Marine Atlantic Inc.	104,749	131,503	—	236,252
National Arts Centre Corporation.....	11,782	84,171	1,186	97,139
National Capital Commission.....	54,997	159,731	9,827	224,555
National Gallery of Canada	22,353	56,240	66	78,659
National Museum of Science and Technology.....	5,876	48,116	91	54,083
Standards Council of Canada.....	8,937	19,272	1,425	29,634
Telefilm Canada	20,337	151,229	423	171,989
The Federal Bridge Corporation Limited.....	31,648	9,150	—	40,798
The Jacques Cartier and Champlain Bridges Inc.....	8,446	239,539	—	247,985
VIA Rail Canada Inc.	153,193	491,375	2,395	646,963
Windsor-Detroit Bridge Authority	3,507	462,000	(25,026)	440,481
Total—Crown corporations.....	1,848,137	9,006,929	2,838,629	13,693,695
Conversion to the government accounting basis for consolidation purposes	16,526	(2,878,604)	(2,672,482)	(5,534,560)
Total on the government accounting basis	1,864,663	6,128,325	166,147	8,159,135
Consolidation adjustments	286	(6,128,325)	(166,147)	(6,294,186)
Net amount—Crown corporations	1,864,949	—	—	1,864,949
Other entities				
Canada Foundation for Innovation	981	374,842	4	375,827
Canada Foundation for Sustainable Development Technology	185	116,017	—	116,202
First Nations Market Housing Fund.....	9,295	—	(1,558)	7,737
St. Lawrence Seaway Management Corporation	83,500	1,777	59,808	145,085
Capital Fund Trust	26	70,000	(9,529)	60,497
Employee Termination Benefits Trust Fund	5	—	—	5
Total—Other entities	93,992	562,636	48,725	705,353
Conversion to the government accounting basis for consolidation purposes	(14,418)	(46,305)	(40)	(60,763)
Total on the government accounting basis	79,574	516,331	48,685	644,590
Consolidation adjustments	(191)	(516,331)	(48,685)	(565,207)
Net amount—Other entities	79,383	—	—	79,383
Total	1,944,332	—	—	1,944,332

The accompanying notes to Table 4.1 are an integral part of this table.

Third parties	Expenses			Equity transactions with the Government					Equity end of year
	Government, Crown corporations and other entities		Total	Net income (loss)	Equity beginning of year	Equity adjustments and other	Remeasurement gains (losses)	Dividends	
1,801,092	2,170	1,803,262	(633,971)	(7,033,295)	—	(4,136)	—	—	(7,671,402)
530,720	1,142	531,862	26,785	389,040	(4,656)	(14,198)	—	—	396,971
80,063	678	80,741	2,792,669	415,212	—	—	—	—	3,207,881
48,368	—	48,368	3,213,325	1,113,641	597,288	—	—	—	4,924,254
752,615	643	753,258	(66,993)	565,552	—	—	—	—	498,559
2,119,977	(27,358)	2,092,619	(189,095)	2,603,636	—	—	—	—	2,414,541
20,485	3,926	24,411	3,108	22,426	—	—	—	—	25,534
252,160	2,119	254,279	(404)	—	404	—	—	—	—
34,255	4,737	38,992	396	11,613	—	—	—	—	12,009
81,936	11,785	93,721	732	71,422	—	(226)	—	—	71,928
9,573	2,599	12,172	889	5,978	(96)	16	—	—	6,787
36,390	3,376	39,766	8,043	216	—	—	—	—	8,259
1,158	3,071	4,229	544	26,758	1,418	(2,410)	—	—	26,310
144,411	176	144,587	(20,616)	42,540	—	(37)	—	—	21,887
137,174	1,321	138,495	12,822	14,064	—	66	—	—	26,952
198,791	2,847	201,638	14,523	16,644	—	—	—	—	31,167
242,263	—	242,263	(6,011)	498,236	—	9,270	—	—	501,495
82,383	1,734	84,117	13,022	5,029	—	—	—	—	18,051
127,466	12,011	139,477	85,078	771,152	—	—	—	—	856,230
68,404	7,401	75,805	2,854	7,421	—	—	—	—	10,275
43,139	8,192	51,331	2,752	12,035	—	—	—	—	14,787
28,229	175	28,404	1,230	6,827	—	—	—	—	8,057
165,211	2,569	167,780	4,209	36,799	—	—	—	—	41,008
48,338	—	48,338	(7,540)	219,521	103,901	—	—	—	315,882
218,792	—	218,792	29,193	609,968	—	—	—	—	639,161
591,455	6,896	598,351	48,612	457,600	—	—	—	—	506,212
163,715	—	163,715	276,766	1,423,192	—	5,376	—	—	1,705,334
8,028,563	52,210	8,080,773	5,612,922	2,313,227	698,259	(6,279)	—	—	8,618,129
(155,903)	(3,261)	(159,164)	(5,375,396)	1,715,812	(683,965)	6,279	—	2,672,482	(1,664,788)
7,872,660	48,949	7,921,609	237,526	4,029,039	14,294	—	—	2,672,482	6,953,341
4,061	(48,949)	(44,888)	(6,249,298)	—	6,249,298	—	—	(2,672,482)	(2,672,482)
7,876,721	—	7,876,721	(6,011,772)	4,029,039	6,263,592	—	—	—	4,280,859
375,806	21	375,827	—	—	—	—	—	—	—
116,202	—	116,202	—	—	—	—	—	—	—
9,295	(1,558)	7,737	—	(112)	—	112	—	—	—
129,230	203	129,433	15,652	137,529	—	—	—	—	153,181
10	60,487	60,497	—	—	—	—	—	—	—
10	(5)	5	—	—	—	—	—	—	—
630,553	59,148	689,701	15,652	137,417	—	112	—	—	153,181
674	(674)	—	(60,763)	535,530	—	(112)	—	—	474,655
631,227	58,474	689,701	(45,111)	672,947	—	—	—	—	627,836
(189)	(58,474)	(58,663)	(506,544)	—	506,544	—	—	—	—
631,038	—	631,038	(551,655)	672,947	506,544	—	—	—	627,836
8,507,759	—	8,507,759	(6,563,427)	4,701,986	6,770,136	—	—	—	4,908,695

Borrowings by consolidated agent Crown corporations

Table 4.3

Borrowings by consolidated agent Crown corporations

(in thousands of dollars)

	April 1, 2021	Borrowings and other credits	Repayments and other charges	March 31, 2022
Canadian Broadcasting Corporation.....	237,204	14,355	44,512	207,047
Canadian Dairy Commission	9,671	126,052	125,707	10,016
The Federal Bridge Corporation Limited	48,862	10,000	8,489	50,373
Total	295,737	150,407	178,708	267,436

This information is published to satisfy section 49 of the *Financial Administration Act* (FAA) which requires that an annual statement be included in the Public Accounts of Canada. The borrowings are from lenders other than the government. In accordance with section 54 of the FAA, the payment of all money borrowed by agent Crown corporations and interest thereon is a charge on and payable out of the Consolidated Revenue Fund.

Contingent liabilities of consolidated Crown corporations and other entities

Contingent liabilities of consolidated Crown corporations are included in the Government of Canada's financial statements as follows, refer to section 2 for further details.

Table 4.4

Contingent liabilities of consolidated Crown corporations and other entities

(in thousands of dollars)

	2022
Pending and threatened litigation and other claims—Provision accrued.....	35,642
Pending and threatened litigation and other claims—Disclosure only.....	21,007

Financial assistance under budgetary appropriations to consolidated Crown corporations

Table 4.5 presents charges to appropriations or authorities approved by Parliament. It should be read in conjunction with Table 4.2. Differences in figures reported in Table 4.2 and those reported in Table 4.5 result from the use of different accounting policies and from items in transit.

Table 4.5
Financial assistance under budgetary appropriations to consolidated Crown corporations
for the year ended March 31, 2022

(in thousands of dollars)

	Program expenditures vote	Operating expenditures vote	Capital expenditures vote	Financial assistance under budgetary appropriations ¹
Agent Crown corporations				
Atomic Energy of Canada Limited	1,008,769	—	—	1,008,769
Canadian Air Transport Security Authority	686,115	—	—	686,115
Canadian Broadcasting Corporation	—	1,143,694	106,729	1,250,423
Canadian Commercial Corporation	13,000	—	—	13,000
Canadian Dairy Commission	4,291	—	—	4,291
Canadian Museum for Human Rights	29,337	—	—	29,337
Canadian Museum of History	84,700	—	—	84,700
Canadian Museum of Immigration at Pier 21	9,547	—	—	9,547
Canadian Museum of Nature	35,681	—	—	35,681
Canadian Race Relations Foundation	6,180	—	—	6,180
Canadian Tourism Commission	121,160	—	—	121,160
National Capital Commission	—	74,768	116,946	191,714
National Gallery of Canada	—	44,002	8,000	52,002
National Museum of Science and Technology	43,173	—	—	43,173
Telefilm Canada	151,229	—	—	151,229
The Federal Bridge Corporation Limited	9,124	—	—	9,124
The Jacques Cartier and Champlain Bridges Inc	235,144	—	—	235,144
Total—Agent Crown corporations	2,437,450	1,262,464	231,675	3,931,589
Non-agent Crown corporations				
Canada Council for the Arts	510,389	—	—	510,389
Canada Infrastructure Bank	210,950	—	—	210,950
International Development Research Centre	155,251	—	—	155,251
Marine Atlantic Inc	130,810	—	—	130,810
National Arts Centre Corporation	59,920	—	—	59,920
Standards Council of Canada	19,272	—	—	19,272
VIA Rail Canada Inc	628,856	—	—	628,856
Windsor-Detroit Bridge Authority	481,288	—	—	481,288
Total—Non-agent Crown corporations	2,196,736	—	—	2,196,736
Total	4,634,186	1,262,464	231,675	6,128,325

¹ Excludes grants and contributions paid to consolidated Crown corporations where they qualify as members of a general class of recipients.

Consolidated specified purpose accounts

Consolidated specified purpose accounts are particular categories of revenues and expenses whereby legislation requires that revenues received for purposes specified in the legislation be credited to these accounts and that related payments be charged to the accounts. They are principally used where the activities are similar in nature to departmental activities and the transactions do not represent future liabilities to third parties but in essence constitute government revenues and expenses.

Enabling legislation requires that the transactions in each of these accounts be accounted for separately. Table 4.6 presents a summary of the balances and transactions of these accounts, in the manner required by legislation.

The financial statements of the Employment Insurance Operating Account, together with the Independent auditor's Report, are presented at the end of this section.

Table 4.6
Consolidated specified purpose accounts

(in dollars)

	Revenues and other credits			Expenses and other debits		
	External transactions	Internal transactions		External transactions	Internal transactions	March 31, 2022
	April 1, 2021					
Insurance accounts						
Agriculture and Agri-Food						
Department of Agriculture and Agri-Food						
Crop Reinsurance Fund	578,010,465	211,297	–	(283,281)	–	578,505,043
Less: Interest-bearing loans	277,514,751	–	–	–	–	277,514,751
	300,495,714	211,297	–	(283,281)	–	300,990,292
Agricultural Commodities Stabilization						
Accounts.....	646,510	–	–	–	–	646,510
	301,142,224	211,297	–	(283,281)	–	301,636,802
Employment, Workforce Development and						
Disability Inclusion						
Department of Employment and Social						
Development						
Employment Insurance Operating Account,						
Table 4.7.....	(7,705,820,899)	23,885,258,348	353,731,421	39,048,512,236	2,456,361,531	(24,971,704,897)
Finance						
Department of Finance						
Investors' Indemnity Account.....	45,303	–	–	–	–	45,303
Health						
Department of Health						
Health Insurance Supplementary Account.....	28,386	–	–	–	–	28,386
Natural Resources						
Department of Natural Resources						
Nuclear Liability Account	4,727,829	151,573	–	–	–	4,879,402
Transport						
Department of Transport						
Fund for railway accidents involving						
designated goods	81,004,030	11,774,368	1,039,040	1,337,374	1,397	92,478,667
Ship-Source Oil Pollution Fund	410,645,168	70,375	4,631,231	2,802,006	870,727	411,674,041
	491,649,198	11,844,743	5,670,271	4,139,380	872,124	504,152,708
Total insurance accounts.....	(6,908,227,959)	23,897,465,961	359,401,692	39,052,368,335	2,457,233,655	(24,160,962,296)

Table 4.6
Consolidated specified purpose accounts—concluded

(in dollars)

	Revenues and other credits		Expenses and other debits		March 31, 2022
	April 1, 2021	External transactions	Internal transactions	External transactions	
Other consolidated specified purpose accounts					
Canadian Heritage					
The National Battlefields Commission					
Trust Fund.....	1,444,987	17,000	3,754	1,144	—
Crown-Indigenous Relations and Northern Affairs					
Department of Crown-Indigenous Relations and Northern Affairs					
Environmental Studies Research Fund	154,948	—	51,187	—	154,948
Environment and Climate Change					
Department of the Environment					
Court Award Deposits					
Other than Environmental Damages Fund .	508,289	36,100	—	—	1,100
Environmental Damages Fund.....	229,591,957	65,039,246	5,369,166	17,773,694	252,843
230,100,246		65,075,346	5,369,166	17,773,694	253,943
Parks Canada Agency					
New Parks and Historic Sites Account	90,039,858	1,400,134	50,988,628	13,396,564	249,849
320,140,104		66,475,480	56,357,794	31,170,258	503,792
Finance					
Department of Finance					
Canadian Commercial Bank and					
Northland Bank Holdback Account	246,223,464	—	—	—	—
Fisheries, Oceans and the Canadian Coast Guard					
Department of Fisheries and Oceans					
Supplementary Fines Account					
<i>Species at Risk Act</i>	35,000	—	—	—	35,000
Supplementary Fish Fines Account	2,335,973	61,442	—	49,651	—
2,370,973		61,442	—	49,651	—
Natural Resources					
Department of Natural Resources					
Environmental Studies Research Fund	3,880,947	5,555,758	—	268,231	5,048,024
Public Services and Procurement					
Department of Public Works					
and Government Services					
Seized Property Proceeds Account.....	43,243,348	24,006,981	—	22,297,815	—
Transport					
Department of Transport					
Fines for the Transportation of					
Dangerous Goods	4,153,754	200,000	—	132,625	—
Total other consolidated specified purpose accounts.....	621,612,525	96,316,661	56,412,735	53,919,724	5,706,764
					714,715,433
Endowment principal					
Environment and Climate Change					
Parks Canada Agency					
Mackenzie King Trust Account.....	225,000	—	—	—	—
Health					
Canadian Institutes of Health Research					
Endowments for Health Research	75,000	—	—	—	—
Innovation, Science and Industry					
National Research Council of Canada					
H.L. Holmes Fund.....	5,543,129	31,570	—	—	—
W.G. Schneider Fund	30,000	—	—	—	30,000
5,573,129		31,570	—	—	5,604,699
Social Sciences and Humanities					
Research Council					
Queen's Fellowship Fund	250,000	—	—	—	250,000
5,823,129		31,570	—	—	5,854,699
Total endowment principal	6,123,129	31,570	—	—	—
Total	(6,280,492,305)	23,993,814,192	415,814,427	39,106,288,059	2,462,940,419
					(23,440,092,164)

Insurance accounts

Crop Reinsurance Fund

This Fund, continued in the accounts of Canada pursuant to subsection 13(1) of the *Farm Income Protection Act*, provides insurance to participating provinces for deficits they might incur in their agriculture insurance funds. The Crop Reinsurance Fund currently operates under the authority of the *Farm Income Protection Act*.

The revenues of the Fund come from a percentage of total premiums collected by provinces for the purpose of insurance of agricultural production. Both the amount of revenue collected and expenditures from the Crop Reinsurance Fund paid to provinces are subject to the terms of reinsurance agreements. When there are insufficient revenues in the Crop Reinsurance Fund to make payments, the Minister of Finance may authorize an advance of additional funds to cover these obligations. These advances are recovered from future revenues. Currently, the interest rate earned on surpluses in the Crop Reinsurance Fund and the interest rate charged to advances to the Fund have been set by the Department of Finance at zero percent.

Agricultural Commodities Stabilization Accounts

The purpose of these accounts was to reduce income loss to producers from market risks through stabilizing prices. Premiums were shared equally by the Government of Canada, the governments of participating provinces and participating producers.

These accounts are continued in the accounts of Canada pursuant to subsection 16(2) of the *Farm Income Protection Act*. Current activities are limited to collection of accounts receivable. The *Agricultural Stabilization Act*, under which the commodity accounts formerly operated, has been repealed and replaced by the *Farm Income Protection Act* effective April 1, 1991.

Employment Insurance Operating Account

The Canada Employment Insurance Commission (the Commission), a departmental corporation named in Schedule II to the *Financial Administration Act*, administers the *Employment Insurance Act* (the Act). The Commission is co-managed by Commissioners representative of the government, workers and employers. The objective of the Act is to provide employment insurance benefits, employment programs and services to eligible workers. The financial transactions relating to this objective are reported through the Employment Insurance Operating Account (the Account).

The Account was established in the accounts of Canada by the Act. All amounts received under the Act are deposited in the Consolidated Revenue Fund and credited to the Account. The benefits and the costs of administration of the Act are paid out of the Consolidated Revenue Fund and charged to the Account.

Employee premium rate for each \$100 of insurable earnings was \$1.58 from January 1, 2021, to December 31, 2021, for employees without a Provincial Parental Insurance Plan and \$1.18 for the others. From January 1, 2022, to March 31, 2022, the rate was \$1.58 for employees without a Provincial Parental Insurance Plan and \$1.20 for the others. Employer premium rate is calculated at the rate of 1.4 times the amount of the employee's premiums. The annual maximum insurable earnings for the 2022 calendar year is \$60,300 (\$56,300 in 2021).

Table 4.7
Transactions in the Employment Insurance Operating Account

(in millions of dollars)

	2022	2021
Revenues		
Premiums		
Employers and employees ¹	24,305	22,881
Funding from the Government of Canada—Employment Insurance Emergency Response Benefit	(95)	27,331
Penalties and interest revenue.....	29	16
	24,239	50,228
Expenses		
Benefits	36,589	31,412
Transfers to the provinces—Part II	2,375	2,300
Employment Insurance Emergency Response Benefit	(41)	24,644
Administration costs	2,448	2,356
Administration cost transferred to provinces	192	192
Bad debts.....	(58)	935
	41,505	61,839
Net change	(17,266)	(11,611)
Balance at beginning of year	(7,706)	3,905
Balance at end of year	(24,972)	(7,706)

¹ The difference between premium revenue presented here and the amount presented in the Government of Canada consolidated financial statements is due to the elimination on consolidation of premiums incurred by the Government of Canada, for an amount of \$448 million (\$489 million in 2021).

Investors' Indemnity Account

Section 57 of the *Financial Administration Act* provides for this account, and for the crediting thereto of the sum of \$25,000, such further amounts as are appropriated by Parliament for the purposes of this section, and any recoveries of the losses referred to in section 58 of the Act. This sum was increased to \$50,000 by Treasury Board Submission No. 817667 dated December 12, 1991.

Section 58 of the Act states that the Minister may, in accordance with and subject to regulations, pay out of the account, any losses sustained by subscribers for securities who have paid all or part of the purchase price for those securities but have not received the security or repayment of the amount so paid, and losses sustained by any person in the redemption of securities.

Health Insurance Supplementary Account

This account was established pursuant to *Vote L16b, Appropriation Act No. 2, 1973*, to record payments in respect of persons who, through no fault of their own, have lost or been unable to obtain coverage for the insured health services under the *Canada Health Act*, and in accordance with the Federal/Provincial Agreement on Eligibility and Portability. Contributions are made by all provinces to the account in proportion to population and are matched by the federal government.

Nuclear Liability Account—Department of Natural Resources

This account is established pursuant to sub-section 32(1) of the *Nuclear Liability and Compensation Act*, to record indemnity fees paid by operators and to provide for payment of any claims arising under the indemnity agreements entered into between the government and nuclear installation operators. This account is a continuation of the Nuclear Liability Reinsurance Account under the previous *Nuclear Liability Act*, now repealed.

Fund for railway accidents involving designated goods

This account was established pursuant to the *Safe and Accountable Rail Act* to establish a compensation fund to cover the losses, damages, costs and expenses resulting from a railway accident involving crude oil or other designated goods that exceed the minimum liability insurance coverage. This account is financed by a levy on shipments of crude oil by rail.

Ship-Source Oil Pollution Fund

This account was established pursuant to subsection 2001, c.6 of the *Marine Liability Act* (previously the *Canada Shipping Act*), to record levy tonnage payments for oil carried by ships in Canadian waters. Maritime pollution claims, the fee of the Fund Administrator, and related oil pollution control expenses, are to be financed out of the Fund.

Other consolidated specified purpose accounts

Trust Fund—The National Battlefields Commission

This account was established at the creation of The National Battlefields Commission for the purpose of acquiring various properties for the development of the park. The funds are received by way of private contributions, from municipal corporations, provincial governments and others, and deposited for the purposes of the Commission, as prescribed for in its incorporation Act.

Environmental Studies Research Fund—Department of Crown-Indigenous Relations and Northern Affairs

This account was established pursuant to subsection 76(1) of the *Canada Petroleum Resources Act*. The purpose of the Fund is to finance environmental and social studies pertaining to the manner in which, and the terms and conditions under which, exploration, development and production activities on frontier lands, authorized under this Act or any other act of Parliament, should be conducted.

Court Award Deposits—Other than Environmental Damages Fund

This account was established for the management of court orders/awards or other financial compensation to the Department of the Environment that are not under the legal authority of the Environmental Damages Fund.

Environmental Damages Fund

This account was established for the management of court orders/awards or other financial compensation to the Department of the Environment for damages to the environment.

New Parks and Historic Sites Account

This specified purpose account was established pursuant to the *Parks Canada Agency Act* in order to provide the Agency with the ability to set aside funds for new or expanded national historic sites, national parks, national marine conservation areas and other protected areas. Funds are deposited into this account in order to protect the funding required to honour the Agency's commitment, today and in the future, for the establishment, enlargement, or designation of national historic sites, national parks, national marine conservation areas or other protected heritage areas as well as to develop and maintain them.

Canadian Commercial Bank and Northland Bank Holdback Account

This account was established to record the amount held from the recovery of monies received from the winding up of Canadian Commercial Bank and Northland Bank.

Supplementary Fines Account—*Species at Risk Act*

The account was established to record the deposit of funds received from persons declared guilty of offences under the *Species at Risk Act*, under paragraph 105(h) of the Act.

Supplementary Fish Fines Account

The account was established to record the deposit of funds received from persons declared guilty of offences under the *Fisheries Act*, under paragraph 79(2)(f) of the Act.

Environmental Studies Research Fund—Department of Natural Resources

This account was established pursuant to subsection 76(1) of the *Canada Petroleum Resources Act*. The purpose of the Fund is to finance environmental and social studies pertaining to the manner in which, and the terms and conditions under which, exploration, development and production activities on frontier lands, authorized under this Act or any other act of Parliament, should be conducted.

Seized Property Proceeds Account

This account was established, pursuant to section 13 of the *Seized Property Management Act*, to record the net proceeds received from the disposition of seized and forfeited properties to Her Majesty or fines imposed and also funds received from the government of foreign states pursuant to agreements for the purpose of the Act. The Act also provides that the following be charged to the Account: operating expenses incurred in carrying out the purpose of the Act, amounts paid as a result of claims and repayments of advances from the Minister of Finance, interest on drawdown from Seized Property Working Capital Account and distribution of the proceeds to the relevant jurisdictions and the Consolidated Revenue Fund.

Fines for the Transportation of Dangerous Goods

This account was established, pursuant to the *Transportation of Dangerous Goods Act, 1992* and related regulations, to record fines levied by courts.

Endowment principal

Mackenzie King Trust Account

The late The Right Hon W L Mackenzie King bequeathed Laurier House, Ottawa, and the sum of \$225,000, to the Government of Canada. This amount was credited to the account and earns interest, in accordance with the terms of section 3 of the *Laurier House Act*. The interest is to be used to assist in the maintenance of the Laurier House, which is to be preserved as a place of historic interest, and also to provide accommodation for study and research.

Endowments for health research

This account was established pursuant to section 29 of the *Canadian Institutes of Health Research Act* to record various endowments received from donors for the purpose of health research. The interest received is used for the payment of research grants.

H.L. Holmes Fund

This account was established, pursuant to paragraph 5(1)(f) of the *National Research Council Act*, to record the residue of the estate of H.L. Holmes. Up to two thirds of the yearly net income from the fund shall be used to finance the H.L. Holmes Award on an annual basis. These awards will provide the opportunity to post-doctoral students to study at world famous graduate schools or research institutes under outstanding research persons.

W.G. Schneider Fund

This account was established pursuant to paragraph 5(1)(f) of the *National Research Council Act*, to record a testamentary bequest received from the estate of W.G. Schneider. The yearly net income from the fund shall be used to finance the Schneider Medal. This award recognizes employees who have made outstanding contributions to the National Research Council of Canada.

Queen's Fellowship Fund

This fund is an endowment of \$250,000 that was established by Vote 45a, *Appropriation Act No. 5, 1973-74*. The interest earned is used for the payment of fellowships to graduate students in certain fields of Canadian studies.

Supplementary statement

Employment Insurance Operating Account

Management's responsibility for financial statements

The financial statements of the Employment Insurance Operating Account (the Account) are prepared in accordance with Canadian public sector accounting standards by the management of Employment and Social Development Canada (ESDC). The Canada Employment Insurance Commission, through the officers and employees of ESDC, is responsible for the delivery of the Employment Insurance program and the day-to-day administration of the Account. The Chairperson, as the Accounting Officer, and the Chief Financial Officer of ESDC are responsible for the preparation of these financial statements and the integrity and objectivity of the information contained within, including the amounts which must, of necessity, be based on best estimates and judgement. The significant accounting policies are identified in Note 2 to the financial statements.

To fulfill their accounting and reporting responsibilities, the management of ESDC has developed and maintains books of account, financial and management controls, information systems and management practices. These systems are designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Employment Insurance Act* and regulations, the *Canada Emergency Response Benefit Act* as well as the *Financial Administration Act* and regulations.

The Auditor General of Canada, the external auditor of the Account, conducts an independent audit of the financial statements in accordance with Canadian generally accepted auditing standards and provides a report to the Minister of Employment, Workforce Development and Disability Inclusion.

The financial statements of the Account are an integral part of the *Public Accounts of Canada*, which are tabled in the House of Commons and are referred to the Standing Committee on Public Accounts for examination purposes.

Jean-François Tremblay
Deputy Minister
Employment and Social Development Canada
and Chairperson of the Canada Employment Insurance Commission

Karen Robertson, CPA, CMA
Chief Financial Officer
Employment and Social Development Canada

Gatineau, Canada
August 31, 2022

Employment Insurance Operating Account—continued

Independent Auditor's Report

To the Minister of Employment, Workforce Development and Disability Inclusion

Opinion

We have audited the financial statements of the Employment Insurance Operating Account (the Account), which comprise the statement of financial position as at 31 March 2022, and the statement of operations and accumulated deficit, statement of change in net debt and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Account as at 31 March 2022, and the results of its operations, changes to its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Account's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Account or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Employment Insurance Operating Account—*continued*

Independent Auditor's Report—*concluded*

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

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

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

Original signed by
Nathalie Chartrand, CPA, CA
Principal
for the Auditor General of Canada

Ottawa, Canada
31 August 2022

Employment Insurance Operating Account—continued

**Statement of financial position
as at March 31**

(in thousands of dollars)

	2022	2021
Financial assets		
Premiums receivable (Note 8)	1,975,369	2,125,550
Employment Insurance Emergency Response Benefit overpayments receivable (Note 4)	2,110,348	2,305,870
Benefit repayments receivable from higher income claimants	635,054	381,471
Benefit overpayments and penalties receivable (Note 3)	494,005	408,972
	5,214,776	5,221,863
Liabilities		
Balance of the account with Receiver General for Canada	29,238,644	11,378,507
Benefits payable	852,820	1,426,079
Other accounts payable (Note 5)	95,016	123,098
	30,186,480	12,927,684
Net debt and accumulated deficit.....	(24,971,704)	(7,705,821)

Contractual obligations (Note 11)
Contingent liabilities (Note 13)

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

Approved by:

Jean-François Tremblay
Deputy Minister
Employment and Social Development Canada
and Chairperson of the Canada Employment Insurance Commission

Karen Robertson, CPA, CMA
Chief Financial Officer
Employment and Social Development Canada

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

(in thousands of dollars)

	Budget 2022	Actual 2022	Actual 2021
	(Note 7)		
Revenues			
Premiums (Note 8).....	23,773,400	24,304,685	22,880,905
Interest (Note 3)	26,000	19,056	15,399
Penalties (Note 3).....	89,300	9,974	244
	23,888,700	24,333,715	22,896,548
Expenses			
Benefits and support measures (Schedule I)			
Unemployment and self-employed benefits	28,108,000	36,964,549	31,538,505
Transfers to provinces and territories related to Labour			
Market Development Agreements (LMDA).....	2,375,000	2,375,000	2,300,000
Support measures.....	155,900	137,309	143,419
Employment Insurance Emergency Response Benefit	–	(40,542)	24,644,279
Benefit repayments from higher income claimants	(549,000)	(513,289)	(269,848)
	30,089,900	38,923,027	58,356,355
Administration costs (Note 10).....	2,090,386	2,640,234	2,547,673
Bad debts.....	13,000	(58,387)	934,300
	32,193,286	41,504,874	61,838,328
Net deficit for the year before funding from the Government of Canada.....	(8,304,586)	(17,171,159)	(38,941,780)
Funding from the Government of Canada			
Employment Insurance Emergency Response Benefit (Note 9).....	–	(94,724)	27,331,432
Net deficit for the year	(8,304,586)	(17,265,883)	(11,610,348)
Accumulated surplus (deficit)—beginning of year	(7,705,821)	(7,705,821)	3,904,527
Accumulated deficit—end of year	(16,010,407)	(24,971,704)	(7,705,821)

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

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

(in thousands of dollars)

	Budget 2022	Actual 2022	Actual 2021
	(Note 7)		
Net deficit for the year			
Net financial assets (net debt)—beginning of year.....	(8,304,586)	(17,265,883)	(11,610,348)
Net debt—end of year	(7,705,821)	(7,705,821)	3,904,527
	(16,010,407)	(24,971,704)	(7,705,821)

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

Employment Insurance Operating Account—continued

**Statement of cash flow
for the year ended March 31**

(in thousands of dollars)

	2022	2021
Operating activities		
Cash receipts		
Premiums.....	24,454,866	22,097,185
Recoveries of Employment Insurance Emergency Response Benefit overpayments.....	293,649	122,913
Benefit repayments received from higher income claimants	259,707	264,895
Recoveries of benefit overpayments, penalties and interest.....	189,599	108,274
Funding from the Government of Canada		
Employment Insurance Emergency Response Benefit.....	—	27,331,432
	<u>25,197,821</u>	<u>49,924,699</u>
Cash payments		
Unemployment and self-employment benefits.....	(37,812,794)	(31,029,229)
Administration costs	(2,662,138)	(2,460,137)
Transfers to provinces and territories related to LMDA.....	(2,346,223)	(2,300,000)
Support measures.....	(137,765)	(142,649)
Funding from the Government of Canada		
Employment Insurance Emergency Response Benefit.....	(94,724)	—
Employment Insurance Emergency Response Benefit	(4,314)	(29,583,528)
	<u>(43,057,958)</u>	<u>(65,515,543)</u>
Net change in balance of the account with Receiver General for Canada.....	(17,860,137)	(15,590,844)
Balance of the account with Receiver General for Canada		
Beginning of year.....	(11,378,507)	4,212,337
End of year	(29,238,644)	(11,378,507)

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

Employment Insurance Operating Account—continued

Notes to the financial statements for the year ended March 31, 2022

1. Authority, objective and responsibilities

The Canada Employment Insurance Commission (the Commission), a departmental corporation named in Schedule II to the *Financial Administration Act*, administers the *Employment Insurance Act* (the Act). The Commission is co-managed by Commissioners representative of the Government, workers and employers. The objective of the Act is to provide employment insurance (EI) benefits, employment programs and services to eligible workers. The financial transactions relating to this objective are reported through the Employment Insurance Operating Account (the Account).

The Account was established in the accounts of Canada by the Act. All amounts received under the Act are deposited in the Consolidated Revenue Fund and credited to the Account. The benefits and the costs of administration of the Act are paid out of the Consolidated Revenue Fund and charged to the Account. In the financial statements of the Account, the Consolidated Revenue Fund is represented by the Balance of the account with the Receiver General for Canada.

The Commission, through the officers and employees of the Department of Employment and Social Development Canada (ESDC), is responsible for the delivery of the Employment Insurance program and the day-to-day administration of the Account. The Commission sets the EI premium rate, the annual maximum insurable earnings and the employer's premium reduction in respect of wage loss plans, subject to the legislated parameters in the Act.

Starting with the 2017 EI premium rate, the Commission assumed responsibility for setting the EI premium rate for each year no higher than needed to cover the projected costs of the EI program over a seven-year period and eliminate any cumulative surplus/deficit in the Account. Annual changes to the premium rate are subject to a legislated limit of 5 cents. As a result of the economic impact of the COVID-19 pandemic, on September 14, 2020, the Government of Canada used its authority under the Act to temporarily limit the change in the premium rate to zero for 2021 and 2022 in order to freeze the EI premium rate at the 2020 level.

The Minister of National Revenue is responsible for collecting premiums from employers and employees and for administering and enforcing the provisions of the Act relating to benefit repayments receivable from higher income claimants.

The Act authorizes the Commission, with the approval of the Minister responsible for ESDC, to enter into Labour Market Development Agreements (LMDA) with each province and territory. Under these agreements, the Government of Canada provides contributions to provincial and territorial governments to be used to pay for all or a portion of the costs of their benefits and measures provided they are similar to the unemployment and self-employed benefits and support measures established under the Act. The contributions can also be used to pay for any administration costs incurred in providing these similar benefits and measures.

The Act also requires the Commission to make regulations to provide a system to reduce employers' and employees' premiums when payments under a provincial law would have the effect of reducing or eliminating the special benefits payable under the Act.

On March 25, 2020, Bill C-13, an Act respecting certain measures in response to coronavirus disease 2019 (*COVID-19 Emergency Response Act*), received Royal Assent. Part 2 of the *COVID-19 Emergency Response Act* enacted the *Canada Emergency Response Benefit Act* to authorize the income support payments to workers who suffer a loss of income for reasons related to COVID-19. Part 18 of the *COVID-19 Emergency Response Act* also amended the Act to provide the Minister of Employment, Workforce Development and Disability Inclusion with the authority to make interim orders for the purpose of mitigating the economic effects of COVID-19. The EI emergency response benefit (EI-ERB) was created using this new authority and the EI-ERB was added in the new Part VIII.4 of the Act. EI-ERB payments are made pursuant to Part III of the Act. The EI-ERB was available from March 15, 2020 to October 3, 2020 with a deadline of December 2, 2020 to apply.

The Government of Canada introduced legislation under the Act to put in place a set of temporary measures in order to facilitate access to EI benefits for claimants seeking to establish a claim on or after September 27, 2020. These measures include: a one-time hours credit, a minimum benefit rate of \$500 per week, an extension of the qualifying period by 28 weeks for those who have claimed EI-ERB, a waiver of the waiting period until October 25, 2020 and a minimum unemployment rate of 13.1% set for all EI regions. On March 17, 2021, Bill C-24, which provides for additional weeks of regular benefits, received Royal Assent. This enactment amended the Act in order to increase the maximum number of weeks for which regular benefits may be paid to 50 weeks during the period beginning on September 27, 2020 and ending on September 25, 2021.

Bill C-30, an Act to implement certain provision of the Budget 2021 amended the Act to reduce the number of hours of insurable employment required to qualify for unemployment benefits to a national threshold of 420 hours beginning September 26, 2021 until September 24, 2022. The minimum weekly benefit rate for claims established between September 26, 2021 and November 20, 2021 was set at \$300.

Employment Insurance Operating Account—continued

Notes to the financial statements for the year ended March 31, 2022—continued

2. Significant accounting policies

The Account is a component of the Government of Canada reporting entity. In this context, its operations are consolidated with those of the Government and are presented in the financial statements of the Government of Canada. The financial statements of the Account are also presented in Volume I of the Public Accounts of Canada.

a) Basis of accounting

These financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS).

b) Premiums

Premiums are recognized as revenue in the period in which they are earned, when workers, through their employment, generate these premiums and the related employer's contribution. Premiums earned in the fiscal year are measured from amounts assessed by the Canada Revenue Agency (CRA) and from estimates of amounts not yet assessed. Premium revenue also includes adjustments between actual and estimated premiums of previous years.

c) Funding from the Government of Canada—Employment Insurance Emergency Response Benefit

Pursuant to section 153.111 of the Act, the Account shall be credited an amount determined by the Minister of Finance that corresponds to the total cost of the EI-ERB, including all costs related to the benefit and its administration. Provision for this section came into force in September 2020. The funding from the Government of Canada is recognized in the period in which the transfer is authorized. Funding recognized is comprised of EI-ERB benefits established, incremental costs related to the administration of the EI-ERB, overpayments established and bad debts related expense.

d) Benefits and support measures

Unemployment and self-employment benefits

Unemployment and self-employment benefits are recorded when the recipients become entitled to the benefits. An estimate of the benefits earned by the recipients related to the current fiscal year but not yet paid are recorded as benefits payable. This estimate is based on actual payments made subsequent to year-end.

Unemployment and self-employment benefits provide temporary income support to claimants while they look for work. These benefits include self-employed fishers and work-sharing agreements for temporary work shortages. They also include special benefits such as maternity, parental, sickness, family caregiver and compassionate care benefits. Unemployment and self-employment benefit expenses represent the amounts paid and payable to claimants for the period relating to the fiscal year, for the weeks the claimants were entitled to the payments.

The rates for unemployment benefits are set on a calendar year basis. Effective January 1, 2022, the maximum rate is \$638 per week, and \$595 per week for January to December 2021 (\$573 per week for 2020). Benefits are paid at the lesser of 55% of average insurable earnings and the maximum rate. For claimants who qualify as a low-income family with children, the rate may be increased up to the lesser of 80% of average insurable earnings and the maximum rate. The Government transitioned to a simplified EI program, effective September 27, 2020. As a result of these temporary measures, eligible claimants could be entitled for regular income support of at least \$500 per week for up to 50 weeks for the period of September 27, 2020 to September 25, 2021 and \$300 per week for claims established between September 26, 2021 and November 20, 2021.

The verification of unemployment and self-employed benefit claims is conducted both prior to and after claimants have begun to receive benefits, using a combination of up front and automated control measures and post payment verification activities. Overpayments on unemployment and self-employment benefit claims established during the fiscal year are recognized as benefit overpayments receivable.

In order to measure the accuracy of unemployment and self-employed benefit payments, ESDC has a program in place to verify annually a sample of benefit payouts. This verification results in an estimated annual payment accuracy rate, through statistical extrapolation of incorrect payouts identified through the sampling exercise. For benefits paid during the fiscal year, the estimated annual payment accuracy rate was 94% (95.53% in 2021). The majority of estimated undetected incorrect payouts were related to overpayments but are not directly linked to the actual overpayments recorded and reported in Note 3. The annual verification is used by ESDC to assess the quality of decisions and the need, if any, to improve its systems and practices of processing claims.

Employment Insurance Operating Account—continued**Notes to the financial statements for the year ended March 31, 2022—continued***Employment Insurance Emergency Response Benefit*

A flat rate income support payment of \$500 per week was provided to claimants who self-identified as workers who suffered a loss of income for reasons related to COVID-19 for EI claims received within the period beginning on March 15, 2020 and ending on October 3, 2020. EI-ERB payments may be increased by an amount for family supplement for claimants who qualify as a low-income family with one or more children. Retroactive applications for the EI-ERB were to be made by claimants no later than December 2, 2020. Overpayments established during the fiscal year are recognized as benefit overpayments receivable.

Transfer to provinces and territories related to Labour Market Development Agreements (LMDA)

Transfer payments to the provinces and territories under the LMDA are made pursuant to the Act. Similar to the unemployment and self-employment benefits, these transfer payments are recorded as expenses in the year in which the provinces/territories met the eligibility criteria and the transfers are authorized. Overpayments to provinces and territories are recovered when established.

Support measures

Support measures provide financial assistance, through government transfers, to eligible persons to help them re-integrate into the labour market and to third parties to help them provide employment assistance services to unemployed workers and employed persons if they are facing a loss of their employment. These expenses include the direct costs of financial and employment assistance programs and related measures provided to eligible persons and third parties. Government transfers are recognized in the fiscal year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement and the transfer is authorized.

Benefit repayments from higher income claimants

Claimants with income levels higher than those stated in the Act have to repay a portion of the benefits they receive other than special benefits and benefits for self-employed persons. Benefit repayments received and the estimated benefit repayments receivable are assessed by the CRA based on tax returns assessed and an estimate of tax returns not yet assessed. These benefit repayments are disclosed in the Statement of Operations and Accumulated Deficit and Schedule I as benefit repayments from higher income claimants. EI-ERB is not subject to these repayments.

e) Administration costs

Administration costs are charged to the Account in accordance with various memoranda of understanding. The Account does not have employees and ESDC administers the Act. In addition to ESDC, other federal government departments also provide services to the Account. Under all the various memoranda of understanding, the Account is charged at cost and transactions are measured at the exchange value.

Also, the administration costs paid to provinces and territories to administer the LMDA are included in the administration costs for the year according to the provisions of those agreements and are also measured at the exchange value.

f) Balance of the account with Receiver General for Canada

The Account operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by and credited to the Account is deposited to the CRF, and all cash disbursements made by and charged to the Account are paid from the CRF. The balance of the account with Receiver General for Canada is the difference between all cash receipts and all cash disbursements, including transactions with departments of the Government and those related to the funding of the Employment Insurance Emergency Response Benefit.

g) Employment Insurance Emergency Response Benefit overpayments receivable

A person who has received or obtained an EI-ERB payment is liable to repay benefit for which the person is not eligible, or in excess of the amount for which the person is eligible. EI-ERB overpayments receivable are recorded when established and when management has an appropriate basis of measurement. EI-ERB claims are subject to integrity measures post-payment. Any detected overpayments are recognized as integrity measures are completed. An allowance for doubtful accounts is recorded for receivables where recovery is considered uncertain. The allowance for doubtful accounts represents management's best estimate of uncollectable amount receivable. The allowance is determined based on an analysis of unemployment and self-employed benefits historic loss experience and an assessment of current economic conditions. Overpayments receivable balances are written off upon management's determination that such overpayments are uncollectible.

Employment Insurance Operating Account—continued

Notes to the financial statements for the year ended March 31, 2022—continued

h) Related party transactions

Inter-entity transactions

Inter-entity transactions are transactions between commonly controlled entities. The Account is a component of the Government of Canada reporting entity and is therefore related to all federal departments, agencies and crown corporations. Inter-entity transactions are recorded on a gross basis and are measured at the carrying amount, except for the following:

- i. Inter-entity transactions are measured at the exchange value when undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length, or where cost provided are recovered.
- ii. Goods or services received without charge between commonly controlled entities are not recorded.

Other related party transactions

Related parties include individuals who are members of key management personnel (KMP) or close family members of those individuals, and entities controlled by, or under shared control of, a member of KMP or a close family member of that individual. KMP are individuals having the authority and responsibility for planning, directing and controlling the activities of the Account. Related party transactions, other than inter-entity transactions, are recorded at the exchange value.

i) Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires that management makes estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and revenues and expenses during the reporting period. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant estimates are related to premium revenues and receivable, administration costs, benefits payable, benefit repayments from higher income claimants, allowance for doubtful accounts, estimated payment accuracy rate related to unemployment and self-employment benefits, contingent liabilities and the amounts presented in Schedule II. Actual results could differ significantly from those estimates.

3. Benefit overpayments and penalties receivable

(in thousands of dollars)

	2022	2021
Benefit overpayments receivable	807,850	754,373
Penalties receivable.....	181,508	183,592
	989,358	937,965
Less: allowance for doubtful accounts	495,353	528,993
	494,005	408,972

An allowance for doubtful accounts is recorded for benefit overpayments and penalties receivable. The allowance is estimated by aging the balance of the accounts receivable outstanding and applying varying percentages based on past recovery experience to the aging categories with an adjustment for current economic conditions.

Employment Insurance Operating Account—continued**Notes to the financial statements for the year ended March 31, 2022—continued**

Penalties may be imposed on a claimant or an employer that provided false or misleading information. The Act sets the maximum amounts that may be imposed in these cases. Interest is charged on outstanding debts caused through misrepresentation. This includes overpayments and penalties. As per the *Employment Insurance Regulations*, the rate of interest charged to claimants, employers or third parties on outstanding debts is equal to 3% above the average bank rate.

(in thousands of dollars)

	2022	2021
Benefit overpayments receivable—beginning of year.....	754,373	751,143
Benefit overpayments established.....	242,045	141,991
Interest accrued	13,083	9,002
Reimbursement	(180,236)	(101,445)
Uncollectible benefit overpayments receivable written off	(21,415)	(46,318)
Benefit overpayments receivable—end of year	807,850	754,373
 Penalties receivable—beginning of year	183,592	194,290
Penalties imposed.....	9,974	244
Interest accrued	5,973	6,337
Reimbursement	(9,363)	(6,830)
Uncollectible penalties written off	(8,668)	(10,449)
Penalties receivable—end of year	181,508	183,592

4. Employment Insurance Emergency Response Benefit overpayments receivable

(in thousands of dollars)

	2022	2021
EI-ERB Overpayments receivable—beginning of year	3,048,164	—
Benefit overpayments established.....	43,307	3,180,771
Reimbursement	(293,649)	(122,913)
Uncollectible benefit overpayments receivable written off	(75)	(9,694)
EI-ERB Overpayments receivable—end of year	2,797,747	3,048,164
Less: allowance for doubtful accounts	687,399	742,294
	2,110,348	2,305,870

No penalty or interest may be imposed on any amount owing as result of an EI-ERB overpayment.

5. Other accounts payable

(in thousands of dollars)

	2022	2021
Related parties		
Administration costs payable to federal government departments	74,763	110,790
Amounts payable to ESDC related to LMDA.....	14,123	—
Tax deductions on benefits due to CRA	4,394	10,112
Other deductions	224	345
	93,504	121,247
External parties		
Tax deductions on benefits due to Quebec.....	1,011	1,661
Assignments of benefits due to social services organizations	501	190
	1,512	1,851
	95,016	123,098

Employment Insurance Operating Account—continued**Notes to the financial statements for the year ended March 31, 2022—continued****6. Financial assets and liabilities**

The fair values of the premiums receivable, benefit repayments receivable from higher income claimants, benefits payable and other accounts payable are considered by management to be comparable to their carrying values because of their short term maturity. These financial assets and liabilities should either be received or paid in the next fiscal year.

Benefit overpayments and penalties receivable and the EI-ERB overpayments receivable are usually recovered or expected to be recovered over a period longer than one year. As interest is only applicable to unemployment and self-employment benefit overpayments caused through misrepresentation and on penalties, and as the allowance for doubtful accounts reduces the carrying value, the benefit overpayments and penalties receivable and the EI-ERB overpayments receivable are assumed to approximate their fair values.

Other than the impact of the COVID-19 pandemic on EI-ERB overpayments receivable and the balance of the account with Receiver General for Canada, all financial assets and liabilities arose in the normal course of business.

7. Comparison of results against budget

The budget amounts included in the Statement of operations and accumulated deficit and Schedule I—Benefits and support measures are part of the amounts reported in Employment and Social Development Canada's future oriented consolidated financial statements, which are included in the *2021–2022 Departmental Plan*.

8. Premiums receivable and revenues

Premiums for the fiscal year are collected and measured by the Canada Revenue Agency (CRA) based on amounts assessed and reassessed at the time of preparation of its financial statements and an estimate of premiums earned in the period but not yet assessed or reassessed. The Account holds a significant balance of premiums receivable which are due from CRA. CRA collects premiums from employers and employees on behalf of the Account. The premiums receivable are cashed on a monthly basis based on the forecasted premium revenue and are adjusted when actual amounts are known.

Premium revenue of \$24,305 million (\$22,881 million in 2021) includes an estimate of premiums earned in the fiscal year but not yet assessed or reassessed at the time of preparation of the financial statements. Fiscal year 2022 includes \$8,667 million in forecasted premium revenue for the 3-month period from January to March 2022 (\$8,106 million in 2021), or approximately 33.41% (34.50% in 2021) of the total forecast premium revenue of \$25,942 million for calendar year 2022 (\$23,495 million for 2021), net of reductions and refunds. This estimate is based on the forecasted total insurable earnings of \$757,616 million in calendar year 2022 (\$693,146 million in 2021). The total insurable earnings forecasts are mainly dependent upon the projected growth in both employment (2.35% in 2022 and 5.34% in 2021) and average wages (2.53% in 2022 and 1.36% in 2021).

A variation in these assumptions would have an impact on the total insurable earnings forecasted and consequently, forecasted premium revenue. The sensitivity analysis below was determined based on changes to the respective assumptions while holding all other assumptions constant:

Variable	Forecasted premium revenue	
	Variation	January – March 2022
Employment growth	+/- 1%	+82 million / -89 million
Average wages growth	+/- 1%	+32 million / -38 million

Actual premium revenue for calendar years 2021 and 2022 will only be known once the CRA has processed all employer declarations of premiums for these years. An adjustment for the difference between actual and estimated premiums will be recorded in the fiscal year in which the actual assessment or reassessment results are known. The difference between estimated and actual premium revenue for calendar year 2020, as known and recorded at the time of the preparation of these financial statements is an increase in revenue of \$113.9 million (\$99.2 million increase for calendar year 2019 in the 2021 financial statements).

For the 2022 calendar year, premium rate for each \$100 of insurable earnings was set under the Act at 1.58 (1.58 in 2021 and 2020) for the employees who were residents of provinces without a provincial plan. For employees who were residents of provinces with a provincial plan, the premium rate was set at 1.20 for 2022 (1.18 in 2021 and 1.20 in 2020). The employers must pay 1.4 times the amount of the employee's premiums. The annual maximum insurable earnings for 2022 is \$60,300 (\$56,300 in 2021 and \$54,200 in 2020).

Employment Insurance premiums include the employer's share of premiums paid by the federal government of \$448.5 million (\$489.2 million in 2021).

Employment Insurance Operating Account—continued**Notes to the financial statements for the year ended March 31, 2022—continued****9. Funding from the Government of Canada—Employment Insurance Emergency Response Benefit**

The following table summarizes the total amount of the Funding from the Government of Canada in relation to EI-ERB which was recognized on the Statement of Operations and Accumulated Deficit:

(in thousands of dollars)

	2022	2021	Total
Benefit expenses			
Benefits established.....	2,765	29,586,454	29,589,219
Overpayments established	(43,307)	(3,180,771)	(3,224,078)
	(40,542)	26,405,683	26,365,141
Bad debts expense			
Uncollectible benefit written-off	75	9,694	9,769
Allowance for doubtful account	(54,911)	742,294	687,383
	(54,836)	751,988	697,152
Administration costs	654	173,761	174,415
Funding from the Government of Canada—Employment Insurance Emergency Response Benefit.....	(94,724)	27,331,432	27,236,708

Benefit expenses of \$26,405,683,000 presented above for fiscal year 2021 include benefit expenses recognized for the year ended March 31, 2021 of \$24,644,279,000 and for those recognized for the year ended March 31, 2020 of \$1,761,404,000.

10. Administration costs

(in thousands of dollars)

	2022	2021
Related parties		
Employment and Social Development Canada		
Personnel related costs.....	1,462,112	1,361,912
Non-personnel related costs	601,486	600,111
Canada Revenue Agency		
Collection of premiums and rulings	260,520	280,310
Treasury Board Secretariat		
Health Insurance Plan and Public Service Insurance.....	117,774	103,264
Administrative Tribunals Support Service of Canada		
Social Security Tribunal	13,632	13,990
Courts Administration Services		
Courts Administration Services	838	1,012
	2,456,362	2,360,599
Deduct: Recovery of costs from the Canadian Pension Plan for maintaining the social insurance number registry.....	7,884	4,682
	2,448,478	2,355,917
External parties		
Administration costs incurred by provinces and territories under the LMDA	191,756	191,756
	2,640,234	2,547,673

Administration costs includes an amount of \$0.7 million (\$173.8 million in 2021) for the incremental cost related to the administration of the EI Emergency Response Benefit, which is recovered from the Government of Canada.

Employment Insurance Operating Account—continued

Notes to the financial statements for the year ended March 31, 2022—concluded

11. Contractual obligations

The nature of the Account activities can result in some large multi-year agreements whereby the Account will be obligated to make future payments. Significant contractual obligations that can be reasonably estimated are summarized as follows:

(in thousands of dollars)

	2023	2024	2025	2026	2027 and thereafter	Total
Related parties						
Administration costs.....	2,361,593	—	—	—	—	2,361,593
External parties						
Transfers to provinces and territories, including administration costs, related to LMDA.....	2,566,756	—	—	—	—	2,566,756
Other transfer payments	143,359	141,244	133,062	120,686	361,897	900,248
Total.....	5,071,708	141,244	133,062	120,686	361,897	5,828,597

Administration costs are charged to the Account in accordance with various memoranda of understanding (MOU) with related parties. The MOUs require written notification for cancellation and one of the more significant MOUs require one year advanced notification. Therefore, the administration costs disclosed are an estimation of the costs that will be charged to the Account in the next fiscal year. Administration costs are expected to continue to be charged to the Account in the upcoming fiscal years, but cannot be reasonably estimated at this time.

LMDA with seven of the provinces and one territory require a two year notice for cancellation of the agreements, other provinces and territories require a one year notice. The obligations for 2024 cannot be reasonably estimated.

12. Related party transactions

The Account enters into transactions with federal government departments and entities in the normal course of business. Details of these transactions are provided in Note 5, Note 8, Note 9, Note 10 and Note 11.

There have not been any significant transactions with key management personnel and their close family members occurring at a value different from that at which the transaction would have taken place had the parties not been related.

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

13. Contingent liabilities

In the normal course of the operations, numerous appeals against or by the Commission are presently outstanding. The outcome of these appeals is not presently determinable. Any claims resulting from the resolution of these appeals will be accounted for as an expense in the period in which the outcome of the claim will be determinable. However, in the opinion of management, the result of these appeals should not have a significant impact on the operations of the Account as the total contingent liability amount, including claims related to the EI-ERB, is estimated at \$23.6 million as at March 31, 2022 (\$14.6 million as at March 31, 2021).

14. Comparative information

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

Employment Insurance Operating Account—continued**Schedule I—Benefits and support measures
for the year ended March 31**

(in thousands of dollars)

	Budget 2022	Actual 2022	Actual 2021			
	(Note 7)					
Employment Insurance benefits to individuals						
Unemployment benefits						
Income support						
Regular.....	19,822,000	28,689,847	24,407,359			
Work-sharing	125,000	89,346	173,404			
Special benefits						
Parental	3,596,000	3,626,200	3,129,736			
Sickness	2,497,000	2,468,952	1,990,884			
Maternity.....	1,478,000	1,503,473	1,303,261			
Family caregiver.....	103,000	125,930	104,084			
Compassionate care.....	60,000	58,771	51,008			
Adoption	19,000	19,151	17,153			
	27,700,000	36,581,670	31,176,889			
Self-employment						
Fishing	394,000	366,205	349,213			
Self-employed persons	14,000	16,674	12,403			
	408,000	382,879	361,616			
Total unemployment and self-employment benefits	28,108,000	36,964,549	31,538,505			
Less: benefit repayments from higher income claimants	549,000	513,289	269,848			
Total Employment Insurance benefits to individuals	27,559,000	36,451,260	31,268,657			
Employment benefits and support measures						
Employment benefits						
Transfer payments to provinces and territories related to LMDA	2,375,000	2,375,000	2,300,000			
Support measures						
Labour market partnerships	154,667	135,399	141,235			
Research and innovation.....	1,233	1,910	2,184			
	155,900	137,309	143,419			
Total Employment benefits and support measures.....	2,530,900	2,512,309	2,443,419			
Employment Insurance Emergency Response Benefit						
Employment Insurance Emergency Response Benefit.....	—	(40,542)	24,644,279			
Total benefits and support measures	30,089,900	38,923,027	58,356,355			

Employment Insurance Operating Account—concluded

**Schedule II—Statement of operations and accumulated deficit
for the period of January 1st to December 31st**

(in thousands of dollars)

	2021	2020
Revenues		
Premiums	23,744,225	21,846,803
Penalties	6,861	13,257
Interest	17,435	18,115
	<hr/>	<hr/>
	23,768,521	21,878,175
Expenses		
Unemployment and self-employment Benefit	43,750,796	23,592,638
Transfers to provinces and territories related to LMDA.....	2,356,250	2,308,630
Support measures	133,285	143,428
Employment Insurance Emergency Response Benefit.....	(65,861)	26,426,412
Benefit repayments from higher income claimants.....	(428,479)	(197,914)
	<hr/>	<hr/>
Administration costs.....	45,745,991	52,273,194
Bad debts.....	2,568,491	2,436,465
	9,878	896,951
	<hr/>	<hr/>
	48,324,360	55,606,610
	<hr/>	<hr/>
Net deficit for the period before funding from the Government of Canada	(24,555,839)	(33,728,435)
Funding from the Government of Canada		
Employment Insurance Emergency Response Benefits	(54,968)	27,300,631
Net deficit for the period	(24,610,807)	(33,728,435)
Accumulated surplus (deficit)—beginning of period.....	(1,253,931)	5,173,873
Accumulated deficit—end of period	(25,864,738)	(1,253,931)

The estimates provided in this Schedule for calendar year 2021 which is prepared in accordance with Canadian public sector accounting standards are used by the Commission to establish the Employment Insurance premium rate for the following calendar year.

Section 5

*Public Accounts of Canada
2021–2022*

Accounts payable and accrued liabilities as at March 31

Table of contents

	<i>Page</i>
Accounts payable and accrued liabilities.....	150
Deferred revenues	154
Amounts payable related to tax	158
Environmental liabilities and asset retirement obligations.....	159
Interest and matured debt	160

Accounts payable and accrued liabilities

This section contains information on accounts reported on the Consolidated Statement of Financial Position under Accounts payable and accrued liabilities. The establishment and operation of these accounts are authorized by Parliament in annual appropriation acts and other legislation. In many cases, these accounts represent accounts payable, accruals and allowances set up at year-end under the authority granted to the President of the Treasury Board under the *Financial Administration Act*.

Most tables in this section present the continuity of accounts, by showing the opening and closing balances. A narrative description is provided for accounts reported in some tables. Such descriptions follow the same presentation order as their respective tables.

Table 5.1
Accounts payable and accrued liabilities

(in dollars)

	2022	2021
Other accounts payable and accrued liabilities, Table 5.2	86,905,376,548	61,459,516,832
Deferred revenues, Table 5.5	18,891,729,573	10,424,444,825
Amounts payable related to tax, Table 5.6	78,462,688,864	71,515,701,859
Provision for contingent liabilities	53,435,767,876	44,814,963,052
Environmental liabilities and asset retirement obligations, Table 5.7	17,481,972,124	14,483,522,867
Interest and matured debt, Table 5.9	5,110,194,005	4,698,671,072
Total	260,287,728,990	207,396,820,507

Other accounts payable and accrued liabilities

Table 5.2
Other accounts payable and accrued liabilities

(in dollars)

	2022	2021
Accounts payable.....	52,044,328,177	42,863,434,922
Add: consolidation adjustment ¹	1,832,163,332	1,540,829,927
Accrued salaries and benefits.....	53,876,491,509	44,404,264,849
Notes payable to international organizations, Table 5.3	5,958,786,509	6,347,465,893
Provincial, Territorial and Indigenous Tax Agreements Account, Table 5.4	83,773,804	84,212,629
Miscellaneous paylist deductions	26,189,035,272	10,049,310,923
Other.....	158,353,662	130,861,426
Total	638,935,792	443,401,111
	86,905,376,548	61,459,516,832

¹ Additional information on the consolidated Crown corporations and other entities is provided in Section 4 of this volume.

Accounts payable

This account records amounts owing at year-end pursuant to contractual arrangements, or for work performed, goods received, or services rendered, accrued amounts to be paid from appropriations and statutory authorities, and accrued financial obligations of consolidated Crown corporations and other entities.

Accrued salaries and benefits

This account records salaries and wages owing at year-end, amounts owing for earned and unpaid annual vacation leave and compensation time, and other accrued amounts relating to unpaid or retroactive salaries.

Notes payable to international organizations

Share capital subscriptions, loans and advances are made to international organizations using cash, notes payable, or both, that are later presented for encashment according to terms of agreements. These demand notes are non-interest bearing and are non-negotiable. The subscriptions, loans and advances are recorded as assets and details are reported in Table 9.12 in Section 9 of this volume.

Table 5.3
Notes payable to international organizations

(in dollars)

	Receipts and other credits			Payments and other charges		
	Note April 1, 2021	issuances	Revaluation ¹	Note encashment	Revaluation ¹	March 31, 2022
Department of Finance						
Asian Infrastructure Investment Bank	50,041,574	–	–	–	260,601	49,780,973
International Bank for Reconstruction and Development (World Bank).....	30,139,291	–	–	–	157,104	29,982,187
Multilateral Investment Guarantee Agency	4,031,764	–	–	–	21,120	4,010,644
Total	84,212,629	–	–	–	438,825	83,773,804

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

Provincial, Territorial and Indigenous Tax Agreements Account

This account records taxes administered by the Government of Canada on behalf of provinces, territories, and Indigenous governments, in accordance with agreements entered into by the Minister of Finance pursuant to the *Federal-Provincial Fiscal Arrangements Act* and, in the case of First Nations Goods and Services Tax, pursuant to the *First Nations Goods and Services Tax Act*.

The Government of Canada, as represented by the Minister of Finance, has entered into agreements with all provinces and territories (except Quebec) to collect and administer personal income tax, and with all provinces and territories (except Quebec and Alberta) to collect and administer corporate tax, and to pay amounts assessed in respect thereof in accordance with the agreements.

Agreements have also been entered into with certain Indigenous governments, to collect First Nations Personal Income Tax as well as First Nations Sales Tax levied on motive fuels, tobacco, and alcohol and First Nations Goods and Services Tax levied on the same range of goods and services as the federal goods and services tax, and to make payments to the respective governments in accordance with the agreements.

This account also records transactions relating to agreements that the Government of Canada has entered into with the provinces of New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario and Prince Edward Island regarding the Harmonized Sales Tax, and payments made to those provinces in accordance with the Comprehensive Integrated Tax Coordination Agreements between the Government of Canada and the provinces.

In addition, the account records transactions related to the Coordinated Cannabis Taxation Agreements reached with all provinces and territories (except Manitoba). Provinces and territories receive revenues from the cannabis excise duty imposed under the *Excise Act, 2001*. The Government of Canada pays provinces monthly based on the duties assessed, in accordance with the agreements.

The Public Accounts of Canada reports information on an April to March fiscal year basis, while tax information is generally calculated on a calendar year basis. Transactions related to several tax years can occur during a given fiscal year. For example, during a given fiscal year, payments are made, based on estimates, in respect of two calendar years (April to December and January to March). During this period, it is also necessary to make payments or adjustments related to tax revenues, rebates and credits for previous calendar years.

Table 5.4
Provincial, Territorial and Indigenous Tax Agreements Account

(in dollars)

	April 1, 2021	Receipts and other credits	Payments and other charges	March 31, 2022
Total personal income tax administered by the Government of Canada	11,415,821,555	92,245,348,486		103,661,170,041
Less: payments to provinces, territories and Indigenous governments				
Newfoundland and Labrador		1,584,406,318	1,584,406,318	
Prince Edward Island		510,820,006	510,820,006	
Nova Scotia		3,528,373,939	3,528,373,939	
New Brunswick		1,944,339,510	1,944,339,510	
Ontario		48,655,336,488	48,655,336,488	
Manitoba		4,221,929,792	4,221,929,792	
Saskatchewan		2,799,708,477	2,799,708,477	
Alberta		13,368,834,272	13,368,834,272	
British Columbia		14,139,097,360	14,139,097,360	
Yukon		101,092,583	101,092,583	
Northwest Territories		104,123,215	104,123,215	
Nunavut		41,316,263	41,316,263	
Indigenous governments		33,021,177	33,021,177	
		91,032,399,400	91,032,399,400	
Total personal income tax on hand.....	11,415,821,555	92,245,348,486	91,032,399,400	12,628,770,641
Total corporate income tax administered by the Government of Canada	3,154,005,243	34,817,785,951		37,971,791,194
Less: payments to provinces and territories				
Newfoundland and Labrador		608,866,897	608,866,897	
Prince Edward Island		114,227,954	114,227,954	
Nova Scotia		466,515,819	466,515,819	
New Brunswick		519,445,873	519,445,873	
Ontario		15,895,925,088	15,895,925,088	
Quebec		70,777,754	70,777,754	
Manitoba		714,606,472	714,606,472	
Saskatchewan		853,756,425	853,756,425	
Alberta		82,874,160	82,874,160	
British Columbia		4,119,622,463	4,119,622,463	
Yukon		26,968,049	26,968,049	
Northwest Territories		(22,962,340)	(22,962,340)	
Nunavut		13,310,726	13,310,726	
		23,463,935,340	23,463,935,340	
Total corporate income tax on hand.....	3,154,005,243	34,817,785,951	23,463,935,340	14,507,855,854
Total harmonized sales tax administered by the Government of Canada	(4,740,405,086)	37,159,315,438		32,418,910,352
Less: payments to provinces and territories				
Newfoundland and Labrador		1,213,155,805	1,213,155,805	
Prince Edward Island		361,402,869	361,402,869	
Nova Scotia		2,240,212,602	2,240,212,602	
New Brunswick		1,769,170,096	1,769,170,096	
Ontario		28,051,739,721	28,051,739,721	
		33,635,681,093	33,635,681,093	
Total harmonized sales tax on hand	(4,740,405,086)	37,159,315,438	33,635,681,093	(1,216,770,741)

Table 5.4
Provincial, Territorial and Indigenous Tax Agreements Account—concluded
(in dollars)

	April 1, 2021	Receipts and other credits	Payments and other charges	March 31, 2022
Total cannabis tax administered by the Government of Canada	219,889,211	577,006,587		796,895,798
Less: payments to provinces and territories				
Newfoundland and Labrador		7,838,825	7,838,825	
Prince Edward Island		2,599,146	2,599,146	
Nova Scotia		12,703,527	12,703,527	
New Brunswick		10,894,418	10,894,418	
Ontario		180,486,584	180,486,584	
Quebec		83,326,888	83,326,888	
Saskatchewan		20,560,482	20,560,482	
Alberta		148,813,437	148,813,437	
British Columbia		58,837,743	58,837,743	
Yukon		747,578	747,578	
Northwest Territories		755,110	755,110	
Nunavut		152,542	152,542	
		527,716,280	527,716,280	
Total cannabis tax on hand	219,889,211	577,006,587	527,716,280	269,179,518
Total First Nations sales tax administered by the Government of Canada	—	7,211,984	—	7,211,984
Less: payments to Indigenous governments	—	—	7,211,984	7,211,984
Total First Nations sales tax on hand	—	7,211,984	7,211,984	—
Total First Nations goods and services sales tax administered by the Government of Canada	—	23,370,934	—	23,370,934
Less: payments to Indigenous governments	—	—	23,370,934	23,370,934
Total First Nations goods and services sales tax on hand	—	23,370,934	23,370,934	—
Total	10,049,310,923	164,830,039,380	148,690,315,031	26,189,035,272

Miscellaneous paylist deductions

Deductions from the salaries and wages of certain employees are credited to this account pending transmittal to related outside organizations.

Other

Miscellaneous accounts payable and accrued liabilities such as provincial sales tax collected on sales are recorded in this account.

Deferred revenues

This account records revenues received before the end of the current fiscal year for which the goods or services are to be delivered or rendered in a subsequent fiscal year. It includes licence fees received for which access to the radio spectrum is being provided in subsequent years. The major deferred revenues of \$50 million or more are reported individually. It also presents separately revenues received which have been recorded in a specified purpose account.

Table 5.5
Deferred revenues

(in dollars)

	April 1, 2021	Receipts and other credits	Payments and other charges	March 31, 2022
Deferred revenues				
Immigration, Refugees and Citizenship				
Department of Citizenship and Immigration				
Service fees for immigration and citizenship	921,036,214	1,303,645,002	1,172,098,909	1,052,582,307
Innovation, Science and Industry				
Department of Industry				
Canadian Intellectual Property Office Revolving Fund	112,580,383	72,203,428	47,578,884	137,204,927
Spectrum licence fees	8,884,142,291	9,158,691,728	923,067,665	17,119,766,354
8,996,722,674	9,230,895,156	970,646,549	17,256,971,281	
435,502,638	887,937,203	822,385,097	501,054,744	
Other deferred revenues				
Total	10,353,261,526	11,422,477,361	2,965,130,555	18,810,608,332
Other deferred revenues—Specified purpose accounts				
Donation and bequest accounts				
Agriculture and Agri-Food				
Department of Agriculture and Agri-Food				
Shared-cost agreements—Research	15,328,864	14,325,875	7,325,551	22,329,188
Canadian Heritage				
Library and Archives of Canada				
Special Operating Account	1,099,773	1,319,027	695,392	1,723,408
National Film Board				
Gift to the Crown	15,200	—	—	15,200
Total	1,114,973	1,319,027	695,392	1,738,608
Environment and Climate Change				
Department of the Environment				
Endangered species—Donations	12,327	1,126	—	13,453
Miscellaneous projects deposits	42,463,266	11,562,689	8,755,672	45,270,283
Total	42,475,593	11,563,815	8,755,672	45,283,736
Fisheries, Oceans and the Canadian Coast Guard				
Department of Fisheries and Oceans				
Restricted donations	1,247	—	—	1,247
Health				
Canadian Institutes of Health Research				
Donations for research	1,749,452	3,011,439	3,010,493	1,750,398
Innovation, Science and Industry				
Department of Industry				
Deposits from non-government organizations	3,771,477	1,316,092	1,167,770	3,919,799
Prime Minister's Awards	680	—	—	680
Total	3,772,157	1,316,092	1,167,770	3,920,479
Canadian Space Agency				
RADARSAT-2	2,198	—	—	2,198
RADARSAT-2—Data satellite	42,223	1,070,535	1,070,535	42,223
Total	44,421	1,070,535	1,070,535	44,421
Social Sciences and Humanities Research Council				
Trust Fund	192,104	319	10,000	182,423
Total	4,008,682	2,386,946	2,248,305	4,147,323
National Defence				
Department of National Defence				
Corporate sponsorships and donations	21,794	35,240	31,690	25,344

Table 5.5
Deferred revenues—concluded
(in dollars)

	April 1, 2021	Receipts and other credits	Payments and other charges	March 31, 2022
Office of the Governor General's Secretary				
Cost-sharing agreements and other collaborative agreements.....	145,182	—	—	145,182
Donations—Rideau Hall	19,821	—	—	19,821
	165,003	—	—	165,003
Public Safety				
Royal Canadian Mounted Police				
Mounted Police Foundation	626,850	—	20,255	606,595
Royal Canadian Mounted Police Pipe Band (NCR)	7,163	—	—	7,163
Sponsorship Agreement—Contributions.....	168,453	—	—	168,453
	802,466	—	20,255	782,211
Transport				
Department of Transport				
Shared-cost agreements—Transportation research and development.	1,108,160	905,745	1,320,524	693,381
Veterans Affairs				
Department of Veterans Affairs				
Restricted donations				
Visitor Education Centre, Vimy Memorial.....	4,200,730	—	198,498	4,002,232
Wounded Warrior Fund	700	—	—	700
	4,201,430	—	198,498	4,002,932
Workforce Development and Disability Inclusion				
Canadian Centre for Occupational Health and Safety				
Donations	113,452	22,534	17,000	118,986
Total—Donation and bequest accounts.....	71,091,116	33,570,621	23,623,380	81,038,357
Endowment interest accounts				
Environment and Climate Change				
Parks Canada Agency				
Laurier House—Interest (Mackenzie King Trust Account).....	—	3,780	3,780	—
Health				
Canadian Institutes of Health Research				
Endowments for health research	5,360	136	—	5,496
Innovation, Science and Industry				
National Research Council of Canada				
H.L. Holmes Fund	—	75,000	75,000	—
Social Sciences and Humanities Research Council				
Queen's Fellowship Fund.....	86,823	565	10,000	77,388
	86,823	75,565	85,000	77,388
	92,183	79,481	88,780	82,884
Total—Endowment interest accounts.....	71,183,299	33,650,102	23,712,160	81,121,241
Total—Other deferred revenues—Specified purpose accounts	10,424,444,825	11,456,127,463	2,988,842,715	18,891,729,573
Total—Deferred revenues.....				

Service fees for immigration and citizenship

This account was established to record immigration and citizenship service fees, and rights and privileges derived from the *Immigration and Refugee Protection Act* and regulations and the *Citizenship Act* and regulations for services that have yet to be rendered by Immigration, Refugees and Citizenship Canada.

Canadian Intellectual Property Office Revolving Fund

This account was established to record funds reserved from sources such as patents, trademarks examination and registration fees which are recognized as revenue in subsequent years.

Spectrum licence fees

This account was established to record: (a) funds received from spectrum auctions, which are recognized as revenues over the period of the licences; and (b) funds received from spectrum licence fees that are received in the latter part of the fiscal year, but which are applicable to the following fiscal year.

Shared-cost agreements—Research

This account was established to record amounts deposited by external parties for shared-cost projects, and any related future provincial program payments to be made on a province's behalf by the Department of Agriculture and Agri-Food as part of a related project. Funds are disbursed on behalf of depositors as specific projects are undertaken.

Special Operating Account

This account was established, pursuant to section 18 of the *Library and Archives of Canada Act*, to record funds received by way of gifts for the purposes of Library and Archives Canada. Amounts required for the purposes of the Act may be paid out of this account, or out of funds appropriated by Parliament for such purposes.

Gift to the Crown

This account was established to record donations for the production of cinematographic works.

Endangered species—Donations

This account was established to record donations, gifts or bequests received from individuals and organizations to finance various studies related to endangered species.

Disposal at sea permit fees

This account was established to record the permit fees authorizing disposal at sea of dredged material or inert, inorganic geological matter.

Miscellaneous projects deposits

This account was established to record contributions received from organizations and individuals, for the advancement of research work and clean-up efforts.

Donations—Canadian Centre for Occupational Health and Safety

This account was established, pursuant to subsection 6(3) of the *Canadian Centre for Occupational Health and Safety Act*, to record funds, securities or other property received by way of gift, bequest or otherwise, and to disburse such donations at the discretion of the Centre.

Restricted donations—Department of Fisheries and Oceans

This account was established to record directed donations to be used for research, development, management and promotion of fisheries and oceans related issues.

Donations for research

This account was established, pursuant to section 29 of the *Canadian Institutes of Health Research Act*, to record donations and contributions received from organizations and individuals for health research.

Deposits from non-government organizations

This account was established to record amounts deposited by customers to be used for payments of services provided by the department.

Prime Minister's Awards

This account was established to record amounts deposited by external parties to be used in support of the Prime Minister's Awards for teaching excellence.

RADARSAT-2

This account was established to record funds received for the configuration and layout of relocated MacDonald, Dettwiler and Associates personnel.

RADARSAT-2—Data satellite

This account was established to record funds received from MacDonald, Dettwiler and Associates for the reception, archiving, cataloguing and satellite acquisition services.

Trust Fund—Social Sciences and Humanities Research Council

This account was established to record funds available for social sciences and humanities research activities. The account is also used to record receipts of private donations for the purpose of special projects.

Corporate sponsorships and donations

This account was established by the Department of National Defence to administer funds received from various private companies, not for profit corporations, associations, other levels of government, or individuals for the purpose of holding events, conducting operations and constructing capital assets consistent with the department's mandate but not funded from its appropriations.

Cost sharing collaborate agreements and other collaborate agreements

This account was established to record amounts deposited by external parties for shared-cost projects.

Donations—Rideau Hall

This account was established to record gifts, donations or bequests to Rideau Hall from private organizations and individuals to fund specific initiatives.

Mounted Police Foundation

The account is used to record funds received from the Mounted Police Foundation for the sale of surplus Royal Canadian Mounted Police horses. Proceeds from the sale are used to cover expenses related to the enhancement of the Royal Canadian Mounted Police Musical Ride's Breeding Program.

Royal Canadian Mounted Police Pipe Band (National Capital Region)

This account was established to administer sponsorship funds to support the Royal Canadian Mounted Police Pipe Band.

Sponsorship agreement—Contributions

This account was established to record funds contributed to the Royal Canadian Mounted Police pursuant to sponsorship agreements for use in community policing programs.

Shared-cost agreements—Transportation research and development

This account was established to record, on a temporary basis; (a) funds received from cost-sharing agreements intended to strengthen and improve the safety, security and efficiency of the Canadian transportation system; and (b) funds received from private sector and provincial governments to directly support the departmental strategic objectives.

Restricted donations—Visitor Education Centre, Vimy Memorial

This account was established to record directed donations for the purpose of providing assistance to the construction of a visitor education centre at the Canadian National Vimy Memorial.

Restricted donations—Wounded Warrior Fund

This account was established to record directed donations for the purpose of providing assistance to support the pilot project designed to assist disenfranchised Veterans in crisis.

Laurier House—Interest (Mackenzie King Trust Account)

The late The Right Hon W.L. Mackenzie King bequeathed Laurier House, Ottawa, and the sum of \$225,000, to the Government of Canada. This amount was credited to the account and earns interest, in accordance with the terms of section 3 of the *Laurier House Act*. The interest is to be used to assist in the maintenance of the Laurier House, which is to be preserved as a place of historic interest, and also to provide accommodation for study and research.

Endowments for health research

This account was established, pursuant to section 29 of the *Canadian Institutes of Health Research Act*, to record various endowments received from donors for the purpose of health research. The interest received is used for the payment of research grants.

H.L. Holmes Fund

This account was established, pursuant to paragraph 5(1)(f) of the *National Research Council Act*, to record the residue of the estate of H.L. Holmes. Up to two thirds of the yearly net income from the fund shall be used to finance the H.L. Holmes Award on an annual basis. These awards will provide the opportunity to post-doctoral students to study at world famous graduate schools or research institutes under outstanding research persons.

Queen's Fellowship Fund

This fund is an endowment of \$250,000 that was established by Vote 45a, *Appropriation Act No. 5, 1973-74*. The interest earned is used for the payment of fellowships to graduate students in certain fields of Canadian studies.

Amounts payable related to tax

Amounts payable related to tax are based on assessments as well as estimates of refunds owing for assessments not completed by year-end.

Table 5.6

Amounts payable related to tax

(in dollars)

	2022	2021
Personal and non-resident income tax	44,231,287,827	39,435,423,518
Corporate income tax	17,757,917,104	17,882,454,603
Goods and services tax	16,405,832,932	14,129,787,504
Customs import duties and excise taxes and duties	67,651,001	68,036,234
Total	78,462,688,864	71,515,701,859

Personal and non-resident income tax

This account records tax refunds payable to individual taxpayers as well as amounts payable to employers and other withholders of personal income tax. This account also includes any interest owing on the balances.

Corporate income tax

This account records tax refunds payable and any interest owing to corporate taxpayers.

Goods and services tax

This account records refunds, rebates and any interest owing related to the goods and services tax.

Customs and excise

This account records refunds of customs import duties, excise taxes and duties, energy taxes and any interest owing on the balances.

Environmental liabilities and asset retirement obligations

Environmental liabilities are based on the government's best estimate of the amount required to remediate the site to current minimum environmental standards. Asset retirement obligations are the government's estimated costs related to obligations associated with the retirement of tangible capital assets. These costs are normally capitalized and amortized over the asset's estimated useful life. The liability reflects the present value of estimated future cash flows required to retire the asset.

Table 5.7
Environmental liabilities and asset retirement obligations

(in dollars)

	2022	2021
Remediation liabilities for contaminated sites		
Agriculture and Agri-Food		
Department of Agriculture and Agri-Food	9,421,429	9,253,200
Canadian Heritage		
Canadian Broadcasting Corporation.....	119,000	137,000
Crown-Indigenous Relations and Northern Affairs		
Department of Crown-Indigenous Relations and Northern Affairs.....	6,333,064,884	4,095,477,846
Environment and Climate Change		
Department of the Environment.....	178,440,532	199,630,886
Parks Canada Agency	98,427,647	98,411,274
	<u>276,868,179</u>	<u>298,042,160</u>
Fisheries, Oceans and the Canadian Coast Guard		
Department of Fisheries and Oceans	265,504,686	281,036,487
Global Affairs		
Department of Foreign Affairs, Trade and Development	16,909	16,578
Indigenous Services		
Department of Indigenous Services	447,719,258	402,742,158
Innovation, Science and Industry		
Department of Industry	1,726,448	
	<u>3,983,800</u>	<u>2,242,853</u>
	<u>5,710,248</u>	<u>2,242,853</u>
Intergovernmental Affairs, Infrastructure and Communities		
The Jacques Cartier and Champlain Bridges Inc.	25,211,000	31,157,000
Windsor-Detroit Bridge Authority	8,856,000	4,477,000
	<u>34,067,000</u>	<u>35,634,000</u>
National Defence		
Department of National Defence.....	589,636,694	581,294,610
Natural Resources		
Department of Natural Resources	3,364,705	1,950,271
Atomic Energy of Canada Limited	1,531,318,000	790,190,000
	<u>1,534,682,705</u>	<u>792,140,271</u>
Public Safety		
Canada Border Services Agency	375,824	1,444,350
Correctional Service of Canada.....	2,352,830	2,656,531
Royal Canadian Mounted Police.....	9,483,390	10,807,149
	<u>12,212,044</u>	<u>14,908,030</u>
Public Services and Procurement		
Department of Public Works and Government Services.....	203,678,890	234,190,334
National Capital Commission	74,003,000	64,049,000
	<u>277,681,890</u>	<u>298,239,334</u>
Transport		
Department of Transport.....	231,894,570	233,473,423
VIA Rail Canada Inc.....	5,390,000	6,140,000
	<u>237,284,570</u>	<u>239,613,423</u>
Gross remediation liability for contaminated sites	10,023,989,496	7,050,777,950
Less expected recoveries—Department of Crown-Indigenous Relations and Northern Affairs.....	25,818,833	25,244,271
Net remediation liability of contaminated sites.....	<u>9,998,170,663</u>	<u>7,025,533,679</u>
Other environmental liabilities		
National Defence		
Department of National Defence (unexploded explosive ordnance affected sites)	139,961,692	94,731,929
Asset retirement obligations		
Natural Resources		
Atomic Energy of Canada Limited (nuclear facility decommissioning)	7,342,841,000	7,362,192,000
Others	998,769	1,065,260
	<u>7,343,839,769</u>	<u>7,363,257,260</u>
Total environmental liabilities and asset retirement obligations	17,481,972,124	14,483,522,867

Changes in liability for remediation of contaminated sites**Table 5.8**
Changes in liability for remediation of contaminated sites
(in dollars)

	2022	2021
Opening balance	7,050,777,950	7,375,148,970
Less: Expenditures reducing opening liabilities.....	594,334,210	502,052,317
Add:		
Changes in estimated remediation costs.....	3,495,678,926	137,904,208
New liability for sites not previously recorded.....	71,866,830	39,777,089
Closing balance (gross)	10,023,989,496	7,050,777,950
Expected recoveries.....	25,818,833	25,244,271
Closing balance (net)	9,998,170,663	7,025,533,679

In addition to expenditures reducing liabilities previously recorded, the government spent another \$25,541,125 (\$32,594,162 in 2021) in remediation costs on its contaminated sites when these costs became known in the year.

Interest and matured debt**Table 5.9**
Interest and matured debt
(in dollars)

	2022	2021
Interest due	311,957,005	330,400,169
Interest accrued.....	4,292,498,998	3,929,763,228
Matured debt.....	505,738,002	438,507,675
Total	5,110,194,005	4,698,671,072

Interest due

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

Interest accrued

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

Matured debt

This account records financial obligations represented by certificates of indebtedness issued by the government that have become due but that have not been presented for redemption. Unclaimed matured bonds are transferred to other revenues if they remain unredeemed 15 years after the date of call or maturity, whichever is earlier.

Section 6

*Public Accounts of Canada
2021–2022*

Interest-bearing debt as at March 31

Table of contents

	<i>Page</i>
Unmatured debt	
Marketable bonds	163
Treasury bills	165
Retail debt.....	165
Canada bills	166
Medium-term notes.....	166
Unamortized discounts and premiums on market debt.....	167
Cross-currency swap revaluation	167
Interest rates.....	167
Maturity of government debt	168
Statement of all borrowing transactions on behalf of Her Majesty	169
Obligation related to capital leases	169
Pensions and other future benefits	
Public sector pensions.....	173
Other employee and veteran future benefits.....	193
Other liabilities	
Canada Pension Plan.....	195
Government Annuities Account.....	197
Deposit and trust accounts	198
Other specified purpose accounts.....	206
Supplementary statements	
Canada Pension Plan.....	218
Government Annuities Account.....	250
Royal Canadian Mounted Police (Dependants) Pension Fund.....	260

Interest-bearing debt

This section contains information on the interest-bearing debt of the government. Interest-bearing debt includes the unmatured debt and pensions, other future benefits and other liabilities.

Some tables in this section present the continuity of accounts, by showing the opening and closing balances, as well as receipts and other credits, and payments and other charges.

The financial statements of the Canada Pension Plan, the Government Annuities Account and the Royal Canadian Mounted Police (Dependants) Pension Fund, together with the Independent Auditor's Reports thereon, are presented at the end of this section.

Table 6.1
Interest-bearing debt

(in dollars)

	April 1, 2021	Receipts and other credits	Payments and other charges	March 31, 2022
Unmatured debt¹				
Payable in Canadian currency				
Marketable bonds, Table 6.2.....	875,306,354,000	260,922,014,250	105,332,355,750	1,030,896,012,500
Treasury bills, Table 6.3	218,775,001,000	455,005,641,000	486,400,000,000	187,380,642,000
Retail debt, Table 6.4.....	298,973,219	—	298,973,219	—
	1,094,380,328,219	715,927,655,250	592,031,328,969	1,218,276,654,500
Payable in foreign currencies				
Marketable bonds, Table 6.2.....	11,310,300,000	4,375,525,000	3,809,400,000	11,876,425,000
Canada bills, Table 6.5	4,053,593,926	27,027,411,292	28,506,281,288	2,574,723,930
Medium-term notes, Table 6.6.....	62,835,000	—	62,835,000	—
	15,426,728,926	31,402,936,292	32,378,516,288	14,451,148,930
Total—Market debt	1,109,807,057,145	747,330,591,542	624,409,845,257	1,232,727,803,430
Unamortized discounts and premiums on market debt, Table 6.7	9,690,486,902	1,733,488,421	3,980,581,509	7,443,393,814
Total—Market debt including unamortized discounts and premiums	1,119,497,544,047	749,064,079,963	628,390,426,766	1,240,171,197,244
Cross-currency swap revaluation	450,312,374	(2,696,998,577)	—	(2,246,686,203)
Obligation related to capital leases, Table 6.12.....	2,707,703,123	328,304,017	250,596,104	2,785,411,036
Obligation under public-private partnerships.....	2,530,996,574	76,095,590	25,815,274	2,581,276,890
Total—Unmatured debt	1,125,186,556,118	746,771,480,993	628,666,838,144	1,243,291,198,967
Pensions, other future benefits and other liabilities				
Public sector pensions, Table 6.15.....	168,761,018,652	29,673,698,881	30,768,951,879	167,665,765,654
Other employee and veteran future benefits, Table 6.28	144,185,779,000	22,237,564,000	6,718,076,000	159,705,267,000
Other liabilities				
Canada Pension Plan Accounts, Table 6.29	139,334,483	97,461,295,086	97,499,363,813	101,265,756
Government Annuities Account.....	97,798,624	4,828,366	21,069,831	81,557,159
Deposit and trust accounts, Table 6.30.....	2,015,485,841	2,243,899,123	1,310,177,463	2,949,207,501
Other specified purpose accounts, Table 6.33	4,458,715,495	1,662,331,207	1,545,615,165	4,575,431,537
	6,711,334,443	101,372,353,782	100,376,226,272	7,707,461,953
Total—Pensions, other future benefits and other liabilities	319,658,132,095	153,283,616,663	137,863,254,151	335,078,494,607
Total	1,444,844,688,213	900,055,097,656	766,530,092,295	1,578,369,693,574

¹ This table includes unmatured debt issued by the government of Canada. Borrowings of agent enterprise Crown corporations which are unconditional obligations of the government, but not included in unmatured debt, can be found in Table 6.11.

Unmatured debt

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

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

Marketable bonds

Marketable bonds are interest-bearing certificates of indebtedness issued by the Government of Canada, and have the following characteristics:

- bought and sold on the open market;
- payable in Canadian or foreign currency;
- subject to redemption before maturity;
- fixed dates of maturity;
- interest payable either in coupon or registered form;
- face value guaranteed at maturity.

Registered marketable bonds are transferable by endorsement and delivery by one holder to another. Bearer marketable bonds need not be endorsed.

The year-end balances of marketable bonds payable in foreign currencies were translated into Canadian dollars using the closing rates of exchange at March 31, 2022.

Table 6.2
Marketable bonds

(in dollars)

	April 1, 2021	Receipts and other credits ¹	Payments and other charges ¹	March 31, 2022
Payable in Canadian currency				
Matured 2021–2022	104,866,420,000	294,405,750	105,160,825,750	—
Maturing				
2022–2023.....	181,706,022,000	—	—	181,706,022,000
2023–2024.....	92,966,232,000	60,000,000,000	—	152,966,232,000
2024–2025.....	75,065,381,000	30,000,000,000	—	105,065,381,000
2025–2026.....	92,733,858,000	10,000,000,000	—	102,733,858,000
2026–2027.....	21,731,720,000	40,423,465,000	—	62,155,185,000
2027–2028.....	18,360,841,000	—	—	18,360,841,000
2028–2029.....	13,500,000,000	—	—	13,500,000,000
2029–2030.....	22,898,959,000	5,000,000,000	—	27,898,959,000
2030–2031.....	84,200,000,000	—	—	84,200,000,000
2031–2032.....	8,769,832,000	74,449,616,000	—	83,219,448,000
2032–2033.....	—	5,000,000,000	—	5,000,000,000
2033–2034.....	11,988,905,000	—	—	11,988,905,000
2036–2037.....	7,848,418,500	402,363,000	—	8,250,781,500
2037–2038.....	11,730,774,000	—	—	11,730,774,000
2041–2042.....	21,975,964,500	417,169,500	—	22,393,134,000
2044–2045.....	9,203,656,000	471,856,000	—	9,675,512,000
2045–2046.....	16,300,000,000	—	—	16,300,000,000
2047–2048.....	8,629,544,000	442,442,000	—	9,071,986,000
2048–2049.....	14,900,000,000	—	—	14,900,000,000
2050–2051.....	8,079,940,000	414,276,000	—	8,494,216,000
2051–2052.....	42,816,529,000	9,000,000,000	—	51,816,529,000
2053–2054.....	—	19,000,000,000	—	19,000,000,000
2054–2055.....	—	1,456,014,000	—	1,456,014,000
2064–2065.....	4,750,000,000	4,000,000,000	—	8,750,000,000
	875,022,996,000	260,771,607,250	105,160,825,750	1,030,633,777,500
Less:				
Government holdings of unmatured debt.....	—	—	—	—
Consolidation adjustment ²	(283,358,000)	(150,407,000)	(171,530,000)	(262,235,000)
	(283,358,000)	(150,407,000)	(171,530,000)	(262,235,000)
Total marketable bonds payable in Canadian currency.....	875,306,354,000	260,922,014,250	105,332,355,750	1,030,896,012,500
Payable in foreign currencies				
Matured 2021–2022	3,770,100,000	—	3,770,100,000	—
Maturing				
2022–2023.....	3,770,100,000	—	19,650,000	3,750,450,000
2024–2025.....	3,770,100,000	—	19,650,000	3,750,450,000
2026–2027	—	4,375,525,000	—	4,375,525,000
Total marketable bonds payable in foreign currencies	11,310,300,000	4,375,525,000	3,809,400,000	11,876,425,000
Total	886,616,654,000	265,297,539,250	109,141,755,750	1,042,772,437,500

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

² Includes \$5,201,000 of securities held by consolidated Crown corporations and other entities and \$267,436,000 of borrowings by consolidated agent Crown corporations. Additional information on consolidated Crown corporations and other entities is provided in Section 4 of this volume.

Treasury bills

Treasury bills are short-term certificates of indebtedness issued by the Government of Canada to pay sums of money on given dates, and have the following characteristics:

- issued at a discount in lieu of interest payments;
- issued in Canadian currency only;
- issued every 2 weeks;
- common terms: 3 months, 6 months and 12 months;
- transferable;
- bought and sold on the open market.

The balance at March 31, 2022 consists of \$59,000 million in three-month bills; \$40,600 million in six-month bills; \$87,800 million in 364-day bills; and no odd-issue bill.

Table 6.3
Treasury bills

(in dollars)

	April 1, 2021	Receipts and other credits	Payments and other charges	March 31, 2022
Three-month bills.....	47,600,000,000	257,400,000,000	246,000,000,000	59,000,000,000
Six-month bills	37,800,000,000	94,800,000,000	92,000,000,000	40,600,000,000
Other bills	133,400,000,000	102,800,000,000	148,400,000,000	87,800,000,000
	218,800,000,000	455,000,000,000	486,400,000,000	187,400,000,000
Less: Consolidation adjustment ¹	24,999,000	(5,641,000)	–	19,358,000
Total	218,775,001,000	455,005,641,000	486,400,000,000	187,380,642,000

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

Retail debt

Retail debt matured during the year.

Table 6.4
Retail debt

(in dollars)

	April 1, 2021	Receipts and other credits	Payments and other charges	March 31, 2022
Canada savings bonds (CSB) Matured 2021–2022	163,120,030	–	163,120,030	–
Canada premium bonds (CPB) Matured 2021–2022	135,853,189	–	135,853,189	–
Total	298,973,219	–	298,973,219	–

Canada bills

Canada bills are short-term certificates of indebtedness issued by the Government of Canada in the United States money market under the government's foreign currency borrowing program. Canada bills provide Canada with an additional source of short-term US funds and have the following characteristics:

- issued at a discount in lieu of interest payments;
- term to maturity of not more than 270 days;
- transferable;
- bought and sold on the open market.

The year-end balance of Canada bills payable in US dollars was translated into Canadian dollars using the closing rate of exchange at March 31, 2022.

Table 6.5
Canada bills

(in dollars)

	April 1, 2021	Receipts and other credits	Payments and other charges	March 31, 2022
Canada bills before revaluation.....	3,825,048,234	27,027,411,292	28,474,513,027	2,377,946,499
Exchange valuation adjustment.....	228,545,692	–	31,768,261	196,777,431
Total	4,053,593,926	27,027,411,292	28,506,281,288	2,574,723,930

Medium-term notes

Medium-term notes matured during the year.

Table 6.6
Medium-term notes

(in dollars)

	April 1, 2021	Receipts and other credits	Payments and other charges	March 31, 2022
Payable in foreign currencies				
Matured 2021–2022	62,835,000	–	62,835,000	–
Total	62,835,000	–	62,835,000	–

Unamortized discounts and premiums on market debt

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

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

Table 6.7
Unamortized discounts and premiums on market debt

(in dollars)

	April 1, 2021	Receipts and other credits	Payments and other charges	March 31, 2022
Unamortized discounts on Canada bills	(363,512)	2,541,760	4,145,677	(1,967,429)
Unamortized discounts on treasury bills.....	(111,104,072)	469,759,919	862,379,680	(503,723,833)
Unamortized discounts and premiums on marketable bonds	9,801,954,486	1,261,186,742	3,114,056,152	7,949,085,076
Total	9,690,486,902	1,733,488,421	3,980,581,509	7,443,393,814

Cross-currency swap revaluation

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

Interest rates

Table 6.8 sets out market debt as at March 31, for each of the years 2018 to 2022 inclusively, with the average rate of interest thereon. For purposes of comparison, market debt is classified as marketable bonds, treasury bills, retail debt, Canada bills and medium-term notes.

Table 6.8
Market debt as at March 31, from 2018 to 2022, with the average rate of interest thereon

(in millions of dollars)

	Marketable bonds		Treasury bills		Retail debt		Canada bills		Medium-term notes		Total market debt	
	Amount outstanding	Average interest rate %										
2022...	1,042,772	1.49	187,381	0.60	—	0.00	2,575	0.33	—	0.00	1,232,728	1.37
2021...	886,616	1.63	218,775	0.21	299	0.71	4,054	0.07	63	0.18	1,109,807	1.35
2020...	609,532	2.19	151,867	1.39	497	0.79	2,160	1.56	1,113	0.99	765,169	2.03
2019...	580,542	2.28	134,300	1.79	1,237	0.71	2,699	2.44	2,296	2.23	721,074	2.18
2018...	585,870	2.18	110,700	1.16	2,585	0.63	2,591	1.61	2,557	1.70	704,303	2.01

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

Table 6.9
Treasury bills average yields at tender

(in percentage)

Year ended March 31	High	Low	Last issue
Three-month bills			
2022	0.77	0.04	0.77
2021	0.73	0.06	0.12
2020	1.69	0.38	0.38
2019	1.73	1.12	1.65
2018	1.21	0.52	1.09
Six-month bills			
2022	1.36	0.09	1.36
2021	0.43	0.10	0.17
2020	1.75	0.38	0.38
2019	1.93	1.33	1.68
2018	1.37	0.56	1.28
364-day bills			
2022	1.99	0.13	1.99
2021	0.50	0.13	0.21
2020	1.76	0.38	0.38
2019	2.17	1.64	1.70
2018	1.63	0.62	1.60
Other bills			
2022	0.12	0.06	0.06
2021	0.23	0.19	0.19
2020	1.77	0.30	0.30
2019	1.76	1.10	1.71
2018	1.20	0.48	1.20

Maturity of government debt

Table 6.10
Maturity of government debt

(in millions of dollars)

	Marketable bonds		Treasury bills		Retail debt		Canada bills		Medium-term notes		Total market debt	
	Amount	Average interest rate %	Amount	Average interest rate %	Amount	Average interest rate %	Amount	Average interest rate %	Amount	Average interest rate %	Amount	Average interest rate %
2023.....	185,456	0.90	187,400	0.60	—	—	2,575	0.33	—	—	375,431	0.75
2024.....	152,966	1.19	—	—	—	—	—	—	—	—	152,966	1.19
2025.....	108,816	1.07	—	—	—	—	—	—	—	—	108,816	1.07
2026.....	102,734	0.88	—	—	—	—	—	—	—	—	102,734	0.88
2027.....	66,531	1.57	—	—	—	—	—	—	—	—	66,531	1.57
2028–2032.....	227,178	1.73	—	—	—	—	—	—	—	—	227,178	1.73
2033–2037.....	25,240	4.11	—	—	—	—	—	—	—	—	25,240	4.11
2038–2042.....	34,124	3.84	—	—	—	—	—	—	—	—	34,124	3.84
2043–2047.....	25,976	2.76	—	—	—	—	—	—	—	—	25,976	2.76
2048–2052.....	84,283	1.90	—	—	—	—	—	—	—	—	84,283	1.90
2053–2057.....	20,456	1.64	—	—	—	—	—	—	—	—	20,456	1.64
2063–2067.....	8,750	2.75	—	—	—	—	—	—	—	—	8,750	2.75
	1,042,510	1.49	187,400	0.60	—	—	2,575	0.33	—	—	1,232,485	1.37
Less: Government's holdings and consolidation adjustment.....	(262)	19	—	—	—	—	—	—	—	—	(243)	
Total	1,042,772	1.49	187,381	0.60	—	—	2,575	0.33	—	—	1,232,728	1.37

This table includes unmatured debt issued by the Government of Canada. Borrowings of agent enterprise Crown corporations which are unconditional obligations of the government, but not included in unmatured debt, can be found in Table 6.11.

Statement of all borrowing transactions on behalf of Her Majesty

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

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

(in millions of dollars)

	April 1, 2021	Issues/ Borrowings	Retirements	March 31, 2022
Market debt of the Government of Canada ¹	1,109,807	747,331	624,410	1,232,728
Cross-currency swap revaluation	450	(2,697)	—	(2,247)
Unamortized discounts and premiums on market debt ¹	9,691	1,733	3,981	7,443
Obligation related to capital leases ¹	2,708	328	251	2,785
Obligation under public-private partnerships	2,531	76	26	2,581
	<i>1,125,187</i>	<i>746,771</i>	<i>628,668</i>	<i>1,243,290</i>
Borrowings of enterprise Crown corporations designated as agents of Her Majesty	314,727	87,832	97,688	304,871
Total	1,439,914	834,603	726,356	1,548,161

¹ Details can be found in this section.

Obligation related to capital leases

A capital lease is a lease that transfers substantially all the benefits and risks inherent in ownership of the asset to the lessee. The net obligation related to capital leases represents the present values of the remaining minimum lease payments under the capital lease arrangements.

Table 6.12
Obligation related to capital leases

(in dollars)

	April 1, 2021	Net changes	March 31, 2022
Land.....	2	(2)	—
Buildings	2,199,354,689	26,522,118	2,225,876,807
Works and infrastructure.....	388,558,875	(27,484,098)	361,074,777
Machinery and equipment.....	119,789,558	78,669,894	198,459,452
Total	<i>2,707,703,124</i>	<i>77,707,912</i>	<i>2,785,411,036</i>

Capital leases

Table 6.13
Details of obligation related to capital leases

(in thousands of dollars)

	Inception date	Lease term in years	Discount rate % ¹	Total estimated remaining minimum lease payments	Less: imputed interest using the discount rate	Net obligations under capital lease arrangements
Canadian Heritage						
Canadian Broadcasting Corporation						
7067 Chebucto Rd, Halifax.....	Jun 2015	7	2.07	4,032	22	4,010
Maison de Radio-Canada.....	Feb 2020	30	2.95	261,124	81,910	179,214
				265,156	81,932	183,224
Canadian Museum of Nature						
Natural Heritage Building, Gatineau.....	Sep 1996	35	9.88	33,250	11,779	21,471
National Film Board						
Capital leases less than \$10,000,000.....				226	4	222
National Defence						
Department of National Defence						
Energy Performance Contract - Esquimalt.....	Apr 2021	12	1.05	10,955	490	10,465
Energy Performance Contract - Greenwood.....	Apr 2021	13	1.11	10,124	532	9,592
Energy Performance Contract - Petawawa.....	Apr 2021	9	0.86	12,877	366	12,511
Longue Pointe Supply Depot	Nov 1994	35	11.89	30,508	10,467	20,041
Montfort Hospital—Health Services.....	Feb 2009	17	5.26	15,224	224	15,000
				79,688	12,079	67,609
Natural Resources						
Department of Natural Resources						
183 Longwood Drive, Hamilton	Nov 2010	25	1.65	59,530	6,246	53,284
Public Safety						
Royal Canadian Mounted Police						
RCMP Detachment, Cornwall	Aug 2009	25	5.54	14,230	3,957	10,273
Capital leases less than \$10,000,000.....				747	208	539
				14,977	4,165	10,812
Public Services and Procurement						
Department of Public Works and Government Services						
111 Lombard Avenue, Winnipeg	Nov 2014	20	2.69	14,555	2,219	12,336
1501 Bleury Street, Montreal.....	Oct 2019	20	4.50	57,138	17,648	39,490
1550 d'Estimauville Avenue, Quebec	Nov 2011	20	8.24	41,818	12,972	28,846
181 Queen Street, Ottawa	Mar 2004	20	10.65	7,357	728	6,629
2 Victoria Avenue, Miramichi	Jan 2018	20	3.46	48,088	11,060	37,028
200 Promenade du Portage, Gatineau	Nov 2019	10	4.36	11,524	1,726	9,798
22 Eddy Street, Gatineau	May 2013	25	7.89	193,440	84,201	109,239
2575 Sainte-Anne Boulevard, Quebec	Apr 2015	20	10.32	28,618	12,895	15,723
30 Victoria Street, Gatineau.....	Jun 2013	25	7.89	194,415	84,921	109,494
351 Saint-Joseph Boulevard, Gatineau (Lease 1 of 3)....	Jul 2011	25	5.28	51,624	15,463	36,161
351 Saint-Joseph Boulevard, Gatineau (Lease 2 of 3)....	Dec 2011	25	7.33	13,414	5,155	8,259
351 Saint-Joseph Boulevard, Gatineau (Lease 3 of 3)....	Aug 2014	12	2.45	4,326	226	4,100
395 Terminal Avenue, Ottawa	Jan 2013	15	2.67	25,614	1,895	23,719
455 de la Carrière Boulevard, Gatineau	Nov 2012	25	6.86	146,220	56,757	89,463
550 de la Cité Boulevard, Gatineau.....	Dec 2021	15	2.34	62,013	9,741	52,272
40 Elgin Street, Ottawa.....	Oct 2021	20	3.81	54,009	15,686	38,323
90 Elgin Street, Ottawa	Nov 2014	25	7.23	343,523	149,413	194,110
Canada Place Building, Edmonton.....	Oct 2007	25	4.44	215,478	44,941	170,537

Table 6.13
Details of obligation related to capital leases—concluded
(in thousands of dollars)

	Inception date	Lease term in years	Discount rate % ¹	Total estimated remaining minimum lease payments	Less: imputed interest using the discount rate	Net obligations under capital lease arrangements
Fontaine Building, Gatineau	Jan 2008	15	5.82	2,485	59	2,426
Guy Favreau Complex, Montreal	Jan 2004	30	3.17	29,557	4,906	24,651
Harry Hays Building, Calgary	Oct 2007	25	4.44	213,394	44,511	168,883
Joseph Shepard Building, Toronto	Oct 2007	25	4.44	147,562	30,780	116,782
Judicial Complex, Toronto	Apr 2006	20	11.40	26,670	5,347	21,323
Maritime Centre, Halifax	Jan 2010	15	6.26	4,543	380	4,163
Mercury Centre, Ottawa	Jan 2007	25	4.50	63,387	12,163	51,224
Montcalm Place, Tower II, Gatineau	Apr 2012	15	2.64	9,010	578	8,432
RCMP Building, Montreal	Oct 2007	25	4.44	37,224	7,777	29,447
Revenue Canada Building, Montreal	Oct 2007	25	4.44	75,487	15,749	59,738
Skyline Complex, Ottawa	Oct 2007	25	4.44	167,202	34,902	132,300
Thomas D'Arcy McGee Building, Ottawa	Oct 2007	25	4.44	130,075	27,124	102,951
Trusco Building, Ottawa	Sep 2006	20	4.28	30,680	2,771	27,909
Capital leases less than \$10,000,000				181,374	35,387	145,987
				2,631,824	750,081	1,881,743
Shared Services Canada						
IBM—Mainframes	Jul 2021	4	3.07	130,441	5,870	124,571
Supercomputer—Meteorological Service of Canada.....	Jul 2017	8	1.44	75,090	1,489	73,601
				205,531	7,359	198,172
Transport						
Department of Transport						
Confederation Bridge, Borden-Carleton.....	May 1997	35	6.16	724,370	363,295	361,075
Other ministries						
Capital leases less than \$10,000,000				10,812	3,013	7,799
Total				4,025,364	1,239,953	2,785,411

¹ For lessors and lessees, the financing rate of a lease agreement is subject to change over the term of lease.

Minimum lease payments related to capital leases

Table 6.14

Minimum lease payments related to capital leases

(in thousands of dollars)

	Payments due by March 31					
	2023	2024	2025	2026	2027	2028 and subsequent
Canadian Heritage						Total
Canadian Broadcasting Corporation						
Remaining payments	13,414	9,382	9,382	9,382	9,382	214,214
Imputed interest.....	5,162	5,015	4,886	4,753	4,617	57,499
	8,252	4,367	4,496	4,629	4,765	156,715
Canadian Museum of Nature						
Remaining payments	3,500	3,500	3,500	3,500	3,500	15,750
Imputed interest.....	2,068	1,919	1,755	1,574	1,373	3,090
	1,432	1,581	1,745	1,926	2,127	12,660
National Film Board						
Remaining payments	92	91	43	—	—	226
Imputed interest.....	3	1	—	—	—	4
	89	90	43	—	—	222
National Defence						
Department of National Defence						
Remaining payments	11,340	11,359	11,548	11,306	7,814	26,321
Imputed interest.....	2,467	2,286	2,056	1,768	1,442	2,060
	8,873	9,073	9,492	9,538	6,372	24,261
Natural Resources						
Department of Natural Resources						
Remaining payments	4,372	4,372	4,372	4,372	4,372	37,670
Imputed interest.....	853	794	735	674	613	2,577
	3,519	3,578	3,637	3,698	3,759	53,093
Public Safety						
Royal Canadian Mounted Police						
Remaining payments	1,206	1,206	1,206	1,206	1,206	8,947
Imputed interest.....	583	548	510	471	429	1,624
	623	658	696	735	777	10,812
Public Services and Procurement						
Department of Public Works and Government Services						
Remaining payments	229,386	229,891	223,538	220,423	206,772	1,521,814
Imputed interest.....	98,001	90,949	83,737	76,493	69,331	331,570
	131,385	138,942	139,801	143,930	137,441	1,190,244
Shared Services Canada						
Remaining payments	75,736	70,434	51,517	7,844	—	—
Imputed interest.....	4,076	2,371	872	40	—	—
	71,660	68,063	50,645	7,804	—	205,531
Transport						
Department of Transport						
Remaining payments	72,866	66,809	67,819	68,844	69,884	378,148
Imputed interest.....	44,130	36,766	36,408	36,002	35,547	174,442
	28,736	30,043	31,411	32,842	34,337	363,295
Other ministries						
Remaining payments	2,032	1,982	1,863	1,551	1,551	1,833
Imputed interest.....	512	436	353	285	219	1,208
	1,520	1,546	1,510	1,266	1,332	3,013
					625	7,799
Total	256,089	257,941	243,476	206,368	190,910	1,630,627
Summary						
Remaining payments	413,944	399,026	374,788	328,428	304,481	2,204,697
Imputed interest.....	157,855	141,085	131,312	122,060	113,571	574,070
Net obligation	256,089	257,941	243,476	206,368	190,910	1,630,627
						2,785,411

Pensions and other future benefits

The obligations arising from public sector pensions and other employee and veteran future benefits, sponsored by the government or some of the consolidated Crown corporations and other entities, are measured on an actuarial basis and are presented net of pension assets, unrecognized net actuarial gain or loss and valuation allowance, as well as contributions and benefits paid by some of the consolidated Crown corporations and other entities after their measurement date of December 31 up to March 31.

Public sector pensions

The government sponsors a number of defined benefit pension plans covering substantially all its employees, principally members of the federal public service, the Canadian Forces (including the Reserve Force) and the Royal Canadian Mounted Police, as well as employees of certain Public Service corporations and territorial governments. The government also sponsors several other pension plans; the two most significant ones being for Members of Parliament and federally appointed judges. The government has a statutory obligation to pay the pension benefits it sponsors.

The liabilities for public sector pension plans sponsored by the government are initially recorded through pension accounts, which are generally established pursuant to legislation. The pension accounts track transactions such as contributions, interest credits, benefit payments, transfers and administrative expenses. Any adjustments required under the government's accounting policies are then recorded through allowance for pension adjustment accounts. The allowance accounts reflect the differential between accrual and cash accounting recognized through the years. They also reflect the accumulated difference in interest calculations and consolidation adjustments related to refundable tax amounts remitted to or refunded from the Canada Revenue Agency.

The government's pension plans are generally financed from employer and employee contributions or from government and member contributions. The contributions are either part of general funds or transferred to the Public Sector Pension Investment Board (PSPIB) for investment. Since April 1, 2000, amounts equal to contributions less benefit payments and other charges related to the public service, Canadian Forces—Regular Force and Royal Canadian Mounted Police pension plans, and since 2007 for the Canadian Forces—Reserve Force pension plan, that fall within the *Income Tax Act* limits are transferred to the PSPIB. The goal of the PSPIB is to maximize returns on investments without undue risk of loss, while having regard to the funding, policies and requirements and financial obligations of each of the pension plans. The PSPIB, a Canadian Crown corporation established under the *Public Sector Pension Investment Board Act*, reports the results of the investments it holds in its annual report tabled in Parliament. Contributions for all the other pension plans sponsored by the government are part of general funds.

More information on the above-mentioned pension plans can be found in the respective annual report on the administration of the plans tabled in Parliament.

In addition, some of the consolidated Crown corporations and other entities maintain their own defined benefit pension plans covering substantially all of their employees. The majority of the defined benefit pension plans are contributory plans. Employer and employee contributions are made in accordance with the provisions of the plans. Pension plans' funds are held in external trusts that are legally separate from Crown corporations and other entities.

i. Pension plans

Public Service Pension Plan, Canadian Forces Pension Plan including the Reserve Force Pension Plan and Royal Canadian Mounted Police Pension Plan

The pension plans for the public service, Canadian Forces—Regular Force and the Royal Canadian Mounted Police provide for the payment of a lifetime pension and a temporary bridge benefit payable normally until age 65, the age at which members generally become eligible for the Canada Pension Plan (CPP) or Quebec Pension Plan (QPP). The annual lifetime pension is based on the average salary of five consecutive years of highest-paid service and the years of pensionable service. For the Canadian Forces—Reserve Force pension plan, the annual lifetime pension is based on a percentage of indexed pensionable earnings with a temporary bridge benefit payable normally until age 65, the age at which members generally become eligible for the CPP or QPP. Pension benefits are indexed annually on January 1 to take into account the cost of living.

Pension benefits accrue at a rate of 2% per year of pensionable service up to a maximum of 35 years, the exception being those offered under the Canadian Forces—Reserve Force pension plan. These benefits accrue at a rate of 1.5% up to a maximum of 35 years. Pension benefits are coordinated with those of the CPP or the QPP. Pension benefits for the public service pension plan members will accrue under either Group 1 for employees who were plan members prior to January 1, 2013, or Group 2 for employees joining the public service pension plan on or after that date. The normal retirement age for Group 1 members is 60. For Group 2 members, the normal retirement age is 65 and other age-related thresholds were increased by 5 years.

Public service Group 1, Canadian Forces—Regular Force and Royal Canadian Mounted Police members contribute at different rates than public service Group 2 members. The member contribution rates are as follows:

Public service Group 1, Canadian Forces—Regular Force and Royal Canadian Mounted Police pension plan members contributed:

- for the first nine months of fiscal year (FY) 2022: 9.8% (9.5% in 2021) of salary up to the Yearly Maximum Pensionable Earnings (YMPE) for the CPP or QPP and 12.3% (11.7% in 2021) of salary above the YMPE;
- for the last three months of FY 2022: 9.4% (9.8% in 2021) of salary up to the YMPE and 12.5% (12.3% in 2021) of salary above the YMPE.

Public service Group 2 pension plan members contributed:

- for the first nine months of FY 2022: 8.9% (8.7% in 2021) of salary up to the YMPE for the CPP or QPP and 10.6% (10.2% in 2021) of salary above the YMPE;
- for the last three months of FY 2022: 8.0% (8.9% in 2021) of salary up to the YMPE and 11.8% (10.6% in 2021) of salary above the YMPE.

Contribution rates for Group 2 members were lower than for Group 1 members due to the lower cost of the benefits associated with a higher normal age of retirement for Group 2 members of 65 compared to 60 for Group 1 members.

Members of the Canadian Forces—Reserve Force contribute 5.2% on pensionable earnings up to 66 2/3 times the defined benefit limit as determined under the *Income Tax Regulations*.

Employer contributions are made monthly to provide for the cost (net of employee contributions) of the benefits that have accrued in respect of that month at a rate determined by the President of the Treasury Board. For 2022, the employer contribution rates were about 1.0, 1.6, 2.5 and 1.2 (1.0, 1.5, 2.2 and 1.2 respectively in 2021) times the current year's employee contribution for the plans under the *Public Service Superannuation Act*, the *Canadian Forces Superannuation Act* (Regular Force and Reserve Force pension plans) and the *Royal Canadian Mounted Police Superannuation Act*, respectively.

The superannuation accounts, which record the transactions that pertain to pre-April 1, 2000 service, are credited with interest at rates that are based on the Government of Canada long-term bond rate. The average interest rate credited to the superannuation accounts was 3.3% (3.5% in 2021).

The pension fund accounts, which record the transactions that pertain to service since April 1, 2000, are flow-through accounts used to transfer funds to the PSPIB. The balance in the pension fund accounts at year-end represents the amounts awaiting transfer to the PSPIB.

The retirement compensation arrangements (RCA) accounts record transactions for those pension benefits above the pension limits set under the *Income Tax Act*. The RCA accounts No. 1 and No. 2 are registered with the Canada Revenue Agency (CRA) and a transfer is made annually between these RCA accounts and the CRA, either to remit a 50% refundable tax in respect of the net contributions and interest credits or to receive a refund based on the net benefit payments.

Members of Parliament retiring allowances

Members of Parliament are eligible at a certain age to receive a basic allowance upon termination of membership and after having contributed to the plan for at least six years. Retirement age is set at 55 for pensionable service accrued before January 1, 2016 and at 65 for pensionable service accrued on or after January 1, 2016, with the option of reduced benefits for early retirement at age 55. The basic allowance accrues at a rate of 3% per year of pensionable service for both Members of the House of Commons and for Senators. For service accrued before January 1, 2016, the accrual rate is multiplied by the average of the best five consecutive years of sessional indemnity up to a maximum of 75% of the plan member's average sessional indemnity. For service accrued after December 31, 2015, the accrual rate is multiplied by the average of the best five consecutive years of pensionable earnings up to a maximum of 75% of the plan member's average pensionable earnings. Basic allowances are indexed annually on January 1 to the cost of living once recipients reach age 60. Pensionable service accrued on or after January 1, 2016, under the Members of Parliament pension plan, is coordinated with the CPP or QPP at age 60.

The contribution rates have increased over time to bring the plan members' share to 50% as at January 1, 2018. For the 2022 fiscal year, plan members contributed at a rate of 23.3% (19.7% in 2021) of their salary for the first nine months and a rate of approximately 23.3% (23.3% in 2021) for the last three months.

The government contributions are made monthly to provide for the cost (net of plan member contributions) of the benefits that have accrued in respect of that month at a rate determined by the President of the Treasury Board. The government contributions, expressed as a multiple of plan member contributions, are on average as follows:

	2022	2021
Members of Parliament		
Retiring Allowances Account	1.0	1.0
Compensation Arrangements Account	1.0	1.0

Contributions are credited to the appropriate pension account, either the Members of Parliament Retiring Allowances Account or the Members of Parliament Retirement Compensation Arrangements Account. The pension accounts are also credited with interest at a rate determined by the Chief Actuary of Canada. The average interest rate credited to the pension accounts in 2022 was 1.6% (1.3% in 2021).

Pension plan for federally appointed judges

This plan provides fully indexed annuities to judges and to all eligible survivors providing they meet minimum age and service requirements. The full benefit amount is generally payable when the member has completed 15 years of pensionable service and the sum of the member's age and years of service equals 80.

Judges appointed to the bench before February 17, 1975, make required contributions of 1.5% of salary. All other judges contribute 7% of salary.

Legislation does not require a specific pension account to be maintained to record the transactions pertaining to this plan. Therefore, except for the portion recorded in the Supplementary Retirement Benefit Account, the liability pertaining to this plan is recorded through an allowance account. During the year, benefits paid are recorded as expenditures against the statutory payment authority. The expense is adjusted at year-end through an allowance account, to bring the current year expense from cash to an accrual accounting basis, similar to that of the other pension plans. During the year, the benefit payments charged to the expenditure authority amounted to \$200 million (\$188 million in 2021). At March 31, 2022, the portion of the pension liability recorded through an allowance account for the judges' pension plan amounted to \$4,453 million (\$3,984 million in 2021).

Consolidated Crown corporations and other entities pension plans

Pension benefits provided under consolidated Crown corporations and other entities defined benefit pension plans accrue depending on the terms of the plans. Generally, they are based on a combination of an accrual rate per years of pensionable service and some type of pensionable earnings average. Some of the consolidated Crown corporations and other entities' defined benefit pension plans are closed to new participants.

ii. Actuarial valuations

As required under the *Public Pensions Reporting Act*, actuarial valuations of the pension plans sponsored by the government are performed at least every three years for funding purposes. The actuarial valuations are performed by the Office of the Chief Actuary, submitted to the President of the Treasury Board, and tabled in Parliament.

The most recent date of the actuarial valuation for funding purposes of each pension plan sponsored by the government is as follows:

- Royal Canadian Mounted Police—March 31, 2018;
- Canadian Forces—Regular Force and Reserve Force—March 31, 2019;
- Members of Parliament—March 31, 2019;
- Federally appointed judges—March 31, 2019;
- Public Service—March 31, 2020.

The actuarial valuations for the public service, Canadian Forces, Royal Canadian Mounted Police and Members of Parliament pension plans include the valuation of the Retirement Compensation Arrangements (RCA) component related to each plan.

Where applicable, the funding valuations provide the government with recommendations for setting both employer and employee contribution rates, as well as any actuarial adjustment to amortize deficiencies or excesses. These actuarial adjustments are made in equal instalments over a period not exceeding 15 years commencing in the year in which the actuarial report is laid before Parliament. The actuarial adjustments made during the year are as follows:

- \$7,805 million (nil in 2021) to the Public Service Superannuation Account;
- no adjustment (\$2,605 million in 2021) to the Canadian Forces Superannuation Account;
- \$17.4 million (\$17.4 million in 2021) to the Reserve Force Pension Fund Account;
- no adjustment (\$70 million in 2021) to the Members of Parliament Retiring Allowances Account;
- no adjustment (\$75.4 million in 2021) to the Members of Parliament Retirement Compensation Arrangements Account.

The actuarial adjustments recorded in pension fund accounts are transferred to the PSPIB for investment. To address actuarial deficiencies, the consolidated Crown corporations and other entities made special funding payments of \$5 million (\$1 million in 2021).

Table 6.15 presents a summary of the balances and transactions for public sector pension plan liabilities. In particular, receipts and other credits for the government's pension accounts consist of contributions from plan members, the Government of Canada, participating Public Service corporations and territorial governments, as well as transfers from other pension funds, actuarial adjustments to amortize deficiencies, refunds of refundable tax and interest. Payments and other charges for the government's pension accounts consist of annuity payments, minimum benefits, cash termination allowances (lump sum payments to employees suffering a disability), returns of contributions, pension division payments, transfer value payments, transfers to other funds, remittances of refundable tax, payments of administrative expenses, actuarial adjustments to amortize excesses, and transfers to PSPIB. Adjustments to the government's allowance accounts result from the differential with annual actuarial valuations performed for accounting purposes. These include differences between benefits earned and contributions and interest calculations, as well as from other adjustments required under the government's accounting policies such as recognition of actuarial gains and losses and consolidation adjustments related to refundable tax amounts.

Pension benefits funded by the government relate to post-March 2000 service that falls within the *Income Tax Act* limits for the three main public sector pension plans and all service for the Canadian Force—Reserve Force pension plan, as funds are invested through the PSPIB. Funded pension benefits also relate to consolidated Crown corporations and other entities where pension plans' funds are held in external trusts that are legally separate from Crown corporations and other entities. For unfunded pension plans, separate invested funds are not maintained. These relate to all pre-April 2000 service and only to post-March 2000 service that falls above the *Income Tax Act* limits for the three main public sector pension plans, all service periods for the pension plans of the federally appointed judges and Members of Parliament, and some of the consolidated Crown corporations and other entities pension plans.

Table 6.15
Public sector pensions

(in millions of dollars)

	April 1, 2021	Receipts and other credits	Payments and other charges	March 31, 2022
Funded pension benefits				
Public Service Pension Fund Account, Table 6.18	234	6,261	6,472	23
Allowance for pension adjustments	(3,701)	2,835	5,459	(6,325)
Subtotal	(3,467)	9,096	11,931	(6,302)
Canadian Forces Pension Fund Account, Table 6.20.....	203	1,523	1,770	(44)
Allowance for pension adjustments	166	165	445	(114)
Subtotal	369	1,688	2,215	(158)
Reserve Force Pension Fund Account, Table 6.21	(133)	103	69	(99)
Allowance for pension adjustments	63	50	54	59
Subtotal	(70)	153	123	(40)
Royal Canadian Mounted Police Pension Fund Account, Table 6.23	3	743	624	122
Allowance for pension adjustments	129	—	191	(62)
Subtotal	132	743	815	60
Total pension fund accounts	307	8,630	8,935	2
Total allowance for pension adjustments	(3,343)	3,050	6,149	(6,442)
Net pension benefit liabilities related to government-sponsored funded plans	(3,036)	11,680	15,084	(6,440)
Pension benefit assets related to funded plans sponsored by consolidated				
Crown corporations and other entities.....	(2,783)	540	460	(2,703)
Net pension benefit liabilities related to funded plans	(5,819)	12,220	15,544	(9,143)
Unfunded pension benefits				
Public Service Superannuation Account, Table 6.17	89,011	10,706	5,604	94,113
Allowance for pension adjustments	6,436	2,549	8,779	206
Subtotal	95,447	13,255	14,383	94,319
Canadian Forces Superannuation Account, Table 6.19.....	46,322	1,517	2,536	45,303
Allowance for pension adjustments	2,620	1,349	535	3,434
Subtotal	48,942	2,866	3,071	48,737
Royal Canadian Mounted Police Superannuation Account, Table 6.22	13,353	436	737	13,052
Allowance for pension adjustments	322	427	141	608
Subtotal	13,675	863	878	13,660
Members of Parliament Retiring Allowances Account, Table 6.24.....	631	31	34	628
Allowance for pension adjustments	117	35	—	152
Subtotal	748	66	34	780
Members of Parliament Retirement Compensation Arrangements Account, Table 6.25.....	278	21	60	239
Allowance for pension adjustments	316	65	—	381
Subtotal	594	86	60	620
Retirement Compensation Arrangements Accounts, Table 6.26.....	2,449	209	212	2,446
Allowance for pension adjustments	2,045	186	33	2,198
Subtotal	4,494	395	245	4,644
Supplementary Retirement Benefits Account (Judges), Table 6.27	267	12	—	279
Allowance for pension adjustments	3,984	469	—	4,453
Subtotal	4,251	481	—	4,732
Supplementary Retirement Benefits Account (Others), Table 6.27.....	1	—	—	1
Total superannuation accounts	152,312	12,932	9,183	156,061
Total allowance for pension adjustments	15,840	5,080	9,488	11,432
Pension benefit liabilities related to government-sponsored unfunded plans	168,152	18,012	18,671	167,493
Pension benefit liabilities related to unfunded plans sponsored by consolidated				
Crown corporations and other entities.....	108	11	6	113
Pension benefit liabilities related to unfunded plans.....	168,260	18,023	18,677	167,606
Net pension benefit liabilities.....	162,441	30,243	34,221	158,463

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

Public sector pension liabilities ¹	168,761	29,673	30,768	167,666
Public sector pension assets ²	(6,320)	570	3,453	(9,203)
Net pension benefit liabilities.....	162,441	30,243	34,221	158,463

¹ The portion corresponding to "other credits" includes the reclassification of public sector pension assets at year-end related to government-sponsored funded plans.² The portion corresponding to "other charges" includes the reclassification of public sector pension assets at year-end related to government-sponsored funded plans.

Table 6.16 presents a summary of transactions in public sector pensions that resulted in charges to expenses. Interest is calculated based on the accrued pension obligations under the various plans. The net interest expense represents interest of \$4,941 million (\$5,165 million in 2021) credited to the superannuation accounts in accordance with the pension legislation, a provision of \$7,255 million (\$5,353 million in 2021) and interest of \$443 million (\$452 million in 2021) on the consolidated Crown corporations and other entities' obligations, shown net of \$10,529 million (\$9,179 million in 2021) in expected return on pension investments.

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

(in millions of dollars)

	2022										2021	
	Govern- ment contri- butions and other ¹	Net bene- fits earned		Actu- arial adjust- ments ²	Costs recorded in previous years ³	Valua- tion allow- ance	Pension expense included in personnel expenses	Actuarial losses (gains)	Total pension expense	Net interest expense	Total pension expense	Net interest expense
		Adjust- ment										
Funded pension benefits												
Public Service												
Pension Fund												
Account	2,843	(413)	2,430	–	–	–	2,430	(1,222)	1,208	(989)	1,620	(567)
Canadian Forces												
Pension Fund												
Account	923	7	930	–	–	–	930	(174)	756	(95)	852	(26)
Reserve Force												
Pension Fund												
Account	60	(7)	53	17	(17)	–	53	1	54	1	46	5
Royal Canadian												
Mounted Police												
Pension Fund												
Account	405	(130)	275	–	–	–	275	(38)	237	(23)	402	8
Consolidated Crown												
corporations and												
other entities	89	–	89	5	(5)	451	540	(154)	386	(212)	(7)	(179)
Total funded												
pension benefits.....	4,320	(543)	3,777	22	(22)	451	4,228	(1,587)	2,641	(1,318)	2,913	(759)

Table 6.16
Summary of transactions in public sector pensions that resulted in charges to expenses—continued
(in millions of dollars)

	2022									2021		
	Government contributions and other ¹	Net benefits earned	Actuarial adjustments ²	Costs recorded in previous years ³	Valuation allowance	Pension expense included in personnel expenses	Actuarial losses (gains) recognized	Total pension expense	Net interest expense	Total pension expense	Net interest expense	
Unfunded pension benefits												
Public Service												
Superannuation Account ⁴	2	(5)	(3)	7,805	(7,805)	–	(3)	2,549	2,546	1,927	3,196	1,420
Canadian Forces												
Superannuation Account ⁴	2	(4)	(2)	–	–	–	(2)	1,349	1,347	981	1,952	748
Defence Services												
Pension Continuation Act	1	–	1	–	–	–	1	–	1	–	1	–
Royal Canadian Mounted Police												
Superannuation Account	–	(1)	(1)	–	–	–	(1)	427	426	295	555	220
Royal Canadian Mounted Police Continuation Act	4	–	4	–	–	–	4	–	4	–	5	–
Members of Parliament												
Retiring Allowances Account	10	16	26	–	–	–	26	14	40	15	64	11
Members of Parliament Retirement Compensation Arrangements Account	9	11	20	–	–	–	20	9	29	12	45	8
Retirement Compensation Arrangement Accounts	69	59	128	–	–	–	128	78	206	87	336	67
Supplementary Retirement Benefits Account .	5	–	5	–	–	–	5	–	5	–	4	–
Judges Act	200	128	328	–	–	–	328	237	565	107	597	71
Other (diplomatic services, lieutenant governors, etc.)....	3	–	3	–	–	–	3	–	3	–	3	–
Consolidated Crown corporations and other entities	–	3	3	–	–	–	3	4	7	4	6	5
Subtotal.....	305	207	512	7,805	(7,805)	–	512	4,667	5,179	3,428	6,764	2,550

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

(in millions of dollars)

	2022								2021			
	Govern- ment contri- butions and other ¹	Net ben- efits earned	Actu- arial adjust- ments ²	Costs recorded in previous years ³	Valua- tion allow- ance	Pension expense included in personnel expenses	Actuarial losses (gains)	Total pension expense	Net interest expense	Total pension expense		
Contributions from the Judges' plan recorded to revenues..	(19)	–	(19)	–	–	(19)	–	(19)	–	(18)	–	
Total unfunded pension benefits.....	286	207	493	7,805	(7,805)	–	493	4,667	5,160	3,428	6,746	2,550
Total reported in the Consolidated Statement of Operations and Accumulated Deficit .	4,606	(336)	4,270	7,827	(7,827)	451	4,721	3,080	7,801	2,110	9,659	1,791

¹ “Other” includes consolidated Crown corporations and other entities’ contributions to their pension plans, as well as statutory payments made to beneficiaries under the *Defence Services Pension Continuation Act*, the *Royal Canadian Mounted Police Continuation Act*, the *Judges Act*, and other acts regarding diplomatic services, lieutenant governors, etc.

² Represents actuarial adjustments to amortize deficiencies and excesses.

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

⁴ Includes payments under the *Supplementary Retirement Benefits Act* and various acts.

Public Service Superannuation Account

This account, established by the *Public Service Superannuation Act*, is used to record all transactions (contributions, benefit payments, transfers and interest credits) in respect of service accrued by public service members up to March 31, 2000.

Table 6.17
Public Service Superannuation Account

(in dollars)

	2022	2021
Opening balance	89,010,828,958	91,516,183,543
Receipts and other credits		
Employee contributions		
Government employees	566,844	598,683
Retired employees	2,117,869	2,514,360
Public Service corporation employees	50,786	56,591
Employer contributions		
Government	2,155,567	2,642,151
Public Service corporations	23,039	46,087
Actuarial adjustment	7,805,000,000	—
Transfers from other pension funds	162,820	5,817
Interest	2,895,436,635	3,088,785,626
Total receipts and other credits	<u>10,705,513,560</u>	<u>3,094,649,315</u>
Subtotal.....	99,716,342,518	94,610,832,858
Payments and other charges		
Benefit payments		
Annuities	5,512,809,453	5,518,628,324
Minimum benefits.....	19,624,270	12,791,544
Pension division payments	10,025,072	9,505,848
Pension transfer value payments.....	6,284,208	4,735,428
Return of contributions		
Government employees	46,264	4,267
Public Service corporation employees	54,992	75,500
Transfers to other pension funds.....	1,964,739	1,668,002
Administrative expenses.....	52,910,541	52,594,987
Total payments and other charges.....	<u>5,603,719,539</u>	<u>5,600,003,900</u>
Closing balance.....	94,112,622,979	89,010,828,958

Public Service Pension Fund Account

This account is used to record the transactions in respect of service accrued on or after April 1, 2000, under the *Public Service Superannuation Act*. An amount equal to contributions less benefit payments and other charges is transferred to the PSPIB for investment. The closing balance in this account represents the net cash position prior to the transfer to the PSPIB.

Table 6.18
Public Service Pension Fund Account

(in dollars)

	2022	2021
Opening balance	234,405,099	24,214,915
Receipts and other credits		
Employee contributions		
Government employees	2,861,654,535	2,731,144,271
Retired employees	53,967,780	54,601,422
Public Service corporation employees	218,360,857	203,768,991
Employer contributions		
Government	2,843,128,369	2,724,790,877
Public Service corporations	203,364,391	192,104,544
Transfers from other pension funds	81,011,976	65,699,585
Total receipts and other credits	6,261,487,908	5,972,109,690
Payments and other charges		
Benefit payments		
Annuities	3,091,256,692	2,792,620,336
Minimum benefits.....	27,666,967	19,828,809
Pension division payments	49,647,574	38,866,122
Pension transfer value payments.....	374,226,040	260,986,147
Return of contributions		
Government employees	18,500,045	16,291,883
Public Service corporation employees	4,585,090	4,642,766
Transfers to other pension funds.....	40,533,872	41,493,071
Administrative expenses.....	75,802,927	69,576,876
Total payments and other charges.....	3,682,219,207	3,244,306,010
Receipts and other credits less payments and other charges	2,579,268,701	2,727,803,680
Transfers to PSPIB.....	2,790,544,840	2,517,613,496
Closing balance	23,128,960	234,405,099

Canadian Forces Superannuation Account

This account, established by the *Canadian Forces Superannuation Act*, is used to record all transactions (contributions, benefit payments, transfers and interest credits) in respect of service accrued by Canadian Armed Forces members up to March 31, 2000.

Table 6.19
Canadian Forces Superannuation Account

(in dollars)

	2022	2021
Opening balance	46,321,977,943	44,741,718,117
Receipts and other credits		
Contributions from personnel	2,116,496	2,133,694
Contributions by the government	2,116,496	2,133,694
Actuarial adjustment	—	2,605,000,000
Transfers from other pension funds	21,452	5,588
Interest	1,512,113,040	1,513,596,941
Other ¹	525,044	566,985
Total receipts and other credits.....	<u>1,516,892,528</u>	<u>4,123,436,902</u>
Subtotal.....	<u>47,838,870,471</u>	<u>48,865,155,019</u>
Payments and other charges		
Benefit payments		
Pensions and retiring allowances	2,504,068,229	2,510,053,993
Minimum benefits.....	156,893	38,088
Pension division payments	14,517,262	14,261,478
Pension transfer value payments.....	693,956	963,232
Return of contributions.....	592	13
Administrative expenses.....	16,811,883	17,860,272
Total payments and other charges.....	<u>2,536,248,815</u>	<u>2,543,177,076</u>
Closing balance.....	<u>45,302,621,656</u>	<u>46,321,977,943</u>

¹ Includes returned annuity payments upon joining a government pension plan.

Canadian Forces Pension Fund Account

This account is used to record the transactions in respect of service accrued on or after April 1, 2000, in accordance with Part I of the *Canadian Forces Superannuation Act*. An amount equal to contributions less benefit payments and other charges is transferred to the PSPIB for investment. The closing balance in this account represents the net cash position prior to the transfer to the PSPIB.

Table 6.20
Canadian Forces Pension Fund Account

(in dollars)

	2022	2021
Opening balance	202,664,075	126,049,325
Receipts and other credits		
Contributions from personnel	565,444,635	609,692,707
Contributions by the government	922,997,821	941,684,641
Transfers from other pension funds	34,136,086	59,592,182
Other ¹	472,573	576,157
Total receipts and other credits	<u>1,523,051,115</u>	<u>1,611,545,687</u>
Payments and other charges		
Benefit payments		
Pensions and retiring allowances	955,609,276	854,984,526
Minimum benefits	2,021,317	1,194,515
Pension division payments	35,881,627	34,564,190
Pension transfer value payments	266,726,797	243,360,285
Return of contributions	2,139,781	1,430,947
Transfers to other pension funds	522,696	1,489,940
Administrative expenses	21,632,853	20,253,838
Total payments and other charges	<u>1,284,534,347</u>	<u>1,157,278,241</u>
Receipts and other credits less payments and other charges	238,516,768	454,267,446
Transfers to PSPIB	485,463,615	377,652,696
Closing balance	<u>(44,282,772)</u>	<u>202,664,075</u>

¹ Includes unclaimed cheques.

Reserve Force Pension Fund Account

This account is used to record the transactions in respect of service accrued on or after March 1, 2007, in accordance with Part I 1 of the *Canadian Forces Superannuation Act*. When the closing balance of this account is in a positive net cash position, an amount equal to contributions less benefit payments and other charges is usually transferred to the PSPIB for investment.

Table 6.21
Reserve Force Pension Fund Account

(in dollars)

	2022	2021
Opening balance	(132,883,745)	(136,662,719)
Receipts and other credits		
Contributions from personnel	25,584,971	28,769,809
Contributions by the government	59,771,984	54,841,331
Actuarial adjustment	17,400,000	17,400,000
Total receipts and other credits	102,756,955	101,011,140
Payments and other charges		
Benefit payments		
Pensions and retiring allowances	11,806,722	11,074,327
Minimum benefits	37,233	98,073
Pension transfer value payments	17,222,067	20,847,324
Return of contributions	179,148	120,559
Transfers to other pension funds	33,835,552	59,592,182
Administrative expenses	5,547,409	5,499,701
Total payments and other charges	68,628,131	97,232,166
Receipts and other credits less payments and other charges	34,128,824	3,778,974
Closing balance	(98,754,921)	(132,883,745)

Royal Canadian Mounted Police Superannuation Account

This account, established by the *Royal Canadian Mounted Police Superannuation Act*, is used to record all transactions (contributions, benefit payments, transfers and interest credits) in respect of service accrued by Royal Canadian Mounted Police members up to March 31, 2000.

Table 6.22
Royal Canadian Mounted Police Superannuation Account

(in dollars)

	2022	2021
Opening balance	13,352,626,005	13,620,704,204
Receipts and other credits		
Contributions from personnel (current services and arrears).....	473,302	508,012
Contributions by the government	297,430	346,205
Interest	435,719,598	461,062,789
Total receipts and other credits	436,490,330	461,917,006
Subtotal.....	13,789,116,335	14,082,621,210
Payments and other charges		
Benefit payments		
Annuities and allowances	725,984,836	719,533,834
Cash termination allowance and gratuities	—	337,705
Pension division payments	4,932,630	4,435,160
Pension transfer value payments.....	133,289	15,564
Return of contributions.....	50,961	—
Transfers to other pension funds.....	86,371	—
Administrative expenses.....	5,973,054	5,672,942
Total payments and other charges.....	737,161,141	729,995,205
Closing balance.....	13,051,955,194	13,352,626,005

Royal Canadian Mounted Police Pension Fund Account

This account is used to record the transactions in respect of service accrued on or after April 1, 2000, under the *Royal Canadian Mounted Police Superannuation Act*. An amount equal to contributions less benefit payments and other charges is transferred to the PSPIB for investment. The closing balance in this account represents the net cash position prior to the transfer to the PSPIB.

Table 6.23
Royal Canadian Mounted Police Pension Fund Account

(in dollars)

	2022	2021
Opening balance	2,765,418	(11,550,086)
Receipts and other credits		
Contributions from personnel (current services and arrears).....	328,761,563	219,982,349
Contributions by the government	404,646,790	268,749,681
Transfers from other pension funds	9,419,205	16,227,684
Total receipts and other credits.....	742,827,558	504,959,714
Payments and other charges		
Benefit payments		
Annuities and allowances	301,342,381	268,200,173
Minimum benefits.....	—	483,905
Pension division payments	16,837,656	14,830,451
Pension transfer value payments.....	60,200,710	59,449,443
Return of contributions		
Personnel	741,272	442,897
Interest.....	494,328	117,571
Transfers to other pension funds.....	13,065,152	2,459,836
Administrative expenses.....	5,043,276	4,565,177
Total payments and other charges.....	397,724,775	350,549,453
Receipts and other credits less payments and other charges	345,102,783	154,410,261
Transfers to PSPIB.....	226,150,404	140,094,757
Closing balance.....	121,717,797	2,765,418

Members of Parliament Retiring Allowances Account

This account was established by the *Members of Parliament Retiring Allowances Act* to provide pension benefits to eligible Members of Parliament who contributed to the plan. “Member” means a member of the Senate or the House of Commons. Benefits are also available to eligible survivors or eligible dependent children of Members who served on or after a certain date and contributed under the Act.

Table 6.24
Members of Parliament Retiring Allowances Account

(in dollars)

	2022	2021
Opening balance	631,361,854	560,954,167
Receipts and other credits		
Members’ contributions		
Current services	10,444,519	8,915,934
Arrears of principal, interest and mortality insurance.....	69,405	350,027
Government contributions (current services)	10,444,519	8,915,934
Actuarial adjustment	—	70,000,000
Interest	10,102,772	13,040,804
Total receipts and other credits.....	31,061,215	101,222,699
Subtotal.....	662,423,069	662,176,866
Payments and other charges		
Benefit payments		
Annual allowances.....	30,254,151	30,068,999
Pension division payments	243,744	188,586
Return of contributions		
Withdrawals.....	3,002,264	540,702
Interest.....	174,721	16,725
Total payments and other charges.....	33,674,880	30,815,012
Closing balance.....	628,748,189	631,361,854

Members of Parliament Retirement Compensation Arrangements Account

This account was established by the *Members of Parliament Retiring Allowances Act* to provide for benefits in respect of pension credits accrued by Members of Parliament which are not payable out of the Members of Parliament Retiring Allowances Account. Benefits are also available to eligible survivors or eligible dependent children of Members.

Table 6.25
Members of Parliament Retirement Compensation Arrangements Account

(in dollars)

	2022	2021
Opening balance	277,868,777	201,024,276
Receipts and other credits		
Members' contributions		
Current services	8,533,165	7,769,786
Arrears of principal, interest and mortality insurance.....	62,241	74,606
Government contributions (current services)	8,533,165	7,769,786
Actuarial adjustment	—	75,400,000
Refundable tax	—	792,416
Interest	4,446,815	4,659,674
Total receipts and other credits	21,575,386	96,466,268
Subtotal.....	299,444,163	297,490,544
Payments and other charges		
Benefit payments		
Annual allowances.....	19,656,511	19,069,957
Pension division payments	242,612	120,148
Return of contributions		
Withdrawals.....	2,904,952	371,172
Interest	196,365	17,201
Refundable tax	37,080,089	43,289
Total payments and other charges.....	60,080,529	19,621,767
Closing balance.....	239,363,634	277,868,777

Retirement Compensation Arrangements Accounts

The Retirement Compensation Arrangements (RCA) Accounts were established by the *Special Retirement Arrangements Act* to provide supplementary pension benefits to certain federal employees.

The RCA Regulations, No. 1 (RCA No. 1) provides for pension benefits in excess of those permitted under the *Income Tax Act* for the pensions paid under the *Public Service Superannuation Act*, the *Canadian Forces Superannuation Act* and the *Royal Canadian Mounted Police Superannuation Act*. The RCA No. 1 was created effective December 15, 1994.

The RCA Regulations, No. 2 (RCA No. 2) provides for pension benefits to public service employees who were declared surplus as a result of a three-year early retirement incentive program that ended on March 31, 1998. It pays the difference between an unreduced pension and the reduced pension for early retirement payable from the Public Service Superannuation Account. The RCA No. 2 was created effective April 1, 1995, and is funded entirely by the government.

Table 6.26
Retirement Compensation Arrangements Accounts

(in dollars)

	RCA No. 1						RCA No. 2				
	Public Service		Canadian Forces		Royal Canadian Mounted Police		Public Service		Total		
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	
	1,331,554,712	1,314,790,678	486,814,679	460,437,158	35,512,715	35,377,878	595,698,929	627,939,260	2,449,581,035	2,438,544,974	
Opening balance											
Receipts and other credits											
Employee contributions											
Government											
employees.....	10,986,103	12,339,032	4,481,562	5,436,304	102,071	200,753	–	–	15,569,736	17,976,089	
Retired employees.	487,902	421,477	–	–	977	37,400	–	–	488,879	458,877	
Public Service											
corporation											
employees.....	2,153,245	2,256,583	–	–	–	–	–	–	2,153,245	2,256,583	
Employer contributions											
Government	40,056,159	46,199,020	29,051,609	31,452,041	242,780	485,292	–	–	69,350,548	78,136,353	
Public Service											
corporations....	8,098,371	8,241,238	–	–	–	–	–	–	8,098,371	8,241,238	
Refundable tax.....	–	–	–	–	81,959	–	32,385,245	31,877,729	32,467,204	31,877,729	
Interest	44,233,230	45,360,136	16,577,376	16,055,349	1,166,955	1,208,665	18,803,171	20,602,663	80,780,732	83,226,813	
	106,015,010	114,817,486	50,110,547	52,943,694	1,594,742	1,932,110	51,188,416	52,480,392	208,908,715	222,173,682	
	1,437,569,722	1,429,608,164	536,925,226	513,380,852	37,107,457	37,309,988	646,887,345	680,419,652	2,658,489,750	2,660,718,656	
Payments and other charges											
Benefit payments											
Annuities.....	66,805,739	61,039,592	12,240,779	10,965,975	1,741,539	1,644,567	84,015,857	84,720,723	164,803,914	158,370,857	
Minimum benefits.	25,273	184,975	–	–	–	–	–	–	25,273	184,975	
Pension division											
payments.....	481,737	725,621	335,341	68,620	–	–	–	–	817,078	794,241	
Pension transfer											
value payments	924,605	903,484	3,184,663	1,131,013	3,834	3,116	–	–	4,113,102	2,037,613	
Return of contributions											
Government											
employees.....	17,504	7,346	20	–	–	–	–	–	17,524	7,346	
Public Service											
corporation											
employees.....	788	4,164	–	–	–	–	–	–	788	4,164	
Transfers to other pension funds.....	486,672	213,362	–	–	972	–	–	–	487,644	213,362	
Refundable tax.....	19,608,008	34,974,908	22,553,078	14,400,565	–	149,590	–	–	42,161,086	49,525,063	
	88,350,326	98,053,452	38,313,881	26,566,173	1,746,345	1,797,273	84,015,857	84,720,723	212,426,409	211,137,621	
Closing balance.....	1,349,219,396	1,331,554,712	498,611,345	486,814,679	35,361,112	35,512,715	562,871,488	595,698,929	2,446,063,341	2,449,581,035	

Supplementary Retirement Benefits Account

This account was established by the *Supplementary Retirement Benefits Act* to provide for pension benefit increases resulting from changes in the Consumer Price Index. The account continues to provide for increased pension benefits resulting from indexation for pensions of federally appointed judges, and recipients of pensions under various continuation acts and other related acts.

Table 6.27
Supplementary Retirement Benefits Account

(in dollars)

	Judges		Others ¹		Total	
	2022	2021	2022	2021	2022	2021
Opening balance	267,128,543	258,108,691	1,042,044	1,012,710	268,170,587	259,121,401
Receipts and other credits						
Employee contributions						
Government	4,384,393	4,112,096	26,435	25,370	4,410,828	4,137,466
Employer contributions						
Government	4,384,393	4,112,096	26,435	27,527	4,410,828	4,139,623
Interest	2,690,138	795,660	10,905	3,239	2,701,043	798,899
Total receipts and other credits ...	11,458,924	9,019,852	63,775	56,136	11,522,699	9,075,988
Subtotal	278,587,467	267,128,543	1,105,819	1,068,846	279,693,286	268,197,389
Payments and other charges						
Annuities	—	—	28,423	26,802	28,423	26,802
Closing balance.....	278,587,467	267,128,543	1,077,396	1,042,044	279,664,863	268,170,587

¹ Includes lieutenant governors and other Governor in Council appointees.

Allowance for pension adjustments

This account records the accounting adjustments resulting from annual actuarial valuations of public sector pension plans sponsored by the government.

Actuarial losses of \$3,230 million (\$5,478 million in 2021), due to plan experience and changes in actuarial assumptions, were recognized in this account and increased pension expenses for the year.

An amount of \$7,822 million (\$2,768 million in 2021) was recorded in this account to offset the amortization of deficiencies charged to the pension fund accounts and superannuation accounts during the year but already accounted for in previous years' expenses or in actuarial gains and losses.

An amount of \$339 million (\$91 million in 2021) was debited from this account and decreased pension costs to adjust for the difference between the government contributions and the net cost of benefits earned.

An amount of \$7,255 million (\$5,353 million in 2021) was credited to this account to adjust for the difference between interest based on the accrued pension obligations and interest credited to the superannuation accounts. Also, an amount of \$9,878 million (\$8,553 million in 2021) was debited from this account to record the expected return on the pension investments.

As well, a consolidation adjustment of \$47 million (\$17 million in 2021) was credited to this account and debited against personal tax revenues to eliminate the effect of internal transactions resulting from tax amounts debited from the RCA accounts that were previously recorded as tax revenues.

The unrecognized net actuarial gains of \$11,910 million (\$6,162 million losses in 2021) will be recognized in this account and will affect expenses in future years.

Due to annual actuarial valuations for accounting purposes, the accrued pension obligations of \$358,739 million (\$360,027 million in 2021) minus the pension assets of \$209,596 million (\$188,749 million in 2021) were \$6,920 million lower (\$18,659 million higher in 2021) than the balance of the pension fund accounts of \$2 million (\$307 million in 2021) and the superannuation accounts of \$156,061 million (\$152,312 million in 2021). The excess or shortfall is made up of the following:

(in millions of dollars)

	(Shortfall) excess	
	2022	2021
Public Service Pension Plan		
Public Service Superannuation Account.....	(6,913)	(20,864)
Public Service Pension Fund	25,088	19,366
Retirement Compensation Arrangements	(1,522)	(1,708)
Total allowance for Public Service Pension Plan.....	16,653	(3,206)
Canadian Forces Pension Plan		
Canadian Forces Superannuation Account	(5,013)	(7,958)
Canadian Forces Pension Fund.....	3,147	2,063
Reserve Force Pension Fund	(192)	(204)
Retirement Compensation Arrangements	(508)	(581)
Total allowance for Canadian Forces Pension Plan	(2,566)	(6,680)
Royal Canadian Mounted Police Pension Plan		
Royal Canadian Mounted Police Superannuation Account.....	(2,232)	(3,155)
Royal Canadian Mounted Police Pension Fund.....	996	439
Retirement Compensation Arrangements	(42)	(53)
Total allowance for Canadian Mounted Police Pension Plan	(1,278)	(2,769)
Members of Parliament Pension Plan		
Members of Parliament Retiring Allowances	(134)	(159)
Retirement Compensation Arrangements	(355)	(340)
Total allowance for Members of Parliament Pension Plan.....	(489)	(499)
Pension plan for federally appointed judges.....	(5,400)	(5,505)
Total	6,920	(18,659)

Other employee and veteran future benefits

The government and the consolidated Crown corporations and other entities sponsor different types of future benefit plans with varying terms and conditions. The benefits are available to employees and former employees (including military or Royal Canadian Mounted Police members) during or after employment, or upon retirement. Some are considered retirement benefits, whereby benefits are expected to be provided after retirement to employees and their beneficiaries or dependants. Others are considered post-employment benefits, whereby benefits are expected to be paid after employment but before retirement. Benefits for veterans are paid to war veterans, as well as to Canadian Forces retired veterans and Canadian Forces still-serving members. Benefits for members of the Royal Canadian Mounted Police are paid to both current and former members. These are primarily post-employment benefits, but some benefits are also paid during employment to still-serving members. They include disability and associated benefits paid to veterans or Royal Canadian Mounted Police members, or to their beneficiaries and dependants.

The other major future benefits include health care and dental benefits available to retired employees and retired military and Royal Canadian Mounted Police members, accumulated sick leave entitlements and post-employment benefits such as workers' compensation benefits and severance benefits that accumulate.

Table 6.28
Other employee and veteran future benefits

(in millions of dollars)

	April 1, 2021	Receipts and other credits	Payments and other charges	March 31, 2022
Veterans' disability and other future benefits.....	84,662	14,747	4,927	94,482
Royal Canadian Mounted Police disability and other future benefits	15,199	3,783	502	18,480
Public Service Health Care Plan	33,395	2,209	436	35,168
Pensioners' Dental Services Plan	5,164	420	113	5,471
Severance and other benefits.....	1,710	225	183	1,752
Accumulated sick leave entitlements	2,039	397	316	2,120
Workers' compensation	1,679	432	212	1,899
Consolidated Crown corporations and other entities	338	24	29	338
Total	144,186	22,237	6,718	159,705

All the government and most of the consolidated Crown corporations and other entities' sponsored plans are unfunded. The health care and the dental plans are contributory plans. Retired plan members contribute to the plans to obtain coverage. Therefore the liabilities and costs are shown net of members' contributions. The accrued benefit obligations amount related to these plans is determined actuarially for accounting purposes. As at March 31, the recorded liabilities included the following components:

(in millions of dollars)

	2022					2021
	Accrued benefit obligations	Other future benefit assets	Unrecognized net actuarial (losses) gains	Benefits paid after measurement date up to March 31	Future benefit liabilities	Future benefit liabilities
Veterans' disability and other future benefits.....	155,828	–	(61,346)	–	94,482	84,662
Royal Canadian Mounted Police disability and other future benefits .	33,987	–	(15,507)	–	18,480	15,199
Public Service Health Care Plan	30,121	–	5,047	–	35,168	33,395
Pensioners' Dental Services Plan	5,379	–	92	–	5,471	5,164
Severance and other benefits.....	1,968	–	(216)	–	1,752	1,710
Accumulated sick leave entitlements	1,959	–	161	–	2,120	2,039
Workers' compensation	1,944	–	(45)	–	1,899	1,679
Consolidated Crown corporations and other entities	292	(1)	44	(2)	333	338
Total	231,478	(1)	(71,770)	(2)	159,705	144,186

The cost of these benefits can accrue either during the service life of employees or upon occurrence of an event generating the liability under the terms of the plans. An interest component is charged to expense based on the average accrued benefit obligation.

During the year, expenses relating to these benefits were as follows:

(in millions of dollars)

	Benefits earned	Amendment costs	2022				2021
			Total benefit expense included in personnel expenses	Actuarial losses (gains) recognized	Total benefit expense	Interest expense	Total
Veterans' disability and other future benefits.....	6,395	102	6,497	5,637	12,134	2,613	14,747
Royal Canadian Mounted Police							
disability and other future benefits	1,918	—	1,918	1,292	3,210	573	3,783
Public Service Health Care Plan	1,515	—	1,515	40	1,555	654	2,209
Pensioners' Dental Services Plan	229	—	229	84	313	107	420
Severance and other benefits.....	136	—	136	55	191	34	225
Accumulated sick leave entitlements	369	—	369	(16)	353	28	381
Workers' compensation	381	—	381	19	400	32	432
Consolidated Crown corporations and other entities	18	—	18	(5)	13	6	19
Total	10,961	102	11,063	7,106	18,169	4,047	22,216
							23,702

Other liabilities

Other liabilities include general liabilities established under section 64 of the *Financial Administration Act* as well as specified purpose accounts opened under section 21 of the *Financial Administration Act* or of other legislation. Specified purpose accounts are an accounting classification used to record transactions and expenditures in respect of money payable out of the Consolidated Revenue Fund under statutory authorities, pursuant to legislation, trusts, treaties, undertakings or contracts. Legislation relating to some of these accounts permits investments to be made and, in certain cases, the balances of the accounts earn interest.

Canada Pension Plan

The Canada Pension Plan (CPP) is a federal/provincial social insurance program established by an Act of Parliament in 1965. The CPP began operations in 1966. It is compulsory and in operation in all parts of Canada, except for the Province of Quebec. The objective of the program is to provide a measure of protection to workers and their families against the loss of earnings due to retirement, disability or death. The CPP is financed from employee, employer and self-employed worker contributions, as well as investment earnings. The CPP's investments are held and managed by the Canada Pension Plan Investment Board (CPPIB).

The CPP is administered by the Government of Canada and the provinces. As such, CPP's financial activities are not part of the Government of Canada's reporting entity because major changes to the CPP require the agreement of at least two thirds of the provinces, representing at least two thirds of the population of all the provinces, and it is therefore not controlled by the government.

The Minister of Employment, Workforce Development and Disability Inclusion is responsible for the administration of the CPP under the *Canada Pension Plan Act*; the Minister of National Revenue is responsible for collecting contributions. The Minister of Finance and her provincial counterparts are responsible for setting CPP contribution rates, pension and benefit levels and funding policy. The CPPIB is responsible for managing the amounts that are being transferred under Sections 108.1 and 108.3 of the *Canada Pension Plan Act*. It acts in the best interests of the beneficiaries and contributors under the Act.

Legislation to implement the CPP Enhancement came into force on March 3, 2017, amending the *Canada Pension Plan*, and took effect on January 1, 2019. The CPP Enhancement will increase the amounts of pensions and post-retirement benefits that will be paid on CPP contributions made after 2018, with a corresponding increase to the contribution rate. Effectively, the CPP Enhancement will serve as a “top-up” of the benefits calculated under the existing CPP. Unlike the existing CPP, the CPP Enhancement will be fully funded per the legislative requirement.

The existing CPP Account and the Additional CPP Account for the CPP Enhancement, collectively referred to as the CPP Accounts, were established in the accounts of Canada pursuant to the *Canada Pension Plan Act*. The transactions of each component of the CPP are recorded in the Account to which they relate. CPP's revenues and expenses such as contributions, interests, investment income or loss from CPPIB, pension benefits and operating expenses, are reported as increases and decreases to this liability. The CPP Accounts also record the amounts transferred to or received from the CPPIB. The CPPIB operates at arm's length from the government and invests in a diversified portfolio of securities.

As administrator of the CPP, the government's authority to provide benefits is limited to the consolidated assets available for benefit payments of the CPP. At March 31, 2022, the fair value of the CPP's consolidated assets available for benefit payments is \$534,480 million (\$496,073 million in 2021) for the CPP Account and \$13,598 million (\$6,755 million in 2021) for the Additional CPP Account.

The detailed revenues, expenses, assets and liabilities of the CPP financial activities are reported separately in the CPP consolidated financial statements. The CPP's deposit with the Receiver General for Canada of \$101 million (\$139 million in 2021) corresponds to the balance in the CPP Accounts and is reported as the government's liability to the CPP at March 31, 2022. The CPP's deposit with the Receiver General for Canada is comprised of the CPP Account balance of \$78 million (\$119 million in 2021) and the Additional CPP Account balance of \$23 million (\$20 million in 2021).

Table 6.29 presents a reconciliation between the assets available for benefit payments shown in the CPP's consolidated financial statements and the CPP Accounts, as well as a summary of the balances and transactions in the CPP Accounts which result in the deposit with the Receiver General for Canada.

Table 6.29
Canada Pension Plan Accounts

(in dollars)

	April 1, 2021	Receipts and other credits	Payments and other charges	March 31, 2022
Canada Pension Plan balance per audited consolidated financial statements				
Assets available for benefit payments.....	496,072,317,682	93,870,410,037	55,462,280,371	534,480,447,348
Less:				
Receivables, net of liabilities	5,046,135,195	7,708,748,140	5,046,135,195	7,708,748,140
Accumulated net income from Canada Pension Plan				
Investment Board's operations	343,242,000,000	36,145,000,000	1,877,000,000	377,510,000,000
	<i>147,784,182,487</i>	<i>50,016,661,897</i>	<i>48,539,145,176</i>	<i>149,261,699,208</i>
Less: transfers to Canada Pension Plan Investment Board	147,664,939,758	41,485,880,987	43,004,644,793	149,183,703,564
Total Canada Pension Plan.....	119,242,729	91,502,542,884	91,543,789,969	77,995,644
Additional Canada Pension Plan balance per audited consolidated financial statements				
Assets available for benefit payments.....	6,755,416,699	7,088,824,090	246,437,047	13,597,803,742
Less:				
Receivables, net of liabilities	454,738,778	957,071,888	454,738,778	957,071,888
Accumulated net income from Canada Pension Plan				
Investment Board's operations	423,000,000	173,000,000	26,000,000	570,000,000
	<i>5,877,677,921</i>	<i>5,958,752,202</i>	<i>(234,301,731)</i>	<i>12,070,731,854</i>
Less: transfers to Canada Pension Plan Investment Board	5,857,586,167	–	6,189,875,575	12,047,461,742
Total Additional Canada Pension Plan.....	20,091,754	5,958,752,202	5,955,573,844	23,270,112
Deposit with the Receiver General for Canada.....	139,334,483	97,461,295,086	97,499,363,813	101,265,756

Receipts and other credits include:

- a) contributions from employees, employers and those who are self-employed;
- b) income from the average daily operating balance deposited with the Receiver General for Canada;
- c) funds received from the CPPIB;
- d) gains on investments held by the CPPIB;
- e) payments received on overpayments established.

Payments and other charges include:

- a) pensions and benefits paid under the CPP as retirement pensions and post-retirement benefit, survivors' pensions and benefits paid to spouse or common-law partner and orphans, or as lump sum death benefits, disability pensions and benefits to eligible contributors and their children, and post-retirement disability benefits;
- b) pensions and benefits paid and recovered from the CPP, in accordance with an agreement with a province providing a comprehensive pension plan;
- c) payments that are required to be charged to the CPP, in accordance with reciprocal agreements with other countries;
- d) costs of administration of the CPP;
- e) funds transferred to the CPPIB;
- f) losses on investments held by the CPPIB.

For additional information, the consolidated financial statements of the CPP are included with the supplementary statements at the end of this section. Additional information on the funding of CPP may also be obtained from the *30th Actuarial Report on the Canada Pension Plan* prepared by the Chief Actuary of the Office of the Superintendent of Financial Institutions.

Government Annuities Account

The purpose of the *Government Annuities Act* was to assist individuals and groups of Canadians to prepare financially for their retirement by purchasing government annuities. In 1975, the *Government Annuities Improvement Act* discontinued future sales of government annuity contracts. Annuities are deferred until their maturity date, at which time payments to annuitants begin.

The pension obligations are initially recorded through the Government Annuities Account, which was established by the *Government Annuities Act*. The account is valued on an actuarial basis each year, using prescribed mortality and interest rates, with the deficit or surplus charged or credited to the Consolidated Revenue Fund. Any adjustments required under the government's accounting policies are then recorded through an allowance adjustment account. The allowance account reflects the adjustment to the obligations due to the differential between prescribed rates and best estimates of experience-adjusted mortality tables and discount rates. The discount rates used to measure the present value are based on the government's cost of borrowing derived from the yields on the actual zero-coupon yield curve for Government of Canada bonds which reflect the timing of the expected future cash flows.

Receipts and other credits recorded in the account consist of premiums received, funds reclaimed from the Consolidated Revenue Fund for previously untraceable annuitants, prescribed interest of 7% calculated on the accrued benefits and any credit needed to cover the actuarial deficit. Payments and other charges recorded in the account represent payment of matured annuities, the commuted value of death benefits, premium refunds and withdrawals, and actuarial surpluses and unclaimed annuities, related to untraceable annuitants, transferred to non-tax revenues and allowance for adjustments to the pension obligations.

At the end of the year, an actuarial surplus of \$1,081,079 was transferred to the government's revenues to reduce the balance of the account to \$66,9 million and the allowance account was adjusted to \$14,7 million to increase the pension obligations to \$81,6 million as at March 31, 2022.

As of March 31, 2022, the annuitants held 17,227 active contracts, representing a decrease of 2,249 annuities compared to the previous year, as a direct result of annuitant deaths and Consolidated Revenue Fund transfers.

Deposit and trust accounts

Deposit and trust accounts are a group of liabilities representing the government's financial obligations in its role as administrator of certain funds that it has received or collected for specified purposes and that it will pay out accordingly. To the extent that the funds received are represented by negotiable securities, these are deducted from the corresponding accounts to show the net liability. Certain accounts earn interest which is charged to interest on the public debt.

Table 6.30
Deposit and trust accounts

(in dollars)

	April 1, 2021	Receipts and other credits	Payments and other charges	March 31, 2022
Deposit accounts				
Agriculture and Agri-Food				
Canadian Dairy Commission				
Canadian Dairy Commission Account.....	387,539	47,903,269	48,290,808	—
Crown-Indigenous Relations and Northern Affairs				
Department of Crown-Indigenous Relations and Northern Affairs				
Field British Columbia and Yukon Operations of the				
Northern Canada Power Commission	992,587	—	—	992,587
Guarantee deposits	10,601,306	805,040	113,998	11,292,348
11,593,893	805,040	113,998	113,998	12,284,935
Employment, Workforce Development and Disability Inclusion				
Department of Employment and Social Development				
Canada Labour Code—Other	94,067	1,182,428	1,103,352	173,143
Canada Labour Code—Wage recovery request				
for review or appeal	2,850,716	520,779	2,314,569	1,056,926
2,944,783	1,703,207	1,703,207	3,417,921	1,230,069
Environment and Climate Change				
Parks Canada Agency				
Contractor security deposits—Cash.....	435,086	467,215	382,777	519,524
Finance				
Department of Finance				
Canada Development Investment Corporation				
Holdback—Privatization	12,292,719	16,128	3,000,000	9,308,847
Canada Hibernia Holding Corporation				
Abandonment Reserve Fund.....	102,081,426	173,482	—	102,254,908
Swap collateral guarantee deposits	829,372,990	1,707,821,124	765,784,687	1,771,409,427
943,747,135	1,708,010,734	1,708,010,734	768,784,687	1,882,973,182
Fisheries, Oceans and the Canadian Coast Guard				
Department of Fisheries and Oceans				
Contractor security deposits—Cash.....	212,956	582,578	480,234	315,300
Guarantee deposits—Fish habitat preservation.....	370,106	—	—	370,106
583,062	582,578	480,234	480,234	685,406
Health				
Canadian Food Inspection Agency				
Contractor security deposits—Cash.....	73,672	—	—	73,672
Indigenous Services				
Department of Indigenous Services				
Guarantee deposits	2,478,210	57,000	—	2,535,210
Innovation, Science and Industry				
Department of Industry				
Deposits from spectrum auctions.....	1,225,000	133,880,300	135,105,300	—
Justice				
Courts Administration Service				
Security for costs.....	59,722	5,316	18,796	46,242
Registrar of the Supreme Court of Canada				
Security for costs.....	392,555	38	—	392,593
452,277	5,354	18,796	18,796	438,835
National Defence				
Department of National Defence				
Contractor security deposits—Cash.....	3,304,203	3,534,998	3,782,875	3,056,326

Table 6.30
Deposit and trust accounts—continued
(in dollars)

	April 1, 2021	Receipts and other credits	Payments and other charges	March 31, 2022
National Revenue				
Canada Revenue Agency				
Guarantee deposits	325,632,207	47,280,888	33,032,451	339,880,644
Less: securities held in trust	35,000	—	—	35,000
	325,597,207	47,280,888	33,032,451	339,845,644
Natural Resources				
Department of Natural Resources				
Contractor security deposits—Cash.....	7,965	12,470	—	20,435
Guarantee deposits—Oil and gas.....	14,224,395	1,347,025	4,000	15,567,420
Canadian Energy Regulator				
Guarantee deposits	532,559	—	—	532,559
	14,764,919	1,359,495	4,000	16,120,414
Privy Council				
Office of the Chief Electoral Officer				
Contractor security deposits—Cash.....	2,500,000	—	—	2,500,000
Public Safety and Emergency Preparedness				
Canada Border Services Agency				
General security deposits.....	7,911,984	264,568	—	8,176,552
Guarantee deposits	10,595,554	968,372	1,477,316	10,086,610
Immigration Guarantee Fund.....	25,612,350	4,284,760	4,351,700	25,545,410
Temporary deposits received from importers	1,180,251	190,976	200,032	1,171,195
	45,300,139	5,708,676	6,029,048	44,979,767
Royal Canadian Mounted Police				
Contractor security deposits—Cash.....	228,200	89,538	213,154	104,584
	45,528,339	5,798,214	6,242,202	45,084,351
Public Services and Procurement				
Department of Public Works and Government Services				
Contractor security deposits—Cash.....	3,934,391	2,009,423	3,106,077	2,837,737
Deposits on disposals	6,390,737	2,598,812	2,569,262	6,420,287
Seized property—Cash.....	40,881,853	19,725,810	25,196,592	35,411,071
	51,206,981	24,334,045	30,871,931	44,669,095
Transport				
Department of Transport				
Contractor security deposits—Bonds	52,500	—	—	52,500
Less: securities held in trust	52,500	—	—	52,500
	—	—	—	—
Contractor security deposits—Cash.....	134,580	19,163	6,238	147,505
	134,580	19,163	6,238	147,505
Total—Deposits accounts	1,406,956,886	1,975,741,500	1,030,534,218	2,352,164,168

Table 6.30
Deposit and trust accounts—concluded

(in dollars)

	April 1, 2021	Receipts and other credits	Payments and other charges	March 31, 2022
Trust accounts				
Employment, Workforce Development and Disability Inclusion				
Department of Employment and Social Development				
Indian Residential Schools Settlement Agreement				
Common experience payments	1,957,352	4,114	45,342	1,916,124
Indigenous Services				
Department of Indigenous Services				
Indian band funds				
Capital accounts, Table 6.31	356,887,654	72,977,552	105,925,511	323,939,695
Revenue accounts, Table 6.32.....	168,770,064	135,110,279	122,310,842	181,569,501
525,657,718	208,087,831	228,236,353	505,509,196	
Indian estate accounts.....	32,621,737	10,394,694	5,744,781	37,271,650
Indian savings accounts.....	22,526,200	3,666,721	2,286,623	23,906,298
	580,805,655	222,149,246	236,267,757	566,687,144
Innovation, Science and Industry				
Department of Industry				
Restitutions under the <i>Competition Act</i>	22,811	—	19,232	3,579
National Defence				
Department of National Defence				
Estates—Armed services.....	897,035	2,014,063	2,387,545	523,553
Public Safety and Emergency Preparedness				
Canadian Security Intelligence Service				
Scholastic awards	26,533	44	500	26,077
Correctional Service of Canada				
Inmate Trust Fund.....	21,074,767	43,678,712	40,810,381	23,943,098
Royal Canadian Mounted Police				
Benefit Trust Fund	2,608,935	213,767	98,366	2,724,336
	23,710,235	43,892,523	40,909,247	26,693,511
Veterans Affairs				
Department of Veterans Affairs				
Administered accounts	100,132	12,508	10,292	102,348
Veterans Administration and Welfare Trust Fund	1,035,735	85,169	3,830	1,117,074
	1,135,867	97,677	14,122	1,219,422
Total—Trust accounts.....	608,528,955	268,157,623	279,643,245	597,043,333
Total—Deposit and trust accounts	2,015,485,841	2,243,899,123	1,310,177,463	2,949,207,501

Canadian Dairy Commission Account

The Canadian Dairy Commission is a Crown corporation listed in Part I of Schedule III of the *Financial Administration Act*. This account was established for banking purposes using the Consolidated Revenue Fund pursuant to section 15 of the *Canadian Dairy Commission Act*.

Field British Columbia and Yukon Operations of the Northern Canada Power Commission

This account was established to record amounts deposited by the Northern Canada Power Commission to reimburse liabilities pertaining to Field, British Columbia and Yukon Operations of the Northern Canada Power Commission.

Guarantee deposits—Department of Crown-Indigenous Relations and Northern Affairs

This account was established to record cash and securities deposited as guarantees for performance as required by permits, leases, authorizations and water licences, pursuant to section 8 of the *Arctic Waters Pollution Prevention Act*, the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* as well as various regulations under the *Territorial Lands Act* and the *Mackenzie Valley Resource Management Act*. Interest is not allowed on cash deposits.

Canada Labour Code—Other

This account was established to record amounts received under the provisions of section 251.01 of the *Canada Labour Code* Part III. The receipts are payment of wages or other amounts prescribed under the Code that a labour affairs officer determined to be owed following a complaint or an inspection. Employers can pay the amount owed to the Head of Compliance and Enforcement instead of paying them directly to the employee. These amounts are then paid out to the employees.

Canada Labour Code—Wage recovery request for review or appeal

This account was established to record amounts following the issuance of a payment order under section 251.1 of the *Canada Labour Code* Part III. This account contains amounts that were remitted by an employer or a director who request a review or an appeal of a payment order issued by a labour affairs officer regarding wages or amounts that are owed to employees. This account also includes, in the case of an employer, the administrative fees specified in the payment order. One of the conditions to allow for a review or an appeal is that the employer or director must pay the amounts indicated in the payment order, and in the case of an employer, the administrative fees specified, or the amount indicated in the Head of Compliance and Enforcement's (the Head) review decision, to the Head for deposit. This amount is held until the review or the appeal is completed after which it will be remitted to the employee, the employer, the director or both where applicable, less any administrative fees as they are a debt due to Her Majesty in right of Canada. However, if the review or appeal is overturned in favour of the employer, the administrative fees may be refunded in whole or in part, to the employer, depending on the appeal decision. The deposits in this account, with the exception of the administrative fees, are interest-bearing at the rate set by the Minister of Finance for contractor's deposits.

Contractor security deposits—Cash—Parks Canada Agency

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

Holdback—Privatization—Canada Development Investment Corporation

This account was established pursuant to subsection 129(1) of the *Financial Administration Act*. This special purpose money is to be used to meet costs incurred on the sale of Crown corporations and demand for payment by purchasers pursuant to the acquisition agreement and costs incurred by the Canada Development Investment Corporation in connection with their sale.

Abandonment Reserve Fund—Canada Hibernia Holding Corporation

This account was established to record funds which will be used to defray the future abandonment costs that will occur at the closure of the Hibernia field.

Swap collateral guarantee deposits

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

Included in the balance is an amount of \$163,278 million US held at year-end.

Contractor security deposits—Cash—Department of Fisheries and Oceans

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

Guarantee deposits—Fish habitat preservation

This account was established to record cash and securities deposited as guarantees for preservation of fish habitat as required by permits, leases or authorizations issued pursuant to paragraph 34.4(2)(b) and 35(2)(b) of the *Fisheries Act*. Interest is not allowed on cash deposits.

Contractor security deposits—Cash—Canadian Food Inspection Agency

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

Guarantee deposits—Department of Indigenous Services

This account was established to record cash and securities deposited as guarantees for performance as required by permits, leases, authorizations and water licences, pursuant to *Indian Act* and its regulation: *Indian Mining Regulations*, *Indian Timber Regulations*, *Indian Timber Harvesting Regulations* and *Indian Reserve Waste Disposal Regulations*.

Interest is not allowed on cash deposits. Contracts entered into under the *Indian Act* that involves Indian moneys are exempt from the *Government Contracts Regulations*, Section 3(1)(c).

Deposits from spectrum auctions

This account was established to record amounts deposited by external parties to be eligible to participate in an auction of spectrum licences.

Security for costs—Courts Administration Service

This account was established to maintain accounts on behalf of litigants before the Tax Court of Canada. These accounts record the funds paid into the Tax Court of Canada, pursuant to an order of the Court, rules of the Court or statutes, to be held pending payment of such funds, in accordance with an order/judgment of the Court.

Security for costs—Registrar of the Supreme Court of Canada

This account was established to record security to the value of \$500 deposited by an appellant with the Registrar of the Supreme Court of Canada in accordance with paragraph 60(1)(b) of the *Supreme Court Act*. As per section 87 of the Rules of the Supreme Court of Canada, interest is paid on money deposited as security.

Contractor security deposits—Cash—Department of National Defence

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

Guarantee deposits—Canada Revenue Agency

This account was established to record cash securities required to guarantee payment of goods and services tax/harmonized sales tax (GST/HST) as it relates to non-resident registrants and, certain licensees as it relates to excise taxes, which are both payable pursuant to the *Excise Tax Act*.

Securities held in trust by the Canada Revenue Agency are made up of cash deposited to the Consolidated Revenue Fund.

Contractor security deposits—Cash—Department of Natural Resources

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

Guarantee deposits—Oil and gas—Department of Natural Resources

This account was established to record securities in the form of cash, which are required to be issued to, and held by the Government of Canada pursuant to an Exploration Licence in accordance with section 24 of the *Canada Petroleum Resources Act*. These securities are a performance guarantee that the agreed exploration will be performed in the manner and time frame specified. Interest is not paid on these deposits.

Guarantee deposits—Canadian Energy Regulator

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

Contractor security deposits—Cash—Office of the Chief Electoral Officer

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

General security deposits

This account was established to record general security deposits from transportation companies in accordance with section 148 of the *Immigration and Refugee Protection Act*.

Guarantee deposits—Canada Border Services Agency

This account was established to record cash required to guarantee payment of customs duties on imported goods pursuant to the *Customs Act*.

Immigration Guarantee Fund

This account was established to record amounts collected and held pending a final disposition, either by refund to the original depositor, or forfeiture to the Crown pursuant to sections 14, 26, 44, 56, 58 and 148 of the *Immigration and Refugee Protection Act*.

Temporary deposits received from importers

This account was established to record temporary security deposits received from importers to ensure compliance with various (Customs) regulations regarding temporary entry of goods.

Contractor security deposits—Cash—Royal Canadian Mounted Police

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

Contractor security deposits—Cash—Department of Public Works and Government Services

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

Deposits on disposals

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

Seized property—Cash

This account was established pursuant to the *Seized Property Management Act*, to record seized cash. These funds will be deposited to the Consolidated Revenue Fund and credited to the account until returned to the owner or forfeited.

Contractor security deposits—Bonds—Department of Transport

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

Contractor security deposits—Cash—Department of Transport

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

Indian Residential Schools Settlement Agreement—Common experience payments

This account was established pursuant to section 21 of the *Financial Administration Act*, to record amounts received and paid under article 5 of the Indian Residential Schools Settlement Agreement. It was established on September 19, 2007, and provides for the payment of Common Experience Payments (CEP) to eligible former students of recognized Indian Residential Schools and personal credits for educational programs and services to CEP recipients or to certain family members. The account is credited with interest pursuant to section 21(2) of the *Financial Administration Act*. The Designated Amount Fund is co-administered by the Trustee, the Government of Canada, represented jointly by the Minister of Employment, Workforce Development and Disability Inclusion and the Minister of Crown-Indigenous Relations and Northern Affairs.

Indian band funds

This account was established to record funds belonging to Indian bands throughout Canada pursuant to sections 61 to 69 of the *Indian Act*.

Table 6.31
Indian band funds—Capital accounts

(in dollars)

	2022	2021
Opening balance	356,887,654	382,067,200
Receipts and other credits		
Gas royalties.....	51,378,551	28,899,634
Oil royalties.....	15,608,957	6,615,429
Sundries	5,990,044	1,861,535
	<u>72,977,552</u>	<u>37,376,598</u>
	<u>429,865,206</u>	<u>419,443,798</u>
Payments and other charges		
Per capita cash distribution.....	1,278,500	7,716,900
Transfer pursuant to section 64 of the <i>Indian Act</i>	101,041,990	53,671,193
Sundries	3,605,021	1,168,051
	<u>105,925,511</u>	<u>62,556,144</u>
Closing balance.....	323,939,695	356,887,654

Table 6.32
Indian band funds—Revenue accounts

(in dollars)

	2022	2021
Opening balance	168,770,064	161,904,828
Receipts and other credits		
Government interest.....	11,825,156	6,386,699
Land and other claim settlements	—	635
Sundries	123,285,123	61,071,081
	<u>135,110,279</u>	<u>67,458,415</u>
	<u>303,880,343</u>	<u>229,363,243</u>
Payments and other charges		
Per capita cash distribution.....	—	1,106,598
Transfer pursuant to section 69 of the <i>Indian Act</i>	104,080,993	52,465,877
Sundries	18,229,849	7,020,704
	<u>122,310,842</u>	<u>60,593,179</u>
Closing balance.....	181,569,501	168,770,064

Indian estate accounts

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

Indian savings accounts

These accounts were established to record funds received and disbursed for individual Indians pursuant to sections 52 to 52.5 of the *Indian Act*.

Restitutions under the *Competition Act*

This account was established to facilitate judgements rendered under section 52 of the *Competition Act*, and account for funds received in trust for restitution and for subsequent payment.

Estates—Armed services

This account was established to record payments made to settle the service estates of officers and non-commissioned members who die during their service in the Canadian Armed Forces in accordance with section 42 of the *National Defence Act*. Under the administration of the Judge Advocate General, in her capacity as Director of Estates, the net assets of a deceased member's service estate are distributed to the legal representative of the member's estate.

Scholastic awards

This account was established to record donations of \$26,000 to be used for the presentation of scholarship awards to children of employees of the Canadian Security Intelligence Service to encourage university studies.

Inmate Trust Fund

Pursuant to section 111 of the Corrections and Conditional Release Regulations, this account is credited with all moneys brought into the institution by an inmate on admission or readmission, and all moneys that are received on the inmate's behalf while in custody, including, monetary gifts from a third party, payments for program participation, pay earned while on work release or conditional release in the community, moneys received from a third party for work performed in an institution or a Correctional Service of Canada approved inmate operated business enterprise, sale of hobby craft or custom work, a payment, allowance or income paid by either a private or government source. Deductions may be made from this account for issues such as debts to the Crown, the Inmate Welfare Fund, canteen expenditures, telephone calls, payments to assist in the rehabilitation of the inmate, and any other payments for which the inmate is liable.

Benefit Trust Fund

This account was established by section 23 of the *Royal Canadian Mounted Police Act*, to record funds received by personnel of the Royal Canadian Mounted Police (RCMP), in connection with the performance of duties, over and above their pay and allowances, including forfeitures of pay. The money paid to the Benefit Trust Fund is used for the benefit of RCMP members, former members and their dependants; use of the funds is governed by the Royal Canadian Mounted Police Regulations, 2014.

Administered accounts

Pursuant to section 41 of the *Pension Act*, section 15 of the *War Veterans Allowance Act*, section 55 of the Veterans Treatment Regulations and section 8 of the Guardianship of Veterans Property Regulations, these accounts are under the jurisdiction of the Department of Veterans Affairs. Funds held in these accounts include: (a) pensions, war veterans allowances and treatment allowances placed under the administration of the Department of Veterans Affairs; and (b) benefits from other sources such as Old Age Security, Guaranteed Income Supplement or Canada Pension Plan, placed under administration with the consent of the client. These persons have demonstrated their inability to manage their own affairs.

Payments are made out of the accounts to provide food, shelter, clothing, comforts and other necessities.

Veterans Administration and Welfare Trust Fund

This account was established to record donations, legacies, gifts, bequests, etc., received, to be disbursed for the benefit of veterans or their dependants under certain conditions, and for the benefit of patients in institutions, in accordance with section 9 of the Guardianship of Veterans' Property Regulations.

Other specified purpose accounts

There are a number of other specified purpose accounts operated by the government, such as insurance, death benefit and pension accounts. Certain accounts earn interest which is charged to interest on the public debt.

Table 6.33
Other specified purpose accounts

(in dollars)

	April 1, 2021	Receipts and other credits	Payments and other charges	March 31, 2022
Insurance and death benefit accounts				
Employment, Workforce Development and Disability Inclusion				
Department of Employment and Social Development				
Civil Service Insurance Fund	926,786	—	50,615	876,171
National Defence				
Department of National Defence				
Regular Force Death Benefit Account, Table 6.34	170,898,034	28,273,319	29,560,212	169,611,141
Treasury Board				
Treasury Board Secretariat				
Public Service Death Benefit Account, Table 6.35	3,976,887,276	281,891,381	195,283,539	4,063,495,118
Veterans Affairs				
Department of Veterans Affairs				
Returned Soldiers' Insurance Fund.....	3,868	607	690	3,785
Veterans' Insurance Fund.....	817,201	—	67,256	749,945
	821,069	607	67,946	753,730
Total—Insurance and death benefit accounts	4,149,533,165	310,165,307	224,962,312	4,234,736,160
Pension accounts				
Global Affairs				
Department of Foreign Affairs, Trade and Development				
Contributory Pension Account—Locally engaged staff.....	80,566	—	29,084	51,482
Public Safety and Emergency Preparedness				
Royal Canadian Mounted Police				
Royal Canadian Mounted Police (Dependants) Pension Fund	8,761,192	271,832	1,536,653	7,496,371
Total—Pension accounts.....	8,841,758	271,832	1,565,737	7,547,853
Other accounts				
Agriculture and Agri-Food				
Department of Agriculture and Agri-Food				
AgriInvest Program	3,527,609	226,701,626	226,330,941	3,898,294
AgriStability Program	53,653,505	28,049,675	24,760,467	56,942,713
Collaborative Institution.....	387,167	1,004,023	865,744	525,446
Federal/provincial collaborative agreement—Dam transfer.....	338,069	22,007	360,076	—
In-Market Partnership Fund	—	9,745	9,745	—
	57,906,350	255,787,076	252,326,973	61,366,453
Canadian Heritage				
Department of Canadian Heritage				
Miscellaneous projects deposits	1,287,634	1,380,417	1,366,136	1,301,915
Shared-cost/joint project agreements.....	962,350	343,000	406,195	899,155
Library and Archives of Canada				
Special Operating Account.....	425,000	—	425,000	—
Telefilm Canada				
Advance Account.....	67,985,529	26,718,237	23,831,097	70,872,669
	70,660,513	28,441,654	26,028,428	73,073,739
Crown-Indigenous Relations and Northern Affairs				
Department of Crown-Indigenous Relations and Northern Affairs				
Treaty Land Entitlement (Saskatchewan) Fund	—	12,570,692	—	12,570,692

Table 6.33
Other specified purpose accounts—continued

(in dollars)

	April 1, 2021	Receipts and other credits	Payments and other charges	March 31, 2022
Employment, Workforce Development and Disability Inclusion				
Department of Employment and Social Development				
Federal/provincial collaborative agreement.....	5,917,450	74,328,815	72,892,103	7,354,162
Federal/provincial shared-cost project.....	405,225	51,309	78,207	378,327
Federal/provincial/territorial shared-cost project				
Interprovincial Computerized Examination Management System.....	3,035,069	911,685	546,726	3,400,028
Labour Standards Suspense Account.....	1,929,284	25,161	457	1,953,988
	11,287,028	75,316,970	73,517,493	13,086,505
Environment and Climate Change				
Parks Canada Agency				
Miscellaneous projects deposits	5,722,493	13,597,154	12,875,289	6,444,358
Finance				
Department of Finance				
Common school funds—Ontario and Quebec	2,677,771	—	—	2,677,771
Foreign Claims Fund.....	179,020	—	—	179,020
War Claims Fund—World War II	4,236	—	—	4,236
	2,861,027	—	—	2,861,027
Fisheries, Oceans and the Canadian Coast Guard				
Department of Fisheries and Oceans				
Federal/provincial cost-sharing agreements.....	51,402,154	57,083,343	55,219,526	53,265,971
Miscellaneous projects deposits	11,872,385	22,313,411	21,319,852	12,865,944
Sales of seized assets.....	1,912,906	952,877	200,221	2,665,562
	65,187,445	80,349,631	76,739,599	68,797,477
Global Affairs				
Department of Foreign Affairs, Trade and Development				
Canada Foundation Account	394,183	—	—	394,183
Less:				
Deposits in a special bank account	20,338	—	—	20,338
Securities held in trust	373,845	—	—	373,845
	—	—	—	—
Financial assistance to Canadians abroad	50,078	272,527	227,671	94,934
Funds from non-governmental organizations	1,517,671	1,874,423	2,434,697	957,397
Shared-cost projects	9,206,829	6,750,255	7,058,051	8,899,033
Shared-cost projects—Support to various programs	230,505	—	—	230,505
	11,005,083	8,897,205	9,720,419	10,181,869
Health				
Department of Health				
Collaborative research projects	4,002,212	526,453	429,132	4,099,533
Miscellaneous federal/provincial projects.....	1,613,300	—	15,011	1,598,289
World Health Organization	105,908	—	—	105,908
Canadian Food Inspection Agency				
Shared-cost agreements	1,776,810	1,103,328	395,097	2,485,041
Public Health Agency of Canada				
Collaborative research projects	667,149	333,074	269,544	730,679
Miscellaneous federal/provincial projects.....	972,870	—	—	972,870
	9,138,249	1,962,855	1,108,784	9,992,320
Immigration, Refugees and Citizenship				
Department of Citizenship and Immigration				
Immigrant Investor Program	2,218,924	5,299,200	5,200,000	2,318,124

Table 6.33
Other specified purpose accounts—continued

(in dollars)

	April 1, 2021	Receipts and other credits	Payments and other charges	March 31, 2022
Indigenous Services				
Department of Indigenous Services				
Fines— <i>Indian Act</i>	425,863	306	—	426,169
Indian band funds—Shares and certificates.....	20,000	—	—	20,000
Less: securities held in trust.....	20,000	—	—	20,000
—	—	—	—	—
Indian Moneys Suspense Account.....	50,025,072	24,943,093	15,645,756	59,322,409
Indian special accounts.....	3,202	—	—	3,202
Miscellaneous federal/provincial projects.....	14,349,256	6,249,995	—	20,599,251
Less: securities held in trust.....	14,250,000	—	6,249,995	20,499,995
99,256	99,256	6,249,995	6,249,995	99,256
50,553,393	50,553,393	31,193,394	21,895,751	59,851,036
Innovation, Science and Industry				
Department of Industry				
Income from securities in trust— <i>Bankruptcy and Insolvency Act</i>	52,031	—	—	52,031
Petro-Canada Enterprises Inc.—Unclaimed shares.....	686,867	—	—	686,867
Shared-cost projects	2,525,052	666,318	948,031	2,243,339
Unclaimed dividends and undistributed assets				
<i>Bankruptcy and Insolvency Act</i>	34,876,510	1,957,666	528,500	36,305,676
<i>Canada Business Corporations Act</i>	9,840,572	687,054	48,941	10,478,685
<i>Winding-up and Restructuring Act</i>	5,018,318	—	—	5,018,318
Atlantic Canada Opportunities Agency				
Federal/Provincial agreement—Advance account	1,363,737	2,365,332	2,414,107	1,314,962
Statistics Canada				
Project deposits	149,088	23,912	106,294	66,706
54,512,175	54,512,175	5,700,282	4,045,873	56,166,584
Justice				
Administrative Tribunals Support Service of Canada				
Yukon Public Service Labour Relations Board	20,000	—	3,650	16,350
Yukon Teachers Labour Relations Board.....	20,000	—	3,845	16,155
Courts Administration Service				
Special Account	6,013,201	2,526,452	1,573,203	6,966,450
6,053,201	6,053,201	2,526,452	1,580,698	6,998,955
National Defence				
Department of National Defence				
Joint research and development projects	2,061,481	—	274,962	1,786,519
Non-government agencies	2,329,557	—	228,273	2,101,284
Communications Security Establishment				
Foreign partners—Security	—	211,400	211,400	—
4,391,038	4,391,038	211,400	714,635	3,887,803
National Revenue				
Canada Revenue Agency				
Deposits/Disbursements—Workers' Compensation Board.....	233,265	327,804,633	327,814,425	223,473
Natural Resources				
Department of Natural Resources				
Market development incentive payments—Alberta.....	46,415	—	46,415	—
Newfoundland and Labrador Offshore Petroleum Revenue Account	—	406,455,710	406,455,710	—
Nova Scotia Offshore Revenue Account	—	105,999,556	105,999,556	—
Shared-cost agreements—Research.....	6,622,948	1,748,403	620,086	7,751,265
Shared-cost projects	4,964,952	335,585	1,284,312	4,016,225
11,634,315	11,634,315	514,539,254	514,406,079	11,767,490
Office of the Governor General's Secretary				
Cost-sharing collaborate agreements.....	977	—	—	977
Privy Council				
Privy Council Office				
Shared-cost projects—Media travel expenses.....	921,886	497,307	238,317	1,180,876
Public Safety and Emergency Preparedness				
Royal Canadian Mounted Police				
Joint research and development projects	1,449,368	210,110	92,105	1,567,373

Table 6.33
Other specified purpose accounts—concluded

(in dollars)

	April 1, 2021	Receipts and other credits	Payments and other charges	March 31, 2022
Public Services and Procurement				
Department of Public Works and Government Services				
Military purchases excess funds deposit	146,148,375	—	7,705,794	138,442,581
Less: securities held in trust	146,148,375	7,705,794	—	138,442,581
The Workplace Network	—	7,705,794	7,705,794	—
—	—	1,242	—	1,242
—	—	7,707,036	7,705,794	1,242
Transport				
Department of Transport				
Shared-cost agreements—Security projects.....	2,185,345	—	899,158	1,286,187
Treasury Board				
Treasury Board Secretariat				
Association of Canadian Financial Officers shared-cost agreement..	404,026	—	8,393	395,633
Veterans Affairs				
Department of Veterans Affairs				
Shared cost agreements	—	6,000,000	6,000,000	—
Total	368,326,101	1,378,612,305	1,342,918,213	404,020,193
Less: consolidation adjustment ¹	67,985,529	26,718,237	23,831,097	70,872,669
Total—Other accounts	300,340,572	1,351,894,068	1,319,087,116	333,147,524
Total—Other specified purpose accounts.....	4,458,715,495	1,662,331,207	1,545,615,165	4,575,431,537

¹ Additional information on consolidated Crown corporations and other entities is provided in Section 4 of this volume.

Civil Service Insurance Fund

This account was established by the *Civil Service Insurance Act*, introduced to enable the Minister of Finance to contract with a person appointed to a permanent position in any branch of the Public Service, for the payment of certain death benefits. No new contracts have been entered into since 1954, when the Supplementary Death Benefit Plan for the Public Service and Canadian Forces was introduced as part of the *Public Service Superannuation Act and the Canadian Forces Superannuation Act*, respectively.

The number of policies in force as at March 31, 2022, was 51 and the average age of the policyholders was 94.6 years. Death benefits, settlement annuities and premium refunds of \$49,152 were paid during 2022. There are no more premiums to be collected.

According to the actuarial valuation and with the prescribed actuarial assumptions, the liabilities in respect of the benefits provided under the Act are estimated at \$876,172 as at March 31, 2022. The surplus as at March 31, 2022, is \$1,462. Pursuant to subsection 16(4) of the Civil Service Insurance Regulations, an amount of \$1,462 has therefore been debited from the account in 2022.

Regular Force Death Benefit Account

This account was established by the *Canadian Forces Superannuation Act* to provide life insurance to contributing members and former members of the Canadian Forces.

Receipts and other credits consist of: (a) contributions by participants; (b) government's contribution paid in respect of participants; (c) single premiums payable by the government in respect of participants who became entitled to a basic benefit of \$5,000 without contribution; and (d) interest.

Payments and other charges consist of: (a) benefits paid in respect of participants; (b) benefits paid in respect of elective participants; and (c) the portion of benefits payable for which the government has paid a single premium.

Table 6.34
Regular Force Death Benefit Account

(in dollars)

	2022	2021
Opening balance	170,898,034	172,222,899
Receipts and other credits		
Employee contributions.....	20,044,886	20,017,843
Employer contributions		
Government		
General.....	1,920,444	2,002,798
Single premiums payable by the government in respect of Regular Force participants who became entitled to a basic benefit of \$5,000 without contribution	717,246	1,429,849
Interest	5,590,743	5,907,545
Total receipts and other credits	28,273,319	29,358,035
Subtotal.....	199,171,353	201,580,934
Payments and other charges		
Benefit payments		
Benefits paid in respect of participants who, at the time of death, were members of the Regular Force, or who were elective Regular Force participants	29,560,212	30,682,900
Closing balance.....	169,611,141	170,898,034

Public Service Death Benefit Account

This account was established under the *Public Service Superannuation Act* to provide life insurance to contributing members of the Public Service.

The account is credited with: (a) contributions by employees; (b) contributions by the government and Public Service corporations; and (c) interest. Payments and other charges represent: (a) benefits paid in respect of participants who, at the time of death, were employed in the Public Service, or were in receipt of an annuity under Part I of the *Public Service Superannuation Act*; and (b) benefits of \$10,000 paid in respect of participants who, at the time of death, were employed in the Public Service, or were in receipt of an annuity under Part I of the *Public Service Superannuation Act*, and on whose behalf, a single premium for \$10,000 death benefit coverage for life has been made.

Table 6.35
Public Service Death Benefit Account

(in dollars)

	2022	2021
Opening balance	3,976,887,276	3,880,168,916
Receipts and other credits		
Employee contributions		
Active members		
Public Service employees.....	97,286,852	88,589,273
Public Service corporations.....	6,827,478	6,501,689
Retired employees	28,002,821	27,630,130
Employer contributions		
Public Service corporations	1,804,060	1,715,552
Death benefit—general	12,802,795	11,521,842
Death benefit—single premium for \$10,000	3,253,062	3,245,641
Interest	131,914,313	133,516,068
Total receipts and other credits	281,891,381	272,720,195
Subtotal.....	4,258,778,657	4,152,889,111
Payments and other charges		
Benefit payments		
General	153,601,695	138,242,099
Life coverage for \$10,000.....	41,650,000	37,739,736
Other death benefit payments.....	31,844	20,000
Total payments and other charges.....	195,283,539	176,001,835
Closing balance.....	4,063,495,118	3,976,887,276

Returned Soldiers' Insurance Fund

This fund was established by the *Returned Soldiers' Insurance Act* to provide life insurance to contributing veterans of World War I. The account is credited with premiums and is charged with disbursements for death benefits and cash surrender values. The account is actuarially maintained and an actuarial liability adjustment as at March 31, 2021, of \$607 was credited to the account during the year and was charged to expenditures. The final date on which application for this insurance could have been received was August 31, 1933.

Veterans' Insurance Fund

This fund was established by the *Veterans Insurance Act* to provide life insurance to contributing veterans of World War II. The account is credited with premiums and is charged with disbursements for death benefits and cash surrender values. The account is actuarially maintained and an actuarial liability adjustment as at March 31, 2021, of \$9,283 was charged to the account during the year and was credited to revenues. The final date on which application for this insurance could have been received was October 31, 1968.

Contributory Pension Account—Locally engaged staff

This account was established to record benefits paid to locally engaged staff hired prior to March 1, 2009, at the Canadian High Commission in Guyana upon termination of their employment. The specified purpose account was established following the liquidation of CLICO Life and General Insurance Company (South America) Limited.

Royal Canadian Mounted Police (Dependants) Pension Fund

This fund, which pertains to Part IV of the *Royal Canadian Mounted Police Pension Continuation Act*, provides pension benefits to certain widows and other dependants of Constables of the Royal Canadian Mounted Police, who purchased pension benefits between October 1, 1934, and March 1, 1949. There are no longer any active members amongst the contributors.

AgriInvest Program

The AgriInvest Program is a savings account designed to help producers cover small margin declines.

The AgriInvest Program is cost-shared with provinces and territories on a 60/40 basis. The provinces and territories are invoiced for their share of the contributions, which are held in the specified purpose accounts until they are applied and transferred to the producer accounts. The funds in the producer's specified purpose accounts are then drawn down as the funds are transferred to a financial institution of the producer's choice.

AgriStability Program

The AgriStability Program is designed to cover larger margin declines caused by circumstances such as low prices, production losses, and rising input costs.

The AgriStability Program is cost-shared with provinces and territories on a 60/40 basis. Producers are charged a fee in order to participate in the program, which covers a portion of the program expenditure. The provinces and territories as well as producers are invoiced for their share of the contributions, which are held in the specified purpose accounts. These funds are drawn down as applications are processed and benefits are paid out.

Collaborative Institution

The Department of Agriculture and Agri-Food often relies on collaborative work with external parties to achieve its strategic Science and Technology objectives and to maximize its impact on the agricultural continuum. Funding organizations provide financial support towards agricultural initiatives by funding approved projects led by the department science teams. Third-party support and expertise are relied on to deliver portions of a work plan as presented in the department of led research proposals to funding entities. This account is used to transfer industry funds to third parties pursuant to Investment Agreements and Collaborative Institution Agreements.

Federal/Provincial collaborative agreement—Dam transfer

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

In-Market Partnership Fund

The In-Market Partnership Fund allows for the leverage of resources from Canadian agriculture and agri-food industry associations, individual companies and participating provinces to deliver agri-food market development activities in Department of Agriculture and Agri-Food's priority international markets. This account records deposits made by agri-food industry associations, individual companies and participating provinces for which there is a collaborative agreement with the federal government. The costs incurred by the federal government to undertake these market development activities are charged to this account and unspent deposits are returned to the relevant partners at the completion of each market development activity.

Miscellaneous projects deposits—Department of Canadian Heritage

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

Shared-cost/joint project agreements—Department of Canadian Heritage

This account was established to record moneys received from other governments and organizations in order to cover expenditures incurred under various shared-cost/joint project agreements.

Special Operating Account

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

Advance Account—Telefilm Canada

This account was established pursuant to section 19 of the *Telefilm Canada Act* to reserve for use in future years the revenues and recoveries generated from projects funded by Telefilm Canada.

Treaty Land Entitlement (Saskatchewan) Fund

This account was established as per Article 5.08 (a) (ii) of the Saskatchewan Treaty Land Entitlement Framework Agreement to collect Provincial Mineral Revenues on behalf of the Province of Saskatchewan and remit the same in the manner as described in an agreement between the two parties.

Federal/provincial collaborative agreement

This account was established to record amounts received by the Department of Employment and Social Development from a province as funding under the provisions of a collaborative agreement with the province.

Federal/provincial shared-cost project—Department of Employment and Social Development

This account was established to record the deposit of advance payments made by provinces towards the costs of projects and programs for which there is a cost-sharing agreement with the federal government. Disbursements are made to pay the provinces' share of costs as per official agreements or to refund unused amounts.

Federal/provincial/territorial shared-cost project—Interprovincial Computerized Examination Management System

This account was established to record advance payments received from provinces and territories to pay for the development and annual operating costs of the Interprovincial Computerized Examination Management System (ICEMS). Advance payments are made pursuant to the Agreement on the Joint Project for the ongoing operations of the ICEMS. The costs incurred are charged to the account and any unexpended funds will be allocated according to the common will of the Parties and shall be in accordance with applicable legislation.

Labour Standards Suspense Account

This account was established under the authority of section 23 of the *Canada Labour Standards Regulations* to record wages received by the Head of Compliance and Enforcement from employers or directors who cannot locate employees. Efforts are then made to locate employees. Wages are paid out when employees are located or when employees contact the department for payment.

Miscellaneous projects deposits—Parks Canada Agency

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

Common school funds—Ontario and Quebec

This account was established under *12 Victoria 1849*, Chapter 200, to record the proceeds from the sale of lands set apart for the support and maintenance of common schools in Upper and Lower Canada, now Ontario and Quebec. Interest of \$133,889, apportioned on the basis of population, is paid directly to these provinces on a semi-annual basis, at the rate of 5% per annum, and is charged to interest on the public debt.

Foreign Claims Fund

This account was established by Vote 22a, *Appropriation Act No. 9, 1966*, to record: (a) such part of the money received from the Custodian of Enemy Property, proceeds of the sale of property and the earnings of property, and (b) all amounts received from governments of other countries pursuant to agreements entered into after April 1, 1966, relating to the settlement of Canadian claims, and also records payment of claims submitted, including payment of the expenses incurred in investigating and reporting on such claims.

War Claims Fund—World War II

This account was established by Vote 696, *Appropriation Act No. 4, 1952*, to record funds received from the Custodian of Enemy Property or from other sources, and payments: (a) to eligible claimants for compensation in respect of World War II; (b) of a supplementary award amounting to 50% of the original award (PC 1958-1467, October 23, 1958); and (c) of expenses incurred in investigating and reporting on claims.

A War Claims Commission was established to enquire into and report on claims made by Canadians arising out of World War II for which compensation may be paid from this or any other fund established for the purpose. The expenses of the Commission are chargeable hereto.

Federal/provincial cost-sharing agreements

This account was established to record the deposit of funds received from the provinces for cost-shared programs according to official signed agreements.

Miscellaneous projects deposits—Department of Fisheries and Oceans

This account was established to record contributions received from organizations and individuals for the advancement of research work.

Sales of seized assets

The account was established to record the proceeds of the sale of seized items by the Department of Fisheries and Oceans from a person contravening the *Fisheries Act*. Funds so received are held in the Consolidated Revenue Fund pending final resolution of the case by the Minister of Fisheries and Oceans or the courts.

Canada Foundation Account

This account was established by Vote 6g, *Appropriation Act No. 2, 1967*, to record funds received in connection with the Civilian Relief Agreement of 1950, and the Cultural Agreement of 1954 between Canada and Italy, and disbursements for the purposes of the said agreements.

Financial assistance to Canadians abroad

This account was established to record funds received from families or friends as prepayment for financial assistance to distressed Canadians abroad.

Funds from non-governmental organizations

This account was established to record funds received as prepayment for services to be performed by the Department of Foreign Affairs, Trade and Development on behalf of third parties.

Shared-cost projects—Department of Foreign Affairs, Trade and Development

This account was established to record funds received from organizations outside the Government of Canada reporting entity for shared-cost projects.

Shared-cost projects—Support to various programs

This account was established to record deposits received and payments made in accordance with authorities for shared-cost projects to support various development programs.

Collaborative research projects—Department of Health

This account was established to record funds received from client groups for cost-shared and joint project research agreements.

Miscellaneous federal/provincial projects—Department of Health

This account was established to record transactions relating to the provinces/territories share of costs incurred under federal/provincial cost-sharing agreements for joint federal/provincial/territorial projects which address health issues that are national in scope.

World Health Organization

This account was established to record funds received from the World Health Organization for scientific projects.

Shared-cost agreements—Canadian Food Inspection Agency

This account was established to record amounts deposited by external parties for shared-cost research projects. Funds are disbursed on behalf of depositors as specific projects are undertaken.

Collaborative research projects—Public Health Agency of Canada

This account was established to record funds received from client groups for cost-shared and joint project research agreements.

Miscellaneous federal/provincial projects—Public Health Agency of Canada

This account was established to record transactions relating to the provinces/territories share of costs incurred under federal/provincial cost-sharing agreements for joint federal/provincial/territorial projects which address health issues that are national in scope.

Immigrant Investor Program

This account was established to record the receipt and disbursement of amounts received under the federal Immigrant Investor Program in accordance with section 12(2) of the *Immigration and Refugee Protection Act* and section repealed 91(d) of the Immigration and Refugee Protection Regulations. This program allowed qualified immigrants to gain permanent residence in Canada by making an investment in the Canadian economy. The investment is returned to the investor, without interest, five years and two months after initial payment.

The *Economic Action Plan 2014 Act, No. 1* (Bill C-31) has put an end to requests for applications in the federal Immigrant Investor Program for which a selection decision has not been made before February 11, 2014. While the program has been terminated, outstanding investments will continue to be returned to investors until May 2024.

Fines—Indian Act

Until 2014, fines collected as defined in section 104 of the *Indian Act*, were credited to this account for the benefit of the bands. This account is non-interest bearing.

Indian band funds—Shares and certificates

This account was established under the *Indian Act*, to record the historical value of TransAlta Utilities Corporation shares received as compensation for a power line right-of-way on the Blood Indian reserve. These shares are held in the name of the Receiver General for Canada for the credit of the Blood Indian Band.

Indian Moneys Suspense Account

This account was established to hold moneys received for individual Indians and bands that cannot be disbursed to an Indian, or credited to an Indian Band Fund or Individual Trust Fund account, pending execution of the related lease, permit or licence, settlement of litigation, registration of the Indian or identification of the recipient.

Indian special accounts

Indian special accounts represent a number of non-interest bearing accounts which are maintained for specific purpose. No activity was reported in the current year.

Miscellaneous federal/provincial projects—Department of Indigenous Services

This account was established to record transactions relating to the provinces and territories share of costs incurred under cost-sharing agreements for joint federal/provincial/territorial projects which address health issues that are national in scope.

Income from securities in trust—*Bankruptcy and Insolvency Act*

This account was established by sections 78, 84, 154 and 194 of the *Bankruptcy and Insolvency Act*, to record dividends paid on stocks originally held by a bankrupt stockbroker but subsequently sold to clients. As the stocks were not registered in the clients' names, the dividends must be paid to the last registered owner, in this case, the stockbroker. The dividends are forwarded to the Superintendent of Bankruptcy for safekeeping.

Petro-Canada Enterprises Inc.—Unclaimed shares

This account was established by Section 227 of the *Canada Business Corporations Act* to record the liability to shareholders who have not presented their shares for payment.

Shared-cost projects—Department of Industry

This account was established to record funds received from other governments and organizations in order to cover expenditures incurred under various shared-cost/joint project agreements.

Unclaimed dividends and undistributed assets—*Bankruptcy and Insolvency Act*

This account represents amounts credited to the Receiver General in accordance with the provisions of section 154 of the *Bankruptcy and Insolvency Act*, pending distribution to creditors.

Unclaimed dividends and undistributed assets—*Canada Business Corporations Act*

This account was established in accordance with sections 227 and 228 of the *Canada Business Corporations Act* for the purpose of recording liabilities to creditors and shareholders who have not been located. The account is charged when funds are paid to them.

Unclaimed dividends and undistributed assets—*Winding-up and Restructuring Act*

This account records amounts credited to the Receiver General, in accordance with sections 138 and 139 of the *Winding-up and Restructuring Act*, pending distribution.

Federal/provincial agreement—Advance Account

This account was established to record deposits from non-federal partners for their share of costs under various projects. Funds are disbursed on behalf of contributors as projects are undertaken. Unused funds are to be returned to contributors.

Project deposits—Statistics Canada

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

Yukon Public Service Labour Relations Board

This specified purpose account was created to cover expenses incurred by the Administrative Tribunals Support Service of Canada (ATSSC) for the government of Yukon. A ATSSC tribunal provides mediation services to the Yukon Public Services Labour Relations Board and to the Yukon Teachers Labour Relations Board. There is a total of \$20,000 for each board that was advanced to the ATSSC from the government of Yukon.

Yukon Teachers Labour Relations Board

This specified purpose account was created to cover expenses incurred by the Administrative Tribunals Support Service of Canada (ATSSC) for the Government of Yukon. A ATSSC tribunal provides mediation services to the Yukon Public Services Labour Relations Board and to the Yukon Teachers Labour Relations Board. There is a total of \$20,000 for each board that was advanced to the ATSSC from the Government of Yukon.

Special Account—Courts Administration Service

This account was established to maintain accounts on behalf of litigants before the Federal Court and Federal Court of Appeal. These accounts record the funds paid into the Federal Court and Federal Court of Appeal, pursuant to an order of the courts, rules of the courts or statutes, to be held pending payment of such funds, in accordance with an order/judgment of these courts.

Joint research and development projects—Department of National Defence

This account was established to record funds received from other governments and organizations through collaborative relationships where the work is shared between the Government of Canada and other laboratories.

Non-government agencies

This account was established to record funds received for expenditures made on behalf of non-government agencies, for which specific accounts have not been established.

Foreign partners—Security

These accounts were established to record funds received from foreign partners to cover expenditures to be made on their behalf, in accordance with the provisions of agreements with the Government of Canada.

Deposits/Disbursements—Workers' Compensation Board

This account was established under the authority of the *Canada Revenue Agency Act* and the *Workers' Compensation Act*, to enable the Canada Revenue Agency (CRA) to record and forward on daily basis, funds received from Nova Scotia employers to the Workers' Compensation Board of Nova Scotia (Board), as part of a partnership arrangement between the CRA and the Board.

Market development incentive payments—Alberta

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

In 2009–2010, a strategy for the expenditure of these funds was agreed upon. This strategy consists of expending the remaining funds in support of expanding the use of natural gas in transportation and combined heat and power applications across Canada. All remaining funds have been disbursed as at March 31, 2022. This program is now closed.

Newfoundland and Labrador Offshore Petroleum Revenue Account

This account was established pursuant to section 214 of the *Canada-Newfoundland and Labrador Atlantic Accord Implementation Act* to facilitate the transfer of funds to the Province of Newfoundland and Labrador equal to revenues received from oil and gas activities in the Canada-Newfoundland and Labrador offshore. Through statutory provisions of the Act, an amount equal to certain offshore revenues (taxes, royalties and miscellaneous revenues) is credited to this account and subsequent payments to the Province of Newfoundland and Labrador are charged thereto.

Nova Scotia Offshore Revenue Account

This account was established pursuant to section 219 of the *Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act* to facilitate the transfer of funds to the Province of Nova Scotia equal to revenues received from oil and gas activities in the Canada-Nova Scotia offshore. Through statutory provisions of the Act, an amount equal to certain offshore revenues (taxes, royalties and miscellaneous revenues) is credited to this account and subsequent payments to the Province of Nova Scotia are charged thereto.

Shared-cost agreements—Research—Department of Natural Resources

This account was established to facilitate the retention and disbursement of funds received from private industries and other governments for joint research projects or shared-cost research agreements.

Shared-cost projects—Department of Natural Resources

This account was established to facilitate the retention and disbursement of funds received from private organizations and other governments for cost-sharing scientific non-research projects.

Cost-sharing collaborate agreement

This account was established to record amounts deposited by external parties for shared-cost projects.

Shared-cost projects—Media travel expenses

This account records the media's (non-governmental organizations) reimbursements for travel arrangement services rendered to them.

Joint research and development projects—Royal Canadian Mounted Police

This account was established to record funds received from foreign national police agencies and other government organizations in order to share costs incurred under various research project agreements, technical requirements and system improvements.

Military purchases excess funds deposit

This account was established by a written agreement between Canada and the United States, to record temporarily unused funds paid to the United States government under contracts for purchases of military equipment. The funds are invested by the Federal Reserve Bank of New York to earn interest for the Government of Canada.

The Workplace Network

The Workplace Network (TWN) was created to provide a platform for senior executives in the worldwide public sector real estate field to spur creative thinking, connect and discuss while collectively advancing the management of public real estate portfolios and workplaces in the context of an ever-changing environment. This account was established pursuant to section 21(1) of the *Financial Administration Act*, to record the participation fees and other funds received for specific purposes from the participating members countries of TWN as well as to record the costs associated with hosting TWN's annual conference. Money received as part of TWN can only be used for the specified purposes established in the agreement. Once the duration of the mandate is completed by the presiding country, all remaining funds are to be transferred to the new president once elected.

Shared-cost agreements—Security projects

This account was established to record funds received from external parties in order to cover expenditures incurred under shared-cost security project.

Association of Canadian Financial Officers shared-cost agreement

This account was established to record funds received from the Association of Canadian Financial Officers (ACFO) as part of a cost sharing agreement between the Treasury Board of Canada Secretariat and the ACFO to cover the costs of a joint pay equity study.

Shared-cost agreement—Veterans Affairs

This account was established to record funds received from organizations outside the Government of Canada reporting entity for shared-cost projects.

Supplementary statements

Canada Pension Plan

Management's responsibility for financial statements

The consolidated financial statements of the Canada Pension Plan are prepared in accordance with the *Canada Pension Plan* by the management of Employment and Social Development Canada. Management is responsible for determining that the applicable financial reporting framework is acceptable and is responsible for the integrity and objectivity of the information in the consolidated financial statements, including the amounts which must, of necessity, be based on best estimates and judgment. The significant accounting policies are identified in Note 2 to the consolidated financial statements. The financial information presented throughout the Annual Report is consistent with the consolidated financial statements.

To fulfill its accounting and reporting responsibilities, management has developed and maintains books of account, financial and management controls, information systems and management practices. These systems are designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Canada Pension Plan*, the *Canada Pension Plan Investment Board Act* and the *Financial Administration Act* and their accompanying regulations.

The Auditor General of Canada, the external auditor of the Canada Pension Plan, conducts an independent audit of the consolidated financial statements in accordance with Canadian generally accepted auditing standards and provides a report to the Minister of Employment, Workforce Development and Disability Inclusion.

Jean-François Tremblay
Deputy Minister
Employment and Social Development Canada

Karen Robertson, CPA, CMA
Chief Financial Officer
Employment and Social Development Canada

Gatineau, Canada
August 31, 2022

Canada Pension Plan—continued

Independent Auditor's Report

To the Minister of Employment, Workforce Development and Disability Inclusion

Opinion

We have audited the consolidated financial statements of the Canada Pension Plan, which comprise the consolidated statement of financial position as at 31 March 2022, and the consolidated statement of operations, consolidated statement of changes in financial assets available for benefit payments and consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Canada Pension Plan for the year ended 31 March 2022 are prepared, in all material respects, in accordance with the basis of accounting described in Note 2 to the consolidated financial statements.

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 to the consolidated financial statements, which describes the basis of accounting. The consolidated financial statements are prepared to assist management of the Canada Pension Plan in complying with the financial reporting provisions of the *Canada Pension Plan* legislation. As a result, the consolidated financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation of the consolidated financial statements in accordance with the basis of accounting described in Note 2 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Canada Pension Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Canada Pension Plan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Canada Pension Plan's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

Canada Pension Plan—continued

Independent Auditor's Report—concluded

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

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

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

Original signed by
Mathieu Le Sage, CPA, CGA
Principal
for the Auditor General of Canada

Ottawa, Canada
31 August 2022

Canada Pension Plan—continued**Consolidated statement of financial position
as at March 31**

(in millions of dollars)

	2022	2021
Financial assets		
Cash (Note 3)	404	364
Receivables (Note 4)	9,444	6,159
Investments (Note 6)	678,874	595,952
Pending trades receivable (Note 6)	7,964	2,663
	<hr/>	<hr/>
	696,686	605,138
Liabilities		
Payables and accrued liabilities (Note 8)	1,632	1,466
Investment liabilities (Note 6)	123,304	98,158
Pending trades payable (Note 6)	24,168	3,191
	<hr/>	<hr/>
Financial assets available for benefit payments	149,104	102,815
	<hr/>	<hr/>
Assets available for benefit payments	547,582	502,323
Non-financial assets		
Premises, equipment and others.....	496	505
Assets available for benefit payments	548,078	502,828

Actuarial obligation in respect of benefits (Note 13)
 Contractual obligations and commitments (Note 14)

Contingent liabilities (Note 15)

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

Approved by:

Jean-François Tremblay

*Deputy Minister**Employment and Social Development Canada*

Karen Robertson, CPA, CMA

*Chief Financial Officer**Employment and Social Development Canada*

Canada Pension Plan—continued

**Consolidated statement of operations
for the year ended March 31**

(in millions of dollars)

	Budget 2022	Actual 2022	Actual 2021 ¹
(Note 9)			
Revenues			
Contributions.....	65,882	64,640	55,331
Net investment income			
Investment income (Note 10).....		36,319	86,802
Investment-related expenses (Note 10)		(475)	(1,535)
	24,770	35,844	85,267
	90,652	100,484	140,598
Expenses			
Pensions and benefits			
Retirement	43,230	41,856	40,281
Survivor.....	4,922	4,885	4,808
Disability	4,529	4,355	4,441
Disabled contributor's child	347	312	318
Death.....	440	454	432
Orphan.....	225	219	211
Post-retirement	—	932	799
Post-retirement disability.....	—	40	37
Net overpayments (Note 4).....	—	(125)	(112)
	53,693	52,928	51,215
Operating expenses (Note 11)	2,070	2,306	2,192
	55,763	55,234	53,407
Net increase in assets available for benefit payments	34,889	45,250	87,191
Assets available for benefit payments, beginning of year	502,828	502,828	415,637
Assets available for benefit payments, end of year	537,717	548,078	502,828

¹ Certain comparatives have been reclassified to conform to the current year's presentation.
The accompanying notes are an integral part of these consolidated financial statements.

**Consolidated statement of changes in financial assets available for benefit payments
for the year ended March 31**

(in millions of dollars)

	Budget 2022	Actual 2022	Actual 2021
(Note 9)			
Net increase in assets available for benefit payments.....	34,889	45,250	87,191
Changes in non-financial assets	—	9	(10)
Increase in financial assets available for benefit payments.....	34,889	45,259	87,181
Financial assets available for benefit payments, beginning of year	502,323	502,323	415,142
Financial assets available for benefit payments, end of year.....	537,212	547,582	502,323

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

Canada Pension Plan—continued**Consolidated statement of cash flow
for the year ended March 31**

(in millions of dollars)

	2022	2021
Cash flows from operating activities		
Net increase in assets available for benefit payments	45,250	87,191
Adjustments for non-cash items:		
Amortization of premises and equipment	61	60
(Gains) on debt financing liabilities (Note 6j)	(4,137)	(3,751)
Adjustments for net changes in operating assets and liabilities:		
(Increase) in investments.....	(82,922)	(60,488)
(Increase) decrease in pending trades receivable	(5,301)	4,281
Increase (decrease) in investment liabilities	17,429	(26,958)
Increase (decrease) in pending trades payable	20,977	(2,511)
(Increase) decrease in other assets and receivable	(3,288)	209
Increase in accounts payable and accrued liabilities	166	98
	(11,765)	(1,869)
Cash flows from financing activities		
Proceeds from debt financing liabilities (Note 6j).....	17,229	12,839
Repayments of debt financing liabilities (Note 6j).....	(5,375)	(11,034)
	11,854	1,805
Cash flows from capital activities		
Acquisition of premises and equipment.....	(49)	(45)
	(49)	(45)
Net increase (decrease) in cash.....	40	(109)
Cash, beginning of year	364	473
Cash, end of year.....	404	364

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

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2022

1. Authority, objective and responsibilities

a) Description of the Canada Pension Plan

The Canada Pension Plan (CPP) is a federal/provincial plan established by an Act of Parliament in 1965 and its operations began in 1966. It is a compulsory and contributory social insurance program operating in all parts of Canada except Quebec, which operates the Québec Pension Plan (QPP), a comparable program.

The CPP's objective is to provide a measure of protection to workers and their families against the loss of earnings due to retirement, disability or death. The CPP is financed by contributions and investment returns. Employers and employees pay contributions equally to the CPP. Self-employed workers pay the full amount.

The CPP is administered by the Government of Canada (GoC) and the provinces. The Minister of Employment, Workforce Development and Disability Inclusion is responsible for the administration of the CPP, under the *Canada Pension Plan*; the Minister of National Revenue is responsible for collecting contributions. The Minister of Finance and her provincial counterparts are responsible for setting CPP contribution rates, pension and benefit levels and funding policy.

The CPP Investment Board (CPPIB), known as CPP Investments in the CPPIB Annual Report, is a federal crown corporation that was established in December 1997 pursuant to the *Canada Pension Plan Investment Board Act (CPPIB Act)* and its transactions are governed by the *CPPIB Act* and its accompanying regulations. CPPIB's assets are to be invested with a view to achieving a maximum rate of return without undue risk of loss, with regard to the factors that may affect the funding of the CPP and its ability to meet its financial obligations on any given business day.

Under section 108.1 and 108.3 of the *Canada Pension Plan*, CPPIB is responsible for managing the amounts that are being transferred from the CPP that are not immediately needed to pay CPP pensions, benefits and operating expenses. It acts in the best interests of the beneficiaries and contributors under the *Canada Pension Plan*.

CPPIB and its wholly-owned subsidiaries are exempt from Part I income tax under paragraph 149(1)(d) of the *Income Tax Act* (Canada) on the basis that all of the shares of CPPIB are owned by Her Majesty the Queen in right of Canada.

CPPIB is designed to operate at arm's length from the government. It is required to be accountable to the public, to Parliament (through the federal Minister of Finance) and to the provinces. It provides regular reports of its activities and the results achieved. The financial statements of CPPIB are audited annually by an external firm and are included in its annual report.

As stated in the *Canada Pension Plan*, changes to the *CPPIB Act* and major changes to the *Canada Pension Plan* require the agreement of at least two-thirds of the provinces, representing at least two-thirds of the population of all the provinces.

On December 15, 2016, the *Canada Pension Plan*, the *CPPIB Act* and the *Income Tax Act* (Canada) were amended to reflect the CPP enhancement (Additional CPP). The CPP enhancement is being implemented through a phased-in approach over a 7-year period which began on January 1, 2019. It increases the amount of CPP contributions and the corresponding pensions and post-retirement benefits that will be paid on CPP contributions made after December 31, 2018.

As a result, the CPP consists of two separate accounts, one for the base CPP (CPP Account) and one for the additional CPP (Additional CPP Account), collectively referred to as the CPP Accounts, where the financial activities are recorded in the Account to which they relate (Note 17). The financial transactions affecting the CPP Accounts are governed by the *Canada Pension Plan* and its regulations. Pursuant to subsections 112(1) and 112(2) of the *Canada Pension Plan*, one set of annual financial statements is published on a consolidated basis to include the accounts of the CPP and CPPIB.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2022—continued****(b) Pensions and benefits**

Retirement pensions – According to the provisions of the *Canada Pension Plan*, a retirement pension is payable to CPP contributors who have made at least one valid contribution to the Plan. The monthly pension consists of three components: (i) a base component equal to 25% of the contributor's average monthly pensionable earnings below the annual threshold during the pensionable period; (ii) a first additional component equal to 8.33% of the average of the contributor's 480 highest monthly pensionable earnings during the pensionable period, which began in January 2019; and (iii) a second additional component equal to 33.33% of the average of the contributor's 480 highest monthly additional pensionable earnings during the pensionable period, which begins in January 2024.

The normal age to begin collecting the retirement pension is 65. However, contributors can either elect to take an actuarially-reduced pension as early as age 60, or an actuarially-increased pension as late as age 70. The maximum monthly pension payable at age 65 in 2022 is \$1,253.59 (2021 – \$1,203.75).

Post-retirement benefits – According to the provisions of the *Canada Pension Plan*, a post-retirement benefit (PRB) is payable to each individual between the ages of 60 and 70 who has continued to work and has made contributions to the Plan while collecting their CPP or QPP retirement pension. Contributions are mandatory for working retirement pension recipients until the age of 65, at which point they may elect to cease contributing. Contributions are no longer allowed after reaching age 70. The PRB becomes payable the year after contributions were made. The maximum monthly PRB at age 65 in 2022 is \$36.26 (2021 – \$30.09).

Disability pensions – According to the provisions of the *Canada Pension Plan*, a disability pension is payable to a working-age contributor who meets both the medical and contributory requirements. The amount of the disability pension to be paid includes a flat rate portion and an amount equal to 75% of the earned retirement pension. The disability pension ends automatically at age 65, when recipients are automatically converted to receive the retirement pension. The maximum monthly disability pension in 2022 is \$1,464.83 (2021 – \$1,413.66).

Post-retirement disability benefits – According to the provisions of the *Canada Pension Plan*, a post-retirement disability benefit is payable to an individual under the age of 65 in receipt of a retirement pension who meets the same medical and contributory criteria as the disability pension. The post-retirement disability benefit is equal to the flat rate portion of the disability pension and is added to individual's retirement pension. Like the disability pension, the post-retirement disability benefit ends automatically at age 65, when the recipient becomes eligible for benefits under the Old Age Security Program. The maximum monthly post-retirement disability benefit in 2022 is \$524.64 (2021 – \$510.85).

Survivor's pensions – According to the provisions of the *Canada Pension Plan*, a survivor's pension is payable to the spouse or common-law partner of a deceased contributor who made sufficient contributions to the Plan. The pension amount depends on the age of the survivor and whether the survivor also receives other CPP benefits. Survivors aged 65 or older receive a pension equal to 60% of the deceased contributor's retirement pension. Survivors under the age of 65 receive a pension equal to 37.5% of the deceased contributor's retirement pension, plus a flat rate. The maximum monthly pension payable to a survivor under the age of 65 in 2022 is \$674.79 (2021 – \$650.72) and to a survivor 65 and over in 2022 is \$752.15 (2021 – \$722.25).

Disabled contributor's child and orphan benefits – According to the provisions of the *Canada Pension Plan*, each child of a contributor who is receiving a disability pension or a post-retirement disability benefit or a child of a deceased contributor is entitled to a benefit as long as the child is under the age of 18, or is between the ages of 18 and 25 and attending school full-time. The flat rate monthly benefit in 2022 is \$264.53 (2021 – \$257.58).

Death benefits – According to the provisions of the *Canada Pension Plan*, a death benefit is a one-time payment to, or on behalf of, the estate of a contributor who made sufficient contributions to the Plan. The death benefit is a flat-rate payment of \$2,500 in 2022 (2021 – a flat-rate payment of \$2,500).

Pensions and benefits indexation – As required by the *Canada Pension Plan*, pensions and benefits are indexed annually to the cost of living, as determined by the Consumer Price Index for Canada. The rate of indexation for 2022 is 2.7% (2021 – 1.0%).

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2022—continued

2. Significant accounting policies

(a) Basis of accounting

These financial statements have been prepared in accordance with the significant accounting policies described below in compliance with the *Canada Pension Plan*. The financial statements are presented on a consolidated basis to include the accounts of the CPP and CPPIB and include a consolidated statement of financial position, a consolidated statement of operations, a consolidated statement of changes in financial assets available for benefit payments and a consolidated statement of cash flow.

The CPP, which is managed by both the GoC and the provinces, is not considered to be part of the reporting entity of the GoC. Accordingly, its financial activities are not consolidated with those of the GoC.

(b) International Financial Reporting Standards

CPPIB, which is a significant component of the CPP consolidated financial statements, prepares its financial statements in accordance with International Financial Reporting Standards (IFRS). CPPIB qualifies as an investment entity and reports the results of its operations in accordance with IFRS 10 - *Consolidated Financial Statements*. As a consequence, CPPIB's consolidated financial statements represent the results of operations of CPPIB and its wholly owned subsidiaries that were created to provide investment-related services to support its operations. Operating subsidiaries of this nature include those that provide investment advisory services or subsidiaries that were created to provide financing to CPPIB.

Wholly owned subsidiaries that are managed by CPPIB to hold investments are referred to herein as investment holding subsidiaries. Such subsidiaries are not consolidated in CPPIB's consolidated financial statements but instead are measured and reported at fair value through profit and loss (FVTPL) in accordance with IFRS 9 - *Financial Instruments*, and reported as investments in CPPIB's Consolidated Balance Sheet.

There is no impact on financial assets available for benefit payments and net increase in assets available for benefit payments as a result of CPPIB preparing its financial statements in accordance with IFRS. Certain incremental financial statement disclosures from CPPIB financial statements related to investments and investment liabilities are included as supplementary information in these consolidated financial statements.

(c) Financial instruments

The CPP, through CPPIB, classifies its financial assets and financial liabilities, in accordance with IFRS 9, as follows:

Financial assets are either classified at FVTPL or at amortized cost. The classification depends on (a) the business model for managing the financial assets and (b) the cash flow characteristics of the financial assets. Financial assets are classified at FVTPL on the basis that they are part of a portfolio of investments which is managed to maximize returns without undue risk of loss and whose performance is evaluated on a fair value basis in accordance with investment strategies and risk management of CPPIB. Financial assets classified at FVTPL include investments in equities, fixed income, absolute return strategies, infrastructure, real estate, securities purchased under reverse repurchase agreements, cash collateral pledged on securities borrowed and derivatives. Financial assets carried at amortized cost include cash and cash equivalents, pending trades receivable and other assets.

Financial liabilities are either classified at FVTPL or at amortized cost. A financial liability is classified at FVTPL if it is classified as held for trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are derivative liabilities and securities sold short. Financial liabilities designated at FVTPL include debt financing liabilities, securities and loans sold under repurchase agreements, cash collateral received on securities lent, short-term secured debt and other investment liabilities. Financial liabilities at amortized cost include pending trades payable and accounts payable and accrued liabilities.

The CPP, through CPPIB, recognizes a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the financial instrument. Investments, investment receivables, investment liabilities, pending trades receivable and pending trades payable are recorded on a trade date basis.

A financial asset is derecognized under the following situations: (a) when the contractual rights to receive the cash flows from the financial asset expire, (b) when CPP, through CPPIB, has transferred the financial asset and substantially all the risks and rewards of the asset, or (c) in cases where CPP, through CPPIB, has neither retained nor transferred substantially all risks and rewards of the asset, it no longer retains control over the asset. CPP, through CPPIB, derecognizes a financial liability when the obligation under the liability is discharged, cancelled or expires.

Upon initial recognition, financial instruments are measured at fair value. They continue to be measured at fair value or amortized cost. Subsequent changes in the fair value are recorded as realized and unrealized gains and losses on investments and included in net investment income (loss), along with the interest and dividend incomes from such financial instruments.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2022—continued****(d) Valuation of investments and investment liabilities**

Investments and investment liabilities are recorded on a trade date basis and are stated at fair value. Fair value is an estimate of the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

In an active market, fair value is best evidenced by an independent quoted market price. In the absence of an active market, fair value is determined by valuation techniques that make maximum use of inputs observed from markets. These valuation techniques include using recent arm's length market transactions, if available, or current fair value of another investment that is substantially the same, discounted cash flow analysis, option pricing models and other accepted industry valuation methods, that may include the use of estimates made by management, appraisers or both where significant judgment is required.

(e) Contributions

Contributions include CPP contributions earned for the year. The Canada Revenue Agency (CRA) collects contributions and measures them using the assessment of tax returns. In determining the amount of contributions earned for the year, the CRA considers cash received and contributions assessed, and makes an estimate for contributions related to tax returns not yet assessed. This estimate is subject to review. Adjustments, if any, are recorded as contributions in the year they are known.

(f) Investment income

Income from investments includes realized and unrealized gains and losses on private, public and other investments, realized and unrealized gains and losses on investments held by investment holding subsidiaries, and interest, dividends and other income. Gains and losses on private investments is generated from private equities, infrastructure and real estate. Gains and losses on public and other investments is generated from public equities, fixed income, absolute return strategies, derivatives and other. Interest and other income are recognized as earned. Dividend income is recognized on the ex-dividend date, which is when the right to receive the dividend has been established. Interest, dividends and other income also includes dividend income received from investment holding subsidiaries.

(g) Investment-related expenses

Investment-related expenses include the following types of expenses:

Management fees include payments to external managers who invest and manage capital committed by CPP, through CPPIB and are expensed as incurred.

Performance fees include payments to external managers when CPP, through CPPIB, earns a return that exceeds a set rate of return and are expensed as incurred.

Transaction-related expenses include incremental costs that are directly attributable to the acquisition, maintenance, restructuring or disposal of an investment. Such expenses include a variety of non-recurring expenses, including due diligence on potential investments, legal and tax advisory fees required to support transactions involving private market assets, or, in the case of public markets, custodial fees and commissions paid when trading securities. They are expensed as incurred.

Taxes incurred by CPP, through CPPIB, includes taxes in a number of foreign jurisdictions and also indirect taxes. Taxes consists largely of taxes on dividends, interest income and capital gains related to investments in equities, debt and investment holding subsidiaries. The majority of these taxes are collected at source. Withholding taxes, net of deductions for refundable amounts, are recognized at the same time as the related dividend or interest income and refundable withholding tax is presented as other investment receivables. Other income tax, which is not collected at source, is recognized in the same period as the related income or gain. Deferred tax on capital gains is recognized as other investment liabilities, based on the expected future payment when CPP, through CPPIB, is in a gain position in the applicable market. Changes in the deferred tax liability in the year are recorded as an expense or recovery within taxes. All uncertain tax positions, such as disputed withholding tax refunds, are assessed each reporting period.

Financing expenses include interest and other costs that are incurred when borrowing funds or securities. They are composed of expenses from debt financing liabilities, securities and loans sold under repurchase agreements, prime brokerage and other securities lending and borrowing transactions. Gains and losses associated with certain interest rate derivatives used as part of financing activities are also included in financing expenses. They are expensed as incurred.

All investment-related expenses borne by the investment holding subsidiaries are recognized as part of the unrealized gain or loss on investment holding subsidiaries.

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2022—continued

(h) Foreign currency translation

Transactions, including purchases and sales of investments, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Investments and monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing on the year-end date. Non-monetary items in a foreign currency are measured at historical cost and are translated using the exchange rates at the dates of the initial transactions.

Foreign currency transaction gains and losses on financial instruments classified at FVTPL are included with associated fair value gains and losses in investment income.

(i) Pensions and benefits

Pensions and benefits expenses are recorded when incurred and are net of overpayments established during the year. Accruals are recorded at year-end for pensions and benefits owed to beneficiaries but not paid, based on management's best estimate.

(j) Tax deductions due to the Canada Revenue Agency

Tax deductions due to the CRA consist primarily of voluntary and non-resident taxes withheld from pensions and benefit payments to CPP beneficiaries (refer to Note 8).

(k) Net overpayments

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

(l) Operating expenses

Operating expenses are recorded as incurred.

(m) Other claims and legal actions

The CPP records an allowance for claims and legal proceedings when it is likely that there will be a future payment and a reasonable estimate can be made.

(n) Related party transactions

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions are recorded on a gross basis and are measured at the carrying amount, except for the following:

- i. Inter-entity transactions are measured at the exchange amount when undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length, or when the costs of goods or services are provided on a recovery basis.
- ii. Goods or services received without charge between commonly controlled entities are not recorded.

Related parties include key management personnel having authority and responsibility for planning, directing and controlling the activities of the CPP, including their close family members. Related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

(o) Measurement uncertainty

The preparation of the consolidated financial statements in accordance with the *Canada Pension Plan* requires management to make estimates, judgments and assumptions that affect the amounts recognized for assets and liabilities, principally the valuation of financial instruments, which are not actively traded. The ongoing impact of COVID-19 and evolving geopolitical landscape continue to have widespread impacts around the world, including an increase in market volatility. Uncertainty about these estimates, judgments and assumptions and continuous impacts from the COVID-19 pandemic may result in outcomes that could require a material adjustment to the carrying amount of the affected assets or liabilities in the future.

Significant estimates, judgments and assumptions are also required for the revenues and expenses during the reporting period, principally in determining the estimated contributions, and actuarial obligation in respect of benefits. Although the actuarial obligation in respect of benefits is reviewed triennially as per Note 13, management makes estimates, judgments and assumptions based on the best information available at the time of the preparation of these financial statements. Measurement uncertainty exists in these consolidated financial statements. Actual results could significantly differ from those estimates.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2022—continued****3. Cash**

Cash consists of the total cash held by the CPP Accounts and CPPIB. The CPP Accounts were established in the accounts of Canada by the *Canada Pension Plan* to record the contributions, interest, pensions, benefits and operating expenses of the CPP. The CPP Accounts also record the amounts transferred to or received from CPPIB. As at March 31, 2022, the deposit with the Receiver General for Canada in the CPP Accounts is \$101 million (2021 – \$139 million) and CPPIB's cash is \$303 million (2021 – \$225 million) for a total of \$404 million (2021 – \$364 million).

4. Receivables

Receivables comprise the following, as at March 31:

(in millions of dollars)

	2022	2021
Contributions	9,186	5,899
Québec Pension Plan	120	114
Beneficiaries		
Balance of pensions and benefits overpayments	241	193
Allowance for doubtful accounts	(149)	(113)
Others	46	66
	<hr/> 9,444	<hr/> 6,159

Contributions receivable represent the estimated amount to be collected by the CRA and transferred to the CPP relating to contributions earned at year end and adjusted for tax returns not yet assessed. The amount includes an estimate that takes into consideration the number of contributors and the average contribution to be received, which is based on the average earnings and the CPP contribution rate. On an annual basis, the model used to make the estimate is reviewed. The difference between the estimate and the actual amount has not been significant in the past.

The CPP has procedures to detect benefits overpayments. During the year, overpayments totalling \$129 million (2021 – \$122 million) were established and debts totalling \$4 million (2021 – \$9 million) were forgiven as per the remission provisions of the *Canada Pension Plan*. A further \$77 million (2021 – \$79 million) was recovered through collection of payments and withholdings from beneficiaries.

5. Investment activities risk management

The CPP, through the investment activities carried out by CPPIB, is exposed to a variety of financial risks. These risks include market risk, credit risk and liquidity and leverage risk. CPPIB employs the Integrated Risk Policy (Policy), which establishes accountability of the Board of Directors, the various committees, including the Risk Committee, and the investment departments to manage investment related risks. CPPIB manages and mitigates investment risks through the Policy approved by the Board of Directors at least once every fiscal year. This Policy contains risk limits and risk management provisions that govern investment decisions in accordance with the mandate of CPPIB.

Upper and lower absolute risk limits within the Policy govern the amount of total investment risk that CPPIB can take in the base CPP Investment Portfolio and additional CPP Investment Portfolio (collectively the CPPIB Investment Portfolios). CPPIB monitors potential investment losses in CPPIB Investment Portfolios daily and reports to the Board of Directors on at least a quarterly basis.

The ongoing impact of COVID-19 and evolving geopolitical landscape continue to have widespread impacts around the world, including an increase in market volatility. Throughout this volatile environment, CPP, through CPPIB, continues to remain within all risk limits established by its Board of Directors, including limits related to market, credit, liquidity and leverage risks.

As part of the ongoing monitoring, CPP, through CPPIB, perform scenarios analysis to quantify the impact of potential stress events and identify potential vulnerabilities that may not be fully captured by the standard risk models. This includes how severe market or geopolitical events could affect the Investment Portfolios. Ad hoc analysis is also performed on various plausible stress scenarios based on current global events, such as potential impacts of inflation or the effects on the global economy and CPPIB's investments from Russia's invasion of Ukraine. The resulting potential loss estimates are actively monitored to ensure the Investment Portfolios remain within stated risk appetites.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2022—continued**

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

Equity Risk: Equity risk is the risk that the fair value of an investment or investment liability will fluctuate because of changes in equity prices, which is a significant source of risk of the CPPIB Investment Portfolios.

The CPP, through CPPIB, invests in both publicly traded and private equities. With all other variables held constant, a 1% decrease/increase in the S&P 500 Index would result in a loss/profit of \$1,218 million (2021 – \$1,184 million) on public equity investments. This calculation assumes that equities other than the S&P 500 Index would move in accordance with their historical behaviour conditional on a 1% decrease/increase in the S&P 500 Index.

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

Applicable to debt instruments and interest-rate-sensitive derivatives, with all other variables held constant, a 1 basis point increase/decrease in nominal risk-free rates would result in a decrease/increase of \$104 million (2021 – \$89 million) in the value of investments directly impacted by interest rate changes.

Credit Spread risk: Credit spread risk is the difference in yield on certain securities compared to a comparable risk-free security (i.e. government issued) with the same maturity date. Credit spread risk is the risk that the fair value of these securities will fluctuate because of changes in credit spread.

With all other variables held constant, a 1 basis point widening of credit spread rates would result in a decrease in net assets by \$30 million (2021 – \$34 million).

Currency risk: The CPP, through CPPIB, is exposed to currency risk through holdings of investments or investment liabilities in various currencies. Fluctuations in the relative value of foreign currencies against the Canadian dollar can result in a positive or negative effect on the fair value or future cash flows of these investments and investment liabilities.

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

(in millions of dollars)

Currency	2022		2021	
	Net exposure	% of total	Net exposure	% of total
United States dollar	296,341	55	280,198	56
Euro	39,127	7	31,580	6
Chinese renminbi	25,953	5	23,391	5
British pound sterling	16,828	3	16,238	3
Other	73,927	14	73,636	15
Total foreign exposure	452,176	84	425,043	85
Canadian dollar	87,190	16	72,223	15
	539,366	100	497,266	100

As at March 31, 2022, with all other variables and underlying values held constant, a 10% appreciation/depreciation of the Canadian dollar against all other currencies would result in a decrease/increase in net investments by \$45,218 million (March 31, 2021 – \$42,504 million).

- ii. *Credit risk:* Credit risk is the risk of the potential permanent loss of investment value due to direct or indirect counterparty exposure to a defaulted entity and/or financial losses due to deterioration of an entity's credit quality. The CPP's, through CPPIB, credit risk arises primarily through its investment in non-investment grade entities such as debt securities and over-the-counter derivatives (as discussed in Note 6*i*). The carrying amounts of these investments are presented in Note 6.
- iii. *Liquidity and leverage risk:* Liquidity and leverage risk is the risk of being unable to generate sufficient cash or its equivalent in a timely and cost-effective manner to meet pensions and benefit payments, investment commitments and investment liabilities as they come due. Leverage risk increases when excessive financial obligations heighten market and liquidity risks during periods of stress. The CPP manages this risk through cash flow planning for both short- term and long-term requirements. The cash flow is prepared for a two-year period and updated on a weekly basis to inform CPPIB of the funds required by CPP to meet its financial obligations (refer to Note 17). In order to manage liquidity risk, various forms of leverage are used to manage certain other risks and enhance fund returns.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2022—continued**

Liquidity risk is also managed by investing certain assets in a liquid portfolio of publicly traded equities, money market securities and marketable bonds, to ensure liquid securities are available for investment obligations and for transfer of funds to CPP to meet benefit payment obligations over various time horizons including any 10-day period. Also, the CPP, through CPPIB, supplements its management of liquidity risk through its ability to raise funds through the issuance of commercial paper and term debt and transacting in securities sold under repurchase agreements (refer to Note 6 and Note 7).

CPPIB maintains \$1,500 million (2021 – \$3,000 million) of unsecured credit facilities to meet potential liquidity requirements. There were no credit facilities drawn as at March 31, 2022 and March 31, 2021.

6. Investments and investment liabilities

As stated in Note 1, the role of CPPIB is to invest the assets with a view to achieving a maximum rate of return without undue risk of loss, with regard to the factors that may affect the funding of the CPP and the ability of the CPP to meet its financial obligations on any given business day. To achieve its mandate, CPPIB has established investment policies in accordance with its regulations. These set out the manner in which their assets shall be invested and their financial risks managed and mitigated through the Integrated Risk Framework.

In an active market, the fair value is best evidenced by an independent quoted market price. In the absence of an active market, valuation can be significantly more complex and often subjective, requiring judgment. As a result, CPPIB categorizes the fair value of its investments and investment liabilities within the three levels of the fair value hierarchy:

- Level 1 – Quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The fair values of Level 3 investments are determined using valuation techniques that use models with unobservable inputs while maximizing the use of inputs observed from market and therefore, are particularly judgmental. As each investment holding subsidiary is largely composed of Level 3 investments, the entire subsidiary is classified as Level 3.

The total of CPPIB's net investments not actively traded as at March 31, 2022 consists of investments categorized in Level 2 and 3, and is valued at \$416,864 million (2021 – \$346,099 million), of which \$299,556 million (2021 – \$265,706 million) are all investments held by investment holding subsidiaries.

Significant changes in the unobservable inputs would result in a significantly higher or lower value measurement. As at March 31, 2022, with all other variable held constant, the use of reasonable alternative assumptions would result in a decrease of \$8,600 million (2021 – \$9,000 million) or increase of \$10,100 million (2021 – \$9,500 million) in net assets.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2022—continued**

The Consolidated Schedule of Investment Portfolio below provides information on investments and investment liabilities held by both CPPIB and its investment holding subsidiaries, as at March 31:

(in millions of dollars)

	2022	2021 ²
Cash and cash equivalents.....	15,341	14,532
Equities		
Public equities	159,385	175,083
Private equities	173,730	159,062
Total equities.....	333,115	334,145
Fixed income		
Bonds	108,319	98,560
Other debt	40,956	31,322
Money market securities.....	1,368	143
Total fixed income.....	150,643	130,025
Absolute return strategies	34,681	29,008
Infrastructure.....	45,600	39,954
Real estate.....	41,650	38,704
Investment receivables		
Securities purchased under reverse repurchase agreements and cash collateral pledged on securities borrowed....	56,809	7,127
Derivative assets.....	2,933	3,636
Other	5,915	2,770
Total investment receivables	65,657	13,533
Total investments¹	686,687	599,901
Investment liabilities		
Debt financing liabilities	(49,507)	(39,997)
Securities and loans sold under repurchase agreements and cash collateral received on securities lent.....	(43,629)	(33,150)
Securities sold short	(29,003)	(22,275)
Derivative liabilities	(4,775)	(3,004)
Short-term secured debt.....	(1,196)	(1,234)
Other	(929)	(2,052)
Total investment liabilities¹	(129,039)	(101,712)
Pending trades receivable ¹	8,525	3,077
Pending trades payable ¹	(26,807)	(4,000)
Net investments	539,366	497,266

¹ Consists of all the financial assets and liabilities held by both CPPIB and its investment holding subsidiaries. In contrast, the CPP's Consolidated Statement of Financial Position presents all financial assets and liabilities held by investment holding subsidiaries at fair value as investments. This results in a difference of \$7,813 million (March 31, 2021 – \$3,949 million), \$5,735 million (March 31, 2021 – \$3,554 million), \$561 million (March 31, 2021 – \$414 million) and \$2,639 million (March 31, 2021 – \$809 million) as compared to investments, investment liabilities, pending trades receivable and pending trades payable, respectively, as presented in the CPP's Consolidated Statement of Financial Position. Refer to Note 2b) for further details.

² Certain comparatives have been reclassified to conform to the current year's presentation.

(a) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and short-term deposits, commercial paper, bank accepted bills, floating rate deposit notes and treasury bills with a maturity of 90 days or less. Fair value is determined using cost, which, together with accrued interest income, approximates fair value due to the short-term or floating rate nature of these assets.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2022—continued****(b) Equities**

Equities consist of public and private investments.

- i. Public equity investments are made directly or through funds, including hedge funds. Fair value for publicly traded equities, including equity short positions, is based on quoted market prices. Fair value for fund investments is generally based on the net asset value reported by the external administrators or managers of the funds.
- ii. Private equity investments are generally made directly or through ownership in limited partnership funds. As at March 31, 2022, private equities included direct investments with a fair value of \$96,623 million (2021 – \$97,749 million). The fair value for investments held directly is primarily determined using accepted industry valuation methods such as earnings multiples of comparable publicly traded companies or discounted cash flows. Recent market transactions, where available, are also used. In the case of investments held through a limited partnership fund, fair value is generally based on net asset value or relevant information reported by the general partner using similar accepted industry valuation methods.

(c) Fixed income

- i. Bonds include non-marketable and marketable bonds. Fair value for non-marketable Canadian provincial government bonds is calculated using discounted cash flows based on current market yields of instruments with similar characteristics. In the case of marketable bonds, including bond short positions, fair value is based on quoted prices or calculated using discounted cash flows based on benchmark yield curves and credit spreads pertaining to the issuer.
- ii. Other debt includes investments in direct private debt, asset-backed securities, distressed mortgage funds, private debt funds, hedge funds and investments in royalty-related income streams. Fair value for direct investments in private debt and asset-backed securities is based on quoted market prices or broker quotes or recent market transactions, if available. Where the market price is not available, fair value is calculated using discounted cash flows based on significant inputs such as projected cash flows and discount rates using current market yields of instruments with similar characteristics.
- iii. Money market securities consist of term deposits, treasury bills, commercial paper and floating rate note, all of which have a maturity of over 90 days. Fair value is determined using cost, which, together with accrued interest income, approximates fair value due to the short-term or floating rate nature of these securities.

(d) Absolute return strategies

Absolute return strategies include investments in hedge funds whose objective is to generate positive returns regardless of market conditions, that is, returns with a low correlation to broad market indexes. The underlying securities of the funds could include, but are not limited to, equities, fixed income securities and derivatives. Fair value for these fund investments is generally based on the net asset value as reported by the external administrators or managers of the funds.

(e) Infrastructure

Infrastructure investments are generally made directly, but can also occur through limited partnership funds.

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

As at March 31, 2022, infrastructure investments include direct investments with a fair value of \$45,548 million (2021 – \$39,928 million) and \$52 million in fund investments (2021 – \$26 million).

(f) Real estate

Real estate investments are generally made through direct private investments, or through ownership of real estate funds. Private real estate investments are managed by investment partners primarily through co-ownership arrangements.

Fair value for private real estate investments is determined using accepted industry valuation methods such as discounted cash flows. Fair value is also determined using net asset value provided by the investment partner. Fair value for real estate funds is generally based on the net asset value reported by the external managers of the funds.

As at March 31, 2022, real estate investments include direct investments with a fair value of \$40,059 million (2021 – \$36,078 million) and \$ 1,591 million in fund investments (2021 – \$2,626 million).

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2022—continued

(g) Securities purchased under reverse repurchase agreements and securities and loans sold under repurchase agreements

Securities purchased under reverse repurchase agreements represent the purchase of securities with a simultaneous agreement to sell them back at a specified price at a specified future date and are accounted for as an investment receivable. The purchased securities under these agreements are not recognized on the consolidated statement of financial position. The fair value of securities to be resold under reverse repurchase agreements is monitored and additional collateral is obtained, when appropriate, to protect against credit exposure. In the event of counterparty default, the CPP, through CPPIB, has the right to liquidate the collateral held.

Securities and loans sold under repurchase agreements are accounted for as collateralized borrowing because they represent the sale of securities with a simultaneous agreement to buy them back at a specified price at a specified future date. The securities and loans sold under these agreements continue to be recognized on the consolidated statement of financial position with any changes in fair value recorded as net gain (loss) on investments and included in net investment income (loss).

Interest earned on reverse repurchase agreements is included in interest income within investment income. Interest incurred on repurchase agreements is included in financing expenses.

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

The fair value of the securities purchased under reverse repurchase agreements, as at March 31, 2022, are all within 1 year from the reporting date, \$56,178 million (2021 – \$6,062 million).

The fair value of the securities and loans sold under repurchase agreements, as at March 31, 2022, are all within 1 year from the reporting date, \$35,915 million (2021 – \$30,489 million).

(h) Securities borrowed and lent

Securities borrowing and lending agreements are transactions in which CPP, through CPPIB, borrows securities from or lends securities to third parties. Borrowed securities are not recognized on the consolidated statement of financial position. Lent securities remain on the consolidated statement of financial position as CPP, through CPPIB, retains substantially all of the risks and rewards of ownership of the transferred securities.

Collateral received or pledged is generally in the form of cash, equities or fixed income securities. Cash collateral received is accounted for as an investment liability while equities and fixed income securities received as collateral are not recognized on the consolidated statement of financial position. Cash collateral pledged is accounted for as an investment receivable, while securities collateral pledged by CPP, through CPPIB, in securities borrowing agreements remain on the consolidated statement of financial position. Costs relating to securities borrowing and lending are included in financing expenses.

The fair value of the cash collateral pledged on securities borrowed as at March 31, 2022, are all within 1 year from the reporting date, \$631 million (2021 – \$1,065 million).

The fair value of the cash collateral received on securities lent as at March 31, 2022, are all within 1 year from the reporting date, \$7,714 million (2021 – \$2,661 million).

(i) Derivative assets and liabilities

A derivative is a financial contract, the value of which is derived from the value of underlying assets, indexes, interest rates, currency exchange rates or other market-based factors. Derivatives are transacted through regulated exchanges, centrally cleared or negotiated in over-the-counter markets. CPPIB uses different types of derivative instruments, which include futures and forwards, swaps, options and warrants.

Fair value for exchange-traded derivatives, which includes futures, options and warrants, is based on quoted market prices. Fair value for over-the-counter derivatives, which includes forwards, swaps, options and warrants, is determined based on valuation techniques that make maximum use of inputs observed from markets such as option pricing models, discounted cash flows and consensus pricing from independent brokers and/or third-party vendors.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2022—continued****(j) Debt financing liabilities**

Debt financing liabilities consist of commercial paper payable, term debt and loans. Commercial paper payable is carried at the amount originally issued, which, together with accrued interest expense, approximates fair value due to the short-term nature of these liabilities. Fair value for term debt is based on quoted market prices. The fair value of loans is based on the discounted cash flows method or cost with accrued interest. Interest expense and associated costs on debt financing liabilities are included in financing expenses.

The terms to maturity of the contractual value of the debt financial liabilities held directly by CPPIB as at March 31, 2022, are as follows: within 1 year, \$2,564 million (2021 – \$5,374 million), and 1 year to 5 years, \$19,856 million (2021 – \$13,530 million), and 6 years to over 10 years, \$23,750 million (2021 – \$16,719 million).

The terms to maturity of the contractual value of the debt financing liabilities held by investment holding subsidiaries as at March 31, 2022, are as follows: within 1 year, \$84 million (2021 – \$250 million), 1 year to 5 years, \$4,108 million (2021 – \$2,310 million), and 6 years to over 10 years, \$1,106 million (2021 – \$959 million).

The following table provides a reconciliation of debt financing liabilities arising from financing activities in the Consolidated Statement of Cash Flow:

(in millions of dollars)

	For the year ended	
	March 31, 2022	March 31, 2021
Balance, beginning of year.....	36,449	38,395
Proceeds	17,229	12,839
Repayments	(5,375)	(11,034)
Non-cash changes in fair value ¹	(4,137)	(3,751)
Balance, end of year.....	44,166	36,449

¹ Includes foreign exchange gains of \$1,087 million (March 31, 2021 – \$3,211 million).

(k) Securities sold short

Securities sold short represent securities that are sold, but not owned, by the CPP, through CPPIB. The CPP, through CPPIB, has an obligation to cover these short positions, which are accounted for as an investment liability based on the fair value of the securities sold. Collateral is pledged to the counterparty, as required (refer to Note 7). Interest and dividend expenses on securities sold short are included in net investment income (loss).

As at March 31, 2022, securities sold short of \$29,003 million (2021 – \$22,275 million) are considered repayable within one year based on the earliest period in which the counterparty could request payment under certain conditions.

(l) Short-term secured debt

Short-term secured debt consists of cash advances from prime brokers that are fully collateralized by securities. Short-term secured debt is carried at the amounts at which the funding was initially transferred, which together with accrued interest, approximates fair value due to the short-term nature of the debt and variable interest rate. Interest expense on short-term secured debt is included in financing expenses.

The terms to maturity of the undiscounted value of short-term secured debt as at March 31, 2022, are \$1,196 million (2021 – \$1,234 million).

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2022—continued

7. Collateral

Collateral transactions are conducted to support CPPIB's investment activities under the terms and conditions that are common and customary to collateral arrangements. These arrangements may be transacted by CPPIB or its investment holding subsidiaries in their normal course of business.

The net fair value of collateral held and pledged directly by CPPIB as at March 31 was as follows:

(in millions of dollars)

	2022	2021
Third-party assets held as collateral on:¹		
Reverse repurchase agreements	55,897	6,056
Derivative transactions	538	2,049
Securities lent ^{2, 4}	8,935	3,292
Own and third-party assets pledged as collateral on:		
Repurchase agreements	(35,518)	(30,457)
Securities borrowed ^{3, 4}	(32,298)	(25,027)
Short-term secured debt ⁵	(1,429)	(1,502)
Derivative transactions	(10,634)	(3,545)
Debt financing liabilities	(535)	—
	<hr/>	<hr/>
	(15,044)	(49,134)

¹ The fair value of collateral sold or repledged as at March 31, 2022 was \$16,233 million (2021 – \$3,148 million).

² The fair value of securities lent as at March 31, 2022 was \$9,054 million (2021 - \$3,252 million).

³ The fair value of securities borrowed as at March 31, 2022 was \$21,888 million (2021 – \$20,670 million) of which \$21,752 million was used (2021 – \$20,091 million) for short selling activity.

⁴ Cash collateral payable of \$7,714 million (2021 – \$2,661 million) as at March 31, 2022 consists of collateral receivable of \$140 million and collateral payable of \$7,854 million that qualify for netting (2021 – nil and \$2,661 million, respectively).

⁵ Represents securities pledged as collateral on short-term cash borrowings from prime brokers.

The net fair value of collateral held and pledged directly by investment holding subsidiaries as at March 31 was as follows:

(in millions of dollars)

	2022	2021 ⁴
Own and third-party assets pledged as collateral on:		
Repurchase agreements	(292)	—
Securities borrowed ^{1, 2}	(8,469)	(4,752)
Derivative transactions ²	(574)	(347)
Private equities ³	(10,156)	(9,493)
Debt financing liabilities	(10,037)	(7,864)
	<hr/>	<hr/>
	(29,528)	(22,456)

¹ The fair value of securities borrowed as at March 31, 2022 was \$4,967 million (2021 – \$2,976 million) of which \$4,967 million (2021 – \$2,976 million) was used for short selling activity.

² The cash collateral at the prime brokers may be used for securities borrowed and derivatives transacted by broker.

³ Collateral on loans represents securities pledged as collateral on loan borrowings of the investees.

⁴ Certain comparatives have been reclassified to conform to the current year's presentation.

8. Payables and accrued liabilities

Payables and accrued liabilities are comprised of the following, as at March 31:

(in millions of dollars)

	2022	2021
<hr/>		
Operating expenses	935	865
Pensions and benefits payable	407	330
Tax deductions on benefits due to Canada Revenue Agency	290	271
	<hr/>	<hr/>
	1,632	1,466

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2022—continued****9. Comparison of results against budget**

The budget amounts included in the Consolidated statement of operations and the Consolidated statement of changes in financial assets Available for Benefit Payments are derived from the amounts that were originally budgeted in the *2021–2022 Employment and Social Development Canada Departmental Plan*, tabled in Parliament in February 2021 and amounts forecasted by the Office of the Superintendent of Financial Institutions.

10. Investment income and investment-related expenses

CPPIB qualifies as an investment entity (refer to Note 2(b)). Investment income on investments made through investment holding subsidiaries is presented as unrealized gains or losses. Investment-related expenses borne by the investment holding subsidiaries are a reduction in the net asset values of the investment holding subsidiaries and thus are a component of the unrealized gains or loss on investment holding subsidiaries. All realized and unrealized gains and losses are presented as net gains or losses in CPPIB's consolidated financial statements.

The following table provides further details on investment income and investment-related expenses of CPPIB, for the year ended March 31:

(in millions of dollars)

	2022	2021 ¹
Investment income of CPP		
Interest income	1	1
Investment income of CPPIB		
Interest, dividends and other income	11,647	8,884
Realized gains on private investments	1,242	258
Unrealized (losses) gains on private investments	(830)	1,117
Realized and unrealized (losses) gains on public and other investments	(8,217)	33,042
Unrealized gains on investment holding subsidiaries (refer to details in the table below)	32,476	43,500
Total investment income.....	36,319	86,802
Investment-related expenses of CPPIB		
Management fees	(20)	(18)
Performance fees	(38)	(23)
Transaction-related	(321)	(186)
Taxes	(232)	(272)
Financing	136	(1,036)
Total investment-related expenses	(475)	(1,535)

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

The following table presents supplemental information on unrealized gains on investment holding subsidiaries, for the year ended March 31:

(in millions of dollars)

	2022	2021 ¹
Investment income of investment holding subsidiaries		
Interest, dividends and other income	7,952	4,455
Realized gains on private investments	21,352	9,598
Unrealized gains on private investments	7,630	25,302
Realized and unrealized gains on public and other investments	1,643	9,084
Total investment income	38,577	48,439
Investment-related expenses of investment holding subsidiaries		
Transaction-related	(246)	(209)
Taxes	(60)	(839)
Financing	(120)	(114)
Total investment-related expenses	(426)	(1,162)
Net investment income before dividends paid to CPPIB		
Dividends paid to CPPIB	38,151	47,277
Total unrealized gains on investment holding subsidiaries	32,476	43,500

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

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2022—continued****11. Operating expenses**

CPP's operating expenses are composed of costs incurred by various GoC departments (refer to Note 16) for the administration of the CPP's activities as well as CPPIB's operating expenses. CPPIB's personnel, general and administrative expenses are presented as operating expenses. Management fees, performance fees, transaction-related, taxes and financing are presented as investment-related expenses in Note 10.

Operating expenses are as follows, for the year ended March 31:

(in millions of dollars)

	2022			2021		
	GoC	CPPIB	Total	GoC	CPPIB ¹	Total
Personnel related costs.....	425	1,013	1,438	408	938	1,346
Collection of contributions and investigation services	273	—	273	289	—	289
Information technology and data services	—	178	178	—	158	158
Program policy and delivery	153	—	153	148	—	148
Professional services.....	—	115	115	—	115	115
Amortization of premises and equipment.....	—	61	61	—	60	60
Premises and equipment.....	—	26	26	—	21	21
Communications	—	20	20	—	14	14
Support services of the Social Security Tribunal.....	18	—	18	17	—	17
Cheque issue and computer services	6	—	6	5	—	5
Others	3	15	18	3	16	19
	878	1,428	2,306	870	1,322	2,192

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

12. Financial sustainability of the Canada Pension Plan

As of January 1, 2019, the CPP has two components: the base and additional CPP. The CPP consisted only of the base CPP prior to 2019, and this component continues. The additional CPP is the new enhancement to the CPP as of 2019. Both the base and additional CPP are financed by contributions and investment returns. Employers and employees pay contributions equally to the base and additional CPP, and self-employed workers pay the full amount.

Base CPP

At the time of the Plan's inception in 1965, the demographic and economic conditions made pay-as-you-go financing appropriate. The pay-as-you-go financing, along with a small reserve equivalent to about two years' worth of expenditures, meant the pensions and benefits for one generation would be paid largely from the contributions of later generations. However, changing demographics and economic conditions over time led to increasing CPP costs, and by the mid-1990s the fall in the level of assets of the CPP resulted in a portion of the reserve being required to cover expenditures. Therefore, for the CPP benefit provisions to have remained unchanged, the contribution rate would have needed to be increased regularly.

As a result, the base CPP was amended in 1997 to restore its long-term financial sustainability and to improve fairness across generations. This was achieved by changing its financing approach from a pay-as-you-go basis to a form of partial funding called steady-state funding, along with incremental full funding rules for new or enhanced benefits, and by reducing the growth of benefits over the long term. In addition, a new investment policy was put in place, along with the creation of CPPIB. Moreover, the statutory periodic reviews of the Plan by the federal and provincial governments were increased from once every five years to every three years.

Key among the 1997 changes were the introduction of self-sustaining provisions to safeguard the base CPP. In the event that the projected minimum contribution rate is greater than the legislated contribution rate and no recommendations are made by the Finance Ministers to correct the situation, the contribution rate would automatically increase and the indexation of the current benefits would be suspended.

The federal and provincial finance ministers took additional steps in 1999 to strengthen the transparency and accountability of actuarial reporting on the CPP by endorsing regular independent peer reviews of actuarial reports and consultations by the Chief Actuary with experts on the assumptions to be used in the actuarial reports.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2022—continued***Additional CPP*

With the challenge facing younger generations of securing adequate retirement savings at a time when fewer can expect to work in jobs that will include a workplace pension plan, the federal and provincial governments agreed in 2016 to expand the CPP by creating the additional CPP. The additional CPP took effect on January 1, 2019.

In accordance with the *Canada Pension Plan*, the additional retirement, survivor, and disability benefits provided by the additional Plan are financed by additional contribution rates that are no lower than the rates that:

- i. are the lowest constant rates that can be maintained over the foreseeable future, and
- ii. result in projected revenues (contributions and investment income) that are sufficient to fully pay the projected expenditures of the additional CPP over the foreseeable future.

The financing of the additional CPP is a result of the 1997 reforms to the Plan, specifically the requirement to fully fund any increased or new benefits. Similar to the base CPP, the *Canada Pension Plan* legislation includes self-sustaining provisions that provide for actions to be taken if the additional minimum contribution rates deviate significantly from their legislated values and no recommendations are made by the Finance Ministers to correct the situation. These actions are described in the Additional Canada Pension Plan Sustainability Regulations, which came into force on February 1, 2021. Since the additional minimum contribution rates from the most recent 30th Actuarial Report as at December 31, 2018 fall within the no action ranges there is no impact on the financial statements as at March 31, 2022.

Triennial actuarial report

As stipulated in the *Canada Pension Plan*, a triennial actuarial report is prepared by the Chief Actuary every three years and when there are any legislative changes to the Plan between triennial updates. The most recent triennial report, the 30th Actuarial Report on the CPP as at December 31, 2018, was tabled in Parliament on December 10, 2019, before the COVID-19 pandemic and the start of the conflict between Ukraine and the Russian Federation. As such, the projections and analysis included in that report did not reflect the potential effects of these two events.

As both these events evolve, the economic, demographic and investment environment continue to be subject to sustained volatility and unpredictability. The assumptions, actuarial obligations and other financial information disclosed in Notes 12 and 13 do not reflect the potential impacts of the pandemic nor the conflict between Ukraine and the Russian Federation. The potential impacts of these events are not known at this time.

Given the legislative framework of the CPP, the next triennial report will be prepared as at December 31, 2021, and is expected to be tabled in Parliament in late 2022. The report will include updated data, experience, and economic and demographic assumptions.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2022—continued**

A number of assumptions were used in the 30th CPP Actuarial Report to project the base and additional CPP's revenues and expenditures over the long projection period of over 75 years, and to determine the minimum contribution rates. The assumptions provided in the table below represent the best estimates according to the Chief Actuary's professional judgment relating to demographic, economic, investment and other factors; and have been peer reviewed by an independent actuaries panel.

	30 th Actuarial Report (as at December 31, 2018) ¹		27 th Actuarial Report (as at December 31, 2015) ¹	
Total fertility rate.....	1.62 (2027+)	1.65 (2019+)		
Mortality	Statistics Canada Life Tables (CLT 3-year average table: 2014–2016) with assumed future improvements		Canadian Human Mortality Database (CHMD 2011) with assumed future improvements	
Canadian life expectancy				
at birth in 2019	Males 86.9 years 21.4 years	Females 89.9 years 23.9 years	Males 87.0 years 21.5 years	Females 89.9 years 23.9 years
at age 65 in 2019				
Net migration rate	0.62% of population (for 2021+)		0.62% of population (for 2016+)	
Participation rate (age group 18–69).....	79.2%	(2035)	79.1%	(2035)
Employment rate (age group 18–69).....	74.4%	(2035)	74.4%	(2035)
Unemployment rate (ages 15+).....	6.2%	(2030+)	6.2%	(2025+)
Rate of increase in prices	2.0%	(2019+)	2.0%	(2017+)
Real-wage increase	1.0%	(2025+)	1.1%	(2025+)
Real rate of return (average 2019–2093)	Base CPP assets Additional CPP assets	4.0% 3.4%	4.0%	3.6% ³
Retirement rates for cohort age 60	Males Females	27.0% (2021+) 29.5% (2021+)	Males Females	34.0% (2016+) 38.0% (2016+)
CPP disability incidence rates (per 1,000 eligible)	Males Females	2.95 (2019+) 3.65 (2019+)	Males Females	3.17% (2020+) ² 3.72% (2020+) ²

¹ Assumptions of the 30th Actuarial Report and the 27th Actuarial Report are expected to gradually converge to their ultimate value. Years in the brackets indicate when the ultimate assumptions value is expected to be reached.

² The ultimate disability incidence rates assumption of the 27th Actuarial Report has been adjusted based on the 2018 eligible population in order to compare with the assumption for this 30th Actuarial Report on the same basis.

³ The expected 75-year (2019–2093) average real rate of return on the additional CPP assets was determined under the 28th and 29th CPP Actuarial Reports, supplementing the 27th Actuarial Report.

According to the 30th CPP Actuarial Report, with the legislated contribution rate of 9.9% for the base CPP, assuming all assumptions are realized, the base CPP assets are expected to increase significantly, with the asset/expenditure ratio remaining relatively stable at a level of 7.6 over the period 2021 to 2031 and then growing to reach 8.8 in 2050 and 9.5 in 2095.

The minimum contribution rate, which is the lowest rate to sustain the base CPP, is determined to be 9.75% of contributory earnings for years 2022 to 2033 and 9.72% for years 2034 and thereafter (9.79% for the year 2019 and thereafter in the 27th CPP Actuarial Report).

The partial funding nature of the base CPP means that contributions as opposed to investment income are the main source for financing base CPP expenditures. The 30th CPP Actuarial Report confirms that, based on the Chief Actuary's best-estimate assumptions, the current legislated contribution rate of 9.9% is higher than the minimum contribution rate needed to sustain the base CPP, and thus is sufficient to finance the base CPP over the long term. By 2050, investment income is expected to represent approximately 37% of revenues. Under the legislated contribution rate and the assumed average expected nominal return on base CPP assets of 5.6% over the period 2019 to 2030, total base CPP assets available for benefit payments are expected to grow to approximately \$688 billion by the end of 2030.

As at March 31, 2022, the value of base CPP assets available for benefit payments is \$534.5 billion (2021 – \$496.1 billion).

For the additional CPP, the 30th CPP Actuarial Report projects that with the legislated first and second additional contribution rates of 2.0% for 2023 and thereafter and 8.0% for 2024 and thereafter, assuming all assumptions are realized, total additional CPP assets are expected to increase rapidly over the first several decades as contributions are projected to exceed expenditures. The ratio of assets to the following year's expenditures is projected to increase rapidly until 2025 and then decrease after that, reaching a level of about 26 by 2075 and remaining at that level for the years following up to 2095.

The first additional minimum contribution rate applicable to contributory earnings below the Year's Maximum Pensionable Earnings is 1.49% in 2022 and 1.98% for the year 2023 and thereafter. The second additional minimum contribution rate applicable to contributory earnings above the Year's Maximum Pensionable Earnings up to the Year's Additional Maximum Pensionable Earnings is 7.92% for the year 2024 and thereafter. The phased-in legislated first additional contribution rates of 0.3%, 0.6%, and 1.0% apply respectively to the first three years after the valuation year, that is, to the triennial review period of 2019–2021.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2022—continued**

The full funding nature of the additional CPP means that investment income as opposed to contributions is the main source for financing additional CPP expenditures. The 30th CPP Actuarial Report confirms that, on the basis of the Chief Actuary's best-estimate assumptions, the current legislated contribution rates of 2.0% for 2023 and thereafter and 8.0% for 2024 and thereafter are higher than the minimum contribution rates needed to sustain the additional CPP, and thus are sufficient to finance the additional CPP over the long term. By 2050, investment income is expected to represent approximately 61% of revenues. Under the current legislated contribution rates and the average expected nominal return on additional CPP assets of 4.4% over the period 2019 to 2030, total additional CPP assets available for benefit payments are expected to grow to approximately \$191 billion by the end of 2030.

As at March 31, 2022, the value of additional CPP assets available for benefit payments is \$13.6 billion (2021 – \$6.7 billion).

As at March 31, 2022, the total CPP assets available for benefit payments of \$548.1 billion (2021 – \$502.8 billion) represents approximately 9.2 times the 2023 planned expenditures of \$59.3 billion (2021 – 8.7 times the 2022 planned expenditures of \$58.0 billion).

Sensitivity tests

A variety of tests was performed to measure the sensitivity of the long-term projected financial position of both components of the CPP to future changes in the demographic, economic, and investment environments. Key best-estimate demographic, economic, and investment assumptions were varied individually to measure the potential impacts on the financial state of both components of the CPP.

Lower-cost and higher-cost alternatives for three important assumptions are shown in the table below. For each test, the assumptions for the lower-cost and higher-cost alternatives were developed considering alternative assumed mortality improvement rates, real wage increases and real rates of return. It is possible that a lower-cost scenario for the base CPP will be a higher-cost scenario for the additional CPP, and vice versa. This is the case, for example, for the test regarding the real wage increase, described below.

		Lower-cost	Best-estimate		Higher-cost			
Mortality (base and additional CPP):								
Canadian life expectancy at age 65 in 2050			Males Females	21.0 23.4	Males Females	23.3 25.6	Males Females	25.8 28.0
with future improvements.....	Base CPP	1.7%		1.0%		0.3%		
	Additional CPP	0.3%		1.0%		1.7%		
Real wage increase.....	Base CPP	4.95%		3.95%		2.95%		
	Additional CPP	4.38%		3.38%		2.38%		
Average real rate of return (2019–2093)	Base CPP							
	Additional CPP							

The table below summarizes, for both the base and additional CPP, the sensitivity results of the minimum contribution rates to the changes in mortality, real wage increase and real rate of return on investments assumptions:

Assumption	Scenario	contribution rate (%)	Base CPP	Additional CPP
			Minimum	Minimum contribution rates (%)
			2034+	2023+ 2024+
Mortality	Best estimate	9.72		1.98 7.92
	Higher mortality	9.38		1.80 7.20
	Lower mortality	10.06		2.15 8.60
Real wage increase.....	Higher wage increase	9.29		2.22 8.88
	Lower wage increase	10.15		1.78 7.12
Real rate of return on investments.....	Higher real return	8.82		1.49 5.96
	Lower real return	10.62		2.69 10.76

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2022—continued

Mortality

Mortality is a very important demographic assumption as it affects the length of the benefit payment period. If male and female life expectancies at age 65 were to increase by approximately 2.4 years more than expected by 2050, the base CPP minimum contribution rate for 2034 and thereafter would increase to 10.06%, above the base CPP legislated contribution rate of 9.9%. For the additional CPP the first and second additional minimum contribution rates would increase to 2.15% and 8.60%, respectively. These would be above the legislated rates of 2% and 8%, respectively.

On the other hand, if male and female life expectancies at age 65 were to be about 2.2 years lower than expected by 2050, the base CPP minimum contribution rate for years 2034 and thereafter would decrease to 9.38% while the first and second additional CPP minimum contribution rates would decrease to 1.80% and 7.20%, respectively.

Real wage increase

Real wage increases directly affect the amount of future CPP contributions. Note that for this test, the opposite effects for the base and additional CPP are attributable to the different financing approaches. As a result of the different financing approaches, the base CPP is more dependent on contributions while the additional CPP is more dependent on investment income.

For the base CPP, if an ultimate real wage increase of 0.3% is assumed for 2019 and thereafter, the base CPP minimum contribution rate for years 2034 and thereafter would increase to 10.15%. On the other hand, for the additional CPP, under the same assumption, the first and second additional minimum contribution rates would decrease to 1.78% and 7.12%, respectively.

For the base CPP, if an ultimate real wage increase of 1.7% is assumed for 2025 and thereafter, the base CPP minimum contribution rate for years 2034 and thereafter would decrease to 9.29%. On the other hand, for the additional CPP, under the same assumption, the first and second additional minimum contribution rates would increase to 2.22% and 8.88%, respectively.

Real rate of return

Real rates of return can fluctuate greatly from year to year and can have a significant impact on the size of assets and on the ratio of assets to the following year expenditures.

If for the base CPP, the average real rate of return is assumed to be 1% lower (2.95% vs 3.95%) over the next 75 years (2019 to 2093), the base CPP minimum contribution rate for years 2034 and thereafter will increase to 10.62%. For the additional CPP if the average real rate of return is assumed to be 1% lower (2.38% vs 3.38%) over the same period then the first and second additional minimum contribution rates increase to 2.69% and 10.76%, respectively.

However, if for the base CPP the average real rate of return is assumed to be 1% higher (4.95% vs 3.95%) over the next 75 years, the base CPP minimum contribution rate decreases to 8.82%. For the additional CPP, if the average assumed real rate of return over the same period is 1% higher (4.38% vs 3.38%) then the first and second additional minimum contribution rates decrease to 1.49% and 5.96%, respectively.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2022—continued****13. Actuarial obligation in respect of benefits**

The 30th CPP Actuarial Report is a triennial report that measures the actuarial obligations of both the base and additional CPP under an open group approach, which is consistent with the funding nature of both components. It also provides information under a closed group approach, in footnotes. The open group approach takes into consideration all current and future participants of the CPP, including their future contributions and associated benefits, to determine whether current assets and future contributions will be sufficient to pay for all future expenditures. The closed group approach includes only current participants of the CPP, with no new entrants permitted and no new benefits accrued.

The choice of the methodology used to produce a social security system's balance sheet is mainly determined by the system's financing approach. Partially funded plans like the base CPP represent a social contract where, in any given year, current contributors allow the use of their contributions to pay current beneficiaries' benefits. This social contract creates claims for current and past contributors to contributions of future contributors. As such, the proper assessment of the financial sustainability of partially funded plans by means of their balance sheets should reflect these claims. The open group approach does account explicitly for these claims by considering the benefits and contributions of both the current and future plan participants. In comparison, the closed group methodology does not reflect these claims since only current participants are considered. The legislated methodologies to determine the steady-state and incremental full funding contribution rates of the base CPP are based on the open group approach (in accordance with the *Calculation of Contribution Rates Regulations, 2021*¹)

The determination of the additional minimum contribution rates (in accordance with the *Calculation of Contribution Rates Regulations, 2021*¹) also requires the use of an open group approach. Since the open group methodology is based on projections of future income and expenditures, the requirement of the additional CPP open group assets to be at least 100% of its open group actuarial obligations ensures that, at the valuation date, the projected additional contributions and investment income are sufficient to cover the projected additional expenditures over the long term.

To determine the base and additional CPP actuarial obligations under the open group approach and the legislated contribution rates, the base and additional CPP's revenues and expenditures were projected using the assumptions of the 30th CPP Actuarial Report shown in Note 12. The projection period longer than 75 years that is used to calculate the minimum contribution rates is necessary to ensure that the future expenditures for cohorts that will enter the labour force during that time are included in the liabilities. The present values of the assets and obligations of the base CPP and additional CPP are determined using a discount rate equal to the assumed nominal rates of return on the base CPP and additional CPP assets respectively.

¹ The minimum contribution rates stated in the *30th CPP Actuarial Report* as at 31 December 2018 were determined in accordance with the *Calculation of Contribution Rates Regulations, 2018*, which are identical to the 2021 Regulations that subsequently received formal provincial and federal approval.

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2022—continued

Base CPP

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

(in billions of dollars)

	30 th Actuarial Report as at December 31, 2018		27 th Actuarial Report as at December 31, 2015	
	Open group	Closed group	Open group	Closed group
Assets ¹	2,691.1	371.7	2,547.4	285.4
Actuarial obligation ²	2,674.4	1,257.1	2,546.1	1,171.1
Asset excess (shortfall).....	16.7	(885.4)	1.3	(885.7)
Assets to actuarial obligation ratio	100.6%	29.6%	100.1%	24.4%

¹ Includes only current assets for closed group but also includes future contributions for the open group.

² Obligations include operating expenses.

The base CPP was never intended to be a fully funded plan and the financial sustainability of the base CPP is not assessed based on its actuarial obligation in respect of benefits. According to the 30th CPP Actuarial Report, the CPP is intended to be long-term and enduring in nature, a fact that is reinforced by the federal and provincial governments' joint stewardship through the established strong governance and accountability framework of the CPP. Therefore, if the base CPP's financial sustainability is to be measured based on its asset excess or shortfall, it should be done on an open group basis that reflects the partially funded nature of the base CPP, that is, its reliance on both future contributions and invested assets as a means of financing its future expenditures.

Additional CPP

For the additional CPP, with the first and second legislated contribution rates of 2.0% and 8.0%, respectively, the table below presents the asset excess (shortfall) and the assets to actuarial obligation ratio under open and closed group approaches at the valuation date:

(in billions of dollars)

	As at January 1, 2019 ¹	
	Open group	Closed group
Assets ²	740.3	—
Actuarial obligation ³	686.6	—
Asset excess (shortfall).....	53.7	—
Assets to actuarial obligation ratio	107.8%	N/A ⁴

¹ Commencement date of the additional CPP and the last measurement date for the 30th Actuarial Report.

² Includes only current assets for closed group but also includes future contributions for the open group.

³ Obligations include operating expenses.

⁴ As at December 31, 2018, under the closed group approach, the actuarial obligations, assets, and assets excess/shortfall of the additional CPP are all \$0.

Using the open group approach, the Chief Actuary confirms that both the base CPP and additional CPP, based on the best-estimate assumptions selected and under the legislative contribution rates, will continue to meet their financial obligations and are sustainable in the long term.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2022—continued****14. Contractual obligations and commitments**

The nature of CPP's and CPPIB's activities can result in some large multi-year contracts and agreements whereby the CPP and CPPIB will be obligated to make future payments in order to carry out its activities.

Operating costs are charged to the CPP in accordance with various memoranda of understanding (MoU) between the CPP and various GoC departments for the administration of the CPP's activities (refer to Note 16). The MoUs require written notice of termination at least one year before the termination date. Therefore, as at March 31, 2022, the operating costs of \$856 million (2021 – \$811 million) are an estimation of the costs, based on the MoUs, that will be charged to the CPP Accounts in the next fiscal year. Operating costs are expected to continue to be charged to the CPP Accounts in the upcoming fiscal years, but cannot be reasonably estimated beyond one year.

The CPP, through CPPIB, has entered into commitments related to the funding of investments. These commitments are generally payable on demand based on the funding needs of the investment subject to the terms and conditions of each agreement. As at March 31, 2022, the unfunded commitments for CPPIB and its investment holding subsidiaries totalled \$1,083 million (2021 – \$1,057 million) and \$54,064 million (2021 – \$44,244 million), respectively.

15. Contingent liabilities

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

At March 31, 2022, there were 6,432 appeals (2021 – 5,112) relating to the payment of CPP disability pensions. These contingencies are reasonably estimated, using historical information, at an amount of \$53.9 million (2021 – \$43.4 million), and have been recorded as an accrued liability in these consolidated financial statements.

(b) Other claims and legal proceedings

In the normal course of operations, the CPP is involved in various claims and legal proceedings. The total amount claimed in these actions and their outcomes are not determinable at this time. The CPP records an allowance for claims and legal proceedings when it is likely that there will be a future payment and a reasonable estimate of the loss can be made. No such allowance was recognized in the consolidated financial statements for the 2022 and 2021 fiscal years for these claims and legal proceedings.

(c) Guarantees

As part of certain investment transactions, the CPP, through CPPIB and its investment holding subsidiaries, agreed to guarantee, as at March 31, 2022, up to \$228 million (2021 – \$505 million) and \$7,006 million (2021 – \$6,128 million), respectively, to other counterparties in the event certain investee entities default under the terms of loan and other related agreements, or fail to perform under specified non-financial contractual obligations.

(d) Indemnifications

The CPP, through CPPIB, provides indemnifications to its officers, directors, certain others and, in certain circumstances, to various counterparties and other entities. CPPIB may be required to compensate these indemnified parties for costs incurred as a result of various contingencies such as changes in laws, regulations and litigation claims. The contingent nature of these indemnification agreements prevents CPPIB from making a reasonable estimate of the maximum potential payments CPPIB could be required to make. To date, CPPIB has not received any material claims nor made any material payments pursuant to such indemnifications.

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2022—continued

16. Related party transactions

The CPP enters into transactions with the GoC in the normal course of business, which are recorded at the exchange value. The costs are based on estimated allocations of costs and are charged to the CPP in accordance with various memoranda of understanding (MoU). Details of these transactions are provided in the GoC operating expenses in Note 11 and contractual obligations in Note 14.

Expenses for the year are comprised of the following, for the year ended March 31:

(in millions of dollars)

	2022	2021
Employment and Social Development Canada		
Program policy and delivery.....	546	527
Canada Revenue Agency		
Collection of contributions and investigation services.....	273	289
Treasury Board Secretariat		
Health Insurance Plan.....	32	29
Administrative Tribunals Support Service of Canada		
Support services of the Social Security Tribunal	18	17
Public Services and Procurement Canada		
Cheque issue and computer services.....	6	5
Office of the Superintendent of Financial Institutions and Department of Finance		
Actuarial and other services	3	3
	<hr/> 878	<hr/> 870

The CPP receives audit services without charge from the Office of the Auditor General of Canada. The value of these audit services is not material for the purpose of these consolidated financial statements and has not been recorded.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2022—continued****17. Supplementary information**

The administration of the CPP is shared between various GoC departments. The GoC transfers to CPPIB amounts that are not immediately needed to pay CPP pensions, benefits and operating expenses, and CPPIB invests those amounts. The GoC, through various federal departments, manages the remainder of the assets, as well as the collection of the CPP contributions and the administration and payments of the CPP benefits.

For accountability purposes, the following tables present summary information on the levels of assets and liabilities and sources of income and expenses managed by the GoC and CPPIB broken out by the base CPP and additional CPP respectively. CPPIB's expenses are presented as investment-related expenses (refer to Note 10) and operating expenses (refer to Note 11).

(in millions of dollars)

	As at March 31, 2022						
	Base CPP			Additional CPP			CPP
	GoC	CPPIB	Total	GoC	CPPIB	Total	Total
Financial assets and liabilities							
Cash	78	297	375	23	6	29	404
Receivables	8,382	38	8,420	1,024	—	1,024	9,444
Net Investments.....	—	526,752	526,752	—	12,614	12,614	539,366
Payables and accrued liabilities	(674)	(877)	(1,551)	(66)	(15)	(81)	(1,632)
	7,786	526,210	533,996	981	12,605	13,586	547,582
Non-financial assets	—	484	484	—	12	12	496
Assets available for benefit payments	7,786	526,694	534,480	981	12,617	13,598	548,078

(in millions of dollars)

	For the year ended March 31, 2022						
	Base CPP			Additional CPP			CPP
	GoC	CPPIB	Total	GoC	CPPIB	Total	Total
Revenues							
Contributions.....	57,724	—	57,724	6,916	—	6,916	64,640
Net investment income							
Investment income.....	1	36,145	36,146	—	173	173	36,319
Investment-related expenses	—	(469)	(469)	—	(6)	(6)	(475)
	57,725	35,676	93,401	6,916	167	7,083	100,484
Expenses							
Pensions and benefits	(52,889)	—	(52,889)	(39)	—	(39)	(52,928)
Operating expenses	(697)	(1,408)	(2,105)	(181)	(20)	(201)	(2,306)
	(53,586)	(1,408)	(54,994)	(220)	(20)	(240)	(55,234)
Net increase in assets available for benefit payments	4,139	34,268	38,407	6,696	147	6,843	45,250

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2022—continued

(in millions of dollars)

	As at March 31, 2021						
	Base CPP			Additional CPP			CPP
	GoC	CPPIB	Total	GoC	CPPIB	Total	Total
Financial assets and liabilities							
Cash	119	222	341	20	3	23	364
Receivables	5,642	40	5,682	477	—	477	6,159
Net Investments.....	—	490,994	490,994	—	6,272	6,272	497,266
Payables and accrued liabilities	(595)	(842)	(1,437)	(22)	(7)	(29)	(1,466)
	5,166	490,414	495,580	475	6,268	6,743	502,323
Non-financial assets	—	493	493	—	12	12	505
Assets available for benefit payments	5,166	490,907	496,073	475	6,280	6,755	502,828

(in millions of dollars)

	For the year ended March 31, 2021 ¹						
	Base CPP			Additional CPP			CPP
	GoC	CPPIB	Total	GoC	CPPIB	Total	Total
Revenues							
Contributions.....	51,407	—	51,407	3,924	—	3,924	55,331
Net investment income							—
Investment income.....	1	86,375	86,376	—	426	426	86,802
Investment-related expenses	—	(1,527)	(1,527)	—	(8)	(8)	(1,535)
	51,408	84,848	136,256	3,924	418	4,342	140,598
Expenses							
Pensions and benefits	(51,201)	—	(51,201)	(14)	—	(14)	(51,215)
Operating expenses	(692)	(1,312)	(2,004)	(178)	(10)	(188)	(2,192)
	(51,893)	(1,312)	(53,205)	(192)	(10)	(202)	(53,407)
Net increase in assets available for benefit payments	(485)	83,536	83,051	3,732	408	4,140	87,191

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

Canada Pension Plan—concluded**Notes to consolidated financial statements for the year ended March 31, 2022—concluded**

Pursuant to Section 108.1 and 108.3 of the *Canada Pension Plan* and the Agreement dated as of April 1, 2004, amounts not required to meet specified obligations of the CPP are transferred weekly to CPPIB. The funds originate from employer and employee contributions to the CPP and interest income generated from the deposit with the Receiver General.

CPPIB remits cash to the CPP as required, including the periodic return, on at least a monthly basis, of funds required to meet CPP pensions, benefits and operating expenses obligations.

The accumulated transfers to/from CPPIB, since inception, are as follows:

(in millions of dollars)

	2022		
	Base CPP	Additional CPP	Total
Accumulated transfers to CPPIB, beginning of year	613,349	5,857	619,206
Transfers of funds to CPPIB.....	43,005	6,190	49,195
Accumulated transfers to CPPIB, end of year	656,354	12,047	668,401
Accumulated transfers from CPPIB, beginning of year.....	(465,684)	–	(465,684)
Transfers of funds from CPPIB	(41,486)	–	(41,486)
Accumulated transfers from CPPIB, end of year.....	(507,170)	–	(507,170)
Net accumulated transfers to CPPIB	149,184	12,047	161,231

(in millions of dollars)

	2021		
	Base CPP	Additional CPP	Total
Accumulated transfers to CPPIB, beginning of year	572,812	2,323	575,135
Transfers of funds to CPPIB.....	40,537	3,534	44,071
Accumulated transfers to CPPIB, end of year	613,349	5,857	619,206
Accumulated transfers from CPPIB, beginning of year.....	(425,268)	–	(425,268)
Transfers of funds from CPPIB	(40,416)	–	(40,416)
Accumulated transfers from CPPIB, end of year.....	(465,684)	–	(465,684)
Net accumulated transfers to CPPIB	147,665	5,857	153,522

Government Annuities Account

Management's responsibility for financial statements

The financial statements of the Government Annuities Account are prepared in accordance with Canadian accounting standards for pension plans by the management of Employment and Social Development Canada. Management is responsible for the integrity and objectivity of the information in the financial statements, including the amounts which must, of necessity, be based on best estimates and judgment. The significant accounting policies are identified in Note 2 to the financial statements.

To fulfill its accounting and reporting responsibilities, management has developed and maintains books of account, financial and management controls, information systems and management practices. These systems are designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Government Annuities Improvement Act* and the *Government Annuities Act* and regulations.

The Auditor General of Canada, the external auditor of the Government Annuities Account, conducts an independent audit of the financial statements in accordance with Canadian generally accepted auditing standards and provides a report to the Minister of Employment and Social Development Canada, styled as Minister of Employment, Workforce Development and Disability Inclusion.

Jean-François Tremblay
Deputy Minister
Employment and Social Development Canada

Karen Robertson, CPA, CMA
Chief Financial Officer
Employment and Social Development Canada

Gatineau, Canada
August 31, 2022

Government Annuities Account—continued

Report of the Actuary

The Office of the Chief Actuary, Office of the Superintendent of Financial Institutions Canada, has the mandate of performing the annual actuarial valuation of the Government Annuities Account (the “Account”) as at 31 March 2022. The purpose of this valuation is to determine the actuarial liabilities and financial position of the Account as at 31 March 2022. The results of the valuation are included in the Public Accounts of Canada as well as in the Account’s financial statements.

As at 31 March 2022, the actuarial liabilities calculated in accordance with the *Government Annuities Improvement Act* and the *Government Annuities Regulations* and used to determine the amount charged to the Account and credited to the Consolidated Revenue Fund, are based on prescribed mortality and interest rates. In addition, the actuarial liabilities presented in the statement of financial position, statement of changes in net assets available for benefits, and statement of changes in pension obligations of the Account’s financial statements, are based on alternative mortality and interest rates.

The valuation of the Account’s actuarial liabilities and financial position is therefore based on:

- membership data as at 31 March 2022 provided by Employment and Social Development Canada (ESDC) and Service Canada;
- asset data provided by ESDC;
- prescribed mortality and interest rates:
 - mortality rates as per the *Government Annuities Regulations*, that is, the Annuity Table for 1983, for individual and group annuities, as modified by Projection Scale G published by the Society of Actuaries; and
 - a seven percent annual interest rate as per the *Government Annuities Regulations*.

For purposes of the Account’s financial statements, prepared in accordance with section 4600 of Part IV of the CPA Canada Handbook – Accounting, the alternative mortality and interest rates are as follows:

- best-estimate experience-adjusted mortality rates; and
- interest rate determined using the yield curve approach. The yield curve is determined by reference to market yields at the end of the reporting period on Government of Canada bonds and treasury bills.

The Account’s assets are notional and in the form of a deposit with the Receiver General for Canada. Therefore, actuarial liabilities equal the present value of future payments discounted at the prescribed or alternative interest rate. Since administrative expenses are paid by the government out of general funds, no provision for expenses is made in the valuation. This valuation contains no added margins for adverse deviation.

Government Annuities Account—continued

Report of the Actuary—concluded

In our opinion, considering that the valuation is prepared pursuant to the *Government Annuities Act* and the *Government Annuities Improvement Act*:

- the data on which our valuation is based are sufficient and reliable for the purpose of the valuation;
- the assumptions used comply with legislative requirements;
- the alternative mortality and interest rates assumptions used for purposes of the Account's financial statements are reasonable and appropriate;
- the methods employed are appropriate for the purposes of the valuation; and
- the actuarial valuation is appropriate, it conforms to statutory requirements and the financial statements fairly present its results.

Our valuation has been prepared, and our opinion given, in accordance with accepted actuarial practice in Canada. As at 31 August 2022, we have not learned of any events that would have a material impact on the results as at 31 March 2022. The next valuation will be performed as at 31 March 2023.

Mathieu Désy
Fellow of the Canadian Institute of Actuaries
Office of the Chief Actuary

Luc Léger
Associate of the Canadian Institute of Actuaries
Office of the Chief Actuary

Alice Chiu
Associate of the Canadian Institute of Actuaries
Office of the Chief Actuary

Ottawa, Canada
31 August 2022

Government Annuities Account—continued

Independent Auditor's Report

To the Minister of Employment, Workforce Development and Disability Inclusion

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Government Annuities Account (the Account), which comprise the statement of financial position as at 31 March 2022, and the statement of changes in net assets available for benefits and statement of changes in pension obligations for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Account as at 31 March 2022, and the changes in its net assets available for benefits and changes in its pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Account's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Account or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Government Annuities Account—continued

Independent Auditor's Report—concluded

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

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

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

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the financial statements, we have audited transactions of the Government Annuities Account coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the *Government Annuities Improvement Act* and the *Government Annuities Act* and regulations.

In our opinion, the transactions of the Government Annuities Account that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the Government Annuities Account's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Government Annuities Account to comply with the specified authorities.

Auditor's Responsibilities for the Audit of Compliance with Specified Authorities

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.

Original signed by
Mathieu Le Sage, CPA, CGA
Principal
for the Auditor General of Canada

Ottawa, Canada
31 August 2022

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

(in thousands of Canadian dollars)

	2022	2021
Net assets available for benefits		
Accounts receivable	39	36
Pension obligations (Note 3)	81,557	97,799
Deficit to be financed by the Government of Canada (Note 4).....	81,518	97,763

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

Approved by:

Jean-François Tremblay
Deputy Minister
Employment and Social Development Canada

Karen Robertson, CPA, CMA
Chief Financial Officer
Employment and Social Development Canada

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

(in thousands of Canadian dollars)

	2022	2021
Received or paid by the Government of Canada		
Annuity payments (Note 4)	12,565	14,137
Premium refunds and other (Note 4).....	3	(18)
Amount paid through the Consolidated Revenue Fund.....	12,568	14,119
(12,568)	(14,119)	
Administrative expenses		
Services received without charge (Note 5)	1,769	1,784
Services contributed by Employment and Social Development Canada (Note 5)	(1,769)	(1,784)
Change in accounts receivable and increase (decrease) in net assets available for benefits	3	(20)
Net assets available for benefits at beginning of year	36	56
Net assets available for benefits at end of year.....	39	36

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

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

(in thousands of Canadian dollars)

	2022	2021
Pension obligations at beginning of year	97,799	114,761
Interest (Note 4)	1,354	995
Annuity payments and other items (Note 4)	(12,602)	(14,208)
Experience gains (Note 4)	(261)	(3)
Gains due to change in discount rate assumptions (Note 4)	(4,733)	(3,746)
Pension obligations at end of year (Note 3)	81,557	97,799

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

Government Annuities Account—continued

Notes to the financial statements for the year ended March 31, 2022

1. Authority, objective and responsibilities

The Government Annuities Account (the Account) was established in 1908 by the *Government Annuities Act*, as modified by the *Government Annuities Improvement Act*.

The purpose of the *Government Annuities Act* was to assist individuals and groups of Canadians to prepare financially for their retirement by purchasing Government Annuities. In 1975, the *Government Annuities Improvement Act* discontinued future sales of Government Annuity contracts. Annuities are deferred until their maturity date, at which time payments to annuitants begin.

The Account is administered by Employment and Social Development Canada (ESDC) and operates through the Consolidated Revenue Fund.

2. Significant accounting policies

a) Basis of presentation

The financial statements of the Account are prepared in accordance with Canadian accounting standards for pension plans (Section 4600) on a going concern basis. They are prepared in thousands of Canadian dollars, the Account's functional currency. Section 4600 provides specific accounting guidance on pension obligations. For accounting policies that do not relate to pension obligations, the Account complies with International Financial Reporting Standards (IFRS) in Part I of the Chartered Professional Accountants (CPA) Canada Handbook—Accounting. To the extent that IFRS in Part I are inconsistent with Section 4600, Section 4600 takes precedence.

The financial statements for the year ended March 31, 2022 were authorized for issue by the signatories on August 31, 2022.

(b) Pension obligations

The method utilized to calculate the pension obligations comprises, in respect of deferred and matured annuities, the present value of such annuities determined on an actuarial basis using best estimate experience-adjusted mortality tables as at March 31, 2022. The discount rates used to measure the present value are based on the Government of Canada's cost of borrowing derived from the yields on the actual zero-coupon yield curve for Government of Canada bonds which reflect the timing of the expected future cash flows.

Pension obligations are separated into two groups: matured and deferred. The matured group consists of members for whom the pensions are in payment as at March 31, 2022. The deferred group consists of members for whom payment of pensions will start in the future.

(c) Services received without charge

Administrative services received without charge from ESDC are recorded in the statement of changes in net assets available for benefits at their estimated cost. A corresponding amount is credited directly to the statement of changes in net assets available for benefits.

(d) Measurement uncertainty

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amount of net assets available for benefits, pension obligations and interest at the date of the financial statements. The pension obligations depend on factors that are determined on an actuarial basis using assumptions such as mortality and discount rates. Any changes in these assumptions will impact the carrying amount of the pension obligations. The carrying amount of the pension obligations as at the end of the reporting fiscal years is presented in Note 3. Actual results may differ significantly from the estimates and assumptions; therefore, it is possible that the amounts for the pension obligations and related accounts could change materially in the near term. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Government Annuities Account—continued**Notes to the financial statements for the year ended March 31, 2022—continued****3. Pension Obligations**

The Office of the Chief Actuary, an independent unit within the Office of the Superintendent of Financial Institutions Canada, performs the annual actuarial valuation of the pension obligations every year as at March 31.

The pension obligations amounted to:

(in thousands of Canadian dollars)

	2022	2021
Pension obligations		
Mature annuities.....	79,930	95,386
Deferred annuities	1,627	2,413
	81,557	97,799

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

	2022	2021
Pension obligations	2.38%	1.49%
Interest.....	1.49%	0.93%

The average age of annuitants was estimated to be 86.7 years and the remaining duration of the Account was estimated at 37 years as at March 31, 2022.

The next actuarial valuation will be performed as at March 31, 2023.

Government Annuities Account—continued

Notes to the financial statements for the year ended March 31, 2022—continued

4. Deficit to be financed by the Government of Canada

The *Government Annuities Act* provided authority for the Government of Canada to sell annuities to the Canadian public. The Government of Canada entered into annuity contracts with a promise to pay the annuities and is required under the Act to keep an account, the Government Annuities Account, within the accounts of Canada to record all transactions related to these annuities. These transactions include all moneys received and paid relating to the granting of an annuity, unclaimed and reclaimed annuities and the obligations representing the present value of prospective annuities contracted. It also includes the accrual of interest on the pension obligations.

(in thousands of Canadian dollars)

	2022	2021
Deficit to be financed by the Government of Canada at beginning of year.....	97,763	114,705
Interest	1,354	995
Reclaimed annuities	3	7
Unclaimed annuities	(40)	(76)
Annuity payments	(12,565)	(14,137)
Premium refunds and other	(3)	18
Experience gains	(261)	(3)
Gains due to change in discount rate assumptions	(4,733)	(3,746)
	(16,245)	(16,942)
Deficit to be financed by the Government of Canada at end of year	81,518	97,763

Interest

Interest is recorded on an accrual basis and is calculated on the pension obligations using the discount rate at the end of the prior fiscal year.

Reclaimed annuities

Reclaimed annuities represent previously unclaimed amounts of annuitants that could not be located. If the annuitants are subsequently located, the actuarial present value of these annuities is paid.

Unclaimed annuities

Unclaimed annuities represent amounts of annuities that could not be paid because the annuitants could not be located.

Premium refunds

Premium refunds represent the full reimbursement of premiums upon the cancellation of an annuity contract at maturity.

Gains or losses due to experience and changes in actuarial assumptions

At the end of any fiscal year, the amount of the pension obligations may be different than expected due to changes resulting from experience adjustment and the effects of changes in actuarial assumptions.

As there are no new contracts purchased under the *Government Annuities Act*, the main sources of experience gains or losses are mortality and retirements of existing members. Mortality gains and losses include changes in expected future payments due to death or survival of annuitants and the difference between actual and expected benefit payments during the year.

Management's best estimates of the pension obligations are based on mortality rates, used for the actuarial assessments of the Canada Pension Plan, and discount rates. The pension obligations as at March 31, 2022 was estimated based on mortality rates used in the *Thirtieth Actuarial Report on the Canada Pension Plan*.

Government Annuities Account—concluded**Notes to the financial statements for the year ended March 31, 2022—concluded****5. Related party transactions**

The Account is related to government departments, agencies and Crown corporations through common control held by the Government of Canada. There were no further significant transactions with related parties other than those described in Note 2c) Services received without charge. These administrative services include the following:

(in thousands of Canadian dollars)

	2022	2021
Salaries	1,277	1,249
Operating costs	362	411
Actuarial services.....	130	124
Services received without charge	1,769	1,784

6. Pension obligations calculated as per the *Government Annuities Improvement Act* and *Government Annuities Regulations*

As per the *Government Annuities Improvement Act* and *Government Annuities Regulations*, expected future payments are to be discounted using an annual interest rate of seven percent. Future payments are to be estimated using the mortality rates from the 1983 mortality tables published by the Society of Actuaries, for individual and group annuities respectively, modified by Projection Scale G. Pension obligations are to be initially recorded through the Government Annuities Account established within the Public Accounts of Canada. Based on the Act and Regulations, the pension obligations as at March 31, 2022 are estimated at \$66.9 million (\$75.8 million in 2021).

Adjustments required to reflect the pension obligation using both experience-adjusted mortality rates and current discount rates in accordance with Canadian accounting standards for pension plans were recorded in these financial statements and in the Public Accounts of Canada.

Royal Canadian Mounted Police (Dependants) Pension Fund

Management responsibility for financial statements

Responsibility for the integrity and fairness of the financial statements of the Royal Canadian Mounted Police (Dependants) Pension Fund rests with the management of the Royal Canadian Mounted Police.

The financial statements of the Royal Canadian Mounted Police (Dependants) Pension Fund have been prepared in accordance with Canadian accounting standards for pension plans. The financial statements include management's best estimates and judgments where appropriate.

To fulfill its accounting and reporting responsibilities, management has developed and maintained books, records, internal controls and management practices designed to provide reasonable assurance as to the reliability of the financial information and to ensure that transactions are in accordance with the *Royal Canadian Mounted Police Pension Continuation Act* and regulations as well as the *Financial Administration Act* and regulations.

These financial statements have been audited by the Auditor General of Canada, the independent auditor for the Government of Canada.

Approved by:

Brenda Lucki
Commissioner

Jen O'Donoughue
Chief Financial Officer

25 August, 2022

Royal Canadian Mounted Police (Dependants) Pension Fund—continued

Independent Auditor's Report

To the Minister of Public Safety

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Royal Canadian Mounted Police (Dependants) Pension Fund (the Fund), which comprise the statement of financial position as at 31 March 2022, and the statement of changes in net assets available for benefits and statement of changes in pension obligations for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 March 2022, and the changes in its net assets available for benefits and changes in its pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for pension plans, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

Royal Canadian Mounted Police (Dependants) Pension Fund—continued

Independent Auditor's Report—concluded

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the financial statements, we have audited transactions of the Royal Canadian Mounted Police (Dependants) Pension Fund coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the applicable provisions of the *Financial Administration Act* and regulations and the *Royal Canadian Mounted Police Pension Continuation Act* and regulations.

In our opinion, the transactions of the Royal Canadian Mounted Police (Dependants) Pension Fund that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the Royal Canadian Mounted Police (Dependants) Pension Fund's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Royal Canadian Mounted Police (Dependants) Pension Fund to comply with the specified authorities.

Auditor's Responsibilities for the Audit of Compliance with Specified Authorities

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.

Mimma Venema, CPA, CA, CGA
Principal
for the Auditor General of Canada

Ottawa, Canada
25 August, 2022

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

(in Canadian dollars)

	2022	2021
Liabilities		
Pension benefits payable (Note 4)	219,563	200,558
Net assets available for benefits	(219,563)	(200,558)
Pension obligations (Note 5)	6,823,551	8,217,708
Deficit to be financed by the Government of Canada (Note 6)	(7,043,114)	(8,418,266)

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

Approved by:

Brenda Lucki
*Commissioner*Jen O'Donoghue
Chief Financial Officer

25 August, 2022

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

(in Canadian dollars)

	2022	2021
Net assets available for benefits, beginning of year	(200,558)	(975,016)
(Increase) Decrease in pension benefits payable	(19,005)	774,458
Net assets available for benefits, end of year	(219,563)	(200,558)

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

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

(in Canadian dollars)

	2022	2021
Pension obligations, beginning of year	8,217,708	9,196,307
Net interest accrued on benefits	245,735	303,065
Past service contributions from participants	684	739
Experience (gains) losses	(84,917)	115,797
Survivor benefit payments and transfers to pension benefits payable	(1,555,659)	(1,706,389)
Benefit increases (Note 5).....	—	445,803
Valuation data correction – Prior year.....	—	(137,614)
Pension obligations, end of year	6,823,551	8,217,708

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

Royal Canadian Mounted Police (Dependants) Pension Fund—continued

Notes to the financial statements for the year ended March 31, 2022

1. Description of the Fund

The following is a summary description of the Royal Canadian Mounted Police (Dependants) Pension Fund.

(a) General

The Royal Canadian Mounted Police (Dependants) Pension Fund (the Fund) was established in 1934 pursuant to the *Royal Canadian Mounted Police Act* and is currently operated under Part IV of the *Royal Canadian Mounted Police Pension Continuation Act* (the *Act*) (effective 1959) and the related regulations.

The *Act* provides for members of the Force, other than commissioned officers, appointed before March 1, 1949, the right to purchase certain survivorship benefits for their dependants by payment of specified contributions.

The Royal Canadian Mounted Police (RCMP) is responsible for the management of the Fund and Public Services and Procurement Canada (PSPC) provides the day-to-day administration of the Fund. The Office of the Chief Actuary (OCA) of the Office of the Superintendent of Financial Institutions (OSFI) performs periodic actuarial valuations of the Fund.

All monetary transactions of the Fund are made through a specified purpose account in the Consolidated Revenue Fund (CRF).

The Fund is accounted for using the standards applicable to a defined benefit pension plan as described in Note 2(a).

(b) Funding policy

All eligible members have now retired and, as such, there are no more active members contributing to the Fund; however, retired members may continue to make instalment payments in respect of previous elections made before their retirement.

The *Act* directs the Minister of Finance to have an actuarial valuation for funding purposes prepared at least every five years. If the actuarial valuation discloses a surplus, the Governor in Council may, by order, increase the benefit payments. If there is an actuarial deficiency, the Governor in Council may direct that there be amounts transferred to the Fund, out of any unappropriated moneys in the CRF, as may be required to re-establish the solvency of the Fund.

(c) Survivor benefit payments

The following benefits, as applicable, are payable on the death of a member who has made the scheduled contributions and has left them in the Fund.

i. Widow's pension benefit

The widow is entitled to the pension purchased by the member. In many cases the pension benefit equals approximately 1.5% of the member's final pension benefit payment multiplied by his years of credited service.

The pension benefit is payable for life with a guarantee that the total payments shall be no less than the member's contributions.

ii. Lump sum benefits

If a member is not survived by a widow, a lump sum payment is made to the dependants and relatives of the member who are, in the opinion of the Minister, best entitled to share the benefit.

iii. Benefit limitations

Under certain circumstances, the basic death benefits payable to a surviving widow are reduced. This can occur when a member marries after age 60; in that case, the value of the pension to the widow cannot exceed the lump sum payable if he were not survived by a widow.

(d) Dividends on survivor benefit payments

The *Act* provides that if the Fund is substantially in excess of the amount required to make adequate provision for the prospective payments, the Governor in Council may, by order, increase the benefits provided under Part IV of the *Act* in such manner as may appear equitable and expedient. The authority of the Governor in Council is delegated to the Treasury Board under section 7(2) of the *Financial Administration Act*.

To date, most of these benefit increases have taken the form of proportionate dividends applied to all basic death benefits, both accrued and prospective.

Royal Canadian Mounted Police (Dependants) Pension Fund—continued**Notes to the financial statements for the year ended March 31, 2022—continued**

(e) Withdrawal of contributions

A retired member who did not elect to withdraw his contributions from the Fund upon retirement retains the right to do so at any time thereafter; however, all his rights under Part IV of the *Act* and those of his dependants shall cease upon such election. All returns of contributions are made without interest.

2. Significant accounting policies

(a) Basis of presentation

These financial statements present information on the Fund as a separate financial reporting entity independent of the sponsor and Fund members, on a going concern basis. They are prepared to assist Fund members and others in reviewing the activities of the Fund for the year, but they are not meant to portray the funding requirements of the Fund.

These financial statements are prepared in Canadian dollars, the Fund's functional currency, in accordance with Canadian accounting standards for pension plans in Part IV of the Chartered Professional Accountants (CPA) Canada Handbook, Section 4600. Section 4600 provides specific accounting guidance on investments and pension obligations.

For accounting policies that do not relate to either investments or pension obligations, the Fund complies with International Financial Reporting Standards (IFRS) in Part I of the CPA Canada Handbook. To the extent that IFRS in Part I is inconsistent with Section 4600, Section 4600 takes precedence.

The financial statements for the year ended March 31, 2022, were authorized for issue by the signatories on August 25, 2022.

(b) Significant accounting policies

The significant accounting policies are as follows:

i. Survivor benefit payments

Benefits are recognized on an accrual basis as a reduction of pension obligations and net assets available for benefits upon the death of a member who has made the scheduled contributions and has left them in the Fund or upon the death of a widow.

ii. Pension obligations

The pension obligations are determined based on the most recent actuarial valuation for funding purposes prepared by the OCA. The valuation is updated annually based on data as at the financial statement date. The pension obligations are equal to the value of all future benefits payable, discounted in accordance with actuarial assumptions, which are based on management's best estimate assumptions.

iii. Services provided without charge and related party transactions

The Fund does not record the value of administrative services it receives without charge from various government departments and agencies as they are insignificant in the context of the financial statements taken as a whole. These services include the following:

- Financial management and other support services from the RCMP;
- Actuarial valuation and other services from the OCA;
- Office of the Auditor General of Canada audit costs.

(c) Sources of estimation uncertainty

In preparing these financial statements, management uses estimates and assumptions that primarily affect the reported amounts of liabilities and related disclosures.

In making estimates and using assumptions, management relies on external information and observable conditions where possible. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ significantly from the estimates and assumptions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Royal Canadian Mounted Police (Dependants) Pension Fund—continued

Notes to the financial statements for the year ended March 31, 2022—continued

The pension obligations are the most significant item where estimates and assumptions are used. The pension obligations depend on a number of factors that are determined on an actuarial basis using a number of estimates and assumptions, such as discount rates (future interest rates used to credit the Fund), mortality rates, proportion of members married, and age of new widows. The Fund consults with external actuaries from the OCA regarding these estimates and assumptions annually. Any changes will impact the carrying amount of the pension obligations. Details of these estimates and assumptions have been disclosed in Note 5.

A source of estimation uncertainty includes the ongoing COVID-19 pandemic, the high inflation rates, the increasing interest rates, and the Russia-Ukraine conflict. As a result, the economic environment continues to be subject to sustained volatility and unpredictability, which could continue to impact the actuarial assumptions used to measure the present value of the pension obligations. The pension obligations, as at March 31, 2022, reflect the impacts resulting from the COVID-19 pandemic and the Russia-Ukraine conflict to the extent known and estimable at the reporting date.

3. Accounting standards issued but not yet effective

The recent amendments to Section 3462 – Employee Benefits (Part II of the Chartered Professional Accountants (CPA) Canada Handbook), which is applied in conjunction with Section 4600 (Part IV of the Chartered Professional Accountants (CPA) Canada Handbook) as noted above in Note 2(a) is effective for fiscal years beginning on or after January 1, 2022 and will apply to the Fund's March 31, 2023 year end.

In our view, the amendment of Section 3462 will not have an effect on the Fund's financial statements as there are no changes in the accounting policy used to measure the defined benefit obligations of the Fund.

4. Pension benefits payable

Pension benefits payable represent the lump sum benefits that became payable upon the death of members or widows during the year but had not yet been paid at year end. At March 31, 2022, the pension benefits payable were \$219,563 (2021 – \$200,558).

5. Pension obligations

The pension obligations are determined based on the actuarial valuation for funding purposes as at March 31, 2019 and the actuarial update for the Fund as at March 31, 2022. Actuarial valuations are to be performed not more than five years apart. The last actuarial valuation for funding purposes was conducted as of March 31, 2019 and tabled in Parliament on June 16, 2021. The actuarial valuation for funding purposes as of March 31, 2022 is expected to be tabled in Parliament later in 2023.

The actuarial valuation for funding purposes as of March 31, 2019, disclosed an actuarial surplus of \$901,000.

On March 4, 2022, an Order in Council (2022-0198) approved that a portion of this surplus be distributed by annual effective increases in the pension amount of 2% as at April 1, 2020, April 1, 2021 and April 1, 2022 and by increases to lump sum death benefits and residual payments (2021 – The benefit increases represents an integration of a 2% increase at April 1, 2020, April 1, 2021, and April 1, 2022 as per the recommendation in the actuarial report for the funding purposes as at March 31, 2019).

The remaining balance of the actuarial surplus is intended to be used over the remaining life of the Fund for the payment of increases in the pension benefits. At March 31, 2022, the average age of members was estimated to be 97.2 years and the average age of widows was estimated to be 92.2 years. The remaining life of the Fund was estimated at 26 years based on the statutory actuarial valuation as at March 31, 2019.

Management's best estimate assumptions used in the determination of the pension obligations include economic and non-economic assumptions. The non-economic assumptions include considerations such as mortality rates, proportion of members married, and age of new widows. Mortality rates for members and widows are consistent with the actuarial valuation for funding purposes as at March 31, 2019 and are based on mortality rates for male and female Regular Members from the actuarial report on the pension plan for the Royal Canadian Mounted Police as at March 31, 2018. Mortality rates are reduced in the future with the same mortality improvement assumptions made for the actuarial report on the pension plan for the Royal Canadian Mounted Police as at March 31, 2018. The primary economic assumptions relate to future interest rates used to credit the Fund. The interest rate is derived from the yield on a notional long-term portfolio of 20-year Government of Canada bonds issued at prescribed interest rates and held to maturity, as at the date of the actuarial valuation for funding purposes. The assumptions are evaluated for continued relevancy.

Royal Canadian Mounted Police (Dependants) Pension Fund—concluded**Notes to the financial statements for the year ended March 31, 2022—concluded**

The valuation of pension obligations is updated annually for transactions occurring during the period, including experience gains due to changes in the Fund's member and widow population. The information in these financial statements is based on this annual updated valuation of pension obligations conducted as at March 31, 2022. At that date, the present value of pension obligations was \$6,823,551 (2021 – \$8,217,708).

The interest rate for the year-ended March 31, 2022 is 3.3% (2021 – 3.5%) per annum. The interest rate is estimated to decline to 2.4% per annum by the year 2032 (2021 – 2.4% by the year 2032) and thereafter rise to an ultimate level of 4.5% (2021 – 4.5%). Variations in any of these assumptions can result in a significantly higher, or lower, estimate of the liability.

During the year, no amendments were made to the Fund (2021 – nil).

6. Deficit to be financed by the Government of Canada

All transactions of the Fund are made through a specified purpose account in the CRF and are reported in the Public Accounts of Canada. This includes receiving contributions, recording interest earned on the Fund and paying survivor benefits.

The government has a statutory obligation to pay benefits relating to the Fund. This pension obligation is to the survivors of the participants who contributed to the Fund over the years. However, if the Fund is substantially in excess of the amount required to make adequate provision for the prospective payments, the Governor in Council may increase benefits in order to disburse the surplus to the survivors. As a result, the government has an obligation to the beneficiaries for the balance of the Fund as reported in the specified purpose account.

The following table illustrates these obligations as at March 31:

(in Canadian dollars)

	2022	2021
Opening balance, specified purpose account.....	8,761,191	10,905,125
Receipts and other credits	271,833	336,914
Payments and other charges	(1,536,653)	(2,480,848)
Closing balance, specified purpose account.....	7,496,371	8,761,191
Deficit to be financed by the Government of Canada.....	(7,043,114)	(8,418,266)
Excess owed to beneficiaries.....	453,257	342,925

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Section 7

*Public Accounts of Canada
2021–2022*

Cash and accounts receivable as at March 31

Table of contents

	<i>Page</i>
Cash and cash equivalents.....	270
Taxes receivable.....	271
Other accounts receivable	272

Cash and accounts receivable

This section contains information on accounts reported on the Consolidated Statement of Financial Position under Cash and accounts receivable.

Table 7.1
Cash and accounts receivable

(in dollars)

	2022	2021
Cash and cash equivalents, Table 7.2.....	100,822,400,144	64,101,162,375
Taxes receivable ¹ , Table 7.3	167,587,531,473	142,022,887,988
Other accounts receivable ¹ , Table 7.5	11,616,303,694	18,072,335,883
Total cash and accounts receivable	280,026,235,311	224,196,386,246

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

Cash and cash equivalents

Cash consists of public moneys on deposit and cash in transit at March 31. Cash in bank consists of public moneys on deposit to the credit of the Receiver General for Canada, with the Bank of Canada, chartered banks and other financial institutions. Cash with the Bank of Canada includes operational balances and balances held for the Prudential Liquidity Fund. Cash in transit consists of public moneys received by public officers prior to April 1, but not deposited by that date as well as cash held by consolidated Crown corporations and other entities. Outstanding cheques and warrants are deducted to arrive at the closing cash balance.

Cash equivalents consist mainly of term deposits resulting from auctions administered by the Bank of Canada and the Department of Finance on behalf of the Minister of Finance. The short term deposits, denominated in Canadian dollars, are made from a portion of the daily surplus of cash balance and have a short term maturity, usually not exceeding 31 calendar days.

Table 7.2
Cash and cash equivalents

(in dollars)

	2022	2021
Cash in bank		
Canadian currency ¹	91,024,231,632	57,531,993,462
Foreign currencies ²	656,331,513	416,080,008
Special deposits ³	75,000,000	75,000,000
Total cash in bank.....	91,755,563,145	58,023,073,470
Cash in transit		
Cash in hands of collectors and in transit.....	13,781,262,613	11,393,611,013
Other cash—Consolidated Crown corporations and other entities ⁴	1,664,943,000	1,416,378,000
Total cash in transit.....	15,446,205,613	12,809,989,013
Less: Outstanding cheques and warrants		
Outstanding cheques ⁵	6,379,403,828	6,731,942,233
Imprest account cheques ⁶	786	(6,125)
Total outstanding cheques and warrants.....	6,379,404,614	6,731,936,108
Total cash	100,822,364,144	64,101,126,375
Cash equivalents	36,000	36,000
Total cash and cash equivalents	100,822,400,144	64,101,162,375

¹ Included in Canadian currency is \$20 billion (\$20 billion in 2021) with respect to the Prudential Liquidity Fund.

² These balances denominated in US dollars include cash and cash equivalents which have been translated into Canadian dollars at March 31.

³ These are balances in the hands of financial institutions for the reimbursement of GST refund payments issued by the ministère du Revenu du Québec on behalf of the government.

⁴ These funds are not public moneys to the credit of the Receiver General for Canada but are for the exclusive use of consolidated Crown corporations and other entities.

⁵ Receiver General of Canada cheques issued in Canadian dollars, and outstanding are recorded in this account. Cheques outstanding for 10 years are transferred to other revenues. During the year, an amount of \$87,638,117 (\$70,399,552 in 2021) was transferred to other revenues. Cheques in foreign currencies are credited to the government's cash account at the time of issue.

⁶ Imprest account cheques issued and unpaid at March 31, with the exception of those outstanding for 10 years or more (which have been transferred to other revenues), are recorded in this account.

Taxes receivable

Taxes receivable include amounts assessed by Canada Revenue Agency and the Canada Border Services Agency but not yet collected, as well as estimates of unassessed taxes at year end. Amounts receivable also include related amounts for interest and penalties.

Taxes receivable include taxes, premiums and contributions collectable on behalf of others such as provincial and territorial governments and the Canada Pension Plan. These amounts have also been included in liabilities.

The government establishes an allowance for doubtful accounts to reduce the carrying value of the taxes receivable to amounts that approximate their net realizable value.

Table 7.3 presents taxes receivable by tax stream. Amounts receivable that are written off or forgiven are included in Section 2 of Volume III (Debts, obligations and claims written off or forgiven).

Table 7.3
Taxes receivable as at March 31

(in dollars)

	2022			2021		
	Gross taxes receivable	Allowance for doubtful accounts	Net taxes receivable	Gross taxes receivable	Allowance for doubtful accounts	Net taxes receivable
Taxes receivable						
Income taxes receivable						
Individuals ¹	95,892,669,183	9,408,302,787	86,484,366,396	80,290,596,296	9,186,547,036	71,104,049,260
Employers.....	28,105,335,416	1,496,960,311	26,608,375,105	25,406,516,734	1,379,231,981	24,027,284,753
Corporations	28,291,919,827	4,571,057,426	23,720,862,401	24,285,108,281	3,820,472,042	20,464,636,239
Non-residents.....	3,256,598,763	319,631,104	2,936,967,659	2,122,364,507	314,188,603	1,808,175,904
Goods and services taxes receivable.....	31,188,019,777	5,411,634,234	25,776,385,543	26,756,183,819	3,848,806,981	22,907,376,838
Customs import duties receivable.....	766,446,667	144,174,264	622,272,403	621,842,159	112,340,600	509,501,559
Other excise taxes and duties receivable....	1,594,446,216	156,144,250	1,438,301,966	1,445,006,677	243,143,242	1,201,863,435
Total	189,095,435,849	21,507,904,376	167,587,531,473	160,927,618,473	18,904,730,485	142,022,887,988

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

Table 7.4
Aging of taxes receivable

(in dollars)

	2022	2021
Taxes receivable		
Less than one year ¹	122,830,713,876	101,580,603,899
1 to 2	9,437,675,892	8,131,796,625
2 to 3	7,100,138,760	8,169,380,605
3 to 4	7,484,436,613	6,069,513,043
4 to 5	5,794,184,810	5,455,941,527
Over 5 years	36,448,285,898	31,520,382,774
Total	189,095,435,849	160,927,618,473

Tax receivables based on estimates of unassessed taxes at year end are included in current receivables.

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

Other accounts receivable

Other accounts receivable represent billed but uncollected amounts or accrued financial claims arising from amounts owed to the government for use of its assets, or from the proceeds for provision of services, from various overpayments including COVID-19 benefits and cash collateral pledged to counterparties, as of March 31.

Amounts receivable written off or forgiven are included in Section 2 of Volume III, (Debts, obligations and claims written off or forgiven).

Table 7.5
Other accounts receivable as at March 31

(in dollars)

	2022			2021		
	Gross receivables	Allowance for doubtful accounts	Net receivables	Gross receivables	Allowance for doubtful accounts	Net receivables
Other receivables ¹	14,118,139,874	2,975,252,800	11,142,887,074	19,426,606,974	2,659,618,254	16,766,988,720
Cash collateral pledged to counterparties ²	505,806,620	—	505,806,620	1,365,914,163	—	1,365,914,163
Less: Consolidation adjustment	32,390,000	—	32,390,000	60,567,000	—	60,567,000
Total	14,591,556,494	2,975,252,800	11,616,303,694	20,731,954,137	2,659,618,254	18,072,335,883

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

² Cash collateral pledged to counterparties represents collateral support under International Swaps and Derivatives Association master agreements in respect of outstanding cross-currency swap arrangements.

Table 7.6
Aging of other accounts receivable

(in dollars)

	2022	2021
Other receivables		
Not past due ¹	9,026,378,733	15,203,588,553
Number of days past due		
1 to 30.....	726,216,896	123,977,371
31 to 60.....	41,342,258	86,422,119
61 to 90.....	34,344,764	91,306,827
91 to 365.....	403,518,456	305,825,358
Over 365.....	911,085,967	955,868,492
Sub-total.....	11,142,887,074	16,766,988,720
Cash collateral pledged to counterparties	505,806,620	1,365,914,163
Less: Consolidation adjustment	32,390,000	60,567,000
Total	11,616,303,694	18,072,335,883

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

Section 8

*Public Accounts of Canada
2021–2022*

Foreign exchange accounts as at March 31

Table of contents

	<i>Page</i>
International reserves held in the Exchange Fund Account	275
International Monetary Fund.....	276
Special drawing rights allocations.....	276
Supplementary statement	
Exchange Fund Account.....	277

Foreign exchange accounts

Foreign exchange accounts represent financial claims and obligations of the government as a result of Canada's foreign exchange operations. Financial claims and obligations denominated in foreign currencies are reported at Canadian dollar equivalents at March 31. Investment income from the foreign exchange accounts and net gains and losses resulting from the translation of the net assets denominated in foreign currencies, to Canadian dollar equivalents as at March 31, are recorded in foreign exchange net revenues on the Consolidated Statement of Operations and Accumulated Deficit.

Table 8.1 presents the continuity of each foreign exchange account, by showing the opening and closing balances, as well as payments and other charges and receipts and other credits. It should be noted, however, that this table excludes unmatured debt payable in foreign currencies, amounting to \$14,451 million as at March 31, 2022 (\$15,427 million as at March 31, 2021); details relating to these obligations are presented in Table 6.1 of Section 6 of this volume. A narrative description is provided for accounts reported in some tables. Such descriptions follow the same presentation order as their respective tables.

Table 8.1
Foreign exchange accounts

(in dollars)

	April 1, 2021	Payments and other charges	Receipts and other credits	March 31, 2022
International reserves held in the Exchange Fund Account, Table 8.2.....	97,589,409,825	77,694,360,530	48,184,634,409	127,099,135,946
International Monetary Fund—Subscriptions.....	19,632,414,300	—	580,889,000	19,051,525,300
International Monetary Fund—Loans	197,355,407	—	65,666,073	131,689,334
	117,419,179,532	77,694,360,530	48,831,189,482	146,282,350,580
Less:				
International Monetary Fund—Notes payable	14,132,556,301	1,416,595,217	926,629,065	13,642,590,149
Special drawing rights allocations	10,664,201,240	1,062,580,000	19,007,125,393	28,608,746,633
	24,796,757,541	2,479,175,217	19,933,754,458	42,251,336,782
Total	92,622,421,991	80,173,535,747	68,764,943,940	104,031,013,798

International reserves held in the Exchange Fund Account

This account records the moneys advanced from the government to the Exchange Fund Account, in Canadian and other currencies, for the purchase of foreign currencies and securities, and special drawing rights (SDRs).

The Exchange Fund Account is operated under the provisions of the *Currency Act*. The financial statements at March 31, 2022, are found at the end of this section.

In 2022, payments and other charges consisted of advances to the Exchange Fund Account in the amount of \$76,985 million and an adjustment of \$710 million to recognize the net income of the Exchange Fund Account for the period April 1, 2021, to March 31, 2022. Receipts and other credits consisted of repayments of advances of \$45,057 million and a net valuation adjustment of \$3,128 million.

Table 8.2
International reserves held in the Exchange Fund Account

(in millions of dollars)

	2022	2021
US dollar cash and cash equivalents	4,596	1,390
US dollar marketable securities.....	63,690	53,571
Euro cash and cash equivalents	387	674
Euro marketable securities	14,079	17,376
British pound sterling cash and cash equivalents.....	19	196
British pound sterling marketable securities.....	8,122	8,055
Japanese yen cash and cash equivalents	353	60
Japanese yen marketable securities	5,861	5,427
Special drawing rights.....	29,992	10,840
Total	<u>127,099</u>	<u>97,589</u>
Advances by the Consolidated Revenue Fund were denominated as follows:		
US dollar	75,708	61,192
Euro	14,490	17,848
British pound sterling	8,020	7,768
Japanese yen.....	5,854	5,446
Special drawing rights (2022, SDR 14,001 million; 2021, SDR 3,435 million)	24,197	6,118
Canadian dollar	(1,879)	(3,324)
Total advances from the Consolidated Revenue Fund	<u>126,390</u>	<u>95,048</u>
Total net revenue for the year	709	2,541
Total	<u>127,099</u>	<u>97,589</u>

International Monetary Fund

Subscriptions

This account records the value of Canada's subscription (its "quota") to the capital of the International Monetary Fund (IMF).

The amount by which the sum of Canada's subscriptions plus loans to the IMF under special facilities exceeds the IMF's holdings of Canadian dollars represents the amount of foreign exchange which Canada is entitled to draw from the IMF on demand for balance of payments purposes. The subscription is expressed in terms of SDR, a unit of account defined in terms of a "basket" of five major currencies, the Euro, the US dollar, the British pound sterling, the Japanese yen and the Chinese renminbi.

Canada has accumulated its subscriptions through settlements to the IMF in Canadian dollars, gold and SDRs. Annual maintenance of value payments are made to, or received from, the IMF when the Canadian dollar depreciates or appreciates against the SDR, in order to maintain the SDR-value of the IMF's holdings of Canadian dollars.

In 2022, receipts and other credits consisted of a valuation adjustment of \$581 million.

Loans

This account records the value of interest-bearing loans made under Canada's multilateral and bilateral lending arrangements with the IMF. The purpose of these arrangements is to provide temporary resources to the IMF, which works to promote economic growth and safeguard the stability of the international monetary system.

There are two outstanding lending arrangements with the IMF outside of the quota system: the New Arrangements to Borrow (NAB) and the temporary bilateral borrowing agreements (BBAs).

Canada's current participation in the NAB is governed by the October 2020 NAB Decision, effective from January 2021 to December 2025, which doubled the size of the NAB. As a result, Canada's maximum commitment under the NAB is 7,747 million SDR. As of March 31, 2022, SDR 76 million or \$132 million was outstanding to the IMF under the NAB (SDR 111 million or \$197 million as at March 31, 2021).

Canada also participates in the BBAs, which further increase the financial resources the IMF can borrow from member countries. In early 2017, Canada extended an SDR 8,200 million time-bound precautionary credit line to the IMF that was in effect until 2020, and was not drawn upon. A successor BBA, which took effect on January 1, 2021, lowered BBA commitments to offset the increase in the NAB. Canada's commitment was lowered to SDR 3,532 million.

Collectively, pursuant to the *Bretton Woods and Related Agreements Act*, the outstanding loans under multilateral and bilateral arrangements with the IMF cannot exceed SDR 13,000 million, or any other amount that may be fixed by the Governor in Council, at any given time. With the doubling of the NAB, the BBAs were roughly halved, keeping overall borrowed resources broadly unchanged. Canada's maximum commitments under the NAB and BBA of SDR 11,279 million fall within this limit. However, in certain situations, the International Monetary Fund (IMF) may decide to recover the special drawing rights (SDR). Consequently, Canada would be called upon to reimburse, in whole or in part, its SDR allocations.

At March 31, 2022, a total of SDR 76 million or \$132 million was outstanding under these arrangements. Amounts advanced under these arrangements are considered part of the Official International Reserves of Canada.

Notes payable

This account records non-marketable, non-interest bearing notes issued by the government to the IMF. These notes are payable on demand and are subject to redemption or re-issue, depending on the needs of the IMF for Canadian currency.

Canadian dollar holdings of the IMF include these notes and a small working balance (initially equal to one-quarter of one percent of Canada's subscription) held on deposit at the Bank of Canada. In 2022, notes payable to the IMF decreased by \$490 million.

Special drawing rights allocations

This account records the value of SDRs allocated to Canada by the IMF. The SDR is an international reserve asset created by the IMF, and allocated to countries participating in its Special Drawing Rights Department. It represents both an asset and a liability of Canada.

As an asset, SDRs represent rights to purchase currencies of other countries participating in the IMF's Special Drawing Rights Department, as well as to make payments to the IMF itself. All SDRs allocated to Canada by the IMF have either been used to settle subscriptions in the IMF, or have been advanced to the Exchange Fund Account. However, circumstances may arise whereby the IMF decides to recall the SDRs and therefore Canada could be called upon to repay its SDR allocation, in part or in total.

There were 10,566 million SDRs allocated by the IMF to Canada during the year. In 2022, payments and other charges consisted of a valuation adjustment of \$1,063 million.

Supplementary statement

Exchange Fund Account

Statement of financial position (*unaudited*) as at March 31

(in millions of Canadian dollars)

	2022	2021
Financial assets		
Cash and cash equivalents (Note 3).....	5,355	2,320
Investments (Note 3)		
Marketable securities	91,752	84,429
Special drawing rights	29,992	10,840
Total investments	121,744	95,269
Total financial assets.....	<u>127,099</u>	<u>97,589</u>
Liabilities		
Due to the Consolidated Revenue Fund (Note 4).....	127,099	97,589

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

Michael Sabia
Deputy Minister
Department of Finance

Christopher Veilleux,
Chief Financial Officer
Department of Finance

Statement of operations (*unaudited*) for the year ended March 31

(in millions of Canadian dollars)

	2022	2021
Net revenue from investments		
Marketable securities		
Interest.....	851	1,011
Net gains on sale of marketable securities.....	11	1,159
Transaction costs and other.....	(2)	(2)
Interest on cash and cash equivalents	3	–
Interest on special drawing rights	20	8
Total net revenue from investments	<u>883</u>	<u>2,176</u>
Other		
Net foreign exchange gain (loss)	<u>(174)</u>	<u>365</u>
Net revenue for the year	<u>709</u>	<u>2,541</u>

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

Exchange Fund Account—continued

Notes to the Statement of financial position and Statement of operations for the year ended March 31, 2022 (unaudited)

1. Authority and objectives

The Exchange Fund Account (the Account) is governed by Part II of the *Currency Act*. The Account is in the name of the Minister of Finance and is administered by the Bank of Canada (the Bank) as fiscal agent. The *Financial Administration Act* does not apply to the Account.

The legislative purposes of the Account, as specified in the *Currency Act*, are to aid in the control and protection of the external value of the Canadian dollar and to provide a source of liquidity for the Government of Canada (the Government), if required. Under the *Currency Act*, the Minister of Finance has the authority to acquire, borrow, sell or lend assets held in the Account deemed appropriate for these purposes, in accordance with the *Statement of Investment Policy for the Government of Canada*.

Assets held in the Account are managed to provide liquidity to the Government and to promote orderly conditions for the Canadian dollar in foreign exchange markets, if required. Canada's current policy is to intervene in foreign exchange markets on a discretionary, rather than a systematic, basis and only in the most exceptional of circumstances. Since September 1998, no transactions have been aimed at moderating movements in the value of the Canadian dollar.

In accordance with the *Currency Act*, within three months after the end of the fiscal year the net revenue for the year is paid to the Consolidated Revenue Fund (CRF) of the Government if the amount is positive, or charged to the CRF if the amount is negative. The Minister of Finance reports to Parliament on the operations of the Account within the first 60 days in which Parliament is sitting after the end of the fiscal year. These statements have been prepared by the Department of Finance.

2. Significant accounting policies

As stipulated in the *Currency Act*, the financial statements of the Account are prepared in a manner consistent with the accounting policies used by the Government to prepare its financial statements.

a) Revenue recognition

Revenue from investments is recognized on an accrual basis and includes interest earned (including the amortization of premiums and discounts), gains or losses on sales of securities, and revenues from securities-lending activities. Interest is accrued on short-term deposits, deposits held under repurchase agreements, marketable securities, and special drawing rights (SDRs).

b) Expense recognition

The Account's administrative, custodial, and fiscal agency services are provided and paid for by the Bank and the Department of Finance. These costs have not been recognized in the statements.

In addition, the notional cost of the funding of the Account's assets and advances from the CRF is not recognized in these statements.

c) Financial assets

Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and short-term deposits. Short-term deposits are measured at cost and are generally held to maturity. The resulting revenue is included in Interest on cash and cash equivalents in the Statement of operations.

Deposits held under repurchase agreements

Deposits held under repurchase agreements are measured at cost. The resulting revenue is included in Net revenue from investments in the Statement of operations. As at March 31, 2022, the Account did not hold any deposits held under repurchase agreements (\$nil at March 31, 2021).

Marketable securities

Marketable securities are mainly comprised of sovereign, sovereign-linked and supranational issued securities, including, but not limited to treasury bills and nominal bonds. Purchases and sales of securities are recognized at the settlement dates. Marketable securities are measured at cost and are adjusted for the amortization of purchase discounts and premiums on a straight-line basis over the term to maturity of the security. The carrying amount of marketable securities includes accrued interest.

On derecognition of a security, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in Net revenue from investments in the Statement of operations.

Exchange Fund Account—continued**Notes to the Statement of financial position and Statement of operations for the year ended March 31, 2022 (unaudited)—continued***Impairment*

The Bank assesses at the end of each reporting period whether there has been a loss in the carrying value of short-term deposits, deposits held under repurchase agreements, and marketable securities. When conditions indicate that the decline in value is other-than temporary, these assets are re-measured at their recoverable amount with the amount of the impairment loss recognized in Net revenue from investments in the Statement of operations.

Securities-lending program

Under the securities-lending program, the Account has agency agreements with two major financial institutions. Loans of securities are effected on behalf of the Account by these agents, who guarantee the loans and obtain collateral of equal or greater value from approved counterparties. These transactions can range from 1 to 31 days in duration. The securities loaned continue to be accounted for as investment assets. Income on securities-lending transactions is included in Interest in the Statement of operations.

Special drawing rights

Special drawing rights (SDRs) serve as the unit of account for the International Monetary Fund (IMF). The value of SDRs is based on a “basket” of five major currencies: the euro, the US dollar, the British pound sterling, the Japanese yen, and the Chinese renminbi.

SDRs are initially recognized at cost and are subsequently re-measured at each reporting date into Canadian dollars at market exchange rates.

Translation of foreign currencies and SDRs

Assets denominated in foreign currencies and SDRs are translated into Canadian-dollar equivalents at the rates prevailing as at March 31, which were as follows:

	2022	2021
US dollars	1.2502	1.2567
Euros	1.3831	1.4736
Japanese yen	0.0103	0.0113
British pounds sterling	1.6421	1.7324
SDRs	1.7282	1.7809

Gains or losses resulting from the translation of assets and advances from the CRF denominated in foreign currencies and SDRs, as well as from transactions throughout the year, are recognized as Net foreign exchange gain (loss) in the Statement of operations.

Investment revenue in foreign currencies and SDRs is translated into Canadian-dollars at the foreign exchange rates prevailing on the date the revenue is earned.

d) Use of estimates and measurement uncertainty

The preparation of these statements requires the Bank’s management to make estimates and assumptions based on information available as of the date of the statements. Significant judgements and estimates are primarily applied in the determination of whether an impairment exists and in the measurement of fair value where quoted prices do not exist (Note 3).

Exchange Fund Account—continued**Notes to the Statement of financial position and Statement of operations for the year ended March 31, 2022 (unaudited)—continued****3. Financial instruments****Fair value of financial assets**

(in millions of Canadian dollars)

	March 31, 2022		March 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents				
US dollars	4,596	4,596	1,390	1,390
Euros	387	387	674	674
Japanese yen.....	19	19	60	60
British pounds sterling.....	353	353	196	196
Total cash and cash equivalents	5,355	5,355	2,320	2,320
Investments				
Marketable securities				
US dollars	63,690	61,804	53,571	54,792
Euros	14,079	13,351	17,376	17,478
Japanese yen.....	5,861	5,845	5,427	5,449
British pounds sterling.....	8,122	7,890	8,055	8,245
Total marketable securities	91,752	88,890	84,429	85,964
SDRs	29,992	29,992	10,840	10,840
Total investments	121,744	118,882	95,269	96,804
Total financial assets.....	127,099	124,237	97,589	99,124

The estimated fair value of Cash and cash equivalents approximates their carrying amount, given their short terms to maturity.

The estimated fair values of Marketable securities are based on quoted market prices and include accrued interest. If such prices are not available, the fair value is determined by discounting future cash flows using an appropriate yield curve.

Since SDRs are translated into Canadian-dollar equivalents at the rates prevailing at the reporting date, the carrying amount approximates fair value as at that date.

There were no impairments recognized in 2022 (\$nil in 2021).

Collateral pledged

As part of its operations, the Account is required to pledge collateral in respect to credit facilities granted by its European clearing house. Collateral pledged must have a fair value of a minimum of US \$250 million, post-haircut, in equivalent securities.

As at March 31, 2022, the Account had pledged collateral of marketable securities having a carrying amount of \$409 million and fair value of \$401 million (carrying amount and fair value of \$411 million pledged as at March 31, 2021).

Securities lending

As at March 31, 2022, there were no loaned securities in the Account's investments (\$nil at March 31, 2021).

Exchange Fund Account—continued**Notes to the Statement of financial position and Statement of operations for the year ended March 31, 2022 (unaudited)—continued****Credit risk**

Credit risk is the risk that a counterparty to a financial contract will cause a loss to the Account by failing to discharge its obligations in accordance with agreed upon terms.

To ensure that the Account's asset portfolio is prudently diversified with respect to credit risk, the *Statement of Investment Policy* prescribed by the Minister of Finance specifies limits on holdings by class of issuer (sovereign, agency, supranational, corporation or commercial financial institution), by individual issuer or counterparty, and by type of instrument.

The *Statement of Investment Policy* also specifies the treatment of holdings that do not meet eligibility criteria or limits due to exceptional circumstances such as ratings downgrades.

With respect to the *Statement of Investment Policy*, the Account may hold fixed income securities of highly rated sovereigns, central banks, government-supported entities and supranational organizations. To be eligible for investment, an entity must have an acceptable credit rating informed by external credit ratings and internal credit analysis. The Account may also make deposits and execute other transactions, up to prescribed limits, with commercial financial institutions that meet the same rating criteria.

As stipulated in the *Currency Act*, the Minister of Finance may appoint agents to perform services concerning the Account. Through the securities-lending program, agents can lend securities only up to a prescribed maximum amount and only to approved counterparties. Each borrower must enter into a Securities Loan Agreement with at least one of the agents. Borrowers are also required to provide collateral for securities borrowed according to a specific list approved by the Government, with collateral limited to specific security types, terms to maturity, and credit ratings.

The agents also provide an indemnity in the event of default by the borrower. The Account enters into securities lending transactions in order to increase its return on investments.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, and other price risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk. The Account is not exposed to significant other price risk.

Interest rate and currency risks are managed, with due consideration of the risk to the Government, through an asset-liability management policy. This policy utilizes a strategy of matching the duration structure and the currency of the Account's assets with the foreign currency borrowings of the Government which notionally finance the Account's assets. Other price risks are mitigated by holding high quality liquid assets.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk is minimized by limiting the portion of the Government's foreign liabilities that needs to be renewed within a one-year period. In addition, liquidity risk is mitigated by holding short-term investments that are matched to the Government's maturing liabilities in foreign currencies.

Exchange Fund Account—concluded

Notes to the Statement of financial position and Statement of operations for the year ended March 31, 2022 (unaudited)—concluded

4. Due to the Consolidated Revenue Fund (CRF)

The Account is funded by the Government through interest-free advances from the CRF. Advances to the Account from the CRF are authorized by the Minister of Finance under the terms and conditions prescribed by the Minister of Finance. Pursuant to Section 19 of the *Currency Act*, these advances are limited to US \$150 billion by order of the Minister of Finance effective March 26, 2015.

The CRF advances the proceeds of the Government's borrowings in foreign currencies and allocations of SDRs by the IMF to the Account. Subsequent repayments of foreign currency debt are made using the assets of the Account and result in reductions of foreign currency advances from the CRF.

The Account requires Canadian-dollar advances to settle its purchases of foreign currencies. Canadian dollars received from sales of foreign currencies are remitted to the CRF. This, together with foreign currency payments made on behalf of the Government, causes reductions in the level of outstanding Canadian-dollar advances and can result in overall net deposits of Canadian-dollars by the Account with the CRF.

As at March 31, advances from the CRF were composed of the following currencies:

Currency composition of advances from the CRF

(in millions of Canadian dollars)

	2022	2021
US dollars	75,708	61,192
Euros	14,490	17,848
British pounds sterling	8,020	7,768
Japanese yen	5,854	5,446
SDRs	<u>24,197</u>	<u>6,118</u>
Subtotal—Foreign currencies	128,269	98,372
Canadian dollars	(1,879)	(3,324)
Net revenue	709	2,541
Total	127,099	97,589

Section 9

*Public Accounts of Canada
2021–2022*

Loans, investments and advances as at March 31

Table of contents

	<i>Page</i>
Enterprise Crown corporations and other government business enterprises	285
Summary financial statements of enterprise Crown corporations and other government business enterprises	289
Borrowings by enterprise Crown corporations and other government business enterprises.....	294
Maturity and currency of borrowings by enterprise Crown corporations and other government business enterprises.....	295
Contingent liabilities of enterprise Crown corporations and other government business enterprises.....	295
Contractual obligations of enterprise Crown corporations and other government business enterprises.....	296
Financial assistance to enterprise Crown corporations and other government business enterprises.....	296
Portfolio investments.....	297
National governments including developing countries	300
International organizations	304
Provincial and territorial governments	309
Other loans, investments and advances	310
Allowance for valuation	320

Loans, investments and advances

Loans, investments and advances is a category of financial claims represented by debt instruments and ownership interests acquired through the use of parliamentary appropriations, except for the portion of the investment balances representing adjustments for the equity of enterprise Crown corporations and other government business enterprises. Some of these appropriations permit repayments to be used for further loans and advances. Details of the use of non-budgetary appropriations, for loans, investments and advances, can be found in the ministerial sections of Volume II.

The investment in enterprise Crown corporations and other government business enterprises is accounted for under the modified equity method. It is carried at cost, adjusted for the annual profits or losses of the enterprises and reduced by any dividends paid by the corporations to the government. Under the modified equity method, the accounting policies of the enterprise Crown corporations and other government business enterprises are not adjusted to conform to the government's accounting policies. The government also reports any amounts receivable from or payable to these corporations and, where it has advanced funds to the corporations to support their direct lending activities, the government records the amounts as loans and advances.

Other loans, investments and advances are initially recorded at cost and subject to annual valuation to reflect reductions from the recorded value to the approximate net recoverable value. Foreign currency transactions are translated and recorded in Canadian dollar equivalents at the exchange rates prevailing at the transaction dates. Balances of loans, investments and advances resulting from foreign currency transactions are reported at year-end closing rates of exchange; net gains and losses related to these sovereign loans are presented with the return on investments from these loans under other program revenues.

The allowance established to reflect reductions from the recorded value to the approximate net recoverable value of financial claims held by the government has been authorized by the Minister of Finance and the President of the Treasury Board, under subsection 63(2) of the *Financial Administration Act*.

Revenues received during the year on loans, investments and advances, are credited to other revenues. Details can be found in Section 3 of this volume and in Section 10 of Volume III.

Table 9.1
Loans, investments and advances

(in dollars)

	April 1, 2021	Payments and other charges	Receipts and other credits	March 31, 2022
Enterprise Crown corporations and other government business enterprises, Table 9.2.....	119,993,756,602	83,302,754,688	59,579,983,979	143,716,527,311
Portfolio investments, Table 9.10.....	121,128,560	28,000,000	1,173,434	147,955,126
National governments including developing countries, Table 9.11	341,473,232	3,086,516	40,577,814	303,981,934
International organizations, Table 9.12	26,155,648,812	1,372,724,553	209,863,731	27,318,509,634
Provincial and territorial governments, Table 9.13.....	355,439,967	—	54,974,348	300,465,619
Other loans, investments and advances, Table 9.14.....	79,100,380,520	13,006,788,578	8,687,616,122	83,419,552,976
	226,067,827,693	97,713,354,335	68,574,189,428	255,206,992,600
Less: allowance for valuation.....	46,790,150,058	2,358,484,148	971,793,319	48,176,840,887
Total	179,277,677,635	95,354,870,187	67,602,396,109	207,030,151,713

Enterprise Crown corporations and other government business enterprises

Loans and advances to and investments in enterprise Crown corporations and other government business enterprises represent the balance of financial claims held by the government against corporations and enterprises for working capital; capital expenditures and other purposes; investments in the capital stock of corporations; and loans and advances to corporations and enterprises for re-lending.

A Crown corporation is a parent Crown corporation, or a wholly-owned subsidiary. A parent Crown corporation is wholly owned directly by the Crown. A wholly-owned subsidiary is wholly owned by one or more parent Crown corporations directly or indirectly through any number of subsidiaries.

Enterprise Crown corporations are a type of government business enterprise defined as those Crown corporations which are not dependent on parliamentary appropriations, and whose principal activity and source of revenue is the sale of goods and services to outside parties. These include select Crown corporations listed in Part I, all the Crown corporations listed in Part II, Schedule III of the *Financial Administration Act*, and the Bank of Canada. The Canada Pension Plan Investment Board, although a Crown corporation, is not part of the government reporting entity since its mandate is to manage an investment portfolio on behalf of the Canada Pension Plan; which is itself excluded from the reporting entity.

There are also many self-sustaining government business enterprises that are not considered Crown corporations, but are controlled by the government and, usually accountable to Parliament through a Minister of the Crown for the conduct of their affairs. These are referred to as “other government business enterprises” and include the various Canada Port Authorities.

Most of the enterprise Crown corporations and other government business enterprises are agents of Her Majesty for the conduct of all or part of their activities. This status is granted in either of the following ways:

- designation by Parliament, through a special act of incorporation;
- statutory authorization; or
- proclamation by the *Government Corporations Operation Act*.

Further information on the business and activities of all parent Crown corporations and information on all Crown corporations and other corporate interests of Canada is provided in the annual report entitled *Inventory of Federal Organizations and Interests*. Audited financial statements of parent Crown corporations are made available and published on their respective websites.

Table 9.2
Enterprise Crown corporations and other government business enterprises

(in dollars)

	April 1, 2021	Payments and other charges	Receipts and other credits	March 31, 2022
Investments				
Investments and accumulated profits/losses, Table 9.4.....	44,346,244,950	16,000,195,000	5,616,408,144	54,730,031,806
Loans and advances¹				
Finance				
Department of Finance				
Business Development Bank of Canada.....	18,226,000,000	29,116,000,000	27,270,000,000	20,072,000,000
Canada Lands Company Limited	439,440,000	—	153,903,458	285,536,542
Canada Mortgage and Housing Corporation.....	13,926,136,226	13,701,128,000	11,508,897,322	16,118,366,904
Farm Credit Canada	34,341,500,000	18,210,000,000	15,095,500,000	37,456,000,000
	66,933,076,226	61,027,128,000	54,028,300,780	73,931,903,446
Global Affairs				
Export Development Canada				
Canada Development Investment Corporation	9,980,000,000	6,290,000,000	—	16,270,000,000
Intergovernmental Affairs, Infrastructure and Communities				
Canada Mortgage and Housing Corporation				
Housing.....	990,452,750	—	143,900,639	846,552,111
Joint projects	347,080,820	—	18,146,959	328,933,861
Real estate.....	7,149,433	—	640,255	6,509,178
Sewage treatment projects.....	2,879,835	—	1,388,503	1,491,332
Student housing projects	9,982,463	—	4,307,116	5,675,347
	1,357,545,301	—	168,383,472	1,189,161,829
Total—Loans and advances.....	78,270,621,527	67,317,128,000	54,196,684,252	91,391,065,275
Less:				
Loans expected to be repaid from future appropriations	2,602,933,158	—	224,840,007	2,378,093,151
Unamortized discounts and premiums	20,176,717	14,568,312	8,268,410	26,476,619
	2,623,109,875	14,568,312	233,108,417	2,404,569,770
Total	119,993,756,602	83,302,754,688	59,579,983,979	143,716,527,311

¹ These loans are recorded at cost.

Advances to programs

Canada Mortgage and Housing Corporation

The Corporation was incorporated, on January 1, 1946, by the *Canada Mortgage and Housing Corporation Act*. The Corporation's mandate, as stated in the *National Housing Act*, is to promote the construction, repair and modernization of housing; the improvement of housing and living conditions; housing affordability and choice; the availability of low-cost financing for housing; and, the national well-being of the housing sector. Advances have been made to the Canada Mortgage and Housing Corporation to support various programs undertaken by the Corporation.

Housing

Advances made for moderate to low income housing bear interest at rates from 5.61% to 16.10% per annum, and are repayable over 1 to 50 years, with the final instalment due on March 31, 2037.

Joint projects

Advances made to undertake housing projects jointly with the provinces bear interest at rates from 7.45% to 17.96% per annum, and are repayable over 1 to 50 years, with the final instalment due on June 30, 2038.

Real estate

Advances made for the acquisition and development of real estate bear interest at rates from 10.07% to 15% per annum, and are repayable over 50 years, with the final instalment due on June 30, 2036.

Sewage treatment projects

Advances made to assist in the establishment or expansion of sewage treatment projects and the construction of trunk storm sewers bear interest at 7.27% per annum, and are repayable over 20 to 50 years, with the final instalment due on March 31, 2023.

Student housing projects

Advances made for student housing projects bear interest at rates from 7.01% to 10.05% per annum, and are repayable over 20 to 50 years, with the final instalment due on April 1, 2030.

Direct lending to Crown corporations

Business Development Bank of Canada

The Business Development Bank of Canada (BDC) was established in 1974 by the *Federal Business Development Bank of Canada Act* and was continued under its current name by an act of Parliament on July 13, 1995. The Corporation is a Crown corporation named in Part I of Schedule III to the *Financial Administration Act*, and is not subject to the requirements of the *Income Tax Act*.

The role of the Corporation is to promote and assist in the establishment and development of business enterprises in Canada, with specific attention to small and medium-sized businesses. The Corporation provides a wide range of lending, investment and consulting services complementary to those of commercial financial institutions. The Corporation offers Canadian companies' services tailored to meet the current needs of small and medium-sized businesses while earning an appropriate return on investment capital, which is used to further the Corporation's activities.

Pursuant to Section 19 of the *Business Development Bank of Canada Act*, the federal government, at the request of the Corporation, may lend money to the Corporation on any terms and conditions that the Minister of Finance may fix.

Loans outstanding at year end bear interest at rates from 0.13% to 2.45% per annum.

Canada Lands Company Limited

Canada Lands Company Limited (originally Public Works Lands Company Limited) was incorporated under the *Companies Act* in 1956 and was continued under the *Canada Business Corporations Act*. The Corporation is a Crown corporation named in Part I of Schedule III of the *Financial Administration Act*. The Corporation conducts its business through Canada Lands Company CLC Limited (CLC) and Parc Downsview Park (PDP), its principal wholly-owned subsidiaries. CLC and PDP's objective is to carry out a commercially oriented and orderly disposal program of certain government real properties and the management of certain select properties. In undertaking this objective, CLC and PDP may manage, develop and dispose of real properties, either in the capacity of owner or as agent of the government.

CLC and PDP have acquired an interest in a number of real properties from the government in consideration for the issuance of promissory notes, which bear no interest and are repayable from the proceeds of the sale of the properties in respect of which they were issued. The notes are discounted using the Consolidated Revenue Fund lending rate applicable to Crown corporations and recorded at their discounted value.

During the year, no new notes had been issued and an amount of \$1.7 million was amortized to income. The balance in the account represents the notes receivable net of the corresponding unamortized discount.

Canada Mortgage and Housing Corporation

Pursuant to Section 21(1) of the *Canada Mortgage and Housing Corporation Act*, the federal government, at the request of the Corporation, may, out of the Consolidated Revenue Fund, lend money to the Corporation on any terms and conditions that the Minister of Finance may fix.

Loans outstanding at year end bear interest at rates from 0.01% to 3.94% per annum.

Farm Credit Canada

The Farm Credit Canada was established in 1959 by the *Farm Credit Canada Act* as the successor to the Canadian Farm Loan Board, and is a Crown corporation named in Part I of Schedule III to the *Financial Administration Act*. The Corporation is not subject to the requirements of the *Income Tax Act*.

The Corporation's role is to enhance rural Canada by providing business and financial solutions for farm families and agribusiness. Additionally, the Corporation may deliver specific programs for the Government of Canada on a cost recovery basis.

Pursuant to Section 12(2) of the *Farm Credit Canada Act*, the federal government, at the request of the Corporation, may lend money to the Corporation on any terms and conditions that the Minister of Finance may fix.

Loans outstanding at year end bear interest at rates from 0.13% to 2.49% per annum.

Canada Development Investment Corporation

Canada Development Investment Corporation (CDEV) was incorporated in 1982 under the provisions of the *Canada Business Corporations Act* and is wholly-owned by Her Majesty in Right of Canada. The Corporation is an agent Crown corporation listed in Schedule III, Part II of the *Financial Administration Act* and is not subject to the requirements of the *Income Tax Act*.

CDEV has three wholly-owned subsidiaries, Canada Hibernia Holding Corporation (CHHC), Canada Eldor Inc. (CEI), and TMP Finance Ltd. (TMP Finance) which in turn owns Trans Mountain Corporation (TMC) and its subsidiaries.

On August 31, 2018, TMC acquired entities from Kinder Morgan Cochin ULC that own and operate the Trans Mountain pipeline system (TMPL), the Puget Sound pipeline system as well as certain rights, designs and construction contracts related to the expansion of the TMPL known as the Trans Mountain Expansion Project.

Loans outstanding at year-end bear interest at a rate of 4.7% per annum.

Interest paid to the government

Interest paid to the Government of Canada with respect to these loans in the years ended March 31, 2022 and 2021 is as follows:

(in millions of dollars)

	2022	2021
Business Development Bank of Canada.....	91.8	92.4
Canada Development Investment Corporation	590.0	381.4
Canada Mortgage and Housing Corporation	355.1	354.0
Farm Credit Canada	207.1	239.8
Total	1,244.0	1,067.6

Summary financial statements of enterprise Crown corporations and other government business enterprises

Enterprise Crown corporations and other government business enterprises are categorized as being either agents or non-agents of the Crown. In some situations, agent status may be restricted to certain designated activities of a corporation.

These tables present financial information on parent enterprise Crown corporations and other government business enterprises, as well as financial information on wholly-owned subsidiaries that are considered “deemed parent Crown corporations” and are excluded from the consolidated financial statements of their parent Crown corporations.

The tables summarize the financial transactions and results of operations of each enterprise Crown corporation and other government business enterprise in accordance with its own respective accounting policies. All enterprise Crown corporations and other government business enterprises prepare their financial statements based on International Financial Reporting Standards.

For those corporations having year ends other than March 31, the data are based on unaudited interim financial statements which have been prepared on a basis consistent with the most recent audited financial statements.

Table 9.3 and Table 9.4 present summarized financial information of enterprise Crown corporations and other government business enterprises. Balances reported under government, Crown corporations and other entities represent those between related parties. Of note, borrowings from third parties represent amounts repayable to financial institutions and other investors. Revenues include financial assistance from the government in respect of the current year’s operations, when applicable. Equity adjustments include prior period adjustments and other miscellaneous items recorded by the corporations and enterprises. Other comprehensive income or loss comprises certain unrealized gains and losses on financial instruments and certain actuarial gains and losses related to pensions and other employee future benefits which are recognized in comprehensive income but excluded from net income. Other comprehensive income is excluded from the calculation of the government’s annual deficit. It is instead recorded directly to the government’s accumulated deficit. Upon realization of the gains and losses on financial instruments, the associated amounts are reclassified to the profit or loss of enterprise Crown corporations and other government business enterprises and then, reflected in the government’s annual deficit. The actuarial gains and losses related to pensions and other employee future benefits are not reclassified. Equity transactions with the government include dividends declared or transfers of profits to the government, as well as equity contributions provided by the government. Any unrealized inter-organizational gains and losses are eliminated as part of the modified equity accounting adjustment.

Table 9.3**Financial position of enterprise Crown corporations and other government business enterprises****Assets, liabilities and equity as at March 31, 2022**

(in thousands of dollars)

Enterprise Crown corporations and other government business enterprises ¹	Assets			
	Financial			Total assets
	Third parties	Government, Crown corporations and other entities	Non-financial	
Atlantic Pilotage Authority	8,081	—	13,110	21,191
Bank of Canada	30,757,346	455,386,545	727,671	486,871,562
Business Development Bank of Canada.....	41,318,008	9,978	239,010	41,566,996
Canada Deposit Insurance Corporation.....	2,043,571	5,242,861	17,800	7,304,232
Canada Development Investment Corporation.....	885,949	189,671	17,963,218	19,038,838
Canada Lands Company Limited	389,489	62,866	584,368	1,036,723
Canada Mortgage and Housing Corporation	288,067,480	10,732,969	870,225	299,670,674
Canada Post Corporation	7,509,153	443,248	5,333,176	13,285,577
Export Development Canada	61,470,683	30,804	260,608	61,762,095
Farm Credit Canada.....	46,878,040	—	405,983	47,284,023
Freshwater Fish Marketing Corporation.....	11,246	—	32,144	43,390
Great Lakes Pilotage Authority.....	9,176	—	1,325	10,501
Halifax Port Authority ²	21,517	—	243,204	264,721
Hamilton-Oshawa Port Authority ²	22,472	—	165,980	188,452
Laurentian Pilotage Authority	19,814	712	18,749	39,275
Montreal Port Authority ²	168,083	5,411	645,674	819,168
Pacific Pilotage Authority	12,324	861	17,270	30,455
Prince Rupert Port Authority ²	124,169	—	303,959	428,128
Quebec Port Authority ²	30,133	260	190,297	220,690
Royal Canadian Mint	118,520	32,219	263,331	414,070
Saint John Port Authority ²	25,642	—	123,719	149,361
Sept-Iles Port Authority ²	35,957	—	310,512	346,469
Toronto Port Authority ²	79,568	—	233,147	312,715
Vancouver Fraser Port Authority ²	175,761	4,974	2,343,153	2,523,888
Other Canada Port Authorities ^{2,3}	139,765	4,236	262,647	406,648
Total	480,321,947	472,147,615	31,570,280	984,039,842
Elimination adjustments.....		(17,824,070)	(264,191)	(18,088,261)
Total	480,321,947	454,323,545	31,306,089	965,951,581

¹ All enterprise Crown corporations listed at the margin in this table are parent Crown corporations. Although a Crown corporation, Canada Pension Plan Investment Board is designed to operate at arm's length from the government and manages, on behalf of the Canada Pension Plan, funds not belonging to the government, therefore, it is considered external to the government reporting entity. The Public Sector Pension Investment Board is not included in the above list since its activities are included in the government's results through pension accounting.

² Canada Port Authorities, which are not Crown corporations but considered other government business enterprises, are agents of the Crown for their port activities.

³ Consists of the combined figures of the Canada Port Authorities of Belledune, Nanaimo, Port Alberni, Saguenay, St. John's, Thunder Bay, Trois-Rivières and Windsor.

Liabilities								
Third parties								
Borrowings	Other	Government, Crown corporations and other entities	Total liabilities	Accumulated profits (losses)	Contributed surplus	Capital stock	Equity of Canada	Total liabilities and equity
3,394	5,266	—	8,660	12,531	—	—	12,531	21,191
—	394,495,387	91,548,650	486,044,037	797,525	25,000	5,000	827,525	486,871,562
—	1,068,005	20,094,808	21,162,813	8,429,505	27,778	11,946,900	20,404,183	41,566,996
—	1,920,274	1,416	1,921,690	5,382,542	—	—	5,382,542	7,304,232
—	2,134,416	16,797,457	18,931,873	(496,330)	603,294	1	106,965	19,038,838
38,000	84,130	271,565	393,695	461,858	181,170	—	643,028	1,036,723
258,830,946	10,225,554	18,329,558	287,386,058	12,259,606	25,010	—	12,284,616	299,670,674
997,774	6,650,608	279,097	7,927,479	4,202,927	1,155,171	—	5,358,098	13,285,577
44,318,638	2,584,005	76,993	46,979,636	2,482,459	—	12,300,000	14,782,459	61,762,095
673,439	522,314	37,511,990	38,707,743	8,076,280	500,000	—	8,576,280	47,284,023
16,953	8,127	18,310	43,390	—	—	—	—	43,390
—	7,147	299	7,446	3,055	—	—	3,055	10,501
18,526	10,339	—	28,865	184,999	50,857	—	235,856	264,721
—	16,771	—	16,771	148,641	23,040	—	171,681	188,452
—	14,690	—	14,690	24,585	—	—	24,585	39,275
184,707	185,384	1,076	371,167	213,927	234,074	—	448,001	819,168
5,817	13,901	211	19,929	10,526	—	—	10,526	30,455
—	108,738	—	108,738	283,177	36,213	—	319,390	428,128
32,586	42,706	45,733	121,025	42,403	57,262	—	99,665	220,690
33,200	222,370	1,567	257,137	116,933	—	40,000	156,933	414,070
22,344	10,255	—	32,599	55,103	61,659	—	116,762	149,361
41,476	154,621	10	196,107	138,655	11,707	—	150,362	346,469
28,473	73,003	—	101,476	211,239	—	—	211,239	312,715
115,776	233,667	2,391	351,834	2,021,795	150,259	—	2,172,054	2,523,888
34,969	54,727	5,954	95,650	167,928	143,070	—	310,998	406,648
305,397,018	420,846,405	184,987,085	911,230,508	45,231,869	3,285,564	24,291,901	72,809,334	984,039,842
		(8,958)	(8,958)	(18,079,303)			(18,079,303)	(18,088,261)
305,397,018	420,846,405	184,978,127	911,221,550	27,152,566	3,285,564	24,291,901	54,730,031	965,951,581

Table 9.4**Revenues, expenses and other changes in equity of enterprise Crown corporations and other government business enterprises for the year ended March 31, 2022**

(in thousands of dollars)

Enterprise Crown corporations and other government business enterprises	Revenues			Expenses		
	Third parties	Government, Crown corporations and other entities ¹		Third parties	Government, Crown corporations and other entities	
		Total	Other		Other	Total
Atlantic Pilotage Authority	27,879	—	27,879	27,547	2	27,549
Bank of Canada	275,665	3,837,889	4,113,554	1,504,950	259,719	1,764,669
Business Development Bank of Canada	3,408,051	—	3,408,051	869,752	98,251	968,003
Canada Deposit Insurance Corporation	804,962	60,192	865,154	(687,288)	11,490	(675,798)
Canada Development Investment Corporation	692,491	790	693,281	498,568	177,839	676,407
Canada Lands Company Limited	185,003	—	185,003	188,032	(995)	187,037
Canada Mortgage and Housing Corporation	6,827,836	4,141,361	10,969,197	8,165,646	1,051,705	9,217,351
Canada Post Corporation	9,748,736	293,457	10,042,193	10,212,789	91,280	10,304,069
Export Development Canada	2,550,844	431	2,551,275	670,611	(3,957)	666,654
Farm Credit Canada	1,567,795	—	1,567,795	425,139	210,812	635,951
Freshwater Fish Marketing Corporation	69,884	—	69,884	69,470	—	69,470
Great Lakes Pilotage Authority	44,936	18	44,954	36,185	1,761	37,946
Halifax Port Authority	46,979	—	46,979	33,343	—	33,343
Hamilton-Oshawa Port Authority	36,877	—	36,877	26,491	—	26,491
Laurentian Pilotage Authority	100,694	—	100,694	101,200	—	101,200
Montreal Port Authority	126,361	647	127,008	102,519	4,991	107,510
Pacific Pilotage Authority	82,383	—	82,383	84,750	922	85,672
Prince Rupert Port Authority	63,002	—	63,002	37,833	—	37,833
Quebec Port Authority	47,284	3,351	50,635	65,453	2,397	67,850
Royal Canadian Mint	3,420,520	95,934	3,516,454	3,398,155	63,934	3,462,089
Saint John Port Authority	25,143	—	25,143	17,587	785	18,372
Sept-Iles Port Authority	32,490	—	32,490	17,828	—	17,828
Toronto Port Authority	42,825	—	42,825	50,823	—	50,823
Vancouver Fraser Port Authority	273,540	1,541	275,081	181,930	7,786	189,716
Other Canada Port Authorities	53,053	1,041	54,094	44,040	501	44,541
Total	30,555,233	8,436,652	38,991,885	26,143,353	1,979,223	28,122,576
Elimination adjustments						
Total net results	30,555,233	8,436,652	38,991,885	26,143,353	1,979,223	28,122,576
Less equity adjustments						
Share of annual profit						

The accompanying notes for Table 9.3 are an integral part of this table.

¹ Revenues with government, Crown corporations and other entities include amounts generated from the sale of goods and services, investment income, financial assistance as well as grants where the corporations qualify as a member of a general class of recipients. Additional amounts representing capital investments received by the corporations are included under “Equity transactions with the government”.

Net income (loss)	Equity beginning of year	Equity adjustments and other	Other comprehensive income (loss)	Equity transactions with the government		Equity end of year
				Dividends	Capital	
330	12,167	—	34	—	—	12,531
2,348,885	561,564	—	306,752	(2,389,676)	—	827,525
2,440,048	18,004,095	—	260,040	(735,000)	435,000	20,404,183
1,540,952	3,841,505	—	85	—	—	5,382,542
16,874	163,835	233,652	28,604	(336,000)	—	106,965
(2,034)	658,829	(3,767)	—	(10,000)	—	643,028
1,751,846	13,152,650	—	(439,880)	(2,180,000)	—	12,284,616
(261,876)	2,034,468	—	3,585,506	—	—	5,358,098
1,884,621	12,644,278	—	253,560	—	—	14,782,459
931,844	8,012,622	26,433	165,481	(560,100)	—	8,576,280
414	—	(414)	—	—	—	—
7,008	(3,953)	—	—	—	—	3,055
13,636	216,217	—	6,003	—	—	235,856
10,386	158,851	—	2,444	—	—	171,681
(506)	25,091	—	—	—	—	24,585
19,498	427,185	(8)	1,326	—	—	448,001
(3,289)	13,758	—	57	—	—	10,526
25,169	297,683	—	(3,462)	—	—	319,390
(17,215)	115,344	—	1,536	—	—	99,665
54,365	180,968	—	500	(78,900)	—	156,933
6,771	109,386	—	605	—	—	116,762
14,662	135,699	1	—	—	—	150,362
(7,998)	204,982	—	14,255	—	—	211,239
85,365	2,081,384	—	5,305	—	—	2,172,054
9,553	298,509	(74)	3,010	—	—	310,998
10,869,309	63,347,117	255,823	4,191,761	(6,289,676)	435,000	72,809,334
	(19,000,873)	407,988	273,579	240,003		(18,079,303)
10,869,309	44,346,244	663,811	4,465,340	(6,049,673)	435,000	54,730,031
665,546		(665,546)				—
11,534,855	44,346,244	(1,735)	4,465,340	(6,049,673)	435,000	54,730,031

Borrowings by enterprise Crown corporations and other government business enterprises

Table 9.5

Borrowings by enterprise Crown corporations and other government business enterprises

(in thousands of dollars)

	April 1, 2021	Borrowings and other credits	Repayments and other charges	March 31, 2022
Agent enterprise Crown corporations				
Business Development Bank of Canada	127,662	(730)	126,932	—
Canada Mortgage and Housing Corporation.....	265,191,379	39,742,983	46,103,416	258,830,946
Canada Post Corporation	997,554	220	—	997,774
Export Development Canada	47,531,540	39,118,360	42,331,262	44,318,638
Farm Credit Canada	851,864	8,924,393	9,102,818	673,439
Freshwater Fish Marketing Corporation	20,886	16,953	20,886	16,953
Royal Canadian Mint.....	6,006	30,302	3,108	33,200
Total—Agent enterprise Crown corporations	314,726,891	87,832,481	97,688,422	304,870,950
Non-agent enterprise Crown corporations and other government business enterprises				
Atlantic Pilotage Authority.....	4,097	—	703	3,394
Canada Lands Company Limited ¹	29,200	8,800	—	38,000
Halifax Port Authority ²	19,559	—	1,033	18,526
Montreal Port Authority ²	181,674	4,560	1,527	184,707
Pacific Pilotage Authority	3,482	2,827	492	5,817
Quebec Port Authority ²	35,152	9,071	11,637	32,586
Saint John Port Authority ²	12,498	9,846	—	22,344
Sept-Iles Port Authority ²	39,453	13,367	11,344	41,476
Toronto Port Authority ²	30,753	—	2,280	28,473
Vancouver Fraser Port Authority ²	30,876	85,453	553	115,776
Other Canada Port Authorities ²	35,555	4,436	5,022	34,969
Total—Non-agent enterprise Crown corporations and other government business enterprises	422,299	138,360	34,591	526,068
Total	315,149,190	87,970,841	97,723,013	305,397,018
Borrowings expected to be repaid by enterprise Crown corporations and other government business enterprises	315,149,190	—	—	305,397,018
Allowance for borrowings of enterprise Crown corporations and other government business enterprises expected to be repaid by the government and reported on the Consolidated Statement of Financial Position	—	—	—	—

¹ Borrowings of Canada Lands Company Limited are those of its subsidiary, Canada Lands Company CLC Limited, which is not an agent of the Crown.² The Authority is an agent of the Crown only for its port activities. It is considered a non-agent of the Crown for borrowings purposes.

In accordance with section 54 of the *Financial Administration Act*, the payment of all money borrowed by agent enterprise Crown corporations and interest thereon is a charge on and payable out of the Consolidated Revenue Fund. Such borrowings therefore constitute obligations of the government and are recorded as such net of borrowings expected to be repaid directly by these corporations.

Borrowings by non-agent enterprise Crown corporations and other government business enterprises are not on behalf of Her Majesty, but may, at times, be guaranteed by the government.

Maturity and currency of borrowings by enterprise Crown corporations and other government business enterprises

Table 9.6

Maturity and currency of borrowings by enterprise Crown corporations and other government business enterprises

(in thousands of dollars)

Year of maturity	Agent	Non-agent	Total
2023.....	60,919,808	199,886	61,119,694
2024.....	54,881,634	16,457	54,898,091
2025.....	48,770,907	16,767	48,787,674
2026.....	35,802,871	16,628	35,819,499
2027.....	35,178,814	15,471	35,194,285
Subsequent years	69,316,916	260,859	69,577,775
Total	304,870,950	526,068	305,397,018 ¹

¹ The borrowings are composed in Canadian dollar equivalent of 26,671,439 USD, 5,564,702 GBP, 2,005,432 AUD, 6,277,857 EUR, 872,140 NZD, 427,428 NOK, 205,419 HKD, 178,523 ZAR, 261,372,157 CAD and 1,821,921 for other currencies.

Contingent liabilities of enterprise Crown corporations and other government business enterprises

The table below presents disclosed contingent liabilities of enterprise Crown corporations and other government business enterprises, which are not included in the Government of Canada's provision for contingent liabilities.

Table 9.7

Contingent liabilities of enterprise Crown corporations and other government business enterprises

(in thousands of dollars)

	2022
Loan guarantees	7,798,937
Letters of credit.....	248,599
Performance guarantees and callable shares.....	46,333
Pending and threatened litigation and other claims	3,881
Total	8,097,750

Contractual obligations of enterprise Crown corporations and other government business enterprises

A contractual obligation represents a legal obligation to third party organizations or individuals as a result of a contract.

Table 9.8

Contractual obligations of enterprise Crown corporations and other government business enterprises as at March 31, 2022

(in thousands of dollars)

	Transfer payment agreements	Loans	Capital expenditures	Operating leases and other	Total
Business Development Bank of Canada.....	—	5,225,601	—	172,764	5,398,365
Canada Deposit Insurance Corporation.....	—	—	—	22,698	22,698
Canada Development Investment Corporation.....	—	—	61,056	57,781	118,837
Canada Lands Company Limited.....	—	—	70,100	700	70,800
Canada Mortgage and Housing Corporation	7,653,000	6,888,000	—	170,000	14,711,000
Export Development Canada	—	13,291,014	—	433,000	13,724,014
Farm Credit Canada.....	—	10,447,000	2,000	195,992	10,644,992
Great Lakes Pilotage Authority.....	—	—	—	568,145	568,145
Prince Rupert Port Authority	—	—	38	—	38
Quebec Port Authority	—	—	—	93	93
Royal Canadian Mint.....	—	4,626	—	83,724	88,350
Vancouver Fraser Port Authority	—	—	252,073	—	252,073
Total	7,653,000	35,856,241	385,267	1,704,897	45,599,405

Financial assistance to enterprise Crown corporations and other government business enterprises

Table 9.9 presents charges to appropriations or authorities approved by Parliament. It should be read in conjunction with Table 9.4.

Table 9.9

Financial assistance to enterprise Crown corporations and other government business enterprises for the year ended March 31, 2022

(in thousands of dollars)

	Financial assistance
Canada Mortgage and Housing Corporation	4,031,601
Canada Post Corporation	22,210
Total	4,053,811

Portfolio investments

Portfolio investments represent investments in entities with share capital owned jointly by the government and other governments or organizations to further common objectives. Additional information on these entities is provided in the quarterly report entitled *Inventory of Government of Canada Organizations*.

Under the terms of Section 147 of the *Bankruptcy and Insolvency Act*, the Superintendent of Bankruptcy has received shares in a number of corporations in lieu of a cash levy payable to the Crown.

Table 9.10
Portfolio investments

(in dollars)

	April 1, 2021	Payments and other charges ¹	Receipts and other credits	March 31, 2022
Environment and Climate Change				
Parks Canada Agency				
Co-operative Housing Project.....	100	—	—	100
Finance				
Department of Finance				
Canada Pension Plan Investment Board.....	100	—	—	100
Global Affairs				
Department of Foreign Affairs, Trade and Development				
Canada Investment Fund for Africa	46,512,693	—	—	46,512,693
Energy Access Relief Fund.....	—	28,000,000	—	28,000,000
Land Degradation Neutrality Fund.....	53,060,400	—	1,171,093	51,889,307
	99,573,093	28,000,000	1,171,093	126,402,000
Innovation, Science and Industry				
Atlantic Canada Opportunities Agency				
Equity investment	6,805,163	—	2,340	6,802,823
Department of Western Economic Diversification				
North Portage Development Corporation.....	1	—	1	—
National Research Council of Canada				
Equity ownership	3	—	—	3
	6,805,167	—	2,341	6,802,826
Natural Resources				
Department of Natural Resources				
Lower Churchill Development Corporation Limited.....	14,750,000	—	—	14,750,000
Treasury Board				
Treasury Board Secretariat				
Public Sector Pension Investment Board.....	100	—	—	100
Total	121,128,560	28,000,000	1,173,434	147,955,126

¹ Payments and other charges may include transactions such as loans, adjustments, etc.

Co-operative housing project

The Parks Canada Agency has invested in the Rocky Mountain II Co-operative Housing Association, along with three other entities, to provide accommodation for Parks Canada Agency employees and employees of other entities in Banff, Alberta.

Canada Pension Plan Investment Board

The Canada Pension Plan Investment Board (CPPIB) was created pursuant to the *Canada Pension Plan Investment Board Act*. The CPPIB's objectives are to assist the Canada Pension Plan (CPP) in meeting its obligations to contributors and beneficiaries and to manage any amounts transferred to it in their best interest.

The government holds 100% of the share capital of the CPPIB that consists of 10 shares having a fair value of \$10 each issued as per legislation. The assets managed by the CPPIB are included in the CPP financial statements. They are excluded from the government's consolidated financial statements since CPP is not part of the government's reporting entity as explained in Note 1 of the government's financial statements.

Canada Investment Fund for Africa

The Canada Investment Fund for Africa (CIFA) is a joint public-private sector initiative designed to provide risk capital for private investments in Africa that generate growth. The CIFA is a direct response to the New Partnership for Africa's Development (NEPAD) and the G8 Africa Action Plan. The main objectives of the CIFA are to optimize public-private investment in the fund, to confer a beneficial development impact on Africa by way of increased foreign direct investment and to optimize the beneficial impact of the fund's activities on Canadian interests.

The Government of Canada is a limited partner in the CIFA and its commitment towards the fund was subject to matching funds of other investors and was to be equal to the lesser of: *(i)* \$100 million or *(ii)* the aggregated commitments of all other limited partners of the partnership. The investment period in the CIFA ended January 1, 2009. This initiative was finalized during fiscal year 2020. Since its inception, the Canadian International Development Agency (now amalgamated with DFATD) received capital reimbursement from CIFA amounting to \$60.4 million and investment income of \$8.2 million.

Energy Access Relief Fund

The investment consists of a contribution to the Energy Access Relief Fund, which was designed to provide loans with a term of up to 3.5 years, subordinated, unsecured and low-cost subsidized loans to companies that had viable business models prior to COVID and that are facing liquidity challenges due to COVID-19.

Land Degradation Neutrality Fund

The investment consists of a contribution to the Land Degradation Neutrality Fund (LDN), an investment fund initiated to support sustainable land management and land restoration.

Equity investment

In order to help fulfill its mandate to promote economic development in the Cape Breton Region of Nova Scotia, Enterprise Cape Breton Corporation (ECBC) had taken equity interests in several companies to help the organizations expand or innovate.

Upon ECBC's dissolution on June 19, 2014, all of ECBC assets and obligations, except real property, were transferred to Atlantic Canada Opportunities Agency (ACOA). ACOA has been given the authority to hold or exercise, or surrender, sell, assign or otherwise dispose of, a stock option, share or other similar financial instruments that it acquired from ECBC or any of its subsidiaries.

North Portage Development Corporation

The Corporation was incorporated under *The Corporations Act* of Manitoba, to foster the social and economic development of the North Portage area in the core area of Winnipeg. The objective of the government's participation is to stimulate economic recovery in Canada and Manitoba.

The government's holding of common shares represents 33.3% of the shares outstanding. The Corporation is owned equally by the City of Winnipeg, the Province of Manitoba and the Government of Canada. There are 3 common shares issued, having a par value of \$1 each.

Equity ownership

In order to help fulfill its mandate to promote industrial innovation in Canada, the National Research Council of Canada (NRC) has taken equity interests in several new firms based on NRC technology. NRC provides financial assistance at better than market conditions to firms through access to equipment, intellectual property and incubation space in laboratories and in the organization's Industry Partnership Facilities.

Since these companies often cannot afford to pay the full cost of the assistance received from the NRC, the NRC takes an equity position in a company in order to help the firms survive the critical development stage. In turn, it allows NRC to earn a return that somewhat reflects the risk taken should the company become successful.

This investment in equity is authorized under subsection 92(1)(b) of the *Financial Administration Act* which allows for the acquisition or the sale or other disposal of shares or assets in the ordinary course of a business of providing financial assistance to publicly and privately held companies and are recorded at cost.

The government's holdings of shares represent a minority interest in two publicly traded companies and one privately held company.

Lower Churchill Development Corporation Limited

The Lower Churchill Development Corporation (LCDC) was incorporated in 1978 under the *Companies Act* of Newfoundland, with the objective of developing all or part of the hydroelectric potential of the Lower Churchill Basin. It is owned 51% by Newfoundland and Labrador Hydro, the designate for the Government of Newfoundland and Labrador, and 49% by Canada. LCDC is not an active operating company.

Canada owns 1,475 class A shares, which it purchased for \$10,000 per share in the initial years of the corporation. Funds were used to finance feasibility studies for proposed Lower Churchill projects. The corporation's only asset was an Option Right to purchase the Gull Island Production Company's assets and acquire hydroelectric development rights on the Lower Churchill River, granted by the Government of Newfoundland and Labrador in exchange for its initial ownership stake, valued at \$5,200,000.

The option expired on November 24, 2006, and has not been extended by the province, resulting in an investment write-down for LCDC.

Public Sector Pension Investment Board

The Public Sector Pension Investment Board (PSPIB) is a Canadian Crown corporation established pursuant to the *Public Sector Pension Investment Board Act*. Its statutory objective is to manage, in the best interests of the contributors and beneficiaries, the funds transferred to it by the Government of Canada since April 1, 2000. These funds represent contributions less benefits payments and other charges related to the Public Service, Canadian Forces—Regular Force and Royal Canadian Mounted Police pension plans, and since 2007 for the Canadian Forces—Reserve Force pension plan, that fall within the *Income Tax Act* limits. The goal of the PSPIB is to maximize returns on investments without undue risk of loss, while having regard to the funding, policies and requirements and financial obligations of each of the pension plans.

The government holds 100% of the share capital of the PSPIB that consists of 10 shares having a par value of \$10 each issued as per legislation. The assets managed by the PSPIB are recorded against the pension obligations since April 1, 2000.

National governments including developing countries

Loans to national governments consist mainly of loans for financial assistance, international development assistance to developing countries, and loans for development of export trade (administered by Export Development Canada).

Table 9.11
National governments including developing countries

(in dollars)

	April 1, 2021	Payments and other charges	Receipts and other credits	March 31, 2022
Global Affairs				
Department of Foreign Affairs, Trade and Development				
International development assistance—Developing countries.....	59,805,028	—	10,184,213	49,620,815
Export Development Canada				
Development of export trade—National governments	281,668,204	3,078,013	30,385,098	254,361,119
	<i>341,473,232</i>	<i>3,078,013</i>	<i>40,569,311</i>	<i>303,981,934</i>
National Defence				
Department of National Defence				
Damage claims recoverable—North Atlantic Treaty Organization	—	8,503	8,503	—
Total	341,473,232	3,086,516	40,577,814	303,981,934

International development assistance—Developing countries

Interest-free or low-interest bearing loans have been made through the Canadian International Development Agency, now amalgamated with the Department of Foreign Affairs, Trade and Development (DFATD), to developing countries for international development assistance. Loans are recorded in part as expenses when the economic value of the loans is reduced due to their concessionary terms. No new loans have been issued since April 1, 1986.

All loans have been made in Canadian dollars and are not subject to revaluations for foreign exchange fluctuations.

Similar assistance has been provided to developing countries by way of subscriptions and advances to the International Development Association, advances to the Global Environment Facility, and loans to other international financial institutions. These are reported later in this section under the heading “International organizations”.

In 2006–2007, the Government of Canada, as represented by the Canadian International Development Agency (now amalgamated with DFATD), entered into an agreement with the Government of Pakistan to forgive its outstanding \$447,507,534 loan pursuant to Foreign Affairs and International Trade Vote 32c, *Appropriation Act No. 5, 2009–2010*. In order to expire its debt obligation, the Government of Pakistan will be required to make education sector investments that are equivalent to the present value of its debt. According to the agreement, Pakistan’s debt is to be written down proportionally as the investments are made. Since 2010, the Government of Pakistan’s debt been reduced by the total amount of \$427,345,514.

The following table presents the balances and transactions for the loans made to developing countries, together with their terms and conditions of repayments.

(in dollars)

	April 1, 2021	Payments and other charges	Receipts and other credits ¹	March 31, 2022
(a) 35 year term, 4 year grace period, 5.0% interest per annum, semi-annual interest repayments with first principal repayment due January 2017 and final repayment in July 2026:				
Egypt	27,461,018	–	4,454,598	23,006,420
(b) 50 year term, 10 year grace period, non-interest bearing, with final repayments between March 2015 and September 2035:				
Algeria.....	1,095,964	–	391,471	704,493
Bolivia.....	42,395	–	42,395	–
Dominican Republic	673,255	–	236,045	437,210
Ecuador	355,680	–	246,292	109,388
Guatemala.....	581,250	–	100,000	481,250
Indonesia	54,765,889	–	8,677,708	46,088,181
Malaysia	689,366	–	53,028	636,338
Malta	74,980	–	25,000	49,980
Morocco	1,524,575	–	275,295	1,249,280
Pakistan	20,162,020	–	–	20,162,020
Philippines.....	334,618	–	97,159	237,459
Sri Lanka	28,730,945	–	3,901,984	24,828,961
Thailand.....	5,670,677	–	674,620	4,996,057
Tunisia.....	9,506,247	–	2,765,550	6,740,697
	124,207,861	–	17,486,547	106,721,314
(c) 50 year term, 13 year grace period, non-interest bearing, with final repayment in March 2023:				
Algeria.....	2,490,183	–	1,245,091	1,245,092
Subtotal.....	154,159,062	–	23,186,236	130,972,826
Less: portion expensed due to concessionary terms	94,354,034	–	13,002,023	81,352,011
Total	59,805,028	–	10,184,213	49,620,815

Grace period refers to interval from date of issuance of the loan to first repayment of loan principal.

¹ Receipts and other credits may include transactions such as repayments, forgiveness, adjustments, etc.

Development of export trade—National governments

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

Loan transactions with longer repayment terms or low or zero interest rates are recorded in part as expenses when the economic value is reduced due to such concessionary terms.

Table 11.4 and Table 11.6 in Section 11 of this volume present additional information on contractual obligations and guarantees that are disclosed in the notes to the audited consolidated financial statements in Section 2 of this volume.

(in dollars)

	Payments and other charges		Receipts and other credits			
	April 1, 2021	Payments or other charges ¹	Revaluation	Receipts or other credits ²	Revaluation	March 31, 2022
Non-budgetary loans³						
(a) 1 to 5 year term, 3.0% to 9.0% interest per annum, with final repayments in May 2019:						
Argentina.....	34,200,146	3,078,013	–	3,887,693	84,422	33,306,044
(b) 11 to 15 year term, based on 6 month London Interbank Offered Rate (LIBOR), plus 0.50% interest per annum, assumed from the Canadian Wheat Board (CWB) with final repayments in January 2028:						
Iraq.....	75,131,764	–	–	10,706,227	362,532	64,063,005
(c) 16 to 20 year term, interest based on LIBOR, plus a range of rates from 0.50% to 0.63% per annum, with final repayments between October 2018 and June 2021:						
Indonesia	48,334	–	–	48,213	121	–
Venezuela.....	2,457,678	–	–	–	12,810	2,444,868
	2,506,012	–	–	48,213	12,931	2,444,868
(d) 21 to 25 year term, 9.0% to 10.0% interest per annum, with final repayments in September 2000:						
Sudan.....	4,853,385	–	–	–	25,296	4,828,089
(e) 21 to 25 year term, interest based on LIBOR, plus 0.55% per annum, with final repayments in November 2024:						
Pakistan	5,046,617	–	–	–	26,303	5,020,314
(f) 21 to 25 year term, based on 6 month LIBOR, plus 0.55% interest per annum, assumed from CWB, with final repayments in November 2024:						
Pakistan	11,034,138	–	–	–	57,511	10,976,627
Total—Non-budgetary loans.....	132,772,062	3,078,013	–	14,642,133	568,995	120,638,947

(in dollars)

	April 1, 2021	Payments and other charges		Receipts and other credits		March 31, 2022
		Payments or other charges ¹	Revaluation	Receipts or other credits ²	Revaluation	
Budgetary loans³						
(a) 31 to 55 year term, 0% to 10.29% interest per annum, with final repayments between September 2029 and February 2045:						
China	303,616,078	—	—	22,688,517	1,520,908	279,406,653
Egypt	5,773,369	—	—	344,447	9,674	5,419,248
Gabon	6,080,143	—	—	311,009	30,858	5,738,276
India	36,397,833	—	—	5,074,889	175,933	31,147,011
Jamaica	4,024,113	—	—	229,373	20,351	3,774,389
Morocco	57,072,470	—	—	3,217,487	288,732	53,566,251
Turkey	73,695,780	—	—	3,419,126	374,827	69,901,827
	486,659,786	—	—	35,284,848	2,421,283	448,953,655
(b) 31 to 55 year term, comprised of several loans with fixed or variable interest rates currently ranging from 0% to 2.21% per annum, with final repayments between December 2018 and December 2033:						
Kenya	3,278,392	—	—	250,650	16,477	3,011,265
Total—Budgetary loans	489,938,178	—	—	35,535,498	2,437,760	451,964,920
Subtotal	622,710,240	3,078,013	—	50,177,631	3,006,755	572,603,867
Less: portion expensed due to concessionary terms	341,042,036	—	—	22,799,288	—	318,242,748
Total	281,668,204	3,078,013	—	27,378,343	3,006,755	254,361,119

Final repayment dates may change if loan amounts are rescheduled or restructured.

¹ Payments or other charges may include transactions such as loans, adjustments, etc.² Receipts or other credits may include transactions such as repayments, forgiveness, adjustments, etc.³ Prior to April 1, 1987, these loans were authorized by miscellaneous non-budgetary authorities. Subsequently, they were authorized by miscellaneous budgetary authorities.

Damage claims recoverable—North Atlantic Treaty Organization

Article VIII of the NATO Status of Forces Agreement signed April 4, 1949, as amended, deals with claims for damages to third parties arising from accidents in which a member of a visiting force is involved. This account is charged with the amount recoverable from other states, for claims for damages which took place in Canada, and is credited with recoveries.

The advances are non-interest bearing and have no specific repayment terms.

International organizations

This group records Canada's subscriptions to the share capital of international banks. It also includes loans and advances to associations and other international organizations.

Canada's subscriptions to the share capital of a number of international banks are composed of both paid-in and callable capital. The majority of subscriptions to international organizations do not provide a return on investment but are repayable on termination of the organization or withdrawal from it.

Paid-in capital subscriptions are made through a combination of cash payments and the issuance of non-interest bearing, non-negotiable notes payable to the organization. Although payable on demand, these notes are typically encashed according to terms of agreements reached between the organization and participating countries.

Callable share capital is composed of resources that are not paid to the banks but act as a guarantee to allow them to borrow on international capital markets to finance their lending program. Callable share capital, which has never been drawn on by the banks, would only be utilized in extreme circumstances to repay loans, should a bank's reserves not be sufficient. It represents a contingent liability of the government, and is listed with other contingent liabilities related to international organizations in Table 11.7 in Section 11 of this volume.

Most loans and advances to international organizations are made to banks and associations that use these funds to make loans to developing countries at significant concessionary terms. Loans made on a long-term, low-interest or interest-free basis, and investments in organizations that make similar loans, are recorded in full or in part as expenses when the economic value is reduced due to their concessionary terms.

Table 9.12 presents a summary of the balances and transactions for share capital, loans and advances to international organizations. The revaluation amount represents the conversion of foreign currency balances to the year-end closing rates of exchange. Balances denominated in United States dollars were converted to Canadian dollars at year-end exchange rate of \$1 USD/\$1.2502 CAD.

Table 11.4 and Table 11.7 of Section 11 of this volume present additional information on contractual obligations and contingent liabilities for international organizations that are disclosed in the notes to the audited consolidated financial statements in Section 2 of this volume.

The notes payable outstanding at year-end of \$83,773,804 (\$84,212,629 in 2021) are reported in Table 5.3 in Section 5 of this volume.

Table 9.12
International organizations

(in dollars)

	Payments and other charges		Receipts and other credits		
	Participation or other charges	Revaluation	Reimburse- ments or other credits	Revaluation	March 31, 2022
	April 1, 2021				
Capital subscriptions					
Finance					
Department of Finance					
Asian Infrastructure Investment Bank	257,200,158	–	–	–	257,200,158
European Bank for Reconstruction and Development ..	278,549,076	–	–	–	278,549,076
International Bank for Reconstruction and Development (World Bank).....	805,062,415	–	–	–	805,062,415
International Development Association ²	13,362,258,061	423,240,000	–	–	13,785,498,061
International Finance Corporation	104,801,033	220,843,012	–	–	325,644,045
Multilateral Investment Guarantee Agency	13,827,431	–	–	–	13,827,431
	<i>14,821,698,174</i>	<i>644,083,012</i>	–	–	<i>15,465,781,186</i>
Global Affairs					
Department of Foreign Affairs, Trade and Development					
African Development Bank	342,750,787	140,873,924	–	3,772,123	479,852,588
Asian Development Bank.....	374,644,545	–	–	836,858	373,807,687
Caribbean Development Bank.....	49,373,676	–	–	224,809	49,148,867
Inter-American Development Bank	311,049,658	–	–	1,603,914	309,445,744
Inter-American Investment Corporation.....	76,109,781	3,096,182	–	459,100	78,746,863
	<i>1,153,928,447</i>	<i>143,970,106</i>	–	6,896,804	<i>1,291,001,749</i>
Total—Capital subscriptions.....	<i>15,975,626,621</i>	<i>788,053,118</i>	–	6,896,804	<i>16,756,782,935</i>

Table 9.12
International Organizations—concluded

(in dollars)

	April 1, 2021	Payments and other charges		Receipts and other credits		
		Participation or other charges	Revaluation	Reimburse- ments or other credits	Revaluation	March 31, 2022
Loans and advances						
Finance						
Department of Finance						
Global Environment Facility ²	10,000,000	—	—	—	—	10,000,000
International Development Association.....	—	360,653,692	—	—	973,162	359,680,530
International Finance Corporation						
Catalyst Fund.....	75,000,000	—	—	—	—	75,000,000
International Monetary Fund						
Poverty Reduction and Growth Trust ¹	1,352,100,938	—	—	43,680,089	38,871,706	1,269,549,143
1,437,100,938	360,653,692	—	—	43,680,089	39,844,868	1,714,229,673
Global Affairs						
Department of Foreign Affairs, Trade and Development						
International Finance Corporation						
Financial Mechanisms for Climate Change Facility	182,230,364	—	—	113,392,312	2,126,509	66,711,543
Global Agriculture and Food Security Program.....	21,300,549	—	—	2,629,834	432,588	18,238,127
203,530,913	—	—	—	116,022,146	2,559,097	84,949,670
International financial institutions ²						
African Development Fund.....	3,313,973,379	118,400,000	—	—	491,249	3,431,882,130
Asian Development Bank—Special.....	27,027,000	—	—	—	—	27,027,000
Asian Development Fund	2,485,402,929	30,136,466	—	—	—	2,515,539,395
Caribbean Development Bank						
Agricultural Development Fund.....	2,000,000	—	—	—	—	2,000,000
Commonwealth Caribbean Regional.....	5,026,800	—	—	—	26,200	5,000,600
Special Development Fund	424,906,960	20,352,750	—	—	82,203	445,177,507
Global Environment Facility Trust Fund	1,109,570,000	54,750,000	—	—	—	1,164,320,000
Inter-American Development Bank						
Fund for Special Operations.....	390,736,111	524,456	—	—	1,183,442	390,077,125
International Bank for Reconstruction and						
Development.....	25,134,000	—	—	—	131,000	25,003,000
International Fund for Agriculture Development	529,383,396	25,000,000	—	—	—	554,383,396
International Monetary Fund	13,785,286	—	—	—	71,850	13,713,436
Multilateral Fund of the Montreal Protocol	147,152,175	7,854,071	—	—	174,783	154,831,463
Multilateral Investment Fund.....	58,706,125	—	—	—	—	58,706,125
8,532,804,161	257,017,743	—	—	—	2,160,727	8,787,661,177
International organizations and associations ¹						
Berne Union of the World Intellectual						
Property Organization	39,192	—	—	—	—	39,192
Customs Co-operation Council.....	9,662	—	—	—	—	9,662
Food and Agriculture Organization.....	1,051,200	—	—	—	—	1,051,200
General Agreement on Tariffs and Trade.....	48,806	—	—	—	—	48,806
International Atomic Energy Agency.....	447,110	—	—	—	—	447,110
International Civil Aviation Organization.....	200,429	—	—	—	—	200,429
International Maritime Organization.....	2,202	—	—	—	—	2,202
Paris Union of the World Intellectual						
Property Organization	100,989	—	—	—	—	100,989
United Nations Educational, Scientific and						
Cultural Organization.....	872,987	—	—	—	—	872,987
United Nations organizations.....	3,632,480	—	—	—	—	3,632,480
World Health Organization.....	181,122	—	—	—	—	181,122
6,586,179	—	—	—	—	—	6,586,179
Total—Loans and advances	10,180,022,191	617,671,435	—	159,702,235	44,564,692	10,593,426,699
Subtotal.....	26,155,648,812	1,405,724,553	—	159,702,235	51,461,496	27,350,209,634
Less: portion expensed due to concessionary terms	—	33,000,000	—	1,300,000	—	31,700,000
Total	26,155,648,812	1,372,724,553	—	158,402,235	51,461,496	27,318,509,634

¹ Loans and investments made prior to April 1, 1986, which were authorized by non-budgetary authorities.² Loans and investments made since April 1, 1986, which were authorized by budgetary authorities.

Asian Infrastructure Investment Bank

Effective March 19, 2018, Canada became a member to the Asian Infrastructure Investment Bank (AIIB) pursuant to the *Asian Infrastructure Investment Bank Agreement Act*, and, as noted in various appropriation acts. The AIIB commenced operations in January 2016.

Canada's investment, like that of all other shareholders in the bank, is in the form of 20% paid-in capital and 80% callable capital. As at March 31, 2022, Canada has subscribed to 9,954 shares (9,954 in 2021). The total value of these shares is \$995.4 million USD (\$995.4 million USD in 2021), of which \$199.1 million USD (\$199.1 million USD in 2021) is paid-in and the remaining portion is callable. To date, Canada has made four equal payments of \$39.8 million USD.

European Bank for Reconstruction and Development

This account records Canada's subscriptions to the capital of the European Bank for Reconstruction and Development (EBRD), as authorized by the *European Bank for Reconstruction and Development Agreement Act*, and various appropriation acts.

At year end, Canada has subscribed to 102,049 shares of the EBRD's authorized capital valued at 1,020,490,000 EUR.

Only 212,850,000 EUR (\$216,197,668 USD as of March 31, 2022) or about 21% of Canada's share subscription is considered "paid-in". The balance is callable meaning the institution can request the resources in the unlikely event that it requires them to meet its financial obligations to bondholders. Payments for the share subscription are authorized by the Act. Each payment to the EBRD is comprised of cash and a promissory note.

Canada's contingent liability for the callable portion of its shares was 807,640,000 EUR.

International Bank for Reconstruction and Development

This account records Canada's subscriptions to the capital of the International Bank for Reconstruction and Development (World Bank), as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts.

As at March 31, 2022, Canada has subscribed to 70,455 shares. The total value of these shares is \$8,499,338,925 USD, of which \$604,197,476 USD plus \$16,404,055 CAD has been paid-in. The remaining portion is callable.

The callable portion is subject to call by the World Bank under certain circumstances. Canada's contingent liability for the callable portion of its shares is \$7,879.8 million USD.

International Development Association

Capital subscriptions

This account records Canada's contributions and subscriptions to the International Development Association (IDA), as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts (including the *Department of Finance Vote 5, Appropriation Act No. 1, 2018–2019*). The contributions and subscriptions to IDA, which is part of the World Bank Group, are used to lend funds to the poorest developing countries for development purposes, on highly favourable terms (very low interest rates, with a 25 to 40 year maturity and 5 to 10 years of grace).

As at March 31, 2022, Canada's total participation in IDA amounted to \$13,785,498,061 CAD.

Loans and advances

This account records the loan to the International Development Association, for an amount of \$287,710,000 USD for the Concessional Partner Loan.

The authority to make the loan is pursuant to the *Bretton Woods and Related Agreements Act*. The loan bears interest at the rate of 1.2% per annum with a term of 25 years and a 10 year grace period. The first installment is due July 15, 2027 and the last installment January 15, 2047.

International Finance Corporation

This account records Canada's subscriptions to the capital of the International Finance Corporation, which is part of the World Bank Group, as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts.

The 2020 general capital increase at the International Finance Corporation included a re-basing of the shareholding by converting \$17 billion USD from its retained earnings into new shares. These new shares were provided on a pro rata basis at no charge to all shareholders, increasing Canada's shareholding from 81,342 shares to 620,199 shares.

During fiscal year 2022 Canada has subscribed to 175,938 shares at a price of \$1,000 USD per share for a total of \$175,938,000 USD.

As at March 31, 2022, Canada has subscribed to 796,137 shares (620,199 as at March 31, 2021). These shares have a total value of \$796,137,000 USD, of which \$257,280,000 USD has been paid-in.

Multilateral Investment Guarantee Agency

This account records Canada's subscriptions to the capital of the Multilateral Investment Guarantee Agency, as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts.

As at March 31, 2022, Canada has subscribed to 5,225 shares. The total value of these shares is \$56,534,500 USD, of which \$10,732,250 USD is paid-in and the remaining portion is callable.

The callable portion is subject to call by the Multilateral Investment Guarantee Agency under certain circumstances. Canada's contingent liability for the callable portion of its shares is \$45,802,250 USD.

African Development Bank

This account records Canada's subscriptions to the capital of the African Development Bank, as authorized by the *International Development (Financial Institutions) Assistance Act*, and various appropriation acts.

As at March 31, 2022, Canada's participation to the paid-in capital is \$479,852,588 CAD for 28,559 shares, including 24,031 issued in US dollars.

The callable shares are subject to call by the African Development Bank under certain circumstances. Canada's contingent liability for callable shares has a current value of \$984,917,646 CAD and \$6,526,068,554 USD for a total value of \$9,143,482,249 CAD.

Asian Development Bank

This account records Canada's subscriptions to the capital of the Asian Development Bank, as authorized by the *International Development (Financial Institutions) Assistance Act*, and various appropriation acts.

As at March 31, 2022, Canada's participation to the paid-in capital is \$373,807,687 CAD for 27,768 shares, including 25,398 issued in US dollars.

The callable shares are subject to call by the Asian Development Bank under certain circumstances. Canada's contingent liability for callable shares has a current value of \$6,363,375,615 USD for a total value of \$7,955,174,025 CAD.

Caribbean Development Bank

This account records Canada's subscriptions to the capital of the Caribbean Development Bank, as authorized by the *International Development (Financial Institutions) Assistance Act*, and various appropriation acts.

As at March 31, 2022, Canada's participation to the paid-in capital is \$49,148,867 CAD for 5,710 shares issued in US dollars.

The callable shares are subject to call by the Caribbean Development Bank under certain circumstances. Canada's contingent liability for callable shares has a current value of \$122,408,132 USD for a total value of \$153,028,526 CAD.

Inter-American Development Bank

This account records Canada's subscriptions to the capital of the Inter-American Development Bank, as authorized by the *International Development (Financial Institutions) Assistance Act*, and various appropriation acts.

As at March 31, 2022, Canada's participation to the paid-in capital is \$309,445,744 CAD for 20,034 shares issued in US dollars.

The callable shares are subject to call by the Inter-American Development Bank under certain circumstances. Canada's contingent liability for callable shares has a current value of \$6,598,757,829 USD for a total value of \$8,249,437,100 CAD.

Inter-American Investment Corporation

This account records Canada's subscriptions to the capital of the Inter-American Investment Corporation, as authorized by the *International Development (Financial Institutions) Assistance Act*, and various appropriation acts.

As at March 31, 2022, Canada's participation to the paid-in capital is \$78,746,863 CAD for 3,950 shares issued in US dollars.

Global Environment Facility

This account records the funding of a facility for environmental funding in developing countries in the areas of ozone, climate change biodiversity and international waters as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts. Advances to the Global Environment Facility are made in non-negotiable, non-interest bearing demand notes that are later encashed.

As at March 31, 2022, advances to the Global Environment Facility amounted to \$10,000,000 CAD.

International Finance Corporation—Catalyst Fund

This account records Canada's financial support of the International Finance Corporation's—Catalyst Fund as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts (including Finance Vote L12b, *Appropriation Act No. 4, 2010–2011* and Vote L17c, *Appropriation Act No. 5, 2012–2013*). The Catalyst Fund supports private sector engagement in climate change mitigation and adaptation activities through the provision of concessional and commercial financing arrangements.

As at March 31, 2022, advances to the Catalyst Fund amounted to \$75,000,000 CAD.

International Monetary Fund—Poverty Reduction and Growth Trust

This account records the loan to the International Monetary Fund's Poverty Reduction and Growth Trust in order to provide assistance to qualifying low-income countries as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts.

The total revolving loan authority pursuant to the *Bretton Woods and Related Agreements Act*, was set at 3.5 billion special drawing rights (SDR) or such greater amount as may be fixed by the Governor in Council.

As at March 31, 2022, SDR 734,605,000 of Canada's SDR 1,500,000,000 revolving loan commitment to the Poverty Reduction and Growth Trust was outstanding.

This outstanding balance was translated into Canadian dollars at the year-end closing rate of exchange (1 SDR /\$1.7282 CAD). During the year, transactions included issuances, repayments and an exchange valuation adjustment.

International Finance Corporation—Financial Mechanisms for Climate Change Facility

This account records Canada's financial support of the International Finance Corporation's—Financial Mechanisms for Climate Change Facility (FMCC) as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts. The FMCC supports private sector engagement in climate change mitigation and adaptation activities through the provision of concessional and commercial financing arrangements.

As at March 31, 2022, loans to the FMCC amounted to \$66,711,543 CAD.

International Finance Corporation—Global Agriculture and Food Security Program

This account records Canada's financial assistance to the International Finance Corporation for participation in the G8 Food Security Initiative (FSI) as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts.

As at March 31, 2022, loans to the Global Agriculture Food and Security Program amounted to \$18,238,127 CAD.

International financial institutions

This account records loans and advances for assistance to international financial institutions, as authorized by the *International Development (Financial Institutions) Assistance Act*, and various appropriation acts (including the Department of Foreign Affairs, Trade and Development Votes 20b and L25b).

Loans and advances are made using direct payments. During the year, transactions included loans and advances made through direct payments and revaluations for foreign currency fluctuations.

International organizations and associations

These items represent the value of payments established in 2006 made by the Canadian government to working capital funds maintained by international organizations of which Canada is a member. Participation in the financing of these working capital funds, on the basis of the scale of assessments, is prescribed by financial regulations for membership in the organizations. Payments into the funds are not subject to interest or repayment schedules, but are recorded by the organizations as credits from member states. Payments made by Canada were authorized by appropriation acts.

Provincial and territorial governments

This category records loans to provinces and territories made under relief acts and other legislation.

Loans made on a long-term, low-interest or interest-free basis are recorded in part as expenses when the economic value of these loans is reduced due to their concessionary terms.

Table 9.13
Provincial and territorial governments

(in dollars)

	April 1, 2021	Payments and other charges ¹	Receipts and other credits ²	March 31, 2022
Finance				
Department of Finance				
Newfoundland and Labrador				
Federal-provincial fiscal arrangements.....	266,668,300	—	—	266,668,300
Municipal Development and Loan Board.....	315,626	—	—	315,626
Winter Capital Projects Fund	2,836,758	—	—	2,836,758
	269,820,684	—	—	269,820,684
Ontario				
Federal-provincial fiscal arrangements.....	15,036,464	—	15,036,464	—
Prince Edward Island				
Federal-provincial fiscal arrangements.....	108,792	—	108,792	—
Winter Capital Projects Fund	63,079	—	—	63,079
	171,871	—	108,792	63,079
Quebec				
Federal-provincial fiscal arrangements.....	31,940,250	—	31,940,250	—
Saskatchewan				
Federal-provincial fiscal arrangements.....	66,444,848	—	13,288,992	53,155,856
Subtotal.....	383,414,117	—	60,374,498	323,039,619
Less: portion expensed due to concessionary terms	27,974,150	—	5,400,150	22,574,000
Total	355,439,967	—	54,974,348	300,465,619

¹ Payments or other charges may include transactions such as loans, adjustments, etc.

² Receipts or other credits may include transactions such as repayments, forgiveness, etc.

Federal-provincial fiscal arrangements

These amounts represent net overpayments in respect of transfer payments to provinces under the *Constitution Acts 1867 to 1982*, the *Federal-Provincial Fiscal Arrangements Act*, and other statutory authorities.

The overpayments are non-interest bearing and will be repaid by reducing transfer payments in subsequent years.

Municipal Development and Loan Board

Loans have been made to provinces and municipalities, to augment or accelerate municipal capital works programs.

The loans bear interest at rates from 5.25% to 5.375% per annum, and are repayable in annual or semi-annual instalments over 15 to 50 years.

Winter Capital Projects Fund

Loans have been made to provinces, provincial agencies and municipalities, to assist in the creation of employment.

The loans bear interest at rates from 7.4% to 9.5% per annum, and are repayable either in annual instalments over 5 to 20 years, or at maturity.

Other loans, investments and advances

Table 9.14
Other loans, investments and advances

(in dollars)

	April 1, 2021	Payments and other charges	Receipts and other credits	March 31, 2022
Unconditionally repayable contributions				
Agriculture and Agri-Food				
Department of Agriculture and Agri-Food	155,110,112	29,560,616	27,773,708	156,897,020
Finances				
Department of Finance.....	200,000,000	-	-	200,000,000
Fisheries, Oceans and the Canadian Coast Guard				
Department of Fisheries and Oceans.....	15,519,022	12,304,746	274,981	27,548,787
Global Affairs				
Department of Foreign Affairs, Trade and Development	2,359,701,519	679,514,344	303,560,609	2,735,655,254
Pacific Economic Development Agency of Canada.....	-	66,541,585	9,212,144	57,329,441
	2,359,701,519	746,055,929	312,772,753	2,792,984,695
Indigenous Services				
Federal Economic Development Agency for Northern Ontario.....	-	79,444,425	1,803,473	77,640,952
Innovation, Science and Industry				
Department of Industry	1,641,237,627	118,770,807	117,935,478	1,642,072,956
Atlantic Canada Opportunities Agency	590,983,182	102,913,385	78,879,674	615,016,893
Canadian Northern Economic Development Agency	4,894,184	5,222,738	-	10,116,922
Department of Western Economic Diversification	505,514,402	147,261,390	18,658,323	634,117,469
Economic Development Agency of Canada for the Regions of.....				
Quebec	721,838,152	163,665,154	102,544,576	782,958,730
Federal Economic Development Agency for Southern Ontario.....	715,762,493	122,039,615	77,148,266	760,653,842
	4,180,230,040	659,873,089	395,166,317	4,444,936,812
Natural Resources				
Department of Natural Resources	19,329,162	80,034,787	6,573	99,357,376
Subtotal.....	6,929,889,855	1,607,273,592	737,797,805	7,799,365,642
Less: portion expensed due to concessionary terms	745,272,143	165,663,627	560,854,207	350,081,563
Total—Unconditionally repayable contributions.....	6,184,617,712	1,441,609,965	176,943,598	7,449,284,079
Loans and accountable advances				
Global Affairs				
Department of Foreign Affairs, Trade and Development				
Missions abroad	42,386,183	27,814,459	21,211,842	48,988,800
Personnel posted abroad.....	15,644,359	15,127,087	10,669,197	20,102,249
	58,030,542	42,941,546	31,881,039	69,091,049
National Defence				
Department of National Defence				
Working Capital Fund	48,021,755	376,856,085	378,104,129	46,773,711
Miscellaneous accountable advances.....	60,467,284	27,261,078	18,472,838	69,255,524
Miscellaneous accountable imprest funds and standing advances.....	31,688,426	1,827,340	143,470	33,372,296
	92,155,710	29,088,418	18,616,308	102,627,820
Total—Loans and accountable advances.....	198,208,007	448,886,049	428,601,476	218,492,580

Table 9.14
Other loans, investments and advances—continued

(in dollars)

	April 1, 2021	Payments and other charges	Receipts and other credits	March 31, 2022
Other				
Agriculture and Agri-Food				
Department of Agriculture and Agri-Food				
Construction of multi-purpose exhibition buildings	35,593	-	-	35,593
Hog Industry Loan Loss Reserve Program	30,281,530	-	13,362,158	16,919,372
National Marketing Programs.....	236,413,083	54,635,691	36,851,543	254,197,231
Western Livestock Price Insurance Program.....	25,288,431	-	2,336,283	22,952,148
	292,018,637	54,635,691	52,549,984	294,104,344
Crown-Indigenous Relations and Northern Affairs				
Department of Crown-Indigenous Relations and Northern Affairs				
Council of Yukon First Nations—Elders	576,747	-	-	576,747
Indigenous Claimants	115,903,805	12,510,719	2,437,946	125,976,578
Inuit Loan Fund.....	71,457	-	-	71,457
Stoney Band Perpetual Loan.....	389,615	-	389,615	-
	116,941,624	12,510,719	2,827,561	126,624,782
Employment, Workforce Development and Disability Inclusion				
Department of Employment and Social Development				
Canada Apprentice Loans	280,231,818	45,700,754	42,125,892	283,806,680
Canada Student Financial Assistance Program	23,472,847,196	3,807,745,591	3,584,392,826	23,696,199,961
Provincial workers' compensation boards	15,592,001	210,000	-	15,802,001
	23,768,671,015	3,853,656,345	3,626,518,718	23,995,808,642
Finance				
Department of Finance				
Canadian Commercial Bank	42,202,293	-	-	42,202,293
Financial Consumer Agency of Canada—Advances.....	-	18,000,000	18,000,000	-
	42,202,293	18,000,000	18,000,000	42,202,293
Global Affairs				
Export Development Canada - Canada Account				
Canada Emergency Business Account.....	44,881,084,823	3,772,671,339	3,987,751,343	44,666,004,819
Support and development of trade	339,926,908	6,727,714	249,843,185	96,811,437
	45,221,011,731	3,779,399,053	4,237,594,528	44,762,816,256
Immigration, Refugees and Citizenship				
Department of Citizenship and Immigration				
Immigration loans.....	74,003,709	25,071,687	19,985,473	79,089,923
Indigenous Services				
Department of Indigenous Services				
Indian Economic Development Guarantee Loans Program.....	300,086	-	5,683	294,403
Reserve Housing Guarantee Loans Program.....	780,604	-	45,366	735,238
	1,080,690	-	51,049	1,029,641
Innovation, Science and Industry				
Department of Industry				
Other business loans	94,909,254	82,195,727	57,067,912	120,037,069
Economic Development Agency of Canada for the Regions of Quebec				
Advances for the working capital fund of entrepreneurs' assistance centers	946,719	1,779,912	1,876,546	850,085
National Research Council of Canada				
H.L. Holmes Fund	5,543,129	31,570	-	5,574,699
	101,399,102	84,007,209	58,944,458	126,461,853
Public Services and Procurement				
Department of Public Works and Government Services				
Cape Breton Operations – Medical and Worker's Compensation				
Board Reserves	-	3,505,456	300,606	3,204,850
Seized Property Working Capital Account	(11,897,454)	27,967,614	35,828,975	(19,758,815)
	(11,897,454)	31,473,070	36,129,581	(16,553,965)

Table 9.14
Other loans, investments and advances—concluded

(in dollars)

	April 1, 2021	Payments and other charges	Receipts and other credits	March 31, 2022
Transport				
Department of Transport				
Greater Victoria Harbour Authority	1,894,949	-	42,720	1,852,229
St. Lawrence Seaway Management Corporation	173,698	-	-	173,698
	2,068,647	-	42,720	2,025,927
Treasury Board				
Treasury Board Secretariat				
Federal Public Service Health Care Administration Authority	810,171	2,866,661	2,875,614	801,218
Joint Learning Program	1,919,739	2,283,125	1,308,095	2,894,769
	2,729,910	5,149,786	4,183,709	3,695,987
Veterans Affairs				
Department of Veterans Affairs				
Commonwealth War Graves Commission.....	51,972	-	2,709	49,263
Miscellaneous loans, investments and advances	209,054	1,347,155	1,433,842	122,367
Transition payments—Pay in arrears	542,501,617	465,849	26,141,980	516,825,486
	542,710,671	1,813,004	27,575,822	516,947,853
Subtotal—Other.....	70,152,992,547	7,865,716,564	8,084,406,312	69,934,302,799
Less: portion expensed due to concessionary terms and other discounts	30,383,746	-	2,335,264	28,048,482
	70,122,608,801	7,865,716,564	8,082,071,048	69,906,254,317
Add: consolidation adjustment ¹	2,594,946,000	3,250,576,000	-	5,845,522,000
Total—Other.....	72,717,554,801	11,116,292,564	8,082,071,048	75,751,776,317
Total	79,100,380,520	13,006,788,578	8,687,616,122	83,419,552,976

¹ Additional information on consolidated Crown corporations and other entities is also provided in Section 4 of this volume.

Unconditionally repayable contributions

Unconditionally repayable contributions are in substance loans, and are generally made to businesses pursuant to various acts of Parliament, with various amounts outstanding.

These loans are aimed at stimulating economic development or for assistance and accomplishing sustainable development goals. They bear various interest rates, some of which have concessional terms, and are repayable at various due dates with final instalments generally due within 30 years of initial disbursement.

Loans made on a long-term, low-interest or interest-free basis are recorded in part as expenses when the economic value of the loans is reduced due to their concessionary terms.

Missions abroad

Non-interest bearing advances have been made for interim financing of expenses at missions abroad, pending distribution to appropriations of the Department of Foreign Affairs, Trade and Development and other departments and agencies.

The total amount authorized to be outstanding at any time is \$50,000,000.

Personnel posted abroad

A working capital advance account was established to finance loans and advances to employees posted abroad, including employees of other government departments and agencies, as well as medical advances to locally-engaged staff.

The total amount authorized to be outstanding at any time is \$38,200,000, as last amended by Foreign Affairs and International Trade Vote L12c, *Appropriation Act No. 5, 2009–2010*.

The closing balance consists of loans to employees, \$14,370,675; advances for medical expenses, \$863,855; advances for workmen's compensation, \$681; security and other deposits under Foreign Service Directives, \$2,084,433 and, school and club debentures, \$2,782,605.

The loans to employees bear interest at rates from 0.25% to 0.5% per annum. These rates are established by the Department of Finance and are repayable within 4 years, with final instalments between April 1, 2021, and March 31, 2025.

Working Capital Fund

A Working Capital Fund was established to finance temporary advances to departmental personnel within Canada and abroad for: (a) salary and benefits; (b) standing advances; and (c) travel and miscellaneous claims. The name of the account was modified in order to reflect the use of the account by National Defence.

The authorized ceiling is \$120,000,000, as last amended by the Department of National Defence Vote L11b, *Appropriation Act No. 4, 2001–2002*.

Miscellaneous accountable advances

The closing balance reflects amounts outstanding in the hands of departments, agencies and individuals, at year end, to be expended in the following year.

Miscellaneous accountable imprest funds and standing advances

This account is operated to provide imprest funds, accountable advances and recoverable advances to departments and agencies.

The total amount authorized to be outstanding at any time is \$22,000,000.

Construction of multi-purpose exhibition buildings

The remaining loan has been made to finance the construction of a multi-purpose exhibition building.

Hog Industry Loan Loss Reserve Program

Loans made by financial institutions under the Hog Industry Loan Loss Reserve Program are partially guaranteed by the Crown. Where the producers have defaulted and the lenders have carried out regular collection activities, the Crown becomes subrogated to the lender's rights against the producer in default, to the extent of an amount equal to the withdrawal from the Reserve Fund.

National Marketing Programs

Loans made by financial institutions under the *Canadian Agricultural Loans Act* and advances made by producer organizations under the *Agricultural Marketing Programs Act* are guaranteed by the Crown. Where the guarantee is honoured, the Crown becomes subrogated to the financial institution's or producer organization's rights to outstanding principal, interest and costs.

Western Livestock Price Insurance Program

The deficit financing clause under the Western Livestock Price Insurance Program multilateral agreement allows for advances from the Consolidated Revenue Fund to the Western Livestock Price Insurance Program account. The Western Livestock Price Insurance Program enables livestock producers to purchase price protection on specific cattle and hogs in the form of an insurance policy. When the balance in the account is insufficient for the payment of amounts to be charged to it, repayable advances are made as per section 17(1) of the *Farm Income Protection Act*.

Council of Yukon First Nations—Elders

Loans were issued to the Council of Yukon First Nations to provide interim benefits to Yukon Elders pending the settlement of a future comprehensive land claim agreement. These loans were issued along with loans for comprehensive claim negotiations. The Department is no longer issuing these loans.

Indigenous claimants

The Department issues loans to Indigenous groups to support their participation in Specific claims negotiations. These loans are payable upon the settlement of the claim.

Inuit Loan Fund

Loans were made to individual Inuit or groups of Inuit to promote commercial activities and gainful occupations.

The total amount authorized to be outstanding at any time is \$6,633,697, as last amended by the Department of Crown-Indigenous Relations and Northern Affairs Vote 37b, *Appropriation Act No. 4, 1995–96*.

The Department is no longer issuing these loans and only one loan is still outstanding.

Stoney Band Perpetual Loan

In 1946, loans were made to Stoney Band of Alberta (Band) for land acquisition beyond their treaty entitlement.

A loan not exceeding \$500,000 was made to purchase additional land. Under the terms of the agreement, as stated in Treasury Board Minutes, P.C. 2/1437 dated April 11, 1946, the Band assigned monies accruing to them, from the rental of their water resources, to provide interest payments at the rate of 3.00% annually on the amount of the loan that had actually been expended. In the same agreement, the Band resolved that the department allots \$200,000 to the Pekisko Group, and \$300,000 for the additions to Morley Reserve.

This loan was removed from the departmental accounts in fiscal year 2022 following the approval from the Treasury Board to forgive the loan on February 25, 2021 and funding approval via a voted Act of Parliament in June 2021.

Canada Apprentice Loans

Canada Apprentice Loans are administered under the authority of Section 4 of the *Apprentice Loans Act* which came into effect on January 2, 2015. The Minister of Employment, Workforce Development and Disability Inclusion is authorized to enter into a loan agreement directly with any eligible apprentice. Since November 1, 2019, the loans bear interest at either a variable rate (prime rate) or a fixed rate (prime rate plus 2.0%). Apprentices are not required to pay interest on their loans while they are still in their apprenticeship program and during the 6-month grace period where interests are no longer accrued since November 1, 2019. In addition, as announced during the Fall Economic Statement Bill C-14, the Government of Canada waived the interest on Canada Apprentice Loans from April 1, 2021 to March 31, 2022, as a response plan to fight the COVID-19 pandemic, support Canadians, and invest in a recovery that is inclusive, sustainable, and creates good jobs for Canadians. During Budget 2021, the Government of Canada announced the extension of the waiving of interest until March 31, 2023. The typical repayment period is 10 years, but the maximum period is 15 years. Borrowers having difficulty repaying their loans may be eligible for assistance under the Repayment Assistance Plan.

The total amount of apprentice loans issued under the authority of the *Apprentice Loans Act* may not exceed \$1.5 billion. The total amount of outstanding apprentice loans as at March 31, 2022, amounts to \$283,806,680 (\$280,231,818 as at March 31, 2021). During the year, loans and interest receivable on these loans totaling \$293 (\$796 as at March 31, 2021) were written off by the Department of Employment and Social Development Vote 10c from the *Appropriation Act No. 5, 2021-22* and \$367,072 (\$455,817 as at March 31, 2021) were forgiven as per the *Apprentice Loans Act*.

Canada Student Financial Assistance Program

Since August 1, 2000, Canada Student Loans are issued under the Direct Loan Regime. Before this date, the loans were issued under the Guaranteed Loan Regime (1964–1995) or under the Risk-Shared Loan Regime (1995–2000). Under these three different regimes, no security is received from the students. Since November 1, 2019, the loans bear interest at either a variable rate (prime rate) or a fixed rate (prime rate plus 2.0 %). Students are not required to pay interest on their loans while they are still studying and during the 6-month grace period where interests are no longer accrued since November 1, 2019. In addition, as announced during the Fall Economic Statement Bill C-14, the Government of Canada waived the interest on Canada Student Loans from April 1, 2021 to March 31, 2022, as a response plan to fight the COVID-19 pandemic, support Canadians, and invest in a recovery that is inclusive, sustainable, and creates good jobs for Canadians. During Budget 2021, the Government of Canada announced the extension of the waiving of interest until March 31, 2023. The typical repayment period is 10 years, but the maximum period is 15 years. Borrowers having difficulty repaying their loans may be eligible for assistance under the Repayment Assistance Plan.

The total amount of direct loans issued under the authority of the *Canada Student Financial Assistance Act* and outstanding risk-shared loans bought-back by the Department of Employment and Social Development may not exceed 34 billion dollars.

During the year, loans and interest receivable on these loans totaling \$168,772,206 (\$185,535,677 as at March 31, 2021) were written off by the Department of Employment and Social Development Vote 10c from the *Appropriation Act No. 5, 2021-22* and \$9,806,034 (\$12,522,877 as at March 31, 2021) were written off pursuant to Section 25(1) of the *Financial Administration Act*. In addition, loans and interest receivable on these loans totalling \$207,740,608 (\$183,360,220 as at March 31, 2021) were forgiven as per the *Canada Student Financial Assistance Act* and \$562,219 (\$1,450,751 as at March 31, 2021) were forgiven as per the *Canada Student Loans Act*.

Direct loans to students

Loans issued on or after August 1, 2000, are administered under the authority of Section 6.1 of the *Canada Student Financial Assistance Act*, which authorizes the Minister of Employment, Workforce Development and Disability Inclusion to enter into loan agreements directly with any qualifying student. Agreements are subject to the terms and conditions approved by the Governor in Council, on the recommendation of the Minister of Employment, Workforce Development and Disability Inclusion with the concurrence of the Minister of Finance. The total amount of outstanding direct loans as at March 31, 2022, amounts to \$23,611,356,256 (\$23,378,593,789 as at March 31, 2021).

Risk-shared student loans

Loans issued prior to August 1, 2000, and on or after August 1, 1995, are amounts related to student loans subrogated to the Crown under the authority of the *Canada Student Financial Assistance Act*. The total amount of loans outstanding as at March 31, 2022, amounts to \$38,454,316 (\$41,727,203 as at March 31, 2021) for loans owned by the Department of Employment and Social Development and \$727,327,280 (\$733,778,793 as at March 31, 2021) for loans under the current ownership of the financial institutions. Starting in fiscal year 2021, the Department of Employment and Social Development proceeded with the buy-back of Risk-shared loans owned by financial institutions, which increased the total value of loans with the department and therefore decreasing the value of loans under the ownership of the financial institutions.

Guaranteed student loans

Loans issued prior to August 1, 1995, are amounts related to student loans subrogated to the Crown under the authority of the *Canada Student Loans Act*. The total amount of loans outstanding as at March 31, 2022, amounts to \$46,389,389 (\$52,526,204 as at March 31 2021) for loans owned by the Department of Employment and Social Development and \$116,731 (\$192,734 as at March 31 2021) for loans under the current ownership of the financial institutions. Starting in fiscal year 2021, the Department of Employment and Social Development proceeded with the buy-back of Guaranteed loans owned by financial institutions, which considerably decreased the value of loans under the ownership of the financial institutions.

Provincial workers' compensation boards

This account was established under the authority of subsection 4(6)(b) and (e) of the *Government Employees Compensation Act*, to provide funds to enable provincial workers' compensation boards to administer claims on behalf of the Crown, and provide compensation benefits to federal government employees injured or ill in the course of their employment.

The total amount of advances that is authorized to be made for each provincial workers' compensation board is not to exceed three months' disbursements for compensation.

The advances are administered in accordance with the terms and conditions of agreements with provincial workers' compensation boards and are to be reimbursed upon termination of those agreements.

Canadian Commercial Bank

Advances have been made to the Canadian Commercial Bank representing the government's participation in the support group as authorized by the *Canadian Commercial Bank Financial Assistance Act*. These funds represent the government's participation in the loan portfolio that was acquired from the Bank and the purchase of outstanding debentures from existing holders.

Financial Consumer Agency of Canada—Advances

Interest-bearing advances have been made to defray the cost of operation of the Agency pursuant to Section 13(1) of the *Financial Consumer Agency of Canada Act*.

Canada Account

Export Development Canada (EDC) was created in 1944 as Canada's export credit agency (ECA). On October 1, 1969, EDC was established as a Crown corporation by a statute of the Parliament of Canada, the *Export Development Act* (the "Act"). EDC's mandate is to support and develop, directly or indirectly, Canada's export trade, and Canadian capacity to engage in that trade and respond to international business opportunities, as well as to provide development financing and other forms of development support in a manner consistent with Canada's international development priorities. EDC is named in Part I of Schedule III to the *Financial Administration Act* (the "FA Act") and is accountable for its affairs to Parliament through the Minister of Small Business, Export Promotion and International Trade.

Pursuant to Section 23 of the Act, the Minister of Small Business, Export Promotion and International Trade ("the Minister"), with the concurrence of the Minister of Finance, may authorize EDC to enter into certain transactions or class of transactions where the Minister is of the opinion it is in the national interest and where EDC has advised the Minister that it will not enter into such transactions without such authorization. Funding for such transactions is provided by the Minister of Finance out of the Consolidated Revenue Fund and the transactions are administered by EDC on behalf of the Government of Canada. Collectively these transactions are known as the Canada Account. Prior to March 25, 2020, Section 24(1) of the Act allowed Canada Account to have up to an aggregate of \$20 billion (the "Statutory Limit") in contingent liabilities (i.e.: insurance policies, guarantees and other contingent arrangements), outstanding commitments to borrowers and outstanding principal amounts owed by borrowers. In response to the coronavirus disease 2019 ("COVID-19 pandemic"), on March 25, 2020, the Act was amended to provide that the Statutory Limit is an amount notified by the Minister of Finance. On September 30, 2020, the Statutory Limit was increased to \$115 billion.

In March 2020, EDC was issued a directive (PC 2020-206) pursuant to Section 89 of the FA Act to perform any activity consistent with any authorization obtained from the Minister pursuant to Section 23 of the Act as part of the response to the COVID-19 pandemic; to support and develop domestic business in accordance with paragraph 10(1)(a) of the Act as part of that response; and to take any ancillary or other measures that may be advisable or necessary to give effect to the directive. EDC received such authorizations and amendments thereto in respect of the Canada Emergency Business Account (CEBA) and implemented transactions there under pursuant to authorizations dated April 5, April 8, April 13, April 16, May 19 and October 20, 2020. The CEBA program was discontinued as of December 31, 2021; therefore, no new transactions were created after that date.

Canada Emergency Business Account

A Ministerial Authorization was signed authorizing up to \$25 billion in Canada Account funds to provide emergency liquidity to Canadian business through the Canada Emergency Business Account (CEBA), and subsequent Ministerial Authorizations increased that limit to ultimately \$73 billion. Under CEBA in its initial form, loans of up to \$40 thousand were made available to qualifying businesses at 0% interest and were repayable by December 31, 2022, subject to a one-time extension of three years and 5% interest per annum commencing on January 1, 2023. Up to 25% of the loan may be forgiven only if the borrower repaid their obligation by December 31, 2022. On December 4, 2020, new eligible applicants were able to receive up to a \$60 thousand CEBA loan. CEBA applicants who had received the \$40 thousand CEBA loan were permitted to apply for the CEBA expansion, which provided eligible businesses with an additional \$20 thousand CEBA loan. In both cases, these loans were at 0% interest, repayable by December 31, 2022 and subject to a one-time extension of three years and 5% interest per annum, amounts of up to \$20 thousand may be forgiven if the borrower repaid their obligation by December 31, 2022. During the current fiscal year, the Government of Canada announced that the December 31, 2022 forgiveness repayment date will be extended to December 31, 2023 for eligible CEBA loan holders in good standing; therefore, any loans outstanding at December 31, 2023 will be subject to a one-time extension of two years and 5% interest per annum commencing on January 1, 2024.

Support and development of trade

EDC's mandate is to support and develop, directly or indirectly, Canada's export trade, and Canadian capacity to engage in that trade and respond to international business opportunities.

Loan transactions with longer repayment terms or low or zero interest rates are recorded in part as expenses when the economic value is reduced due to such concessionary terms.

Tables 11.4 and Table 11.6 of Section 11 of this volume present additional information on contractual obligations and guarantees that are disclosed in the notes to the audited consolidated financial statements of Section 2 of this volume.

(in dollars)

	Payments and other charges		Receipts and other credits			
	April 1, 2021	Payments or other charges ¹	Revaluation	Receipts or other credits ²	Revaluation	
					March 31, 2022	
Export trade						
(a) 11 to 15 year term, comprised of several loans with interest based on LIBOR (London Interbank Offered Rate) plus 6.5% per annum, with final repayments in December 2031:						
Canada.....	25,847,338	3,925,536	–	–	–	
					29,772,874	
(b) 16 to 20 year term, comprised of a loan with 8.08% interest rate per annum, with final repayments in December 2036:						
Canada.....	16,500,000	2,802,178	–	–	–	
					19,302,178	
(c) 16 to 20 year term, comprised of several loans with fixed or variable interest rates currently ranging from 1.85% to 5.89% per annum, with final repayments between December 2017 and March 2023:						
United States.....	95,648,604	–	–	56,101,016	346,253	
					39,201,335	
(d) 31 to 55 year term, 2.26% interest per annum, with final repayment in August 2048:						
Canada.....	10,000,000	–	–	–	–	
					10,000,000	
(e) Term loan, interest based on the higher of 2.0% or LIBOR, plus a range of rates from 3.0% to 8.0% interest per annum, with final repayments between June 2009 and July 2010:						
United States.....	193,450,173	–	–	193,450,173	–	
Subtotal.....	341,446,115	6,727,714	–	249,551,189	346,253	
Less: portion expensed due to concessionary terms	1,519,207	–	–	54,257	–	
Total—Export trade	339,926,908	6,727,714	–	249,496,932	346,253	
					96,811,437	

Final repayment dates may change if loan amounts are rescheduled or restructured.

¹ Payments or other charges may include transactions such as loans, adjustments, etc.

² Receipts or other credits may include transactions such as repayments, forgiveness, etc.

Immigration loans

In accordance with the *Immigration and Refugee Protection Act*, Immigration, Refugees and Citizenship Canada can issue immigration loans up to a maximum of \$126,600,000. The Immigration Loans Program provides eligible immigrants, who are mainly refugees selected for resettlement to Canada, with access to funding that would otherwise not be available to them. Loans are used to cover a number of expenses, including travel to Canada and other costs associated with resettlement, specifically:

- defraying the cost of transportation to Canada;
- assisting with the establishment in Canada;
- defraying the cost of the right of permanent residence fees.

Starting February 28, 1995, all immigration loans bore interest at a rate determined by the Minister of Finance at the beginning of each calendar year. Regulations provided for a period of up to six years for the repayment of the loans and the interest rate on outstanding interest-bearing loans varied from 0.76% to 9.06%. Since February 21, 2018, loans are non-interest bearing and are repayable over one to eight years with a possible deferment of two years.

Indian Economic Development Guarantee Loans Program

The Indian Economic Development Guarantee Loans Program, established under Vote L53b, *Appropriation Act No. 1, 1970*, amended under P.C. 1977-3608, authorized the Department to guarantee loans for non-incorporated Indian businesses on a risk-sharing basis with commercial lenders because security restrictions in the *Indian Act* prevent the mortgage and seizure of property located on reserves. Guarantees are provided for various types of borrowers whose activities contribute to the economic development of Indians and enable them to develop long-term credit relationships with mainstream financial institutions. The guarantee level is not to exceed at any time \$60,000,000, less the total amount of payments made to implement previous guarantees under that authority.

If a loan made under the Minister's guarantee goes into default, the lender has recourse to the Minister for reimbursement. In 1987, a reserve for losses of \$2 million per annum was established within the department's reference levels to cover all Guarantee Loan Programs administered by the department. Simple interest, usually based on a percentage plus the prime rate, will accrue on the debt after payout. All payments, including accrued interest, remain as a debt of the client until recovered in full.

Reserve Housing Guarantee Loans Program

This program authorizes the Department to guarantee loans to individuals and Indian bands to assist in the purchase of housing on reserves because security restrictions in the *Indian Act* prevent the mortgage and seizure of property located on reserves. These loan guarantees enable status Indians residing on reserves, Band councils, or their delegated authorities, to secure housing loans without giving the lending institution rights to the property.

The total guarantee loans amount authorized by the Department cannot exceed \$2.2 billion.

If a loan made under the Minister's guarantee goes into default, the lender has recourse to request the defaulted loan balance be reimbursed by ISC. In 1987, a reserve for losses of \$2 million per annum was established within the department's reference levels to cover all Guarantee Loan Programs administered by the department. Such payments remain a debt of the First Nation to the Crown and interest is accrued and capitalized on these debts at the contract interest rate applicable at the time the loan was assigned to the Minister. Recovery of the debt is made to the extent possible, from the security used as collateral, such as land claim funds, or through repayment agreements.

Other business loans

This account records money owed to the government by borrowers upon default of loans that are subject to statutory authorities, pursuant to the *Canada Small Business Financing Act*. This authority provide for the payment of claims or the sharing of loan losses between lenders and the government.

Advances for the Working Capital Fund of entrepreneurs' assistance centers

Advances have been made to support the Working Capital Fund of entrepreneurs' assistance centers providing services to start-up companies, future entrepreneurs and small and medium-sized enterprises.

H.L. Holmes Fund

This account was established pursuant to paragraph 5(1)(f) of the *National Research Council Act* to record the residue of the estate of H.L. Holmes. Up to two thirds of the yearly net income from the fund shall be used to finance the H.L. Holmes Award on an annual basis. These awards will provide the opportunity to post-doctoral students to study at world famous graduate schools or research institutes under outstanding research persons.

Cape Breton Operations—Medical and Workers' Compensation Board Reserves

This account is established to record separate financial reserves, which are maintained to support medical and workers' compensation claim payments to former employees of Enterprise Cape Breton Corporation.

Responsibility for these obligations was transferred to the Department of Public Works and Government Services (PWGSC) in 2015 pursuant to the *Economic Action Plan 2014 Act* where PWGSC was named responsible for assuming the human resources obligations following the dissolution of Enterprise Cape Breton Corporation.

The reserves are on deposit with the insurance providers and the Workers' Compensation Board of Nova Scotia. The insurance and workers' compensation plans are self-insured by the Crown. Adjustments to the reserve accounts are based on the difference between actual claim costs and a predetermined amount that is paid to the providers during the year. The remaining balance in the financial reserves will be returned to the Department upon completion of the programs.

Seized Property Working Capital Account

This account was established by Section 12 of the *Seized Property Management Act*. Expenses incurred, and advances made, to maintain and manage any seized or restrained property and other properties subject to a management order or forfeited to Her Majesty, are charged to this account. This account is credited when expenses and advances to third parties are repaid or recovered and when revenues from these properties or proceeds of their disposal are received and credited with seized cash upon forfeiture.

The total amount authorized to be outstanding at any time is \$50,000,000.

Any shortfall between the proceeds from the disposition of any property forfeited to Her Majesty and the amounts that were charged to this account and that are still outstanding, is charged to a Seized Property Proceeds Account and credited to this account.

Greater Victoria Harbour Authority

The Victoria Harbour loan receivable relates to the sale of a parcel of Victoria Harbour land.

The loan bears interest at the rate of 4.9% per annum, repayable over an initially planned period of 15 years. An extension of 3 years was granted in 2021, with a final instalment planned on May 9, 2023.

St. Lawrence Seaway Management Corporation

This account was established by subsection 80(1) of the *Canada Marine Act*. Loans previously managed by the St. Lawrence Seaway Authority are now managed by the St. Lawrence Seaway Management Corporation in accordance with an agreement between the Department of Transport and the Corporation. The repayments of these loans are recorded in this account.

The loan bore interest at a rate of prime plus 2.0% per annum. The final installment of the existing terms was anticipated for March 2013.

Legal procedures are currently underway to obtain reimbursement.

Federal Public Service Health Care Administration Authority

The Federal Public Service Health Care Plan Administration Authority (referred to as the Administration Authority) was incorporated, without share capital, under subsection 7.2(1) of the *Financial Administration Act* effective May 1, 2007. Effective May 31, 2007, the assets and liabilities of the Public Service Health Care Plan (PSHCP) were transferred to the Government of Canada, and to the Administration Authority as directed by the President of the Treasury Board of Canada and consistent with the Trust Agreement, which terminated May 31, 2007.

The Administration Authority is charged with the administration of the PSHCP. Its objective is to ensure that benefits and services to plan members and their covered dependants, as defined in the PSHCP documentation, are delivered in a manner that ensures the effective and efficient administration of the PSHCP. Payments are made to the Administration Authority under Vote 20 and are authorized under the terms of reference of the funding agreement between the President of the Treasury Board and the Administration Authority. The funding agreement allows for the transfer of funds from the Treasury Board of Canada Secretariat to the Administration Authority in four quarterly instalments upon approval of the operating budget by the Secretary of the Treasury Board of Canada. These quarterly instalments are made in advance and actual expenses are recorded upon approval of the *Administration Authority's Quarterly Financial Report*.

Joint Learning Program

Advances have been made to the Public Service Alliance of Canada (PSAC) for the Joint Learning Program (JLP). Following the collective bargaining rounds of 2004, 2008, 2010, 2014 and subsequently of 2018, a Memorandum of Understanding between the Treasury Board and PSAC was included in the collective bargaining agreements to provide funding for a JLP. The JLP is a negotiated partnership between PSAC and the Treasury Board of Canada Secretariat (TBS). The objective of the JLP is to improve labour relations in the Public Service. It is intended to provide joint union-management learning opportunities in areas where both parties have roles and responsibilities.

Payments are made to PSAC under Vote 20 and are authorized under the terms of reference of the Program. The terms of reference include the program costs, funding conditions, payment conditions, timelines, as well as a schedule of payments. The schedule of payments provides for a 3-month advance from TBS to PSAC to provide for program delivery costs. When actual expenses are reported every three months, the advance is reversed and the expense is recorded.

Commonwealth War Graves Commission

Advances have been made to the Working Capital Fund of the Commonwealth War Graves Commission, to maintain graves and cemeteries.

At year end, the balance of the advances was 30,000 British pound sterling. This balance was converted to Canadian dollars, using the year-end rate of exchange. The advances are non-interest bearing and have no fixed terms of repayments.

Miscellaneous loans, investments and advances

This account represents amounts outstanding in the hands of agencies and individuals, at year end. This group records loans, investments and advances not classified elsewhere.

Transition payments—Pay in arrears

During the 2015 fiscal year, a one-time payment was issued to employees as a result of the implementation of pay in arrears. This amount will be recovered from the employees upon their departure from the Public Service. The amount at year-end represents the balance to be recovered in the future.

Consolidation adjustment

The consolidation adjustment reflects the total loans, investments and advances held by consolidated Crown corporations and other entities. These mainly include investments such as bonds, money market funds and fixed income securities.

Canada Enterprise Emergency Funding Corporation (“CEEFC”) was incorporated on May 11, 2020 and is wholly owned by Canada Development Investment Corporation (“CDEV”), an enterprise Crown corporation. CEEFC is a non-agent Crown corporation and is not subject to the *Income Tax Act* of Canada.

As part of Canada’s COVID-19 Economic Response Plan, CEEFC has been mandated to implement the Large Employer Emergency Financing Facility (“LEEFF”) along with Innovation, Science and Economic Development Canada (“ISED”) and the Department of Finance. The LEFF program is intended to provide bridge financing to Canada’s largest employers, whose needs during the COVID-19 pandemic are not being met through conventional financing. LEFF will not be used to resolve insolvencies or restructure firms, nor will it provide financing to companies that otherwise have the capacity to manage through the crisis. Instead, the additional liquidity made available through LEFF provides emergency funding support for large Canadian enterprises facing financial challenges due to the economic impact of the COVID-19 pandemic, allowing these businesses and their suppliers to remain active during this difficult time and positioning them for a rapid economic recovery.

Allowance for valuation

In accordance with the comprehensive policy on valuation, assets are subject to an annual valuation to reflect reductions from the recorded value to the estimated net recoverable value.

The allowance for valuation, for loans, investments and advances, represents the estimated losses on the realization of the loans, investments and advances included in the accounts of Canada at year end. In 2018, the provisioning methodology used in the government’s allowance calculation was updated for its sovereign exposures. The most significant change is the introduction of obligor-specific loss given default rates that replace a general rate used for all obligors. This change is designed to provide more accurate credit loss estimates for sovereign loan exposures. The change in the methodology has been accounted for as a change in estimate and did not result in a significant impact to the allowance for valuation.

Section 10

*Public Accounts of Canada
2021–2022*

Non-financial assets as at March 31

Table of contents

	<i>Page</i>
Non-financial assets	323
Tangible capital assets.....	324
Vehicles	326
Assets under capital leases	326

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Non-financial assets

Non-financial assets are assets that have an economic life that extends beyond the accounting period and that are intended for consumption in the normal course of operations. They are converted into expense in future periods and include tangible capital assets, inventories, and prepaid expenses.

Tangible capital assets consist of acquired, built, developed or improved tangible assets, which are intended to be used on a continuous basis and are not intended for sale in the ordinary course of business.

Inventories are items of tangible property that are to be used in the delivery of program outputs. Some revolving funds and a few departments may have inventories held for resale to parties outside the government.

Prepaid expenses and other are disbursements made, pursuant to a contract, before the completion of the work, delivery of the goods or rendering of the service.

Table 10.1
Non-financial assets by category

(in thousands of dollars)

	2022	2021
Net tangible capital assets, Table 10.2		
Land	2,287,406	2,237,358
Buildings	18,268,265	17,762,074
Works and infrastructure	12,575,951	12,378,252
Machinery and equipment	13,183,356	13,238,894
Vehicles, Table 10.3.....	16,405,241	15,270,563
Leasehold improvements	1,596,936	1,528,971
Assets under construction.....	24,855,299	22,577,764
Assets under capital leases, Table 10.4.....	2,716,943	2,588,800
	<i>91,889,397</i>	<i>87,582,676</i>
Inventories	9,026,327	9,764,323
Prepaid expenses and other	2,958,118	3,732,268
Total	103,873,842	101,079,267

Tangible capital assets

Table 10.2
Tangible capital assets by main custodian ministries

(in thousands of dollars)

	Land	Buildings	Works and infrastructure	Machinery and equipment
Capital assets at cost				
Canadian Heritage	80,651	1,997,446	386,570	1,697,053
Environment and Climate Change	298,668	1,450,584	5,485,398	1,194,126
Fisheries, Oceans and the Canadian Coast Guard	24,790	956,921	3,310,585	701,940
Global Affairs	577,502	1,927,582	9,220	255,555
Innovation, Science and Industry ³	15,342	1,272,149	87,009	3,915,027
Intergovernmental Affairs, Infrastructure and Communities ³	197,987	30,638	3,564,044	103,421
National Defence	88,434	12,717,457	2,964,789	22,046,276
Natural Resources	9,965	921,230	172,650	813,170
Public Safety	93,540	5,533,268	1,009,489	2,701,998
Public Services and Procurement ³	645,451	8,872,250	2,478,771	4,206,336
Transport	237,043	1,529,317	4,306,178	1,666,500
Other ministries ³	18,033	1,544,377	52,885	4,348,913
Gross total capital assets	2,287,406	38,753,219	23,827,588	43,650,315
Accumulated amortization				
Canadian Heritage	—	1,015,676	205,733	1,264,535
Environment and Climate Change	—	842,943	2,424,755	748,473
Fisheries, Oceans and the Canadian Coast Guard	—	586,703	1,698,102	458,527
Global Affairs	—	1,217,785	2,547	213,461
Innovation, Science and Industry ³	—	780,688	39,500	2,583,592
Intergovernmental Affairs, Infrastructure and Communities ³	—	1,345	384,708	80,695
National Defence	—	6,009,687	1,883,044	14,792,977
Natural Resources	—	436,251	59,752	559,302
Public Safety	—	2,986,130	642,495	2,168,472
Public Services and Procurement ³	—	4,560,952	1,320,145	3,282,973
Transport	—	921,964	2,563,949	1,084,147
Other ministries ³	—	1,124,830	26,907	3,229,805
Total accumulated amortization	—	20,484,954	11,251,637	30,466,959
Total net capital assets				
Canadian Heritage	80,651	981,770	180,837	432,518
Environment and Climate Change	298,668	607,641	3,060,643	445,653
Fisheries, Oceans and the Canadian Coast Guard	24,790	370,218	1,612,483	243,413
Global Affairs	577,502	709,797	6,673	42,094
Innovation, Science and Industry ³	15,342	491,461	47,509	1,331,435
Intergovernmental Affairs, Infrastructure and Communities ³	197,987	29,293	3,179,336	22,726
National Defence	88,434	6,707,770	1,081,745	7,253,299
Natural Resources	9,965	484,979	112,898	253,868
Public Safety	93,540	2,547,138	366,994	533,526
Public Services and Procurement ³	645,451	4,311,298	1,158,626	923,363
Transport	237,043	607,353	1,742,229	582,353
Other ministries ³	18,033	419,547	25,978	1,119,108
Total net capital assets	2,287,406	18,268,265	12,575,951	13,183,356

¹ Details can be found in Table 10.3.² Details can be found in Table 10.4.³ Comparative figures have been reclassified to conform to the current year's presentation.

Vehicles ¹	Leasehold improvements	Assets under construction	Assets under capital leases ²	Total 2022	Total 2021
30,942	316,252	255,679	250,030	5,014,623	4,967,831
198,434	34,160	806,545	37,404	9,505,319	9,203,607
4,148,256	591,821	2,218,469	5,341	11,958,123	11,138,747
75,584	334,432	332,213	—	3,512,088	3,421,433
40,431	64,354	523,750	63,700	5,981,762	5,776,744
4,946	31,524	2,205,702	264,707	6,402,969	6,007,034
40,007,549	241,877	12,378,088	220,013	90,664,483	87,170,249
20,826	98,444	226,849	95,993	2,359,127	2,241,159
939,392	280,367	1,658,279	16,265	12,232,598	11,697,320
17,129	1,432,588	2,739,186	2,568,600	22,960,311	21,422,721
2,153,899	210,583	772,775	818,820	11,695,115	11,691,414
148,888	792,596	737,764	41	7,643,497	7,211,356
47,786,276	4,428,998	24,855,299	4,340,914	189,930,015	181,949,615
26,292	135,670	—	45,100	2,693,006	2,603,764
136,375	27,395	—	24,617	4,204,558	4,008,048
1,940,186	397,524	—	723	5,081,765	4,839,932
46,337	247,987	—	—	1,728,117	1,650,252
28,914	39,011	—	43,686	3,515,391	3,210,804
2,092	21,566	—	322	490,728	524,192
27,202,354	84,652	—	166,211	50,138,925	48,864,543
14,103	56,090	—	42,740	1,168,238	1,103,169
540,918	194,034	—	8,089	6,540,138	6,123,255
9,492	913,297	—	1,089,114	11,175,973	10,401,221
1,331,260	136,257	—	203,340	6,240,917	6,266,854
102,712	578,579	—	29	5,062,862	4,770,905
31,381,035	2,832,062	—	1,623,971	98,040,618	94,366,939
4,650	180,582	255,679	204,930	2,321,617	2,364,067
62,059	6,765	806,545	12,787	5,300,761	5,195,559
2,208,070	194,297	2,218,469	4,618	6,876,358	6,298,815
29,247	86,445	332,213	—	1,783,971	1,771,181
11,517	25,343	523,750	20,014	2,466,371	2,565,940
2,854	9,958	2,205,702	264,385	5,912,241	5,482,842
12,805,195	157,225	12,378,088	53,802	40,525,558	38,305,706
6,723	42,354	226,849	53,253	1,190,889	1,137,990
398,474	86,333	1,658,279	8,176	5,692,460	5,574,065
7,637	519,291	2,739,186	1,479,486	11,784,338	11,021,500
822,639	74,326	772,775	615,480	5,454,198	5,424,560
46,176	214,017	737,764	12	2,580,635	2,440,451
16,405,241	1,596,936	24,855,299	2,716,943	91,889,397	87,582,676

Vehicles

Table 10.3
Vehicles by sub-category

(in thousands of dollars)

	Cost	Accumulated amortization	2022	2021
Ships and boats	18,670,211	12,684,251	5,985,960	4,913,021
Aircraft	22,795,812	14,632,451	8,163,361	8,060,699
Motor vehicles (Non-military)	2,551,112	1,647,069	904,043	914,859
Military vehicles	2,185,621	1,419,949	765,672	812,252
Other vehicles	1,583,520	997,315	586,205	569,732
Total	47,786,276	31,381,035	16,405,241	15,270,563

Assets under capital leases

Table 10.4
Assets under capital leases by main category

(in thousands of dollars)

	Cost	Accumulated amortization	2022	2021
Land.....	279,137	—	279,137	273,698
Buildings	2,787,132	1,169,494	1,617,638	1,565,780
Works and infrastructure.....	826,640	207,551	619,089	627,879
Machinery and equipment.....	357,776	156,697	201,079	121,443
Vehicles	90,229	90,229	—	—
Total	4,340,914	1,623,971	2,716,943	2,588,800

Section 11

*Public Accounts of Canada
2021–2022*

**Contractual obligations,
contractual rights and
contingent liabilities
as at March 31**

Table of contents

	<i>Page</i>
Contractual obligations	328
Contractual rights.....	386
Contingent liabilities	388

Contractual obligations, contractual rights and contingent liabilities

This section contains detailed information related to contractual obligations, contractual rights and contingent liabilities.

Contractual obligations

Contractual obligations are financial obligations of the government to others that will become liabilities when the terms of those contracts or agreements for the acquisition of goods and services or the provision of transfer payments are met. Contractual obligations can be classified into four main categories: transfer payment agreements (grants and contributions), capital assets and purchases, operating leases and international organizations.

All outstanding contractual obligations of \$10 million or more per project or per program at year end are reported.

In accordance with the government's significant accounting policies, the contractual obligations of consolidated Crown corporations are included with those of the government.

Table 11.1
Contractual obligations

(in millions of dollars)

	Transfer payment agreements	Capital assets and purchases	Operating leases	International organizations	Total
Information from:					
Transfer payment agreements, capital assets, purchases and operating leases, Table 11.3	145,742	67,293	4,693	—	217,728
International contractual obligations, Table 11.4	—	—	—	6,658	6,658
Total	145,742	67,293	4,693	6,658	224,386

Table 11.2 summarizes the information presented in Table 11.1 to indicate the minimum amounts required to satisfy contractual obligations each year from 2023 to 2027 inclusively, and a total for amounts due in the year 2028 and subsequent years.

Table 11.2
Schedule of minimum payments

(in millions of dollars)

Minimum payments to be made in:	Transfer payment agreements	Capital assets and purchases	Operating leases	International organizations	Total
2023.....	42,429	22,847	538	3,097	68,911
2024.....	28,535	11,194	542	1,325	41,596
2025.....	22,452	7,418	529	794	31,193
2026.....	19,721	5,803	492	311	26,327
2027.....	8,598	3,311	405	155	12,469
2028 and subsequent years.....	24,007	16,720	2,187	976	43,890
Total	145,742	67,293	4,693	6,658	224,386

Transfer payment agreements, capital assets, purchases and operating leases

Transfer payment agreements are irrevocable contracts to provide funding to other levels of governments, organizations or individuals.

Capital assets are tangible, durable items of value, including major additions or alterations thereto, including military equipment and land, from which benefits are expected to be derived during their useful life. Purchases are supported by contracts to supply goods or services.

An operating lease is a lease in which the lessor does not substantially transfer all the benefits and risks incident to ownership of property to the lessee. Some leases have escalation clauses based on the consumer price index.

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022
(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years	
					2023	2024	2025	2026	2027			
Transfer payment agreements												
Agriculture and Agri-Food												
Department of Agriculture and Agri-Food												
AgriAssurance Program												
Aggregate.....	46	46	34	12	12	—	—	—	—	—	—	—
Agricultural Clean Technology Program												
Aggregate.....	25	25	14	11	10	1	—	—	—	—	—	—
AgriMarketing Program												
Aggregate.....	97	97	77	20	20	—	—	—	—	—	—	—
Agri-Recovery Program												
Aggregate.....	455	455	437	18	17	1	—	—	—	—	—	—
Government of British Columbia	120	120	9	111	108	3	—	—	—	—	—	—
Government of Manitoba	93	93	29	64	58	6	—	—	—	—	—	—
AgriScience Program												
Aggregate.....	181	181	147	34	34	—	—	—	—	—	—	—
Canadian Agricultural Partnership Contribution Agreement												
Aggregate.....	83	83	66	17	17	—	—	—	—	—	—	—
Government of Alberta.....	201	201	159	42	42	—	—	—	—	—	—	—
Government of British Columbia	61	61	49	12	12	—	—	—	—	—	—	—
Government of Manitoba	91	91	72	19	19	—	—	—	—	—	—	—
Government of Ontario	228	228	181	47	47	—	—	—	—	—	—	—
Government of Quebec	152	152	121	31	31	—	—	—	—	—	—	—
Government of Saskatchewan	201	201	160	41	41	—	—	—	—	—	—	—
Canadian Agricultural Strategic Priorities Program												
Aggregate.....	43	43	30	13	10	3	—	—	—	—	—	—
Dairy Farm Investment Program												
Aggregate.....	224	224	212	12	12	—	—	—	—	—	—	—
	2,301	2,301	1,797	504	490	14	—	—	—	—	—	—
Canadian Heritage												
Department of Canadian Heritage												
Anti-Racism Action Program												
Aggregate.....	21	21	9	12	12	—	—	—	—	—	—	—
Canada Arts Presentation Fund												
Aggregate.....	36	36	9	27	18	7	2	—	—	—	—	—
Canada Cultural Spaces Fund												
Aggregate.....	87	87	20	67	39	27	1	—	—	—	—	—
Thunder Bay Art Gallery.....	12	12	—	12	6	6	—	—	—	—	—	—
Canada Music Fund												
Foundation to Assist Canadian Talent on Records.....	82	82	28	54	26	14	14	—	—	—	—	—
La Fondation Musicaction.....	56	56	19	37	17	10	10	—	—	—	—	—

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued
(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31									
					2023	2024	2025	2026	2027	2028 and subsequent years				
Development of Official Languages														
<i>Communities Program</i>														
Aggregate.....	174	174	96	78	63	13	2	—	—	—				
Council of Ministers of Education.....	81	81	49	32	32	—	—	—	—	—				
Government of Alberta.....	71	71	43	28	26	2	—	—	—	—				
Government of New Brunswick.....	119	119	81	38	33	5	—	—	—	—				
Government of Ontario	364	364	229	135	122	13	—	—	—	—				
Government of Saskatchewan	40	40	27	13	12	1	—	—	—	—				
Government of the Northwest Territories	51	51	25	26	18	8	—	—	—	—				
Province of British Columbia, Ministry of Finance	58	58	37	21	20	1	—	—	—	—				
Province of Manitoba	46	46	25	21	20	1	—	—	—	—				
<i>Enhancement of Official Languages</i>														
<i>Program</i>														
Aggregate.....	13	13	—	13	5	4	4	—	—	—				
<i>Harbourfront Centre</i>														
Harbourfront Centre Operational Support	33	33	7	26	7	7	6	6	—	—				
<i>Hosting Program</i>														
Aggregate.....	48	48	29	19	18	1	—	—	—	—				
Canada Games Council	12	12	—	12	12	—	—	—	—	—				
Canadian Cycling Association.....	15	15	4	11	6	2	1	1	1	—				
<i>Indigenous Languages and Cultures Program</i>														
Aggregate.....	102	102	40	62	61	1	—	—	—	—				
Office of the Commissioner of Indigenous Languages.....	52	52	7	45	45	—	—	—	—	—				
<i>Indigenous Screen Office Program</i>														
Indigenous Screen Office	26	26	13	13	13	—	—	—	—	—				
<i>Local Journalism Initiative</i>														
Canada News Media Association	21	21	7	14	7	7	—	—	—	—				
<i>Museum Assistance Program, Young Canada Works</i>														
Aggregate.....	19	19	5	14	10	4	—	—	—	—				
Canada Museums Association.....	26	26	10	16	10	6	—	—	—	—				
<i>Sport Support Program</i>														
Aggregate.....	96	96	1	95	95	—	—	—	—	—				
<i>Canada Council for the Arts</i>														
Grants	702	702	475	227	148	73	4	1	1	—				
	2,463	2,463	1,295	1,168	901	213	44	8	2	—				
Crown-Indigenous Relations and Northern Affairs														
<i>Department of Crown-Indigenous Relations and Northern Affairs</i>														
<i>Aboriginal recipient funding agreement (Other)</i>														
Arctic Co-Operatives Ltd	63	63	47	16	16	—	—	—	—	—				
Congress of Aboriginal Peoples	27	27	14	13	4	4	3	2	—	—				
Cree-Naskapi Commission	12	12	2	10	1	1	1	1	1	5				
Eeyou Marine Region Wildlife Board	17	17	3	14	1	1	1	2	2	7				
Fédération des coopératives du Nouveau Québec.....	40	40	14	26	13	13	—	—	—	—				
Gwich'In Land & Water Board.....	17	17	5	12	1	1	1	1	1	7				
Gwich'In Renewable Resource Board	18	18	6	12	1	1	1	1	1	7				
Gwich'In Tribal Council.....	21	21	4	17	1	1	2	2	2	9				
Joint Secretariat.....	59	59	18	41	4	4	4	4	4	21				
Mackenzie Valley Environmental Impact Review Board	60	60	18	42	4	4	4	4	4	22				
Mackenzie Valley Land and Water Board	37	37	—	37	3	3	4	4	4	19				
Minister of Finance - Quebec	2,418	2,418	220	2,198	201	205	209	213	217	1,153				

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years
					2023	2024	2025	2026	2027		
Nunavik Marine Region Planning Commission											
Nunavik Marine Region Planning Commission	13	13	1	12	1	1	1	1	1	1	7
Nunavik Marine Region Wildlife Board											
Nunavik Marine Region Wildlife Board	65	65	5	60	5	6	6	6	6	6	31
Nunavut Impact Review Board											
Nunavut Impact Review Board	137	137	81	56	5	5	5	6	6	6	29
Nunavut Planning Commission (Npc)											
Nunavut Planning Commission (Npc)	132	132	67	65	6	6	6	6	7	7	34
Nunavut Water Board											
Nunavut Water Board	111	111	58	53	5	5	5	5	5	5	28
Nunavut Wildlife Management Board											
Nunavut Wildlife Management Board	250	250	118	132	12	12	13	13	13	13	69
Sahtu Land and Water Board											
Sahtu Land and Water Board	23	23	7	16	1	1	2	2	2	2	8
Sahtu Renewable Resources Board											
Sahtu Renewable Resources Board	20	20	7	13	1	1	1	1	1	2	7
Sahtu Secretariat Incorporated											
Sahtu Secretariat Incorporated	29	29	9	20	2	2	2	2	2	2	10
The North West Company											
The North West Company	173	173	73	100	50	50	—	—	—	—	—
Wek'EEzhii Land and Water Board											
Wek'EEzhii Land and Water Board	36	36	12	24	2	2	2	2	3	3	13
Wek'EEzhii Renewable Resources Board											
Wek'EEzhii Renewable Resources Board	15	15	5	10	1	1	1	1	1	1	5
Yukon Environmental Socio-Economic Assessment Board											
Yukon Environmental Socio-Economic Assessment Board	55	55	42	13	7	6	—	—	—	—	—
Funding agreements for provincial governments and territories											
Government of Nunavut	100	100	47	53	5	5	5	5	5	5	28
Government of the Northwest Territories											
Government of the Northwest Territories	57	57	—	57	5	5	5	6	6	6	30
Government of Yukon	96	96	15	81	8	8	8	8	8	8	41
Grant											
Government of Nunavut, Department of Health	129	129	77	52	26	26	—	—	—	—	—
Government of the Northwest Territories, Health and Social Services	167	167	99	68	34	34	—	—	—	—	—
Gwich'In Tribal Council	19	19	5	14	9	5	—	—	—	—	—
Inuvialuit Regional Corporation	79	79	21	58	34	17	7	—	—	—	—
Nunavut Tunngavik Inc.	261	261	50	211	75	101	35	—	—	—	—
Sahtu Secretariat Incorporated	25	25	5	20	6	9	5	—	—	—	—
Tsleil-Waututh Nation	20	20	2	18	2	2	2	2	2	2	8
Indian Self-Government											
Carcross/Tagish First Nation	207	207	27	180	21	22	21	15	16	16	85
Champagne and Aishihik First Nations	213	213	22	191	19	20	19	17	18	18	98
Cowessess Band	147	147	—	147	13	14	14	14	15	15	77
Cree Nation Government	2,012	2,012	332	1,680	192	215	186	148	149	149	790
Deline Got'Ine Government	109	109	18	91	10	11	10	8	8	8	44
First Nation of Nacho Nyak Dun	185	185	17	168	16	17	16	16	16	16	87
Huu-Ay-Aht First Nations	106	106	17	89	9	10	9	8	8	8	45
Inuvialuit Regional Corporation	18	18	7	11	4	4	3	—	—	—	—
Ka:Yu:KTT'Hi:Che:K:Tles7Et'H'	126	126	20	106	11	12	11	9	10	10	53
Kinoomaadzwin Education Body Inc.	906	906	58	848	76	76	78	81	83	83	454
Kluane First Nation	125	125	11	114	11	11	11	11	11	11	59
Kwanlin Dun First Nation	300	300	36	264	28	29	29	23	24	24	131
Little Salmon/Carmacks First Nation	201	201	19	182	18	18	18	17	17	17	94
Makivik Corporation	255	255	—	255	62	76	42	25	25	25	25
Manitoba Métis Federation Inc.	136	136	18	118	21	22	22	7	7	7	39
Metis Nation of Alberta Association	139	139	24	115	20	22	22	7	7	7	37
Metis Nation of Ontario	96	96	20	76	12	13	13	5	5	5	28
Metis Nation—Saskatchewan Secretariat	131	131	22	109	20	21	22	6	6	6	34
Mi'Kmaw Kina'Matnewey	859	859	137	722	70	69	69	69	71	71	374
Naskapi Nation of Kawawachikamach	193	193	—	193	20	23	21	17	18	18	94
Nisga'A Nation	1,380	1,380	226	1,154	121	129	124	103	105	105	572
Nunatsiavut Government	1,104	1,104	208	896	112	115	101	82	75	411	411
Nunavut Tunngavik Inc.	56	56	22	34	11	11	12	—	—	—	—
Sahtu Secretariat Incorporated	17	17	7	10	4	3	3	—	—	—	—
Sechelt Indian Band	162	162	26	136	14	15	14	12	12	12	69
Selkirk First Nation	195	195	19	176	17	18	17	16	17	17	91
Sioux Valley Dakota Nation	355	355	55	300	29	30	29	28	28	28	156

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued
(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years
					2023	2024	2025	2026	2027		
Ta'An Kwach'An Council.....	123	123	12	111	11	11	11	10	11	57	
Teslin Tlingit Council	203	203	20	183	18	18	18	17	17	95	
Tla'Amin Nation.....	221	221	35	186	20	22	21	20	16	87	
Tlicho Government	390	390	72	318	46	40	32	26	27	147	
Toquah Indian Band.....	72	72	11	61	5	6	6	6	6	32	
Tr'Ondëk Hwéch'In	209	209	20	189	19	20	19	17	18	96	
Tsawwassen First Nation.....	127	127	20	107	10	11	11	10	10	55	
Tsilhqot'In National Government	41	41	8	33	9	8	8	8	—	—	
Uchucklesaht Tribe	77	77	12	65	6	7	6	6	6	34	
Ucluelet First Nation	113	113	18	95	9	10	9	9	9	49	
Vuntut Gwitchin First Nation	202	202	20	182	18	19	18	17	17	93	
Wabaseemoong Child Welfare Authority.....	246	246	15	231	20	21	21	22	23	124	
Wabaseemoong Independent Nation	54	54	1	53	5	5	5	5	5	28	
Westbank First Nation.....	132	132	21	111	10	11	11	10	11	58	
<i>Aggregate of various transfer payment agreements under \$10 million</i>											
Aggregate.....	740	740	429	311	111	70	48	12	11	59	
	17,484	17,484	3,239	14,245	1,830	1,853	1,521	1,239	1,243	6,559	
Economic Development Agency of Canada for the Regions of Quebec											
Department of Economic Development											
Agency of Canada for the Regions of Quebec											
Community Futures Program											
57 Community Futures Development Corporations (CFDCs) and 10 Community Business Development Corporations (CBDs)	169	169	102	67	33	34	—	—	—	—	
Economic Development of Quebec Program											
Montréal International.....	50	50	9	41	8	6	6	3	3	15	
Small and medium-sized enterprises (SME), SME groups and associations and non-profit organizations.....	333	333	112	221	208	12	1	—	—	—	
Société du Parc Jean-Drapeau	94	94	31	63	7	7	7	7	7	28	
City of Rouyn-Noranda	15	15	—	15	15	—	—	—	—	—	
Regional Economic Growth through Innovation											
National Optics Institute.....	53	53	12	41	10	11	10	10	—	—	
Small and medium-sized enterprises (SME), SME groups and associations and non-profit organizations.....	423	423	187	236	153	70	11	1	1	—	
	1,137	1,137	453	684	434	140	35	21	11	43	
Employment, Workforce Development and Disability Inclusion											
Department of Employment and Social Development											
Canada Service Corps											
Aggregate.....	177	177	139	38	38	—	—	—	—	—	
Early Learning and Child Care											
Aggregate.....	16	16	—	16	5	6	5	—	—	—	
Government of Alberta.....	4,086	4,086	502	3,584	685	839	975	1,085	—	—	
Government of British Columbia	3,536	3,536	454	3,082	600	729	842	911	—	—	
Government of Manitoba	1,299	1,299	164	1,135	218	266	309	342	—	—	
Government of New Brunswick	549	549	75	474	95	113	129	137	—	—	
Government of Newfoundland and Labrador	346	346	48	298	61	73	81	83	—	—	
Government of Nova Scotia	674	674	91	583	116	139	159	169	—	—	
Government of Nunavut	79	79	13	66	14	16	18	18	—	—	
Government of Ontario	11,150	11,150	1,396	9,754	1,877	2,293	2,660	2,924	—	—	
Government of Prince Edward Island.....	138	138	21	117	24	28	32	33	—	—	

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years
					2023	2024	2025	2026	2027		
Government of Quebec	5,963	5,963	660	5,303	992	1,217	1,418	1,676	—	—	—
Government of Saskatchewan	1,185	1,185	145	1,040	197	243	283	317	—	—	—
Government of the Northwest Territories	64	64	11	53	11	13	15	14	—	—	—
Government of Yukon	54	54	10	44	10	11	12	11	—	—	—
<i>Enabling Fund for the Official Language Minority Communities</i>											
Aggregate.....	59	59	45	14	14	—	—	—	—	—	—
<i>Foreign Credential Recognition Program</i>											
Aggregate.....	101	101	57	44	29	12	3	—	—	—	—
<i>Future Skills</i>											
Ryerson University.....	360	360	214	146	73	73	—	—	—	—	—
<i>Indigenous Early Learning and Child Care</i>											
Aggregate.....	155	155	104	51	41	2	2	2	2	2	2
Kakivak Association	34	34	11	23	3	4	4	12	—	—	—
Kitikmeot Inuit Association.....	15	15	4	11	2	2	2	5	—	—	—
Kivalliq Inuit Association.....	21	21	7	14	2	2	2	8	—	—	—
<i>Indigenous Skills and Employment Training Program</i>											
Aggregate.....	383	383	141	242	44	39	32	118	7	2	—
Aboriginal Community Career Employment Services Society.....	50	50	16	34	5	5	5	19	—	—	—
Aboriginal Labour Force Development Circle.....	112	112	36	76	11	11	11	43	—	—	—
Akaitcho Territory Government	20	20	7	13	2	2	1	8	—	—	—
Akwesasne Area Management Board.....	27	27	9	18	3	2	3	10	—	—	—
Anishinabek Employment & Training Services	18	18	6	12	2	2	1	7	—	—	—
Atikameksheng Anishnawbek	15	15	5	10	1	1	2	3	3	—	—
Bigstone Cree Nation	16	16	5	11	1	2	2	6	—	—	—
Cariboo Chilcotin Aboriginal Training Employment Centre	23	23	8	15	2	2	2	9	—	—	—
Centre for Aboriginal Human Resource Development Inc.....	73	73	23	50	7	7	7	29	—	—	—
Coast Salish Employment & Training Society.....	52	52	17	35	5	5	5	20	—	—	—
Community Futures Treaty Seven	92	92	29	63	9	9	9	36	—	—	—
Congress of Aboriginal Peoples	32	32	11	21	3	3	3	3	9	—	—
Cree Nation Government.....	19	19	6	13	2	2	2	7	—	—	—
First Nations Human Resources Development Commission of Quebec.....	226	226	73	153	22	22	22	87	—	—	—
First Peoples Development Inc	133	133	47	86	12	12	12	50	—	—	—
Gabriel Dumont Institute Training and Employment Inc	145	145	47	98	14	14	14	56	—	—	—
Grand River Employment & Training Inc	61	61	20	41	6	6	6	23	—	—	—
Inuvialuit Regional Corporation	26	26	9	17	2	2	3	10	—	—	—
Island Lake Tribal Council.....	31	31	10	21	3	3	3	12	—	—	—
Kakivak Association	67	67	22	45	7	6	6	26	—	—	—
Kiikenomaga Kikenjigewen Employment and Training Services	23	23	7	16	2	2	3	9	—	—	—
Kitikmeot Inuit Association.....	27	27	9	18	3	3	2	10	—	—	—
Kivalliq Inuit Association.....	40	40	13	27	4	4	4	15	—	—	—
Lesser Slave Lake Indian Regional Council ... Mamaweswen, The North Shore Tribal Council.....	17	17	5	12	2	2	2	6	—	—	—
Manitoba Keewatinowi Okimakanak Inc.....	20	20	5	15	2	2	2	9	—	—	—
	122	122	39	83	12	12	12	47	—	—	—

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued
(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years
					2023	2024	2025	2026	2027		
Manitoba Métis Federation Inc.....	163	163	52	111	16	16	16	63	—	—	—
Mawiw Council Corporate	24	24	8	16	2	3	2	9	—	—	—
Métis Nation of Ontario	87	87	28	59	9	8	8	34	—	—	—
Métis Provincial Council of British Columbia	83	83	27	56	8	8	8	32	—	—	—
Métis Settlements Strategic Training Initiatives Society	20	20	6	14	2	2	2	8	—	—	—
Mi'kmaq Employment/Training Secretariat....	58	58	19	39	6	6	5	22	—	—	—
Mushkegowuk Council.....	28	28	8	20	3	3	3	11	—	—	—
Musqueam Squamish Tsleil-Waututh Employment & Training Society	25	25	8	17	2	2	3	10	—	—	—
Native Council of Nova Scotia	19	19	6	13	2	2	2	7	—	—	—
Native Women's Association of Canada.....	32	32	11	21	3	3	3	3	9	—	—
North East Native Advancing Society	24	24	8	16	2	2	2	10	—	—	—
North Vancouver Island Aboriginal Training Society	25	25	8	17	2	3	2	10	—	—	—
Northwest Territory Métis Nation	16	16	5	11	2	2	1	6	—	—	—
NunatuKavut Community Council Inc	16	16	5	11	2	1	2	6	—	—	—
Nuu-chah-nulth Tribal Council.....	16	16	5	11	1	2	2	6	—	—	—
Okanagan Training & Development Council	21	21	7	14	2	2	2	8	—	—	—
Ontario Federation of Indigenous Friendship Centres	99	99	31	68	10	10	10	38	—	—	—
Oteenow Employment and Training Society ..	41	41	13	28	4	4	4	16	—	—	—
Prince George Nchako Aboriginal Employment & Training Association.....	40	40	13	27	4	4	4	15	—	—	—
Qalipu Mi'kmaq First Nation Band.....	16	16	5	11	1	2	2	6	—	—	—
Rupert'sland Institute	176	176	56	120	17	17	17	69	—	—	—
Sagkeeng Employment and Training.....	14	14	3	11	2	2	1	6	—	—	—
Saskatchewan Indian Training Assessment Group Inc.....	314	314	101	213	30	30	31	122	—	—	—
Shooiniyaa Wa-Biiiton.....	48	48	15	33	5	4	5	19	—	—	—
Shuswap Nation Tribal Council Society	30	30	11	19	3	3	3	10	—	—	—
Sioux Lookout Area Aboriginal Management Board.....	62	62	20	42	6	6	6	24	—	—	—
Skanehonkwaioteh Incorporated	29	29	9	20	3	3	3	11	—	—	—
Southeast Resource Development Council Corporation	18	18	5	13	2	2	2	7	—	—	—
Southern First Nations Secretariat.....	21	21	7	14	2	2	2	8	—	—	—
Stó:Lo Nation	44	44	14	30	4	4	4	18	—	—	—
Tribal Chiefs Employment & Training Services Association	28	28	9	19	3	3	3	10	—	—	—
Tribal Resources Investment Corporation	60	60	19	41	6	6	6	23	—	—	—
Union of Ontario Indians.....	41	41	13	28	4	4	4	16	—	—	—
Wikwemikong Unceded Indian Reserve.....	22	22	7	15	2	2	2	9	—	—	—
Yellowhead Tribal Development Foundation	13	13	2	11	2	2	1	6	—	—	—
Labour Market Development											
Agreements											
Aggregate.....	27	27	14	13	13	—	—	—	—	—	—
Government of Alberta.....	428	428	210	218	218	—	—	—	—	—	—
Government of British Columbia	684	684	339	345	345	—	—	—	—	—	—
Government of Manitoba	127	127	64	63	63	—	—	—	—	—	—
Government of New Brunswick	221	221	113	108	108	—	—	—	—	—	—
Government of Newfoundland and Labrador	295	295	151	144	144	—	—	—	—	—	—
Government of Nova Scotia	202	202	104	98	98	—	—	—	—	—	—
Government of Ontario	1,558	1,558	768	790	790	—	—	—	—	—	—
Government of Prince Edward Island.....	58	58	30	28	28	—	—	—	—	—	—
Government of Quebec	1,422	1,422	716	706	706	—	—	—	—	—	—
Government of Saskatchewan	112	112	57	55	55	—	—	—	—	—	—

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years	
					2023	2024	2025	2026	2027			
New Horizons for Seniors Program												
Aggregate.....	57	57	31	26	12	10	4	—	—	—	—	—
Opportunities Fund for Persons with Disabilities												
Aggregate.....	212	212	178	34	34	—	—	—	—	—	—	—
Sectoral Workforce Solutions Program												
Aggregate.....	112	112	29	83	31	31	21	—	—	—	—	—
Colleges and Institutes Canada.....	38	38	14	24	16	8	—	—	—	—	—	—
Skilled Trades Awareness and Readiness Program												
Aggregate.....	50	50	20	30	11	7	6	6	—	—	—	—
Skills / Compétences Canada	24	24	6	18	6	4	4	4	—	—	—	—
Temiskaming Native Women's Support Group	11	11	—	11	2	3	3	3	—	—	—	—
Skills for Success												
Aggregate.....	144	144	79	65	30	21	10	4	—	—	—	—
Social Development Partnerships Program												
Aggregate.....	129	129	91	38	32	6	—	—	—	—	—	—
Social Innovation and Social Finance Program (Investment Readiness Program)												
Aggregate.....	33	33	14	19	19	—	—	—	—	—	—	—
Student Work Placement Program												
Aggregate.....	107	107	55	52	26	26	—	—	—	—	—	—
BioTalent Canada.....	80	80	49	31	16	15	—	—	—	—	—	—
Co-operative Education and Work Integrated Learning.....	53	53	17	36	18	18	—	—	—	—	—	—
Environmental Careers Organization of Canada.....	50	50	33	17	8	9	—	—	—	—	—	—
Excellence In Manufacturing Consortium of Canada.....	32	32	22	10	5	5	—	—	—	—	—	—
La Fédération des chambres de commerce de la province de Québec.....	82	82	36	46	23	23	—	—	—	—	—	—
Information and Communications Technology Council.....	136	136	92	44	22	22	—	—	—	—	—	—
Riipen Networks Inc.....	49	49	13	36	18	18	—	—	—	—	—	—
Ryerson University.....	145	145	98	47	23	24	—	—	—	—	—	—
TECHNATION Canada	170	170	125	45	23	22	—	—	—	—	—	—
The Ontario Chamber of Commerce.....	34	34	24	10	5	5	—	—	—	—	—	—
Venture for Canada Fellowship Institute	47	47	24	23	12	11	—	—	—	—	—	—
Supports for Student Learning Program												
Colleges and Institutes Canada.....	91	91	70	21	9	10	2	—	—	—	—	—
Indspire	35	35	23	12	4	4	4	—	—	—	—	—
Universities Canada.....	36	36	7	29	7	11	11	—	—	—	—	—
Union Training and Innovation Program												
Aggregate.....	153	153	99	54	22	14	11	7	—	—	—	—
Workforce Development Agreements												
Aggregate.....	66	66	54	12	12	—	—	—	—	—	—	—
Government of Alberta.....	518	518	411	107	107	—	—	—	—	—	—	—
Government of British Columbia	608	608	483	125	125	—	—	—	—	—	—	—
Government of Manitoba	163	163	130	33	33	—	—	—	—	—	—	—
Government of New Brunswick	96	96	77	19	19	—	—	—	—	—	—	—
Government of Newfoundland and Labrador	65	65	53	12	12	—	—	—	—	—	—	—
Government of Nova Scotia	120	120	96	24	24	—	—	—	—	—	—	—
Government of Ontario	1,721	1,721	1,366	355	355	—	—	—	—	—	—	—

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued
(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years
					2023	2024	2025	2026	2027		
Government of Quebec	895	895	689	206	206	—	—	—	—	—	—
Government of Saskatchewan	144	144	116	28	28	—	—	—	—	—	—
Youth Employment and Skills Strategy											
Aggregate.....	781	781	464	317	263	54	—	—	—	—	—
Ministère du Travail, de l'Emploi et de la Solidarité Sociale, Québec	153	153	84	69	35	17	17	—	—	—	—
Tamarack Institute for Community Engagement	28	28	17	11	9	2	—	—	—	—	—
	46,306	46,306	13,215	33,091	9,699	6,838	7,393	9,127	30	4	—
Environment and Climate Change											
Department of the Environment											
<i>Canada Nature Fund</i>											
Aggregate.....	253	253	168	85	76	8	1	—	—	—	—
Nature Conservancy of Canada	123	123	98	25	25	—	—	—	—	—	—
<i>Conserving Nature</i>											
Aggregate.....	92	92	40	52	31	19	2	—	—	—	—
Ducks Unlimited Canada.....	19	19	6	13	6	7	—	—	—	—	—
<i>Low Carbon Economy</i>											
Aggregate.....	310	310	220	90	64	26	—	—	—	—	—
Canadian Natural Upgrading Limited.....	21	21	—	21	5	16	—	—	—	—	—
Crescent Point Resources Partnership	29	29	1	28	14	14	—	—	—	—	—
Government of Alberta.....	109	109	77	32	32	—	—	—	—	—	—
Government of Manitoba	55	55	14	41	41	—	—	—	—	—	—
Government of New Brunswick	51	51	31	20	12	8	—	—	—	—	—
Government of Newfoundland and Labrador	29	29	12	17	9	8	—	—	—	—	—
Government of Nunavut.....	25	25	13	12	12	—	—	—	—	—	—
Government of Quebec	261	261	188	73	44	29	—	—	—	—	—
Government of Yukon.....	27	27	12	15	7	8	—	—	—	—	—
<i>Preventing and Managing Pollution</i>											
Aggregate.....	31	31	12	19	11	5	2	1	—	—	—
<i>Taking Action on Clean Growth and Climate Change</i>											
Aggregate.....	33	33	17	16	8	6	1	1	—	—	—
Montreal Space for Life Foundation.....	15	15	3	12	3	3	3	3	—	—	—
Parks Canada Agency											
<i>Land-based Multi-use Infrastructure</i>											
Qikiqtani Inuit Association.....	26	26	3	23	10	13	—	—	—	—	—
<i>Public Transit Services within Banff National Park</i>											
Bow Valley Regional Transit Services Commission.....	13	13	2	11	2	2	2	2	3	—	—
<i>Tallurutiup Imanga IIBA Implementation and Capacity Development Funding</i>											
Qikiqtani Inuit Association.....	31	31	8	23	5	6	7	5	—	—	—
	1,553	1,553	925	628	417	178	18	12	3	—	—
Global Affairs											
Department of Foreign Affairs, Trade and Development											
<i>Development, Peace and Security Programming</i>											
Aggregate.....	2,785	2,785	1,709	1,076	500	339	151	65	20	1	—
Action against Hunger.....	65	65	38	27	20	3	2	2	—	—	—
Adventist Development and Relief Agency of Canada	27	27	4	23	4	4	5	5	4	1	—
Aga Khan Foundation Canada	134	134	46	88	17	30	27	14	—	—	—
Alinea International Ltd	47	47	3	44	10	12	15	7	—	—	—
Alliance agricole internationale.....	16	16	1	15	4	5	4	2	—	—	—
Canadian Catholic Organization for Development and Peace	13	13	2	11	2	2	3	3	1	—	—

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years
					2023	2024	2025	2026	2027		
Canadian Executive Service											
Organization	50	50	8	42	7	8	9	9	9	—	—
Canadian Foodgrains Bank.....	75	75	25	50	25	25	—	—	—	—	—
Canadian Red Cross	15	15	1	14	4	3	4	3	—	—	—
CARE Canada.....	45	45	2	43	5	6	8	7	7	10	—
Centre de coopération internationale en santé et développement.....	62	62	12	50	9	11	14	8	7	1	—
Centre for International Studies and Cooperation	68	68	18	50	12	13	10	8	7	—	—
Code.....	12	12	1	11	3	3	3	2	—	—	—
Colleges and Institutes Canada.....	167	167	16	151	18	26	31	33	31	12	—
CowaterSogema International Inc	59	59	7	52	14	15	13	9	1	—	—
Crossroads International.....	38	38	11	27	3	7	6	6	5	—	—
Cuso International	64	64	15	49	9	11	13	8	8	—	—
Doctors of the World Canada	48	48	7	41	9	11	11	9	1	—	—
Doctors Without Borders Canada.....	43	43	28	15	15	—	—	—	—	—	—
Éducation internationale	17	17	1	16	2	3	3	3	3	2	—
Equitas - International Centre for Human Rights Education.....	17	17	3	14	3	3	3	3	2	—	—
Farm Radio International.....	11	11	—	11	2	2	3	2	2	—	—
Federation of Canadian Municipalities	26	26	2	24	4	5	5	5	5	—	—
Fondation Paul Gérin-Lajoie	34	34	5	29	5	6	6	6	6	—	—
Grand Challenges Canada	347	347	176	171	55	52	40	20	4	—	—
HealthBridge Foundation of Canada	12	12	2	10	2	3	3	2	—	—	—
Humanitarian Coalition	15	15	5	10	5	5	—	—	—	—	—
Inter Pares	24	24	4	20	4	4	4	4	4	—	—
International Bureau for Children's Rights	28	28	4	24	4	6	6	5	3	—	—
Lawyers Without Borders Canada	16	16	2	14	4	4	3	3	—	—	—
Mennonite Economic Development Associates	76	76	10	66	11	18	17	11	9	—	—
Nutrition International.....	343	343	146	197	55	59	60	9	9	5	—
Oxfam Canada	20	20	1	19	1	5	3	6	3	1	—
Oxfam-Québec	89	89	11	78	13	16	16	18	11	4	—
Plan International Canada Inc.....	49	49	4	45	7	12	11	8	6	1	—
Renew International Canada Ltd	32	32	2	30	6	5	4	4	4	7	—
Right To Play International	35	35	3	32	6	9	8	7	2	—	—
Save the Children Canada	75	75	8	67	8	12	14	16	13	4	—
SeedChange	11	11	—	11	—	3	4	3	1	—	—
Société de coopération pour le développement international	28	28	4	24	5	5	6	7	1	—	—
Solidarité Union Coopération	31	31	5	26	5	5	6	6	4	—	—
University of Montreal	40	40	10	30	7	10	8	3	1	1	—
World University Service of Canada	86	86	18	68	17	20	15	8	8	—	—
World Vision Canada	65	65	14	51	13	14	14	6	3	1	—
Youth Challenge International.....	17	17	4	13	2	3	3	3	2	—	—
International Advocacy and Diplomacy											
Aggregate.....	15	15	2	13	4	4	3	1	1	—	—
Pacific Economic Development Agency of Canada											
<i>Community Futures Program</i>											
Aggregate.....	40	40	—	40	10	10	10	10	—	—	—
<i>Regional Economic Growth through Innovation</i>											
Aggregate.....	74	74	—	74	44	21	6	2	1	—	—
<i>Western Diversification Program</i>											
Aggregate.....	36	36	—	36	31	2	1	1	1	—	—
District of Kitimat	42	42	18	24	24	—	—	—	—	—	—
	5,584	5,584	2,418	3,166	1,049	860	614	382	210	51	—

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued
(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2023	2024	2025	2026	2027	2028 and subsequent years
Health										
Department of Health										
<i>Canadian Thalidomide Survivors Support Program</i>										
Epiq Class Action Services Canada Inc	64	64	26	38	13	13	12	—	—	—
<i>Contribution agreements</i>										
Brain Canada Foundation	85	85	23	62	20	23	15	4	—	—
Canada Health Infoway Inc	365	365	318	47	47	—	—	—	—	—
Canadian Agency for Drugs and Technologies in Health	144	144	98	46	30	8	8	—	—	—
Canadian Institute for Health Information	473	473	376	97	97	—	—	—	—	—
Canadian Partnership Against Cancer	238	238	—	238	47	47	48	48	48	—
Healthcare Excellence Canada	127	127	28	99	25	25	25	24	—	—
Mental Health Commission of Canada	64	64	7	57	14	14	14	15	—	—
<i>First Nations Information Governance Centre</i>										
COVID-19 Safe Restart Agreements Program	18	18	—	18	18	—	—	—	—	—
<i>Funding to support access to sexual and reproductive health care information and services</i>										
Aggregate	15	15	—	15	8	7	—	—	—	—
<i>Health Care Policy and Strategies Program</i>										
Aggregate	75	75	40	35	19	11	4	1	—	—
Terry Fox Research Institute	150	150	18	132	48	46	38	—	—	—
<i>Improving Affordable Access to Prescription Drugs Program</i>										
Government of Prince Edward Island	35	35	3	32	11	11	10	—	—	—
<i>Official Languages Health Program</i>										
Aggregate	189	189	152	37	37	—	—	—	—	—
<i>Substance Use and Addictions Program</i>										
Aggregate	286	286	161	125	99	24	2	—	—	—
Canadian Centre on Substance Abuse	51	51	11	40	10	10	10	10	—	—
Government of Quebec	20	20	—	20	20	—	—	—	—	—
<i>Territorial Health Investment Fund</i>										
Aggregate	27	27	13	14	14	—	—	—	—	—
Government of Nunavut	27	27	13	14	14	—	—	—	—	—
Canadian Institutes of Health Research										
<i>Canada Excellence Research Chairs</i>										
Social Sciences and Humanities Research Council of Canada	30	30	15	15	4	4	3	3	1	—
<i>Canada First Research Excellence Fund</i>										
Social Sciences and Humanities Research Council of Canada	165	165	137	28	28	—	—	—	—	—
<i>Canada Graduate Scholarships</i>										
Aggregate	55	55	13	42	18	15	9	—	—	—
<i>Grants for research projects and personnel support</i>										
Aggregate	230	230	109	121	43	37	23	14	3	1
Alberta Innovates	13	13	3	10	3	3	2	2	—	—
Baycrest Centre for Geriatric Care	35	35	21	14	7	7	—	—	—	—
Centre for Addiction and Mental Health	47	47	24	23	9	7	4	2	1	—
Centre hospitalier de l'Université de Montréal	66	66	24	42	13	12	9	6	2	—
Centre hospitalier universitaire Sainte-Justine	44	44	20	24	8	7	5	3	1	—

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years
					2023	2024	2025	2026	2027		
Children's Hospital of Eastern Ontario											
Research Institute	24	24	12	12	4	4	2	1	1	—	—
Dalhousie University	47	47	18	29	11	10	5	2	1	—	—
Douglas Hospital Research Centre	38	38	23	15	7	5	2	1	—	—	—
Hôpital Maisonneuve-Rosemont	24	24	11	13	4	4	3	1	1	—	—
Hospital for Sick Children	232	232	129	103	34	30	20	12	6	1	—
Institut de recherches cliniques de Montréal ...	58	58	36	22	8	7	3	2	2	—	—
Jewish General Hospital	70	70	48	22	9	6	3	2	1	1	—
McGill University	245	245	132	113	40	32	21	13	6	1	—
McMaster University	256	256	127	129	43	34	23	16	12	1	—
Memorial University of Newfoundland	18	18	8	10	4	3	2	1	—	—	—
Micheal Smith Health Research BC	16	16	2	14	4	4	3	3	—	—	—
Montreal Heart Institute	28	28	12	16	5	4	4	2	1	—	—
Nova Scotia Health Authority	21	21	10	11	4	3	2	2	—	—	—
Ontario SPOR Support Unit	34	34	6	28	7	7	7	7	—	—	—
Ottawa Heart Institute Research Corporation	16	16	6	10	3	3	3	1	—	—	—
Ottawa Hospital Research Institute	99	99	63	36	16	10	6	3	1	—	—
Queen's University	69	69	36	33	11	9	7	4	1	1	—
Research Institute of the McGill University Health Centre	120	120	70	50	19	15	10	4	2	—	—
Simon Fraser University	34	34	21	13	6	4	2	1	—	—	—
Sinai Health System	87	87	56	31	10	8	6	5	2	—	—
Social Sciences and Humanities Research Council of Canada	643	643	309	334	99	84	67	44	24	16	—
Sunnybrook Research Institute	73	73	38	35	12	10	6	4	2	1	—
Unity Health Toronto	106	106	56	50	18	16	8	5	3	—	—
Université de Montréal	74	74	35	39	13	10	8	5	3	—	—
Université de Sherbrooke	71	71	29	42	13	12	9	7	1	—	—
Université Laval	169	169	85	84	27	22	17	11	6	1	—
University Health Network	204	204	113	91	33	28	17	9	4	—	—
University of Alberta	186	186	95	91	33	27	18	9	4	—	—
University of British Columbia	482	482	251	231	82	69	45	24	10	1	—
University of Calgary	244	244	122	122	44	35	22	13	6	2	—
University of Guelph	25	25	10	15	5	4	3	2	1	—	—
University of Manitoba	95	95	43	52	19	15	10	6	2	—	—
University of Ottawa	69	69	33	36	13	11	6	4	2	—	—
University of Saskatchewan	60	60	25	35	13	9	6	4	3	—	—
University of Toronto	273	273	158	115	40	33	22	13	6	1	—
University of Victoria	25	25	11	14	4	4	3	2	1	—	—
University of Waterloo	31	31	17	14	6	4	2	1	1	—	—
University of Western Ontario	106	106	56	50	17	15	10	6	2	—	—
York University	19	19	6	13	4	3	3	2	1	—	—
Institute support grants											
Aggregate	95	95	68	27	12	8	5	2	—	—	—
Vanier Canada Graduate Scholarships											
Aggregate	22	22	6	16	7	6	3	—	—	—	—
Public Health Agency of Canada											
<i>Chronic Disease Prevention</i>											
Aggregate	87	87	47	40	22	13	3	2	—	—	—
<i>Communicable Disease and Infection Control</i>											
Aggregate	31	31	17	14	7	3	1	1	1	1	—
<i>Evidence for Health Promotion, and Chronic Disease and Injury Prevention</i>											
Aggregate	109	109	69	40	13	11	5	5	3	3	—
Health Promotion											
Aggregate	962	962	662	300	177	90	25	8	—	—	—
Centre for Addiction and Mental Health (Queen Street West)	22	22	9	13	4	4	5	—	—	—	—

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued
(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2023	2024	2025	2026	2027	2028 and subsequent years
Immunization and Vaccine Preventable Disease										
Aggregate.....	196	196	115	81	81	—	—	—	—	—
Raymond Chabot Grant Thornton Consulting Inc	33	33	8	25	8	6	6	5	—	—
	9,186	9,186	4,972	4,214	1,799	1,085	710	409	179	32
Immigration, Refugees and Citizenship										
Department of Citizenship and Immigration										
Resettlement Assistance Program										
Aggregate.....	200	200	105	95	35	31	29	—	—	—
COSTI Immigrant Services	37	37	27	10	3	3	4	—	—	—
Immigrant Services Society of BC	20	20	8	12	5	3	4	—	—	—
Settlement Program										
Aggregate.....	2,581	2,581	1,032	1,549	578	503	468	—	—	—
Achev.....	19	19	7	12	4	4	4	—	—	—
Archway Community Services	19	19	7	12	4	4	4	—	—	—
Board of Governors of Red River College.....	28	28	12	16	6	5	5	—	—	—
Bow Valley College	33	33	13	20	7	6	7	—	—	—
Brampton Multicultural Community Centre	18	18	7	11	3	4	4	—	—	—
Calgary Bridge Foundation for Youth	20	20	8	12	4	4	4	—	—	—
Calgary Catholic Immigration Society	29	29	12	17	5	6	6	—	—	—
Calgary Immigrant Educational Society	23	23	9	14	5	5	4	—	—	—
Calgary Immigrant Women's Association	36	36	14	22	8	7	7	—	—	—
Catholic Centre for Immigrants	16	16	5	11	4	3	4	—	—	—
Catholic Community Services of York Region	25	25	10	15	5	5	5	—	—	—
Catholic Crosscultural Services	39	39	15	24	8	8	8	—	—	—
Catholic Social Services.....	36	36	13	23	8	7	8	—	—	—
Central Alberta Refugee Effort Committee	17	17	7	10	3	3	4	—	—	—
Centre for Immigrant & Community Services of Ontario	41	41	16	25	8	8	9	—	—	—
Centre for Newcomers.....	43	43	18	25	9	8	8	—	—	—
Collège Boréal	22	22	8	14	5	5	4	—	—	—
Conestoga College Institute of Technology & Advanced Learning	22	22	8	14	4	5	5	—	—	—
COSTI Immigrant Services	26	26	9	17	6	6	5	—	—	—
CultureLink	18	18	6	12	4	4	4	—	—	—
DIVERSECity Community Resources Society	17	17	6	11	4	4	3	—	—	—
Dixie Bloor Neighbourhood Centre	32	32	12	20	6	7	7	—	—	—
Edmonton Catholic Schools	27	27	11	16	6	5	5	—	—	—
Edmonton Immigrant Services	17	17	6	11	3	4	4	—	—	—
Edmonton Mennonite Centre for Newcomers	48	48	19	29	10	10	9	—	—	—
Halton Catholic District School Board	16	16	6	10	3	3	4	—	—	—
Halton District School Board	20	20	7	13	4	4	5	—	—	—
Halton Multicultural Council	20	20	8	12	4	4	4	—	—	—
Immigrant Services Association of Nova Scotia	54	54	22	32	10	11	11	—	—	—
Immigrant Services Calgary	30	30	13	17	6	5	6	—	—	—
Immigrant Services Society of BC	57	57	21	36	12	12	12	—	—	—
Immigrants Working Centre	20	20	8	12	4	4	4	—	—	—
Indus Community Services	18	18	7	11	4	4	3	—	—	—
Inter-cultural Association of Greater Victoria	24	24	9	15	5	5	5	—	—	—
London Cross Cultural Learner Centre	23	23	8	15	5	5	5	—	—	—
Multilingual Orientation Service Association for Immigrant Communities	43	43	16	27	9	9	9	—	—	—
New Canadians' Centre of Excellence Inc	39	39	15	24	8	8	8	—	—	—
Newcomer Centre of Peel	49	49	19	30	10	10	10	—	—	—

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2023	2024	2025	2026	2027	2028 and subsequent years
Newcomers Employment and Education										
Development Services Inc	18	18	8	10	4	3	3	—	—	—
NorQuest College.....	43	43	17	26	10	8	8	—	—	—
North Shore Multicultural Society.....	19	19	7	12	4	4	4	—	—	—
North York Community House	24	24	9	15	5	5	5	—	—	—
Polycultural Immigrant & Community Services										
Regina Open Door Society Inc	40	40	14	26	9	9	8	—	—	—
Saskatchewan Polytechnic.....	19	19	7	12	4	4	4	—	—	—
Saskatoon Open Door Society	21	21	8	13	4	4	5	—	—	—
Success.....	26	26	11	15	6	5	4	—	—	—
TNO - The Neighbourhood Organization	68	68	25	43	14	15	14	—	—	—
Toronto Catholic District School Board	19	19	7	12	4	4	4	—	—	—
Toronto District School Board.....	18	18	7	11	3	4	4	—	—	—
Vancouver Community College	85	85	32	53	17	18	18	—	—	—
Woodgreen Community Services	21	21	9	12	4	4	4	—	—	—
YMCA Canada.....	19	19	7	12	4	4	4	—	—	—
YMCA Canada.....	43	43	16	27	9	9	9	—	—	—
Canada-Quebec Accord—Provincial agreement on immigration matters and on the selection of foreign nationals wishing to settle in Canada										
Government of Quebec	4,879	4,879	697	4,182	697	697	697	697	697	697
	9,284	9,284	2,470	6,814	1,642	1,558	1,523	697	697	697
Indigenous Services										
Department of Indigenous Services										
<i>Aboriginal recipient funding agreement (First Nations and Tribal Councils)</i>										
Abegweit Band.....	21	21	9	12	4	3	3	2	—	—
Acadia Band Council	33	33	16	17	3	2	2	2	3	5
Adams Lake Indian Band	48	48	15	33	5	4	4	4	4	12
Ahousaht Indian Band	108	108	40	68	9	8	8	9	9	25
Ahtahkakoop Band.....	227	227	95	132	20	19	19	19	18	37
Albany	79	79	45	34	12	11	11	—	—	—
Alderville First Nation.....	79	79	45	34	12	11	11	—	—	—
Abegweit Band.....	15	15	—	15	4	3	3	3	2	—
Alexander Band.....	111	111	99	12	12	—	—	—	—	—
Alexis Nakota Sioux Nation.....	61	61	23	38	11	9	9	9	—	—
Algonquins of Barriere Lake	55	55	35	20	7	6	7	—	—	—
Animakes Wa Zhing #37.....	62	62	43	19	3	3	3	3	2	5
Athabasca Health Authority Inc	77	77	36	41	15	13	13	—	—	—
Athabasca Tribal Council Ltd.....	34	34	18	16	9	3	2	2	—	—
Atikameksheng Anishnawbek	33	33	12	21	3	3	3	2	2	8
Atikamekw Sipi - Conseil de la Nation Atikamekw	66	66	36	30	11	10	9	—	—	—
Attawapiskat First Nation	86	86	65	21	17	2	2	—	—	—
Bande de la Nation Innu Matimekush-Lac John	100	100	55	45	15	15	15	—	—	—
Bande des Innus de Ekuanihitshit	53	53	33	20	8	6	6	—	—	—
Bande des Innus de Pessamit	218	218	108	110	38	36	36	—	—	—
Bande des Montagnais de Pakua Shipi	45	45	15	30	7	8	8	7	—	—
Bande Innue Essipit	47	47	9	38	5	4	4	4	4	17
Barren Lands Band	37	37	26	11	7	2	2	—	—	—
Batchewana First Nation	31	31	19	12	8	1	1	2	—	—
Battle River Treaty 6 Health Centre Inc	33	33	—	33	7	6	6	7	7	—
Battlefords Agency Tribal Chiefs Inc	36	36	—	36	8	7	7	7	7	—
Beardy's & Okemasis Band	56	56	—	56	11	11	11	11	12	—
Beausoleil First Nation	63	63	31	32	5	5	4	4	4	10
Beaver First Nation Band	36	36	13	23	7	5	5	6	—	—
Berens River Band	81	81	61	20	15	5	—	—	—	—
Big Grassy First Nation	29	29	16	13	5	4	4	—	—	—
Big Island Lake Cree Nation	84	84	51	33	11	11	11	—	—	—

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years
					2023	2024	2025	2026	2027		
Big River Band.....	245	245	50	195	23	22	22	22	21	85	
Bigstone Cree Nation	78	78	58	20	20	—	—	—	—	—	—
Bimose Tribal Council	19	19	7	12	3	3	3	3	—	—	—
Birch Narrows First Nation Band	21	21	9	12	4	4	4	—	—	—	—
Black Lake Band	59	59	45	14	7	7	—	—	—	—	—
Black River First Nation.....	99	99	41	58	10	8	8	8	8	16	
Blood Band	1,022	1,022	924	98	98	—	—	—	—	—	—
Bloodvein Band.....	35	35	22	13	7	2	2	2	—	—	—
Bosgoed Project Consultants Ltd.....	32	32	8	24	5	5	5	5	4	—	—
Buffalo River Dene Nation Band.....	50	50	32	18	6	6	6	—	—	—	—
Bunibonibee Cree Nation	166	166	131	35	29	3	3	—	—	—	—
Canoe Lake Band	54	54	32	22	7	7	8	—	—	—	—
Cape Mudge Indian Band	25	25	13	12	4	4	4	—	—	—	—
Carry the Kettle Band	133	133	66	67	12	9	9	9	9	19	
Cat Lake First Nation	11	11	—	11	6	1	1	1	2	—	—
Chemawawin Cree Nation.....	107	107	57	50	18	16	16	—	—	—	—
Chippewas of Georgina Island.....	40	40	13	27	4	3	3	3	4	10	
Chippewas of Kettle and Stony Point	52	52	31	21	7	7	7	—	—	—	—
Chippewas of the Thames First Nation.....	91	91	40	51	8	7	7	7	7	15	
Clearwater River Dene Band	71	71	38	33	11	11	11	—	—	—	—
Communauté Anicinape de Kitcisakik	45	45	29	16	6	5	5	—	—	—	—
Conseil des Atikamekw de Wemotaci	183	183	80	103	16	15	15	14	14	29	
Conseil des Atikamekw d'Opitciwan	222	222	135	87	37	34	16	—	—	—	—
Constance Lake First Nation	40	40	30	10	8	1	1	—	—	—	—
Cote First Nation 366	59	59	32	27	9	9	9	—	—	—	—
Couchiching First Nation	26	26	16	10	7	1	1	1	—	—	—
Council of the First Nation of Abitibiwinni.....	54	54	29	25	9	8	8	—	—	—	—
Cowessess Band	72	72	53	19	10	9	—	—	—	—	—
Cowichan	295	295	130	165	31	22	22	22	23	45	
Cree Board of Health and Social Services											
of James Bay	52	52	33	19	6	7	6	—	—	—	—
Cree Nation Tribal Health Centre	21	21	10	11	4	2	2	3	—	—	—
Cross Lake First Nation	393	393	208	185	71	57	57	—	—	—	—
Cumberland House Cree Nation Band	66	66	36	30	10	10	10	—	—	—	—
Curve Lake First Nation	42	42	—	42	9	9	8	8	8	—	—
Dakota Ojibway Tribal Council Inc.....	21	21	7	14	5	3	3	3	—	—	—
Deer Lake First Nation	46	46	31	15	11	2	2	—	—	—	—
Dene Tha' Band	112	112	—	112	26	22	22	21	21	—	—
Driftpile Cree Nation	91	91	81	10	10	—	—	—	—	—	—
Eabametoong First Nation	82	82	64	18	14	2	2	—	—	—	—
Ebb and Flow Band	143	143	127	16	16	—	—	—	—	—	—
Ebb and Flow First Nation Health Authority Inc	24	24	13	11	5	3	3	—	—	—	—
Eel River Bar First Nation	10	10	—	10	6	1	1	1	1	—	—
Elsipogtog First Nation	43	43	—	43	26	5	4	4	4	—	—
English River First Nation Band	59	59	41	18	6	6	6	—	—	—	—
Enoch Cree Nation #440	240	240	118	122	18	18	17	17	17	35	
Ermineskin Tribe	223	223	211	12	12	—	—	—	—	—	—
Esgenoopetij First Nation	71	71	53	18	14	2	2	—	—	—	—
Eskasoni Band Council	106	106	69	37	18	19	—	—	—	—	—
File Hills Qu'Appelle Tribal Council Inc.....	85	85	28	57	15	14	14	14	—	—	—
Fisher River Band	285	285	118	167	25	24	24	24	23	47	
Fishing Lake First Nation Band	57	57	31	26	9	9	8	—	—	—	—
Flying Dust First Nation	84	84	29	55	7	7	7	7	7	20	
Fond du Lac Band	55	55	43	12	6	6	—	—	—	—	—
Fort Alexander Band	365	365	109	256	33	32	32	32	32	95	
Fort Nelson First Nation	49	49	22	27	4	4	4	4	4	7	
Four Arrows Regional Health Authority Inc	19	19	8	11	4	3	2	2	—	—	—
Frog Lake Band	121	121	106	15	15	—	—	—	—	—	—
Gamblers Band	27	27	15	12	3	2	1	1	2	3	

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years
					2023	2024	2025	2026	2027		
Garden Hill First Nation.....	138	138	106	32	32	—	—	—	—	—	—
Garden River First Nation.....	45	45	30	15	10	2	3	—	—	—	—
George Gordon First Nation.....	69	69	36	33	11	11	11	—	—	—	—
Gitga'At First Nation.....	36	36	6	30	4	3	3	3	4	13	
Gitksan Local Services Society	138	138	115	23	23	—	—	—	—	—	—
Gitxaala Nation	65	65	25	40	6	6	6	6	5	11	
God's Lake First Nation.....	125	125	99	26	20	3	3	—	—	—	—
Grassy Narrows First Nation	24	24	6	18	5	4	4	5	—	—	—
Hatchet Lake Band.....	61	61	27	34	9	8	8	9	—	—	—
Heiltsuk Indian Band.....	139	139	54	85	13	12	12	12	12	24	
Hollow Water Band.....	54	54	42	12	10	2	—	—	—	—	—
Innu Takuiaikan Uashat Mak Mani-Utenam.....	304	304	251	53	53	—	—	—	—	—	—
Inuvialuit Regional Corporation	44	44	18	26	11	12	3	—	—	—	—
Iskatewizaagegan #39 Independent Nation.....	31	31	16	15	5	5	5	—	—	—	—
James Smith Band.....	55	55	35	20	7	6	7	—	—	—	—
Kahkewistahaw Band.....	89	89	—	89	9	9	9	9	9	44	
Kasabonika Lake First Nation.....	64	64	48	16	12	2	2	—	—	—	—
Kashechewan First Nation.....	87	87	71	16	16	—	—	—	—	—	—
Kawacatoose Band.....	49	49	20	29	10	10	9	—	—	—	—
Kebaowek First Nation.....	36	36	25	11	8	2	1	—	—	—	—
Kee Tas Kee Now Tribal Council	425	425	347	78	54	24	—	—	—	—	—
Keesekoosie Band	49	49	27	22	7	7	8	—	—	—	—
Keewatin Tribal Council Inc.	106	106	62	44	14	10	10	10	—	—	—
Keewaytinook Okimakanak/Northern Chief's Council	81	81	55	26	11	9	6	—	—	—	—
Kingfisher Lake First Nation.....	61	61	49	12	7	2	3	—	—	—	—
Kingsclear Band Council.....	97	97	38	59	10	7	7	7	7	21	
Kitasoo Indian Band.....	23	23	12	11	3	3	3	2	—	—	—
Kitchenuhmaykoosib Innuuwig.....	120	120	104	16	16	—	—	—	—	—	—
Kitigan Zibi Anishinabeg	89	89	58	31	19	6	6	—	—	—	—
Kitiganwacheeng Health Services Inc	36	36	18	18	7	6	5	—	—	—	—
Kitselas Indian Band	32	32	11	21	7	7	7	—	—	—	—
Kwadacha Indian Band	31	31	19	12	4	4	4	—	—	—	—
Lac la Ronge Band.....	796	796	346	450	67	64	64	64	64	127	
Lac la Ronge Indian Band Health Services Inc.	127	127	61	66	10	10	9	9	9	19	
Lake Babine Nation.....	124	124	52	72	11	10	10	10	10	21	
Lake Manitoba Band.....	103	103	38	65	12	8	8	8	7	22	
Lax Kw'alaams Indian Band.....	128	128	34	94	12	12	12	11	12	35	
Lennox Island Band	34	34	16	18	6	4	4	2	2	—	—
Les Atikamekw de Manawan	156	156	114	42	26	8	8	—	—	—	—
Lesser Slave Lake Indian Regional Council	51	51	31	20	10	5	5	—	—	—	—
Liard First Nation	44	44	27	17	6	5	6	—	—	—	—
Lil'wat Nation	117	117	23	94	13	10	10	10	10	41	
Listuguj Mi'gmaq Government.....	164	164	97	67	23	22	22	—	—	—	—
Little Grand Rapids Band	71	71	57	14	10	2	2	—	—	—	—
Little Red River Cree Nation	204	204	130	74	62	4	4	4	—	—	—
Little Shuswap Lake Indian Band	25	25	10	15	3	2	2	2	2	4	
Long Plain Band.....	218	218	91	127	19	18	18	18	18	36	
Long Point First Nation	115	115	43	72	10	9	9	9	9	26	
Lower Nicola Indian Band	62	62	24	38	6	5	5	5	6	11	
Lower Similkameen Band	30	30	13	17	3	3	2	2	2	5	
Lytton Indian Band	103	103	56	47	9	6	6	6	7	13	
Makwa Sahgaiehcan First Nation Band	80	80	47	33	11	11	11	—	—	—	—
Manto Sipi Cree Nation	83	83	67	16	13	2	1	—	—	—	—
Matawa First Nations Management	28	28	16	12	9	1	1	1	—	—	—
Mathias Colomb Band	111	111	78	33	25	4	4	—	—	—	—
M'Chigeeng First Nation	65	65	35	30	10	10	10	—	—	—	—
Membertou Band Council	101	101	49	52	8	8	7	7	7	15	
Metepenagiag Mi'Kmaq Nation	69	69	25	44	6	6	6	5	5	16	
Metlakatla First Nation	33	33	14	19	3	3	3	3	2	5	

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued
(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years
					2023	2024	2025	2026	2027		
Micmacs of Gesgapegiag	59	59	42	17	9	8	—	—	—	—	—
Mikisew Cree First Nation Band	83	83	67	16	13	2	1	—	—	—	—
Millbrook Band Council.....	121	121	51	70	10	10	10	10	10	10	20
Ministikwan Lake Cree Nation.....	57	57	45	12	6	6	—	—	—	—	—
Mishkeegogamang First Nation.....	77	77	61	16	12	2	2	—	—	—	—
Misipawistik Cree Nation.....	45	45	34	11	7	2	2	—	—	—	—
Mistawasis Nêhiyawak.....	80	80	—	80	8	8	8	8	8	8	40
Mltc Program Services Inc.....	150	150	107	43	22	21	—	—	—	—	—
Mnaamodzawin Health Services Inc.	17	17	—	17	3	3	3	4	4	4	—
Mohawk Council of Akwesasne	671	671	247	424	66	60	60	60	59	59	119
Mohawks of Kahnawâ:Ke Band	479	479	—	479	49	48	48	48	47	47	239
Mohawks of Kanesatake	52	52	30	22	8	7	7	—	—	—	—
Mohawks of the Bay of Quinte.....	52	52	41	11	11	—	—	—	—	—	—
Montagnais de Unamen Shipu.....	121	121	68	53	19	17	17	—	—	—	—
Montana Band	68	68	—	68	7	7	7	7	7	7	33
Montreal Lake Band.....	147	147	85	62	21	21	20	—	—	—	—
Moose Cree First Nation	70	70	47	23	17	3	3	—	—	—	—
Moosomin Band.....	98	98	39	59	10	9	8	8	8	8	16
Mosakahiken Cree Nation	37	37	27	10	7	2	1	—	—	—	—
Mosquito-Grizzly Bear's Head Band	92	92	29	63	8	8	8	8	8	8	23
Mushkegowuk Tribal Council	49	49	30	19	12	5	2	—	—	—	—
Mushuau Innu First Nation.....	69	69	53	16	8	4	4	—	—	—	—
Muskoday First Nation Band.....	80	80	21	59	7	7	7	7	6	6	25
Muskowekwan Band	42	42	18	24	8	8	8	—	—	—	—
Musqueam Indian Band.....	27	27	11	16	4	4	4	4	—	—	—
Nak'Azdli Whut'En	32	32	9	23	2	7	7	7	—	—	—
Namgis First Nation	56	56	23	33	6	5	5	4	4	4	9
Naotkamegwanning	48	48	36	12	8	2	2	—	—	—	—
Naskapi Nation of Kawawachikamach	22	22	7	15	6	3	3	3	—	—	—
Nation Anishnabe of Lac Simon	134	134	114	20	20	—	—	—	—	—	—
Nation Huronne Wendat	158	158	140	18	18	—	—	—	—	—	—
Neskantaga First Nation	59	59	48	11	8	1	2	—	—	—	—
Nipissing First Nation	77	77	43	34	5	5	5	5	5	5	9
Nisichawayasihk Cree Nation	115	115	20	95	35	30	30	—	—	—	—
North Caribou Lake First Nation	71	71	57	14	10	2	2	—	—	—	—
Northern Inter-Tribal Health Authority Inc.	29	29	17	12	5	4	3	—	—	—	—
Northlands Band	78	78	60	18	14	2	2	—	—	—	—
Norway House Cree Nation	798	798	300	498	71	71	71	71	71	143	—
Nunavik Regional Board of Health and Social Services	112	112	61	51	8	7	7	7	7	15	—
Nuu-Chah-Nulth Tribal Council	216	216	178	38	38	—	—	—	—	—	—
Nuxalk Nation Band	62	62	38	24	8	8	8	—	—	—	—
Ocean Man Band	32	32	10	22	3	3	3	3	2	2	8
Ojibways of Onigaming First Nation	34	34	16	18	6	6	6	—	—	—	—
Okanagan Indian Band	67	67	50	17	6	5	6	—	—	—	—
Okanese Band	22	22	11	11	5	6	6	—	—	—	—
Old Massett Village Council Band	40	40	22	18	6	6	6	—	—	—	—
One Arrow First Nation	55	55	22	33	9	8	8	8	—	—	—
Oneida Nation of the Thames	82	82	49	33	17	8	8	—	—	—	—
Onion Lake Cree Nation	376	376	346	30	30	—	—	—	—	—	—
Opaskwayak Cree Nation	488	488	200	288	42	41	41	41	41	41	82
O-Pipon-Na-Piwin Cree Nation	33	33	21	12	8	2	2	—	—	—	—
Osoyoos Indian Band	41	41	17	24	4	3	3	3	4	4	7
Paqtnkek Mi'kmaw Nation	48	48	22	26	4	4	4	4	3	3	7
Pasqua First Nation #79	54	54	32	22	8	7	7	—	—	—	—
Paul Band	75	75	64	11	11	—	—	—	—	—	—
Peepeekisis Cree Nation No.81	87	87	39	48	7	7	7	7	7	7	13
Peguis Band	308	308	168	140	48	46	46	—	—	—	—
Pelican Lake Band	72	72	42	30	10	10	10	—	—	—	—
Penelakut Tribe	31	31	11	20	5	5	5	5	—	—	—
Penticton Indian Band	79	79	36	43	7	6	6	6	6	6	12

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years
					2023	2024	2025	2026	2027		
Peter Ballantyne Cree Nation	151	151	102	49	25	24	—	—	—	—	—
Pheasant Rump Nakota Band	32	32	16	16	3	2	2	2	2	2	5
Piapot First Nation	63	63	37	26	9	9	8	—	—	—	—
Pictou Landing Band Council	52	52	22	30	5	4	4	4	4	4	9
Piikani Nation	45	45	33	12	12	—	—	—	—	—	—
Pikangikum First Nation	58	58	19	39	33	3	3	—	—	—	—
Pinaymootang First Nation	58	58	43	15	9	3	3	—	—	—	—
Poplar River First Nation	200	200	105	95	14	14	14	13	13	27	—
Poundmaker Band	46	46	32	14	7	7	—	—	—	—	—
Premiere Nation des Innus de Nutashkuan	100	100	63	37	14	12	11	—	—	—	—
Première Nation des Pekuakamiulnuash	318	318	133	185	35	25	25	25	25	50	—
Qalipu First Nation Band	109	109	45	64	10	10	9	9	9	17	—
Rainy River First Nation	30	30	8	22	5	2	2	2	2	2	9
Red Earth Band	85	85	49	36	12	12	12	—	—	—	—
Red Pheasant Band	102	102	40	62	10	9	9	9	9	8	17
Red Sucker Lake Band	57	57	45	12	12	—	—	—	—	—	—
Regroupement Mamit Innuat Inc	85	85	44	41	13	14	14	—	—	—	—
Rolling River Band	24	24	12	12	6	2	2	2	—	—	—
Roseau River Anishinabe First Nation											
Government	19	19	6	13	4	3	3	3	—	—	—
Saddle Lake Cree Nation	281	281	238	43	43	—	—	—	—	—	—
Sagamok Anishnawbek First Nation	161	161	35	126	14	14	14	14	14	14	56
Saint Mary's Band Council	98	98	84	14	14	—	—	—	—	—	—
Samson Band	195	195	180	15	15	—	—	—	—	—	—
Sandy Bay Band	162	162	118	44	34	5	5	—	—	—	—
Sandy Lake First Nation	131	131	98	33	27	3	3	—	—	—	—
Sapotaweyak Cree Nation	66	66	48	18	14	2	2	—	—	—	—
Saskatoon Tribal Council	22	22	11	11	3	3	3	2	—	—	—
Saugeen First Nation	79	79	33	46	7	7	7	6	6	13	—
Saulteau First Nations	37	37	19	18	4	2	2	2	3	5	—
Sayisi Dene First Nation	38	38	27	11	8	2	1	—	—	—	—
Seabird Island Indian Band	112	112	47	65	11	9	9	9	9	9	18
Shamattawa First Nation	109	109	86	23	18	3	2	—	—	—	—
Shawanaga First Nation Ojibway Territory	32	32	15	17	3	3	2	2	2	5	—
Sheshatshiu Innu First Nation	70	70	53	17	10	7	—	—	—	—	—
Shoal Lake Cree Nation	40	40	15	25	6	6	6	7	—	—	—
Shuswap Nation Tribal Council	18	18	5	13	3	3	4	3	—	—	—
Siksika Nation Band	313	313	264	49	49	—	—	—	—	—	—
Simpew First Nation	31	31	12	19	3	3	3	3	2	5	—
Sioux Lookout First Nations Health Authority	119	119	85	34	17	9	8	—	—	—	—
Sipekne'Katik	117	117	50	67	10	10	10	9	9	19	—
Six Nations of the Grand River	134	134	67	67	32	11	12	12	—	—	—
Skatin	18	18	7	11	3	4	4	—	—	—	—
Skeethestn Indian Band	12	12	—	12	3	2	2	2	3	—	—
Skidegate Indian Band	82	82	32	50	8	7	7	7	7	14	—
Skownan First Nation	42	42	31	11	9	1	1	—	—	—	—
Snuneymuxw First Nation	79	79	35	44	7	6	6	6	6	13	—
Soda Creek Indian Band	15	15	3	12	3	3	3	3	—	—	—
Songhees Nation	33	33	13	20	3	3	3	3	3	5	—
Southeast Resource Development Council Corp	46	46	33	13	10	3	—	—	—	—	—
Southern First Nations Secretariat	42	42	20	22	8	7	7	—	—	—	—
Splatsin	33	33	18	15	5	5	5	—	—	—	—
St. Mary's Indian Band	28	28	13	15	3	2	2	2	2	4	—
St. Theresa Point Band	181	181	131	50	43	4	3	—	—	—	—
Stanley Mission Health Services Inc	57	57	22	35	5	5	5	5	5	10	—
Stc Health & Family Services Inc	81	81	24	57	30	9	9	9	—	—	—
Stellat'En First Nation	23	23	10	13	2	2	2	2	2	3	—
Stoney Band	99	99	69	30	30	—	—	—	—	—	—
St'sailes Band	71	71	33	38	7	5	5	5	5	11	—

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued
(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years
					2023	2024	2025	2026	2027		
Sturgeon Lake First Nation	107	107	60	47	16	15	16	—	—	—	—
Sucker Creek Band.....	62	62	33	29	11	9	9	—	—	—	—
Sunchild First Nation Band	73	73	60	13	11	1	1	—	—	—	—
Swan Lake Band	55	55	33	22	9	7	6	—	—	—	—
Tahltan Indian Band	22	22	11	11	3	2	3	3	—	—	—
Takla Nation.....	38	38	13	25	4	3	3	3	3	9	9
Tataskweyak Cree Nation.....	155	155	61	94	26	24	24	20	—	—	—
Taykwa Tagamou Nation	24	24	13	11	2	2	2	1	1	3	3
Temagami First Nation.....	61	61	19	42	6	5	5	5	5	16	16
Thunderchild First Nation	79	79	46	33	11	11	11	—	—	—	—
Timiskaming First Nation.....	79	79	51	28	10	9	9	—	—	—	—
T'it'q'et.....	26	26	13	13	3	2	2	2	1	3	3
Tk'Emlúps Te Secwépemc	33	33	16	17	4	4	4	5	—	—	—
Tl'Etinqox Government	60	60	23	37	6	4	4	5	5	13	13
Tobique Band Council.....	27	27	—	27	14	4	3	3	3	—	—
Tootinaowazibeeng Treaty Reserve.....	39	39	26	13	9	2	2	—	—	—	—
Tsartlip Indian Band.....	138	138	69	69	13	10	9	9	9	19	19
Tsawout First Nation.....	32	32	13	19	7	6	6	—	—	—	—
Tsay Keh Dene Band.....	39	39	13	26	4	3	3	3	3	10	10
Ts'kw'aylaxw First Nation	24	24	10	14	2	2	2	2	2	4	4
Tsleil-Waututh Nation	36	36	19	17	4	2	2	2	2	5	5
Tsut'Ina Nation	201	201	185	16	16	—	—	—	—	—	—
Ulkatcho Indian Band.....	28	28	16	12	4	4	4	—	—	—	—
Upper Nicola Indian Band.....	43	43	17	26	4	4	4	4	3	7	7
Wabaseemoong Independent Nation	62	62	48	14	10	2	2	—	—	—	—
Wahgoshig First Nation	33	33	18	15	3	2	2	2	2	4	4
Walpole Island First Nation	76	76	55	21	15	3	3	—	—	—	—
Wapekeka First Nation	35	35	23	12	7	3	2	—	—	—	—
Wasagamack First Nation	191	191	166	25	22	3	—	—	—	—	—
Wasauksing First Nation	30	30	11	19	3	3	2	2	2	7	7
Waterhen Lake Band	43	43	27	16	6	5	5	—	—	—	—
Waywayseecappo First Nation											
Treaty Four - 1874.....	82	82	59	23	18	3	2	—	—	—	—
Webequie	60	60	46	14	10	2	2	—	—	—	—
West Region Treaty 2 & 4 Health											
Services Corp.....	28	28	11	17	6	4	4	3	—	—	—
Western Cree Tribal Council	196	196	166	30	30	—	—	—	—	—	—
White Bear Band	84	84	—	84	9	9	8	8	8	42	42
Whitecap Dakota First Nation Band	84	84	44	40	7	6	5	6	5	11	11
Whitefish Lake	12	12	—	12	3	3	2	2	2	—	—
Wikwemikong Unceded Indian Reserve	198	198	107	91	31	30	30	—	—	—	—
Williams Lake First Nation	38	38	19	19	3	3	3	3	2	5	5
Witchekan Lake Band	23	23	2	21	6	5	5	5	—	—	—
Witset First Nation	77	77	32	45	7	6	6	6	7	13	13
Yellow Quill Band	52	52	22	30	8	8	7	7	—	—	—
Yellowhead Tribal Development											
Foundation.....	39	39	27	12	7	5	—	—	—	—	—
Yorkton Tribal Administration Inc.	36	36	21	15	5	5	5	—	—	—	—
Aboriginal recipient funding agreement (Other)											
340109 B.C. Ltd. T/A. H.G. Smith and Associates	10	10	—	10	5	5	—	—	—	—	—
Agency Chiefs Child & Family Services Corp.....	31	31	11	20	6	7	7	—	—	—	—
Assembly of Manitoba Chiefs Secretariat Inc.....	61	61	48	13	13	—	—	—	—	—	—
Athabasca Dene Education Corp.	114	114	59	55	18	19	18	—	—	—	—
Awasis Agency of Northern Manitoba	148	148	125	23	23	—	—	—	—	—	—
Carrier Sekani Family Services Society	95	96	23	73	18	18	18	19	—	—	—
Commission de la Santé et des Services Sociaux des Premières Nations du Québec et du Labrador.....	48	48	35	13	5	4	4	—	—	—	—

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years
					2023	2024	2025	2026	2027		
Cree Nation Government.....	31	31	18	13	4	3	3	3	—	—	—
Cree School Board	15	15	5	10	5	5	—	—	—	—	—
Denisiqsi Services Society	27	27	6	21	5	5	5	6	—	—	—
Dilico Anishinabek Family Care	27	27	—	27	7	6	7	7	—	—	—
East Central First Nations Education Authority Incorporated	27	27	14	13	4	5	4	—	—	—	—
First Nations Education Council	83	83	49	34	34	—	—	—	—	—	—
First Nations Education Steering Committee Society	397	397	155	242	81	81	80	—	—	—	—
First Nations' Emergency Services Society of British Columbia.....	65	65	20	45	15	15	15	—	—	—	—
First Nations Financial Management Board.....	71	71	45	26	13	13	—	—	—	—	—
First Nations Health Consortium Ltd.....	12	12	—	12	12	—	—	—	—	—	—
First Nations Land Management Resource Centre Inc.	47	47	30	17	17	—	—	—	—	—	—
First Nations Summit Society	24	24	5	19	5	5	5	4	—	—	—
First Nations Tax Commission.....	28	28	11	17	9	8	—	—	—	—	—
First Nations Technical Services Advisory Group Inc.	18	18	6	12	3	3	3	3	—	—	—
First Nations University of Canada Inc.	24	24	10	14	7	7	—	—	—	—	—
Fraser Valley Aboriginal Children and Family Services Society.....	40	40	19	21	7	7	7	—	—	—	—
Freehorse Family Wellness Society	17	17	4	13	3	3	3	4	—	—	—
Frontier School Division #48	180	180	153	27	27	—	—	—	—	—	—
Gitxsan Child and Family Services Society....	38	38	12	26	9	9	8	—	—	—	—
Grand Erie District School Board.....	125	125	99	26	20	3	3	—	—	—	—
Gwich'in Tribal Council	16	16	6	10	2	2	2	2	2	2	—
Haida Child and Family Services Society.....	17	17	6	11	4	4	3	—	—	—	—
Institut Tshakapesh.....	50	50	15	35	9	9	9	8	—	—	—
Inuit Tapiriit Kanatami	44	44	28	16	4	2	2	2	2	4	—
Island Lake First Nations Family Services	77	77	66	11	11	—	—	—	—	—	—
Kahnawake Shakotia/Takehnhas Community Services.....	94	94	—	94	10	9	9	9	10	47	—
Kanawayimik Child & Family Services Inc.	39	39	24	15	7	8	—	—	—	—	—
Kanesatake Health Center	25	25	14	11	3	4	4	—	—	—	—
Kasohkowew Child Wellness Society (2012)	63	63	32	31	31	—	—	—	—	—	—
Keeyawtinook Okimakanak Board of Education	45	45	35	10	10	—	—	—	—	—	—
Keyanow Child and Family Centre Inc.....	27	27	17	10	5	5	—	—	—	—	—
Knucwentwecw Society	17	17	4	13	3	3	3	4	—	—	—
Ktc Child & Family Services.....	36	36	24	12	4	4	4	—	—	—	—
Kwumut Lelum Child and Family Services Society.....	43	43	11	32	8	8	8	8	—	—	—
Labrador Innu Round Table Secretariat	12	12	—	12	8	1	1	1	1	—	—
Lac la Ronge Indian Band Child and Family Services Agency Inc.	53	53	31	22	11	11	—	—	—	—	—
Little Red River Education Authority Inc.	20	20	6	14	3	3	4	4	—	—	—
Manitoba First Nations Education Resource Centre Inc.	329	329	170	159	53	53	53	—	—	—	—
Manitoba Metis Federation Inc.	155	155	143	12	12	—	—	—	—	—	—
Maskwacis Education Schools Commission	245	245	—	245	41	41	41	41	41	40	—
Metis Settlements General Council	47	47	13	34	18	12	4	—	—	—	—
Mi'kmaw Family & Children's Services of Nova Scotia	41	41	23	18	18	—	—	—	—	—	—
Mino Obigiwasin Services Enfance & Famille.....	22	22	11	11	11	—	—	—	—	—	—
Mistahí Sipiy Child and Family Services Inc	27	27	12	15	5	5	5	—	—	—	—

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued
(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years
					2023	2024	2025	2026	2027		
Milt Child & Family Services Inc.....	65	65	41	24	12	12	—	—	—	—	—
Montreal Lake Child and Family Agency Inc.	41	41	27	14	7	7	—	—	—	—	—
Nan Corporate Services.....	39	39	25	14	11	1	1	1	—	—	—
National Aboriginal Capital Corporations Association	292	292	181	111	56	55	—	—	—	—	—
National Association of Friendship Centres.....	223	223	199	24	24	—	—	—	—	—	—
National Indian Brotherhood	202	202	140	62	37	8	8	2	2	5	—
Nechapanuk Centre Child and Family Services Inc.	39	39	23	16	8	8	—	—	—	—	—
Nezul Be Hunuyeh Child and Family Services Society.....	31	31	10	21	7	7	7	—	—	—	—
Nil/Tuo Child and Family Services Society....	21	21	9	12	4	4	4	—	—	—	—
Nog-Da-Win-Da-Min Family and Community Services.....	101	101	85	16	8	8	—	—	—	—	—
Northern Nishnawbe Education Council	127	127	75	52	26	26	—	—	—	—	—
Northwest Inter-Nation Family and Community Services Society	68	68	14	54	14	14	13	13	—	—	—
Onion Lake Family Services Inc.	50	50	40	10	10	—	—	—	—	—	—
Ontario First Nations Technical Services Corporation.....	24	24	7	17	4	4	4	5	—	—	—
Peter Ballantyne Child & Family Services Inc.	150	150	113	37	19	18	—	—	—	—	—
Peter Ballantyne Cree Nation Education Authority Inc	198	198	96	102	34	34	34	—	—	—	—
Qbow Child and Family Services Inc.	40	40	28	12	6	6	—	—	—	—	—
Scw'Exmx Child and Family Services Society.....	47	47	9	38	9	9	10	10	—	—	—
Secwepemc Child & Family Services Agency	103	103	23	80	20	20	20	20	—	—	—
Southeast Child and Family Services	218	218	184	34	34	—	—	—	—	—	—
The Corporation of the City of Thunder Bay	22	22	4	18	5	5	4	4	—	—	—
The First Nations Information Governance Centre	102	102	33	69	9	10	10	10	10	20	—
Touchwood Child and Family Services Inc....	47	47	35	12	6	6	—	—	—	—	—
Tribal Chief Child and Family Services (East) Society	24	24	—	24	8	8	8	—	—	—	—
Union of British Columbia Indian Chiefs	15	15	3	12	3	3	3	3	—	—	—
West Region Child and Family Services	83	83	72	11	11	—	—	—	—	—	—
Westbank First Nation.....	31	31	6	25	7	6	6	6	—	—	—
Wet'Suwet'En Treaty Office Society	17	17	6	11	4	4	3	—	—	—	—
Whiskyjack Treatment Ctr. Inc.....	22	22	12	10	4	3	3	—	—	—	—
Woodland Cultural Centre.....	28	28	6	22	6	6	5	5	—	—	—
Yorkton Tribal Council Child and Family Services Incorporated	98	98	69	29	15	14	—	—	—	—	—
Yuthe Dene Sekwi Chu L A Koe Betsedi Inc.....	45	45	28	17	9	8	—	—	—	—	—
Aboriginal recipient funding agreement (Project)											
St. Amant Inc.	23	23	—	23	5	5	5	4	4	—	—
Canada Common Funding Agreement for First Nations and Tribal Councils											
Bigstone Health Commission	235	235	211	24	24	—	—	—	—	—	—
Blood Band	171	171	131	40	14	13	13	—	—	—	—
First Nations Health Authority	4,678	4,678	4,076	602	602	—	—	—	—	—	—
Maskwacis Health Services	100	100	86	14	14	—	—	—	—	—	—
Meadow Lake Tribal Council.....	281	281	175	106	22	21	21	21	21	—	—
Pade Management Company Ltd.	135	135	120	15	15	—	—	—	—	—	—

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2023	2024	2025	2026	2027	2028 and subsequent years
Peter Ballantyne Cree Nation Health Services	194	194	159	35	18	17	—	—	—	—
First Nations and Inuit Health Funding Contribution Agreement—Project Based Funding Arrangement										
First Nations Health Authority	406	406	351	55	55	—	—	—	—	—
Norway House Cree Nation Health Centre of Excellence Ltd.....	130	130	115	15	15	—	—	—	—	—
Funding agreement for provincial governments and territories										
Government of Nunavut - Department of Health.....	540	540	258	282	154	42	42	22	22	—
Government of the Northwest Territories	188	188	129	59	33	17	9	—	—	—
Minister of Finance, Alberta.....	30	30	18	12	4	4	4	—	—	—
Ministry of Child and Family Development, British Columbia	398	398	218	180	45	45	45	45	—	—
Ministry of Children, Community and Social Services, Ontario.....	1,601	1,601	955	646	323	323	—	—	—	—
Ministry of Education.....	392	392	220	172	43	43	43	43	—	—
Ministry of Northern Development, Mines, Natural Resources and Forestry	20	20	4	16	4	4	4	4	—	—
Ministry of Social Development and Poverty Reduction, British Columbia	38	38	15	23	6	6	6	5	—	—
Ministry of Transportation and Infrastructure, British Columbia	42	42	25	17	5	4	4	4	—	—
Grant										
Métis Provincial Council of British Columbia	25	25	3	22	7	7	8	—	—	—
Miawpukek Band.....	59	59	47	12	12	—	—	—	—	—
Support to First Nations for reliable access to safe drinking water on reserves¹	4,592	4,592	—	4,592	142	308	328	377	390	3,047
Aggregate of various transfer payment agreements										
1,648 agreements	19,915	19,915	17,148	2,767	1,561	571	405	144	33	53
Federal Economic Development Agency for Northern Ontario										
<i>Community Futures Program</i>										
Aggregate.....	42	42	25	17	7	5	3	2	—	—
<i>Northern Ontario Development Program</i>										
Aggregate.....	122	122	49	73	56	13	4	—	—	—
<i>Regional Economic Growth through Innovation</i>										
Aggregate.....	80	80	45	35	26	7	1	1	—	—
Innovation, Science and Industry										
Department of Industry										
<i>Black Entrepreneurship Program: Knowledge Hub and Loan Fund</i>										
Federation of African Canadian Economics (FACE).....	30	30	20	10	10	—	—	—	—	—
<i>Canada Digital Adoption Program: Stream 1</i>										
Aggregate.....	11	11	—	11	3	4	4	—	—	—
Canada/British Columbia Business Services Society.....	26	26	—	26	9	9	8	—	—	—

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued
(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years
					2023	2024	2025	2026	2027		
New Brunswick Association of CBDCs	22	22	—	22	6	9	7	—	—	—	—
Ontario Chamber of Commerce	45	45	—	45	15	15	15	—	—	—	—
Saskatchewan Economic Development Association	12	12	—	12	4	4	4	—	—	—	—
The Alacrity Foundation of BC	26	26	—	26	11	11	4	—	—	—	—
The Business Link Business Service Centre ...	40	40	—	40	14	13	13	—	—	—	—
The Momentum Centre Inc	11	11	—	11	3	5	3	—	—	—	—
Toronto Association of Business Improvement Areas	45	45	—	45	15	15	15	—	—	—	—
Canadian Institute for Advanced Research											
Core programming to support advanced and future-focused research, development of early-career researchers, and knowledge mobilization	48	48	3	45	11	11	11	12	—	—	—
Initiatives to attract and retain research talent in artificial intelligence (AI), activities of the national AI institutes and advance responsible AI	160	160	—	160	16	22	26	29	67		
CANARIE Inc											
Operation of ultra-high speed research and education network	137	137	59	78	48	30	—	—	—	—	—
CanCode Program											
Aggregate	61	61	4	57	30	27	—	—	—	—	—
Actua	15	15	1	14	7	7	—	—	—	—	—
Centre for Drug Research and Development											
adMare BioInnovations	92	92	10	82	28	27	27	—	—	—	—
Connect to Innovate Program											
Aggregate	195	195	130	65	65	—	—	—	—	—	—
Government of Yukon	30	30	8	22	22	—	—	—	—	—	—
Strathcona Regional District	16	16	5	11	11	—	—	—	—	—	—
Diverse and Inclusive Economy Program											
Aggregate	28	28	1	27	12	15	—	—	—	—	—
Futurpreneur Canada											
Support to provide loans, mentoring and support to young entrepreneurs	58	58	43	15	8	7	—	—	—	—	—
Genome Canada											
Support research for genomic science and technology	474	474	262	212	79	79	35	17	2	—	—
Innovation Superclusters Initiative											
10793574 Canada Association	173	173	139	34	34	—	—	—	—	—	—
Canada's Ocean Supercluster	153	153	59	94	94	—	—	—	—	—	—
Next Generation Manufacturing Canada	250	250	166	84	84	—	—	—	—	—	—
Protein Industries Canada Inc	173	173	126	47	47	—	—	—	—	—	—
Scale AI	230	230	74	156	156	—	—	—	—	—	—
Let's Talk Science											
Funding for a national organization dedicated to promoting science, technology, engineering and math skills development among children and youth	10	10	—	10	5	5	—	—	—	—	—
Mitacs Inc											
Delivery of industrial research and development internships	715	715	25	690	240	162	144	144	—	—	—
National Artificial Intelligence Institutes											
Alberta Machine Intelligence Institute	20	20	2	18	4	5	5	4	—	—	—
MILA - Quebec Artificial Intelligence Institute	20	20	1	19	5	5	5	4	—	—	—
Vector Institute	20	20	2	18	4	5	5	4	—	—	—

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2023	2024	2025	2026	2027	2028 and subsequent years
Perimeter Institute for Theoretical Physics										
Research, training and education in theoretical physics	20	20	—	20	10	10	—	—	—	—
Small Business and Entrepreneurship Development Program										
Aggregate.....	14	14	—	14	7	4	3	—	—	—
Stem Cell Network										
To expand the reach of its activities to include regenerative medicine as well as stem cell research.....	45	45	—	45	15	15	15	—	—	—
Strategic Innovation Fund										
Aggregate.....	517	517	425	92	76	11	4	1	—	—
AbCellera Biologics Inc	175	175	90	85	40	45	—	—	—	—
Algoma Steel Inc.....	200	200	29	171	121	47	3	—	—	—
ArcelorMittal Dofasco GP.....	400	400	—	400	8	14	36	122	115	105
ATTAbotics Inc	34	34	17	17	17	—	—	—	—	—
BioVectra Inc	40	40	1	39	21	18	—	—	—	—
CAE Inc	190	190	6	184	53	54	50	27	—	—
Canadian Agri-Food Automation and Intelligence Network	50	50	7	43	13	17	8	5	—	—
Canadian Food Innovation Network.....	30	30	2	28	8	8	8	4	—	—
CBN Nano Technologies Inc.....	40	40	19	21	15	6	—	—	—	—
Centre for Excellence in Mining Innovation.....	40	40	1	39	11	14	8	5	1	—
Clean Resource Innovation Network	100	100	5	95	44	51	—	—	—	—
Domtar Inc	28	28	13	15	15	—	—	—	—	—
Elysis Limited Partnership	80	80	65	15	15	—	—	—	—	—
Ford Motor Company of Canada Ltd.....	295	295	—	295	—	9	56	102	71	57
General Dynamics Land Systems-Canada Corporation.....	50	50	14	36	14	12	10	—	—	—
General Fusion Inc	49	49	23	26	12	14	—	—	—	—
Honda Canada Inc	131	131	26	105	41	16	17	31	—	—
KABS Laboratories Inc	54	54	6	48	21	27	—	—	—	—
Kinova Inc.....	20	20	8	12	8	4	—	—	—	—
LNG Canada Development Inc	220	220	171	49	49	—	—	—	—	—
Mastercard Technologies Canada ULC	49	49	19	30	12	18	—	—	—	—
Medicago Inc	200	200	165	35	19	16	—	—	—	—
Meltech Innovation Canada Inc.....	29	29	5	24	18	3	2	1	—	—
MindBridge Analytics Inc	14	14	2	12	2	3	4	3	—	—
Moltex Energy Canada Inc	48	48	2	46	13	18	15	—	—	—
Natural Products Canada.....	20	20	1	19	4	4	4	4	3	—
Nokia	40	40	20	20	7	13	—	—	—	—
Novocol Pharmaceutical of Canada Inc	33	33	7	26	15	11	—	—	—	—
Pratt & Whitney Canada Corp	49	49	—	49	19	18	12	—	—	—
Precision NanoSystems Inc	25	25	5	20	20	—	—	—	—	—
QNX Software Systems Limited	40	40	24	16	16	—	—	—	—	—
Redline Communications Inc	14	14	2	12	3	4	5	—	—	—
Resilience Biotechnologies Inc.....	199	199	16	183	77	106	—	—	—	—
Sanofi Pasteur Ltd.....	415	415	30	385	104	142	83	33	23	—
Siemens Canada Limited.....	35	35	18	17	17	—	—	—	—	—
Sunnybrook Research Institute	49	49	4	45	8	10	9	9	9	—
Svante Technologies Inc	25	25	4	21	8	13	—	—	—	—
TEKNA Plasma Systems Inc.....	20	20	8	12	12	—	—	—	—	—
Telesat Canada.....	85	85	32	53	20	20	13	—	—	—
Terry Fox Research Institute	49	49	3	46	9	37	—	—	—	—
The Lion Electric Company	50	50	5	45	45	—	—	—	—	—
Variation Biotechnologies Inc	56	56	17	39	33	6	—	—	—	—
Westinghouse Electric Canada Inc	27	27	—	27	4	9	10	4	—	—
Woodbridge Foam Corporation.....	20	20	4	16	2	3	11	—	—	—

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued
(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years	
					2023	2024	2025	2026	2027			
Technology Demonstration Program												
Bell Helicopter Textron Canada Ltd.....	49	49	35	14	14	—	—	—	—	—	—	—
Telesat LEO Satellite Capacity												
Telesat Canada.....	600	600	—	600	60	60	60	60	60	300		
Universal Broadband Fund												
Aggregate.....	129	129	63	66	66	—	—	—	—	—	—	—
Gouvernement du Québec	467	467	203	264	264	—	—	—	—	—	—	—
University of Waterloo for the purpose of the Institute for Quantum Computing												
University of Waterloo.....	10	10	—	10	5	5	—	—	—	—	—	—
Youth Employment Strategy, Computers for Schools Intern Program (CFSI)												
Aggregate.....	34	34	22	12	9	3	—	—	—	—	—	—
Youth Employment Strategy, Digital Skills for Youth Program												
Aggregate.....	118	118	107	11	11	—	—	—	—	—	—	—
Canada Foundation for Innovation												
Grants	9,077	8,659	8,059	600	216	138	114	54	78	—	—	—
Canadian Northern Economic Development Agency												
<i>Promoting regional development in Canada's three territories</i>												
Aggregate.....	32	32	—	32	28	4	—	—	—	—	—	—
Federal Economic Development Agency for Southern Ontario												
<i>Community Futures Program</i>												
Aggregate.....	34	34	22	12	12	—	—	—	—	—	—	—
<i>Economic Growth through Innovation Program</i>												
Aggregate.....	831	831	618	213	126	70	15	2	—	—	—	—
Ministry of Natural Resources and Forestry, Ontario	15	15	—	15	15	—	—	—	—	—	—	—
<i>Southern Ontario Prosperity Program</i>												
Aggregate.....	211	211	87	124	95	18	11	—	—	—	—	—
City of Toronto	18	18	1	17	9	8	—	—	—	—	—	—
Economic Developers Council of Ontario	13	13	3	10	10	—	—	—	—	—	—	—
National Research Council of Canada												
<i>Collaborative Science, Technology and Innovation Program</i>												
Aggregate.....	37	37	—	37	20	13	3	1	—	—	—	—
<i>Industrial Research Assistance Program</i>												
Aggregate.....	235	235	—	235	211	22	2	—	—	—	—	—
<i>Triumf</i>												
Joint venture by a consortium of universities to manage the TRIUMF Facility in British Columbia.....	268	268	88	180	63	60	57	—	—	—	—	—
Natural Sciences and Engineering Research Council												
<i>Funding Natural Sciences and Engineering Research and Training</i>												
Aggregate.....	9,472	9,472	7,320	2,152	903	593	359	183	100	14	—	—
<i>Canada First Research Excellence Fund</i>												
Dalhousie University	75	75	62	13	13	—	—	—	—	—	—	—
Queen's University.....	64	64	53	11	11	—	—	—	—	—	—	—
University of Alberta	70	70	58	12	12	—	—	—	—	—	—	—
University of Guelph	61	61	50	11	11	—	—	—	—	—	—	—
University of Waterloo	76	76	63	13	13	—	—	—	—	—	—	—

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2023	2024	2025	2026	2027	2028 and subsequent years
Social Sciences and Humanities Research Council										
<i>Funding Social Sciences and Humanities Research and Training—</i>										
Aggregate.....	1,931	1,931	905	1,026	364	294	183	106	61	18
Western Economic Diversification										
<i>Community Futures Program</i>										
Aggregate.....	70	70	—	70	17	17	18	18	—	—
<i>Growth through Regional Innovation Program</i>										
Aggregate.....	144	144	—	144	95	41	8	—	—	—
Leduc County, Alberta	18	18	6	12	12	—	—	—	—	—
University of Saskatchewan	46	46	—	46	6	18	22	—	—	—
<i>Western Diversification Program</i>										
Aggregate.....	131	131	—	131	113	9	4	3	2	—
Arctic Gateway Group Limited Partnership.....	26	26	4	22	4	4	5	3	6	—
City of Burnaby, British Columbia.....	30	30	—	30	1	2	2	2	23	—
	32,151	31,733	20,290	11,443	5,030	2,721	1,580	997	621	494
Intergovernmental Affairs, Infrastructure and Communities										
<i>Office of Infrastructure of Canada</i>										
<i>Border Infrastructure Fund</i>										
<i>Government of Quebec</i>										
Highways 35, 55, 73 and 173, Phase I and II	147	147	134	13	3	10	—	—	—	—
<i>Building Canada Fund—Communities Component</i>										
Government of Quebec	201	201	167	34	6	2	2	2	2	20
<i>Building Canada Fund—Large Urban Centres Component</i>										
Government of Quebec	200	200	147	53	9	9	9	9	8	9
<i>Building Canada Fund—Major Infrastructure Component</i>										
Aggregate.....	677	677	603	74	66	4	4	—	—	—
<i>City of Ottawa</i>										
Ottawa Light Rail Transit Project	600	600	540	60	60	—	—	—	—	—
<i>Government of Ontario</i>										
Finch West Light Rail Transit Project.....	333	333	173	160	41	65	54	—	—	—
Highway 11/17 - 4 Lane Expansion	38	38	7	31	5	26	—	—	—	—
Highway 11/17 expansion.....	27	27	—	27	9	18	—	—	—	—
Highway 401 widening.....	96	96	7	89	19	70	—	—	—	—
Highway 417 expansion.....	48	48	32	16	—	16	—	—	—	—
<i>Government of Quebec</i>										
<i>Ministry of Culture and Communications</i>										
Montréal's Museum of Contemporary Arts	19	19	—	19	10	4	5	—	—	—
<i>Ministry of Municipal Affairs and Housing</i>										
Jean R. Marcotte Wastewater Treatment Facility upgrade.....	64	64	19	45	7	17	21	—	—	—
Montréal's Combined Sewer Overflow Project	49	49	18	31	5	10	16	—	—	—
Redevelopment of Saint Joseph's Oratory of Montréal.....	22	22	4	18	9	7	2	—	—	—

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued
(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years	
					2023	2024	2025	2026	2027			
Ministry of Transport												
Montreal Metro Phase 3												
Systems Reno	150	150	110	40	40	—	—	—	—	—	—	—
Canada Strategic Infrastructure Fund												
Government of Quebec												
Highways 35, 50, 185, Dorval Interchange, Phase II	389	389	378	11	11	—	—	—	—	—	—	—
Greater Toronto Transit Authority												
GO Transit Rail Infrastructure Improvements	385	385	373	12	—	—	12	—	—	—	—	—
Clean Water and Wastewater Fund												
Aggregate.....	525	525	492	33	33	—	—	—	—	—	—	—
Government of Alberta.....	197	197	180	17	10	7	—	—	—	—	—	—
Government of British Columbia	225	225	202	23	11	12	—	—	—	—	—	—
Government of Nunavut	51	51	39	12	12	—	—	—	—	—	—	—
Government of Ontario	570	570	506	64	2	62	—	—	—	—	—	—
Government of Prince Edward Island.....	55	55	44	11	11	—	—	—	—	—	—	—
Government of Quebec	364	364	302	62	—	62	—	—	—	—	—	—
Disaster Mitigation and Adaptation Fund												
Aggregate.....	155	155	64	91	47	11	12	9	7	5	—	—
Alberta Ministry of Transportation.....	168	168	—	168	110	40	18	—	—	—	—	—
City of Edmonton.....	54	54	5	49	6	9	11	9	9	5	—	—
City of Grand Forks	20	20	—	20	19	1	—	—	—	—	—	—
City of Hamilton	13	13	1	12	8	1	1	1	1	1	—	1
City of Kelowna.....	22	22	—	22	6	4	5	5	1	1	—	—
City of Kingston.....	10	10	—	10	4	1	5	—	—	—	—	—
City of Kitchener.....	50	50	—	50	7	6	5	9	7	16	—	—
City of Markham	49	49	—	49	22	8	8	6	4	1	—	—
City of Richmond	14	14	—	14	5	3	3	3	—	—	—	—
City of Saskatoon	22	22	2	20	4	4	3	2	4	3	—	—
City of Surrey	77	77	5	72	12	20	15	10	10	5	—	—
City of Toronto	122	122	2	120	29	30	37	18	4	2	—	—
City of Vaughan	17	17	1	16	9	3	4	—	—	—	—	—
City of Windsor	32	32	4	28	6	5	8	6	1	2	—	—
City of Yellowknife	26	26	—	26	1	1	24	—	—	—	—	—
Corporation of the City of Victoria	15	15	2	13	3	2	2	2	2	2	—	—
Government of the Northwest Territories	22	22	—	22	7	6	7	2	—	—	—	—
Ministry of Municipal Affairs and housing												
Mohawks of the Bay of Quinte	34	34	—	34	17	17	—	—	—	—	—	—
Northwest Territories Ministry of Infrastructure	30	30	10	20	11	4	3	2	—	—	—	—
Nova Scotia Ministry of Transportation and Infrastructure Renewal	17	17	—	17	10	4	3	—	—	—	—	—
Province of Nova Scotia	32	32	6	26	9	17	—	—	—	—	—	—
Quebec Ministry of Transport	25	25	1	24	6	4	4	4	3	3	—	—
Saskatchewan Ministry of Highways and Infrastructure	59	59	—	59	7	10	10	10	10	12	—	—
Saskatchewan Power Corporation	13	13	—	13	9	4	—	—	—	—	—	—
Saskatchewan Public Safety Agency	20	20	—	20	9	2	2	2	2	3	—	—
Toronto and Region Conservation Authority (TRCA)	18	18	—	18	8	2	2	2	2	2	—	—
Town of Canmore	56	56	—	56	13	7	7	7	8	14	—	—
Town of Drumheller	13	13	2	11	1	4	2	1	1	2	—	—
Town of Tecumseh	22	22	—	22	12	10	—	—	—	—	—	—
Town of Teckumseh	11	11	—	11	3	4	—	1	3	—	—	—

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years	
					2023	2024	2025	2026	2027			
Green Infrastructure Fund												
City of Hamilton												
Woodward Avenue Wastewater Treatment Plant.....	100	100	77	23	12	11	—	—	—	—	—	—
Government of Quebec												
Biomethanation in the Couronne sud	27	27	16	11	11	—	—	—	—	—	—	—
Biomethanation in Laval.....	30	30	—	30	—	9	9	12	—	—	—	—
Biomethanation in Montréal	67	67	—	67	33	6	6	—	22	—	—	—
Biomethanation in Québec City	17	17	5	12	12	—	—	—	—	—	—	—
Investing in Canada Infrastructure Program												
Government of Alberta.....	3,658	3,658	263	3,395	858	754	331	305	659	488		
Government of British Columbia	3,930	3,930	518	3,412	586	593	340	209	81	1,603		
Government of Manitoba	1,179	1,179	25	1,154	189	211	224	169	190	171		
Government of New Brunswick	679	679	61	618	124	129	110	98	78	79		
Government of Newfoundland and Labrador	561	561	78	483	95	84	47	98	12	147		
Government of the Northwest Territories	575	575	78	497	101	144	102	50	41	59		
Government of Nova Scotia	834	834	123	711	105	77	43	26	13	447		
Government of Nunavut	571	571	22	549	80	177	101	112	79	—		
Government of Ontario	10,423	10,423	398	10,025	1,622	1,580	1,429	1,399	938	3,057		
Government of Prince Edward Island.....	371	371	115	256	104	53	29	21	21	28		
Government of Quebec	7,553	7,553	397	7,156	625	946	785	614	455	3,731		
Government of Saskatchewan	903	903	143	760	120	82	48	15	495	—		
Government of Yukon.....	450	450	111	339	110	87	67	33	18	24		
Town of Greater Napanee	14	14	—	14	5	9	—	—	—	—		
Municipal Asset Management Program												
Federation of Canadian Municipalities	110	110	84	26	26	—	—	—	—	—		
New Building Canada Fund—National Infrastructure Component												
City of Edmonton												
Yellowhead Trail Freeway Conversion Project.....	241	241	33	208	26	50	48	46	14	24		
Fort McMurray Airport Authority												
Fort McMurray International Airport expansion	25	25	1	24	—	24	—	—	—	—		
Government of Alberta												
Southwest Calgary Ring Road Project.....	334	334	317	17	17	—	—	—	—	—		
Government of British Columbia												
Highway 91 to Highway 17 and Deltaport Way Corridor Improvement Project.....	82	82	71	11	7	4	—	—	—	—		
Kicking Horse Canyon Project Phase 4.....	215	215	122	93	77	5	11	—	—	—		
Government of Quebec												
Highway A-85/185	390	390	137	253	36	54	57	45	39	22		
Montreal Port Authority												
Optimization of port capacity	44	44	27	17	17	—	—	—	—	—		
Saint John Port Authority												
Saint John Port West Side Terminals Modernization Project.....	68	68	49	19	17	2	—	—	—	—		
Yukon Ministry of Highways and Public Works												
Yukon Resource Gateway Project.....	247	247	2	245	31	36	33	42	35	68		
New Building Canada Fund—Provincial-Territorial Infrastructure Component—National and Regional Projects												
Aggregate.....	816	816	692	124	74	44	3	1	—	2		

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued
(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years	
					2023	2024	2025	2026	2027			
Alberta Ministry of Transportation												
Alberta Highways Umbrella Agreement.....	316	316	252	64	40	19	3	2	—	—	—	—
British Columbia Ferry Services Inc												
British Columbia Ferries Umbrella Agreement.....	61	61	40	21	10	5	6	—	—	—	—	—
British Columbia Ministry of Transportation and Infrastructure												
British Columbia Highways Umbrella Agreement.....	773	773	364	409	131	134	78	48	10	8	—	—
Calgary Exhibition and Stampede Limited												
BMO Convention and Trade Centre Expansion Project	167	167	48	119	67	35	17	—	—	—	—	—
Cape Breton Regional Municipality												
National Regional Projects in Cape Breton Regional Municipality Umbrella Agreement.....	21	21	6	15	6	9	—	—	—	—	—	—
City of Edmonton												
Stormwater management, Mill Woods Area Project	30	30	15	15	5	7	3	—	—	—	—	—
City of Kingston												
City of Kingston Third Crossing Bridge Project	60	60	41	19	12	7	—	—	—	—	—	—
City of Ottawa												
Ottawa Light Rail Transit Stage 2	1,091	1,091	666	425	249	24	43	109	—	—	—	—
City of Regina												
City of Regina Umbrella Agreement.....	31	31	13	18	8	3	2	1	2	2	—	—
City of Saskatoon												
City of Saskatoon Umbrella Agreement....	34	34	20	14	11	3	—	—	—	—	—	—
City of Winnipeg												
Accelerated Regional Street Renewal Project.....	100	100	46	54	25	13	10	—	—	6	—	—
Government of Manitoba												
Manitoba Projects Umbrella Agreement.....	189	189	103	86	47	22	17	—	—	—	—	—
Government of New Brunswick												
National Regional Projects in New Brunswick Umbrella Agreement.....	213	213	114	99	23	24	25	4	12	11	—	—
Government of Newfoundland and Labrador												
Newfoundland and Labrador Umbrella Agreement.....	175	175	130	45	16	29	—	—	—	—	—	—
Government of Nova Scotia												
National Regional Projects in Nova Scotia Umbrella Agreement	245	245	128	117	62	38	17	—	—	—	—	—
New Art Gallery of Nova Scotia.....	30	30	—	30	16	12	2	—	—	—	—	—
Government of Nunavut												
Nunavut Marine Infrastructure Umbrella Agreement.....	94	94	79	15	—	15	—	—	—	—	—	—
Government of Ontario												
GO Transit Expansion Project	1,899	1,899	204	1,695	568	341	178	94	283	231	—	—
Ontario Highways Umbrella Agreement.....	312	312	74	238	47	57	40	29	29	36	—	—
Government of Prince Edward Island												
Prince Edward Island Umbrella Agreement.....	150	150	91	59	24	35	—	—	—	—	—	—

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2023	2024	2025	2026	2027	2028 and subsequent years
Government of Quebec										
<i>Ministry of Energy and Natural Resources</i>										
Rehabilitation of the James Bay Road	108	108	92	16	16	—	—	—	—	—
<i>Ministry of Transport</i>										
Major Rehabilitation of Louis-Hippolyte-La Fontaine Tunnel and Related Work	428	428	55	373	63	80	114	116	—	—
Umbrella Agreement for Transport Projects in Quebec	1,089	1,089	186	903	91	200	201	190	151	70
Government of Saskatchewan										
National Regional Highway Projects in Saskatchewan										
Umbrella Agreement	193	193	176	17	6	11	—	—	—	—
Greater Vancouver Sewerage and Drainage District										
Lions Gate Secondary Wastewater Treatment Project	212	212	150	62	29	—	33	—	—	—
Island Ferry Services Limited										
Fast Ferry Project in Nanaimo and Vancouver, British Columbia	13	13	—	13	6	7	—	—	—	—
New Building Canada Fund—Provincial-Territorial Infrastructure Component—Small Communities Fund										
Aggregate	207	207	182	25	13	12	—	—	—	—
Government of Alberta	94	94	74	20	10	10	—	—	—	—
Government of British Columbia	109	109	97	12	6	6	—	—	—	—
Government of the Northwest Territories	186	186	110	76	43	24	6	—	3	—
Government of Nunavut	226	226	79	147	6	16	3	122	—	—
Government of Ontario	244	244	171	73	39	34	—	—	—	—
Government of Prince Edward Island	28	28	7	21	—	21	—	—	—	—
Government of Quebec	177	177	115	62	15	12	10	5	20	—
Government of Yukon	256	256	152	104	54	50	—	—	—	—
P3 Canada Fund										
<i>City of Edmonton</i>										
Edmonton Light Rail Transit System	239	239	—	239	239	—	—	—	—	—
Public Transit Infrastructure Fund										
Government of British Columbia	460	460	420	40	40	—	—	—	—	—
Government of Manitoba	83	83	66	17	17	—	—	—	—	—
Government of Ontario	1,486	1,486	1,362	124	124	—	—	—	—	—
Government of Quebec	924	924	551	373	70	52	1	250	—	—
Reaching Home										
Aggregate	603	603	411	192	98	94	—	—	—	—
Calgary Homeless Foundation	61	61	42	19	9	10	—	—	—	—
City of Hamilton	34	34	22	12	6	6	—	—	—	—
City of Ottawa	52	52	35	17	9	8	—	—	—	—
City of Toronto	104	104	52	52	26	26	—	—	—	—
End Homelessness Winnipeg Inc.	32	32	21	11	6	5	—	—	—	—
Homeward Trust Foundation	54	54	36	18	9	9	—	—	—	—
Lu'mi Native Housing Society	74	74	46	28	14	14	—	—	—	—
Ministère de la Santé et des Services sociaux of Quebec	109	109	36	73	36	37	—	—	—	—
Smart Cities Challenge										
Aggregate	25	25	13	12	4	5	3	—	—	—
City of Montreal	50	50	15	35	18	10	2	5	—	—

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued
(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years	
					2023	2024	2025	2026	2027			
Toronto Waterfront Revitalization Corporation												
Port Lands Flood Protection and Enabling Infrastructure Project	384	384	214	170	115	55	—	—	—	—	—	—
Zero Emission Transit Fund												
Canadian Urban Transit Research & Innovation Consortium (CUTRIC)	10 55,529	10 55,529	— 15,969	10 39,560	1 8,524	2 7,464	3 4,966	4 4,396	— 3,788	— 10,422	— —	— —
Justice												
Department of Justice												
Canadian Family Justice Fund												
Aggregate.....	87	87	17	70	15	15	15	14	11	—	—	—
Indigenous Courtwork Program												
Aggregate.....	21	21	10	11	11	—	—	—	—	—	—	—
Indigenous Justice Program Fund												
Aggregate.....	114	114	21	93	28	28	13	12	12	—	—	—
Intensive Rehabilitation Custody and Supervision Program												
Aggregate.....	66	66	11	55	11	11	11	11	11	—	—	—
Justice Partnership and Innovation Program												
Aggregate.....	83	83	16	67	22	20	11	11	3	—	—	—
Legal Aid—Sexual Harassment												
Aggregate.....	16	16	5	11	6	5	—	—	—	—	—	—
Official Languages Fund												
Aggregate.....	30	30	11	19	11	4	4	—	—	—	—	—
Victims Fund												
Aggregate.....	103	103	28	75	30	16	15	14	—	—	—	—
Youth Justice Services Funding Program												
Aggregate.....	87	87	67	20	20	—	—	—	—	—	—	—
Government of Alberta.....	36	36	23	13	13	—	—	—	—	—	—	—
Government of British Columbia	148	148	22	126	39	22	22	22	21	—	—	—
Government of Newfoundland and Labrador	34	34	5	29	9	5	5	5	5	—	—	—
Government of Ontario	443	443	65	378	116	65	65	66	66	—	—	—
Government of Quebec	128	128	99	29	29	—	—	—	—	—	—	—
Government of Saskatchewan	55	55	8	47	14	8	8	8	9	—	—	—
	1,451	1,451	408	1,043	374	199	169	163	138	—	—	—
Natural Resources												
Department of Natural Resources												
Clean Energy for Rural and Remote Communities												
Aggregate.....	91	91	56	35	26	8	1	—	—	—	—	—
Clean-up of the Gunnar uranium mining facilities												
Government of Saskatchewan	12	12	1	11	11	—	—	—	—	—	—	—
Emerging Renewable Power Program												
Aggregate.....	83	83	70	13	9	4	—	—	—	—	—	—
Clarke Lake Geothermal Limited Partnership.....	38	38	4	34	3	11	12	8	—	—	—	—
Halagonia Tidal Energy Ltd	30	30	17	13	2	5	3	3	—	—	—	—
No. 1 Geothermal Limited Partnership	25	25	7	18	9	6	3	—	—	—	—	—
Emissions Reduction Fund												
Aggregate.....	109	109	84	25	25	—	—	—	—	—	—	—
Energy Efficiency												
Aggregate.....	26	26	10	16	6	5	2	3	—	—	—	—

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years	
					2023	2024	2025	2026	2027			
Energy Innovation Program												
Aggregate.....	59	59	42	17	16	1	—	—	—	—	—	—
Green Construction through Wood Program												
Aggregate.....	35	35	21	14	14	—	—	—	—	—	—	—
Home Retrofits												
Aggregate.....	4	4	—	4	2	1	1	—	—	—	—	—
Efficiency One	121	121	—	121	23	26	26	25	21	—	—	—
Investments in the Forest												
<i>Industry Transformation Program</i>												
Aggregate.....	62	62	35	27	27	—	—	—	—	—	—	—
Mountain Pine Beetle Management in Alberta												
Government of Alberta.....	60	60	20	40	40	—	—	—	—	—	—	—
Smart Grids Programs												
Aggregate.....	50	50	38	12	12	—	—	—	—	—	—	—
Smart Renewables and Electrification Pathways												
Aggregate.....	54	54	24	30	20	8	2	—	—	—	—	—
ATCO Electric Ltd.....	12	12	1	11	3	4	4	—	—	—	—	—
Buffalo Atlee 1 Wind LP.....	16	16	3	13	7	6	—	—	—	—	—	—
Buffalo Atlee 2 Wind LP.....	16	16	3	13	6	7	—	—	—	—	—	—
Buffalo Atlee 3 Wind LP.....	16	16	3	13	7	6	—	—	—	—	—	—
Burchill Wind Limited Partnership.....	50	50	30	20	20	—	—	—	—	—	—	—
Chappice Lake Limited Partnership.....	21	21	4	17	17	—	—	—	—	—	—	—
Enterprise Solar LP	12	12	1	11	4	7	—	—	—	—	—	—
Hilda Wind LP	18	18	4	14	14	—	—	—	—	—	—	—
Kneehill Solar LP	32	32	8	24	24	—	—	—	—	—	—	—
Lanfine Wind 1 LP.....	30	30	11	19	19	—	—	—	—	—	—	—
Michichi Solar LP	32	32	8	24	24	—	—	—	—	—	—	—
Oneida Energy Storage LP	50	50	—	50	22	28	—	—	—	—	—	—
Zero Emission Vehicle Infrastructure												
Aggregate.....	71	71	9	62	46	16	—	—	—	—	—	—
	1,235	1,235	514	721	458	149	54	39	21	—	—	—
Public Safety and Emergency Preparedness												
Department of Public Safety and												
<i>Emergency Preparedness</i>												
<i>Contribution Program to Combat Serious and Organized Crime</i>												
Aggregate.....	103	103	49	54	23	16	14	1	—	—	—	—
First Nations and Inuit Policing Program												
Aggregate.....	330	330	219	111	63	10	10	9	9	10	—	—
Conseil des Atikamekw d'Opitciwan.....	18	18	6	12	2	2	2	2	2	2	—	—
Cree Nation Government.....	133	133	49	84	15	15	15	13	13	13	—	—
Kativik Regional Government.....	82	82	48	34	17	17	—	—	—	—	—	—
Mohawk Council of Kahnawake	29	29	7	22	3	3	3	3	3	3	3	7
Stlathimx Tribal Police Board	16	16	3	13	1	1	2	2	2	2	2	5
Innu Takuaukan Uashat Mak Mani-Utenam....	18	18	3	15	1	2	2	2	2	2	2	6
Funding for First Nation and Inuit policing facilities												
Aggregate.....	49	49	15	34	29	5	—	—	—	—	—	—
Gun and Gang Violence Action Fund												
Aggregate.....	42	42	27	15	15	—	—	—	—	—	—	—
Government of Alberta.....	30	30	20	10	10	—	—	—	—	—	—	—
Government of British Columbia	30	30	20	10	10	—	—	—	—	—	—	—
Government of Ontario	66	66	43	23	23	—	—	—	—	—	—	—
Government of Québec	47	47	31	16	16	—	—	—	—	—	—	—

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued
(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years	
					2023	2024	2025	2026	2027			
National Crime Prevention Strategy												
Aggregate.....	148	148	64	84	31	24	17	8	4	—	—	—
	1,141	1,141	604	537	259	95	65	40	35	43		
Transport												
Department of Transport												
Airport Critical Infrastructure Program												
Aggregate.....	17	17	7	10	5	4	—	1	—	—	—	—
Aéroports de Montréal	100	100	17	83	83	—	—	—	—	—	—	—
Calgary Airport Authority	57	57	1	56	12	22	22	—	—	—	—	—
Halifax International Airport Authority	14	14	1	13	10	3	—	—	—	—	—	—
Saskatoon Airport Authority	11	11	—	11	3	6	1	1	—	—	—	—
Airports Capital Assistance Program												
Aggregate.....	139	139	29	110	90	20	—	—	—	—	—	—
Government of Manitoba	13	13	—	13	10	3	—	—	—	—	—	—
Government of the Northwest Territories	15	15	—	15	15	—	—	—	—	—	—	—
Régie intermunicipale de l'aéroport régional de Mont-Joli	11	11	—	11	11	—	—	—	—	—	—	—
Regional Municipality of Wood Buffalo	11	11	—	11	11	—	—	—	—	—	—	—
Société de développement de la Baie-James....	10	10	—	10	10	—	—	—	—	—	—	—
Thunder Bay International Airports Authority	10	10	—	10	10	—	—	—	—	—	—	—
Ferry and Coastal Passenger and Freight Services												
C.T.M.A. Traversier Ltée.....	67	67	—	67	12	15	12	15	13	—	—	—
Major Rehabilitation Works on Victoria Bridge, Montreal												
Canadian National Railway Company	15	15	2	13	5	8	—	—	—	—	—	—
National Trade Corridors Fund												
Aggregate.....	238	238	129	109	82	22	4	1	—	—	—	—
British Columbia Ministry of Transportation and Infrastructure.....	15	15	1	14	6	6	2	—	—	—	—	—
Canadian National Railway Company	42	42	5	37	31	6	—	—	—	—	—	—
Canadian North	13	13	—	13	13	—	—	—	—	—	—	—
Central Maine and Quebec Railway	53	53	9	44	44	—	—	—	—	—	—	—
City of Edmonton	40	40	2	38	14	11	13	—	—	—	—	—
Edmonton Regional Airports Authority	18	18	7	11	9	1	1	—	—	—	—	—
Government of New Brunswick	22	22	5	17	5	3	9	—	—	—	—	—
Government of the Northwest Territories	132	132	7	125	65	42	18	—	—	—	—	—
Government of Nova Scotia	90	90	—	90	—	90	—	—	—	—	—	—
Government of Nunavut.....	68	68	1	67	13	31	13	10	—	—	—	—
Government of Saskatchewan	53	53	37	16	5	11	—	—	—	—	—	—
Government of Yukon.....	118	118	34	84	49	15	5	13	2	—	—	—
Halifax Port Authority.....	24	24	—	24	11	9	3	1	—	—	—	—
Halifax Regional Municipality	23	23	—	23	1	13	9	—	—	—	—	—
Kitikmeot Inuit Association	22	22	—	22	22	—	—	—	—	—	—	—
Last Mountain Railway	13	13	—	13	5	5	3	—	—	—	—	—
Metlakatla Development Corporation.....	43	43	2	41	19	16	6	—	—	—	—	—
Montreal Airports.....	50	50	23	27	7	9	3	5	3	—	—	—
Montréal Port Authority	37	37	8	29	11	18	—	—	—	—	—	—
Nanaimo Port Authority	46	46	—	46	5	28	13	—	—	—	—	—
Nova Scotia Department of Transportation and Infrastructure Renewal.....	20	20	3	17	17	—	—	—	—	—	—	—

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years
					2023	2024	2025	2026	2027		
Saguenay Port Authority	33	33	—	33	1	23	9	—	—	—	—
Société ferroviaire et portuaire de Pointe-Noire S.E.C	50	50	30	20	20	—	—	—	—	—	—
Stewart World Port Services Ltd	13	13	—	13	—	13	—	—	—	—	—
Trois-Rivières Port Authority	34	34	—	34	1	1	14	13	5	—	—
Vancouver Fraser Port Authority	288	288	83	205	111	67	21	6	—	—	—
Winnipeg Airports Authority.....	30	30	9	21	8	7	6	—	—	—	—
<i>Outaouais Roads Agreement</i>											
Ministère des Transports du Québec.....	190	190	148	42	3	—	1	1	18	19	—
<i>Program to Protect Canada's Coastlines and Waterways</i>											
Government of Nunavut.....	26	26	1	25	17	6	2	—	—	—	—
<i>Provision of Ferry, Coastal Freight and Passenger Services in British Columbia</i>											
British Columbia Ministry of Transportation and Infrastructure	839	839	643	196	33	33	33	33	32	32	32
<i>Rail Safety Improvement Program</i>											
Aggregate.....	23	23	11	12	12	—	—	—	—	—	—
<i>Remote Passenger Rail Program</i>											
Keewatin Railway Company	34	34	8	26	21	5	—	—	—	—	—
Tshiuetin S.E.C.	28	28	9	19	9	10	—	—	—	—	—
<i>Road Safety Program</i>											
Aggregate.....	23	23	10	13	7	3	3	—	—	—	—
<i>Safety Equipment and Basic Marine Infrastructure for Northern Communities Initiative</i>											
Aggregate.....	33	33	19	14	11	3	—	—	—	—	—
Government of Nunavut.....	25	25	—	25	21	4	—	—	—	—	—
VIA Rail Canada Inc.											
<i>IntraMTL</i>											
Track access.....	42	42	—	42	1	1	1	2	2	35	86
	3,381	3,381	1,301	2,080	997	593	227	102	75		
Women and Gender Equality											
Department for Women and Gender Equality											
<i>Gender-based Violence Funding Program</i>											
Aggregate.....	90	90	39	51	27	20	3	1	—	—	—
<i>Women's Program</i>											
Aggregate.....	252	252	114	138	82	52	3	1	—	—	—
Canadian Women's Foundation	63	63	29	34	34	—	—	—	—	—	—
Government of Quebec	62	62	45	17	17	—	—	—	—	—	—
Women's Shelters Canada	81	81	25	56	56	—	—	—	—	—	—
	548	548	252	296	216	72	6	2	—	—	—
Total—Transfer payment agreements.....	260,474	260,057	114,315	145,742	42,429	28,535	22,452	19,721	8,598	24,007	

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued
(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31									
					2023	2024	2025	2026	2027	2028 and subsequent years				
Capital assets and purchases														
Capital assets														
Canadian Heritage														
Library and Archives of Canada														
<i>City of Ottawa</i>														
Governance Agreement - Construction of the Joint Facility between the Ottawa Public Library and Library and Archives of Canada	136	136	13	123	26	30	37	25	5	—				
Plenary Properties Gatineau LP														
Public Private Partnership for the design, construction and management of the Gatineau Preservation Complex.....	569	569	14	555	53	16	13	18	16	439				
	705	705	27	678	79	46	50	43	21	439				
Environment and Climate Change														
Department of the Environment														
<i>Leonardo GmBH</i>														
Replacement of radars at multiple Canadian sites.....	129	125	101	24	17	7	—	—	—	—				
Fisheries, Oceans and the Canadian Coast Guard														
Department of Fisheries and Oceans														
<i>Bell Textron Canada Ltd</i>														
Acquisition of CCG Helicopters.....	158	158	146	12	4	8	—	—	—	—				
<i>Chantier Davie Canada Inc</i>														
Acquisition and conversion of three medium icebreakers	867	867	843	24	24	—	—	—	—	—				
<i>Chantier Naval Forillon Inc</i>														
Procurement of five Canadian Coast Guard Search and Rescue Lifeboats	84	79	59	20	8	10	2	—	—	—				
<i>Felix Technology Inc</i>														
Strengthen the National MCTS Radar Network.....	36	36	15	21	11	10	—	—	—	—				
<i>Hike Metal Products Ltd</i>														
Procurement of five Canadian Coast Guard Search and Rescue Lifeboats	80	74	55	19	7	7	5	—	—	—				
<i>V6V27 SAR Lifeboat - VLE Docking - Ontario Region</i>														
22	22	1	21	5	5	5	5	5	1	—				
<i>Industries Ocean Inc</i>														
<i>V6V27 SAR Lifeboat - VLE Docking - Quebec Region</i>														
15	15	1	14	8	6	—	—	—	—	—				
<i>Irving Shipbuilding Inc</i>														
Engineering design review	100	100	60	40	40	—	—	—	—	—				
<i>Ocean Pacific Marine</i>														
<i>V6V27 SAR Lifeboat - VLE Docking - Pacific Region</i>														
22	22	1	21	5	4	4	4	4	4	—				
<i>Palfinger Marine Norway AS</i>														
<i>V6V24 - 1200 Class Crane Acquisition and Installation</i>														
25	25	11	14	10	4	—	—	—	—	—				
<i>Vancouver Shipyards Co. Ltd</i>														
Multi-purpose vessel ancillary contract.....	29	29	18	11	11	—	—	—	—	—				
<i>Offshore Oceanographic Science Vessel build contract</i>														
432	432	114	318	87	108	101	22	—	—	—				
<i>Offshore Oceanographic Science Vessel long lead items</i>														
134	134	75	59	29	18	8	4	—	—	—				
<i>Polar Icebreaker Ancillary Contract</i>														
69	69	12	57	57	—	—	—	—	—	—				

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2023	2024	2025	2026	2027	2028 and subsequent years
Wartsila Canada Inc										
1100 Class Vessels - Propulsion Generator Acquisition and Replacement	30	30	15	15	13	2	—	—	—	—
	2,103	2,092	1,426	666	319	182	125	35	5	—
Innovation, Science and Industry										
Canadian Space Agency										
COM DEV Ltd										
Quantum Encryption and Science Satellite Demonstration Mission.....	32	32	19	13	10	3	—	—	—	—
MacDonald Dettwiler and Associates Ltd										
Provide a smart robotic system (Canadarm3).....	270	270	5	265	154	111	—	—	—	—
Gateway External Robotics Interfaces	37	37	11	26	26	—	—	—	—	—
	339	339	35	304	190	114	—	—	—	—
Intergovernmental Affairs, Infrastructure and Communities										
The Jacques Cartier and Champlain Bridges Inc.										
Stellaire Construction Inc										
Steelwork and new paint	15	15	5	10	4	3	3	—	—	—
Windsor-Detroit Bridge Authority										
Gordie Howe International Bridge project										
Bridging North America.....	2,726	2,726	1,173	1,553	607	246	700	—	—	—
Michigan Department of Transportation.....	710	710	458	252	135	105	12	—	—	—
Other contracts to support bridge construction	294	294	257	37	22	6	5	4	—	—
	3,745	3,745	1,893	1,852	768	360	720	4	—	—
National Defence										
Department of National Defence										
Airbus Defence and Space SA, Madrid, Spain										
Purchase of 16 Fixed Wing Search and Rescue Aircraft.....	2,542	2,542	1,415	1,127	161	143	105	113	100	505
Beland & Lapointe Inc.										
Construction Works, St-Redempteur, Québec.....	37	34	1	33	12	15	6	—	—	—
Black & McDonald Limited (Ottawa)										
Construction Works	57	56	40	16	8	8	—	—	—	—
Black & McDonald Limited (Vancouver)										
Construction Works	28	26	5	21	5	5	5	5	1	—
Corebuild Construction Ltd.										
Construction Works, North York, Ontario.....	47	43	17	26	23	3	—	—	—	—
DEW Engineering and Development ULC.										
Water Purification Equipment	24	24	1	23	13	6	4	—	—	—
Dexterra Group Inc										
Construction Works, Concord, Ontario	30	26	2	24	8	16	—	—	—	—
EBC Inc.										
Construction Works, Ancienne-Lorette Quebec.....	159	142	38	104	69	35	—	—	—	—
General Dynamics Canada Ltd										
Light Armoured Vehicles III Upgrade Implementation Contract	1,719	1,685	1,552	133	89	44	—	—	—	—
Light Armoured Vehicle: Reconnaissance Surveillance Suite	623	323	135	188	179	9	—	—	—	—
General Dynamics Land Systems - Canada										
Armoured combat support vehicle.....	1,804	1,767	418	1,349	370	—	488	434	57	—

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued
(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2023	2024	2025	2026	2027	2028 and subsequent years
General Dynamics Mission Systems - Canada										
CP-140 Aurora Aircraft Data Management System Project.....	812	812	792	20	20	—	—	—	—	—
Government of Australia										
Acquisition of F/A-18 Fighter Aircraft, spares and equipment.....	100	58	42	16	16	—	—	—	—	—
Irving Shipbuilding Inc										
Arctic Offshore Patrol Ship Build Contract.....	3,030	3,030	2,713	317	315	2	—	—	—	—
Canadian Surface Combatant Definition Contract.....	2,441	2,441	980	1,461	1,461	—	—	—	—	—
Johnson Controls L.P. (Ottawa)										
Construction Works	160	148	16	132	7	3	7	9	9	97
Lockheed Martin Overseas Services Corporation										
Miscellaneous Aircraft Accessories and Components.....	56	53	17	36	13	11	12	—	—	—
Mack Defense LLC, Pennsylvania										
In Service Support of the Standard Military Pattern Vehicle.....	140	140	82	58	47	6	—	5	—	—
Standard Military Pattern Vehicle	743	743	729	14	14	—	—	—	—	—
MCW Custom Energy Solutions Ltd										
Construction Works, Toronto, Ontario	13	13	1	12	8	—	4	—	—	—
Pomerleau Inc										
Construction Works, Ottawa, Ontario	49	41	1	40	25	15	—	—	—	—
Construction works, Surrey, British Columbia	282	264	179	85	70	15	—	—	—	—
Rheinmetall Canada										
Satellite Communications on the Move	48	48	20	28	28	—	—	—	—	—
Sikorsky International Operations Inc Stratford, Connecticut										
Acquisition of 28 maritime helicopters.....	1,936	1,936	1,615	321	38	37	—	246	—	—
Thales Canada Inc										
Radar Equipment, Except Airborne	147	147	16	131	62	29	40	—	—	—
United States Department of the Army										
Manned airborne intelligence, surveillance and reconnaissance.....	189	189	171	18	12	6	—	—	—	—
United States Department of the Navy										
Acquisition of the AEGIS Weapon System....	1,652	1,652	92	1,560	200	300	300	300	300	160
Acquisition of the SM-II Missile	600	600	9	591	14	14	14	15	15	519
FMS Planning Case awarded to support the acquisition of AEGIS Weapon System for the Canadian Surface Combatant	206	206	39	167	140	27	—	—	—	—
Protected Military Satellite Communications.....	111	111	89	22	4	4	4	4	—	6
Vancouver Shipyards Co. Ltd										
Joint support ship, build contract.....	2,330	2,330	828	1,502	506	415	314	266	1	—
Joint support ship, long lead items	652	652	504	148	56	54	28	10	—	—
	22,767	22,282	12,559	9,723	3,993	1,222	1,331	1,407	483	1,287
Public Safety and Emergency Preparedness										
Canada Border Services Agency										
CBSA Assessment and Revenue Management project (CARM)										
Aggregate.....	231	201	178	23	23	—	—	—	—	—

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2023	2024	2025	2026	2027	2028 and subsequent years
Royal Canadian Mounted Police										
<i>PCL Construction Management Inc</i>										
Construction of integrated training centre at Depot, Regina, Saskatchewan	34	34	22	12	9	3	—	—	—	—
<i>RCMP Fleet Vehicles</i>										
Aggregate.....	195	195	89	106	106	—	—	—	—	—
	460	430	289	141	138	3	—	—	—	—
Public Services and Procurement										
<i>Department of Public Works and Government Services</i>										
<i>AAFC RDC Retrofit and Expansion</i>										
JMJ Holdings	23	23	3	20	15	5	—	—	—	—
<i>Artifact Collection Facility</i>										
Aggregate.....	6	6	5	1	1	—	—	—	—	—
Pomerleau Inc	44	44	24	20	9	11	—	—	—	—
<i>Atlantic Science Enterprise Centre (ASEC)</i>										
Aggregate.....	5	5	1	4	2	2	—	—	—	—
Diamond and Schmitt Architects Inc	20	20	1	19	5	6	1	1	1	5
<i>Bedford Institute of Oceanography (BIO) Repurpose and Renovation</i>										
Avondale Construction Limited	15	15	2	13	13	—	—	—	—	—
<i>Bedford Row Fit-Up</i>										
Aggregate.....	4	4	3	1	1	—	—	—	—	—
Marco Group Limited.....	18	18	6	12	12	—	—	—	—	—
<i>BGIS Global Integrated Solutions Canada LP, Real Property-1</i>										
Arthur Meighen Building Rehabilitation Project	369	369	254	115	92	23	—	—	—	—
Project Delivery Services and Optional Services.....	1,416	1,416	747	669	112	112	111	111	111	112
Rehabilitation of the Lester B Pearson Building.....	206	206	105	101	46	55	—	—	—	—
<i>BGIS Global Integrated Solutions Canada LP, Real Property-2</i>										
Project Delivery Services and Optional Services.....	641	641	462	179	60	59	60	—	—	—
<i>Center Block Program, Ottawa, Ontario</i>										
Aggregate.....	149	149	136	13	9	2	2	—	—	—
PCL Constructors Canada Inc, EllisDon Corporation, in joint venture	962	962	362	600	123	477	—	—	—	—
WSP Canada Inc	353	353	262	91	69	22	—	—	—	—
<i>Construction management services - Clinical Trial Material Facility - NCR</i>										
Aggregate.....	6	6	3	3	3	—	—	—	—	—
BTL Construction Inc.....	30	30	5	25	25	—	—	—	—	—
<i>Energy Services Acquisition Program (ESAP)—Energy Services Modernization (ESM)</i>										
Aggregate.....	31	31	28	3	3	—	—	—	—	—
Innovate Energy	1,056	1,056	24	1,032	228	240	2	559	3	—
<i>Energy Services Acquisition Program (ESAP)—Project Delivery Services and Optional Services</i>										
Aggregate.....	18	18	16	2	2	—	—	—	—	—
PCL Constructors Canada	14	14	1	13	13	—	—	—	—	—

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued
(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31									
					2023	2024	2025	2026	2027	2028 and subsequent years				
Energy Services Acquisition														
<i>Program (ESAP)—User Buildings Conversion Plan (UBCP)</i>														
Aggregate.....	70	70	57	13	13	—	—	—	—	—				
EllisDon Corporation	22	22	2	20	17	3	—	—	—	—				
<i>Envelope rehabilitation at Les Terrasses de la Chaudière Complex</i>														
Aggregate.....	24	24	15	9	4	2	1	1	1	—				
PCL Constructors Eastern Inc	194	194	2	192	33	43	43	42	31	—				
<i>Esquimalt Graving Dock</i>														
Aggregate.....	2	2	1	1	1	—	—	—	—	—				
Repair and extension of the East end.....	37	37	11	26	26	—	—	—	—	—				
<i>Eureka weather station and research base</i>														
Aggregate.....	2	2	1	1	1	—	—	—	—	—				
Nuna East Ltd	24	24	6	18	8	6	3	1	—	—				
<i>Faro Mine Remediation Project</i>														
Aggregate.....	9	9	2	7	7	—	—	—	—	—				
Parsons Inc.....	108	108	15	93	93	—	—	—	—	—				
<i>Federal Buildings Initiative, Energy efficiency improvements in existing buildings</i>														
Aggregate.....	68	68	40	28	18	5	2	2	1	—				
Ameresco Canada Inc.....	193	193	30	163	66	13	13	21	12	38				
Johnson Controls Canada LP.....	27	27	11	16	10	1	1	4	—	—				
MCM Custom Energy Solutions Ltd	15	15	—	15	15	—	—	—	—	—				
<i>IBM Canada Ltd</i>														
In-Service Support for the Government of Canada Pay System	23	20	—	20	20	—	—	—	—	—				
<i>Joyceville Institution Cattle and Goat Barn Construction</i>														
Strong Bros General Contracting Ltd	11	11	—	11	8	3	—	—	—	—				
<i>Laboratories Canada Regulatory and Security Science</i>														
Aggregate	4	4	2	2	2	—	—	—	—	—				
PCL Constructors Canada/PCL Constructors West Coast	54	54	1	53	8	35	10	—	—	—				
<i>TerraCanada Science and Innovation - Mississauga Project</i>														
Pomerleau Inc	52	52	8	44	18	26	—	—	—	—				
<i>New Federal building in Shawinigan</i>														
Aggregate.....	13	13	7	6	2	2	1	1	—	—				
Pomerleau Inc	119	119	4	115	21	70	9	15	—	—				
<i>Peter's Bros Construction Ltd</i>														
Paving Replacement & Miscellaneous Works, Alaska Highway	41	41	23	18	18	—	—	—	—	—				
<i>Rehabilitation of the St. Andrews Lock and Dam (SALD)</i>														
Aggregate.....	4	4	3	1	1	—	—	—	—	—				
MD Steele Construction Ltd.....	38	38	20	18	18	—	—	—	—	—				
<i>Sir Leonard Tilley Building C-Wing</i>														
Aggregate.....	18	18	15	3	3	—	—	—	—	—				
TOFCON Construction Inc	34	34	2	32	32	—	—	—	—	—				
<i>Trent-Severn Waterways Infrastructure project</i>														
Aggregate.....	173	173	164	9	9	—	—	—	—	—				

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2023	2024	2025	2026	2027	2028 and subsequent years
Maple Reinders Constructors Ltd, Construction Demathieu & Bard (CDB) Inc, in joint venture	400	400	366	34	34	—	—	—	—	—
Union Bridge rehabilitation and Hull Causeway widening										
Aggregate.....	4	4	3	1	1	—	—	—	—	—
Construction Demathieu & Bard (CDB) Inc....	22	22	9	13	13	—	—	—	—	—
West Memorial Building Rehabilitation Project										
Aggregate.....	36	36	31	5	4	1	—	—	—	—
EllisDon Corporation	272	272	99	173	45	87	41	—	—	—
Shared Services Canada										
IBM Canada Ltd										
Supercomputer renewal, Dorval, Quebec.....	64	64	51	13	13	—	—	—	—	—
National Capital Commission										
Pomerleau Inc.....	29	29	7	22	21	1	—	—	—	—
	7,592	7,589	3,458	4,131	1,446	1,312	300	758	160	155
Transport										
Department of Transport										
Elbit Systems Ltd										
Remotely Piloted Aircraft System Pilot Project.....	32	32	9	23	6	17	—	—	—	—
VIA Rail Canada Inc.										
CAD Railways										
Modernization HEP I Coach Septa.....	35	35	3	32	32	—	—	—	—	—
Siemens										
Fleet renewal.....	989	989	353	636	228	248	160	—	—	—
	1,056	1,056	365	691	266	265	160	—	—	—
Total—Capital assets	38,896	38,363	20,153	18,210	7,216	3,511	2,686	2,247	669	1,881
Purchases										
Canadian Heritage										
Canada Council for the Arts										
Committed capital for investments.....	119	117	76	41	21	20	—	—	—	—
Canadian Broadcasting Corporation										
Programming rights										
Akamai Technologies.....	16	16	—	16	5	5	6	—	—	—
Allied Properties Data Centre Limited Partnership.....	25	25	5	20	1	2	2	2	3	10
Brookfield Global Integrated Solutions (BGIS).....	85	85	21	64	11	11	11	11	10	10
International Olympic Committee (2022-24).....	83	83	53	30	11	16	3	—	—	—
International Olympic Committee (2026/2028 - 2030/2032).....	220	220	2	218	—	11	31	20	26	130
Media Buy	35	35	14	21	5	5	5	5	1	—
Microsoft Canada.....	12	12	—	12	4	5	3	—	—	—
Non-Sport Program rights (ITV Global Entertainment) - Coronation Street 2022-2023	18	18	—	18	10	8	—	—	—	—
Rogers Communications Partnership.....	35	35	23	12	7	5	—	—	—	—
SAP Canada Inc.	14	14	2	12	1	1	1	2	7	—
National Gallery of Canada										
Securitas Canada										
Guard services.....	10	10	—	10	3	3	4	—	—	—
	672	670	196	474	79	92	66	40	47	150

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued
(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years	
					2023	2024	2025	2026	2027			
Crown-Indigenous Relations and Northern Affairs												
Department of Crown-Indigenous Relations and Northern Affairs												
<i>Aggregate of various purchase contracts under \$10 million</i>												
Aggregate.....	35	35	17	18	10	4	2	1	1	—		
Employment, Workforce Development and Disability Inclusion												
Department of Employment and Social Development												
<i>CGI</i>												
System Integrator (SI)	19	19	7	12	12	—	—	—	—	—		
<i>DH Corporation</i>												
Student loans management services	423	423	117	306	61	61	61	61	62	—		
<i>Gatstone and company Inc</i>												
Contact Centre for the government of Canada general enquiry services.....	51	51	36	15	15	—	—	—	—	—		
<i>IBM Canada Ltd</i>												
Core Technology Vendor (CTV).....	29	29	12	17	17	—	—	—	—	—		
<i>PricewaterhouseCoopers Inc.</i>												
Transformation Programme Office (TPO)	101	101	84	17	17	—	—	—	—	—		
	623	623	256	367	122	61	61	61	62	—		
Environment and Climate Change												
Department of the Environment												
<i>Microsoft Licensing</i>												
License/Maintenance fees for application software (including COTS) and application development and delivery software	15	15	4	11	2	3	3	3	—	—		
Fisheries, Oceans and the Canadian Coast Guard												
Department of Fisheries and Oceans												
<i>PAL Aerospace Limited</i>												
Air surveillance services	133	133	52	81	20	20	20	21	—	—		
Global Affairs												
Department of Foreign Affairs, Trade and Development												
<i>Mercer (Canada) Limited</i>												
Services for improving the design and delivery of pensions and insurance benefits to locally-engaged staff	36	36	2	34	9	5	5	5	5	5		
Health												
Department of Health												
<i>Software as an IT Service</i>												
Microsoft Canada Inc	17	17	4	13	3	3	3	4	—	—		
Public Health Agency of Canada												
<i>COVID-19 related contracts</i>												
<i>Laboratory services</i>												
Biron Health Group Inc	65	65	12	53	53	—	—	—	—	—		
Dynacare	104	104	35	69	69	—	—	—	—	—		
LifeLabs LP	98	98	20	78	78	—	—	—	—	—		
Switch Health Holdings Inc	655	655	473	182	182	—	—	—	—	—		
<i>Laboratory supplies</i>												
Cepheid Canada.....	118	118	43	75	75	—	—	—	—	—		
Stryker Canada ULC	38	38	25	13	13	—	—	—	—	—		
<i>Medical and Laboratory Supplies</i>												
Aggregate (names withheld 4)	410	410	261	149	149	—	—	—	—	—		

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years	
					2023	2024	2025	2026	2027			
Services and Labour												
Vaccines and therapeutics (names withheld 10).....	11,661	11,661	5,026	6,635	5,766	869	—	—	—	—	—	—
Storage and Warehousing Services												
Deloitte Inc.....	52	52	35	17	17	—	—	—	—	—	—	—
Groupe Robert Inc	27	27	10	17	17	—	—	—	—	—	—	—
Metro Supply Chain Group Inc.....	111	111	61	50	50	—	—	—	—	—	—	—
Pharmaceutical and other medicinal products												
Aggregate (names withheld 3).....	56	56	21	35	35	—	—	—	—	—	—	—
Bavarian Nordic	62	62	44	18	18	—	—	—	—	—	—	—
	13,474	13,474	6,070	7,404	6,525	872	3	4	—	—	—	—
Immigration, Refugees and Citizenship												
Department of Citizenship and Immigration												
<i>Canadian Bank Note Company Ltd</i>												
Purchase of passport materials	862	862	293	569	107	69	60	61	49	223		
<i>Medavie Blue Cross</i>												
Administrative fees for temporary coverage of health-care benefits.....	84	84	10	74	16	14	14	15	15	—		
<i>VF Worldwide Holdings Ltd</i>												
Global Network of Visa Application Centres including Biometric collection functions.....	168	168	89	79	79	—	—	—	—	—	—	—
	1,114	1,114	392	722	202	83	74	76	64	223		
Innovation, Science and Industry												
<i>Canadian Space Agency</i>												
<i>MacDonald, Dettwiler and Associates Ltd</i>												
Logistics and Sustaining Engineering Support for the International Space Station Mobile Servicing System.....	178	178	79	99	45	26	28	—	—	—	—	—
<i>MDA Geospatial Services Inc.</i>												
Satellite Flight Operations and Data Management Services	36	36	12	24	13	11	—	—	—	—	—	—
<i>Canadian Tourism Commission</i>												
Interpublic Group of Companies Canada	59	59	12	47	47	—	—	—	—	—	—	—
<i>Statistics Canada</i>												
<i>SAS Institute (Canada) Inc</i>												
Software licenses renewal	23	23	12	11	4	4	3	—	—	—	—	—
	296	296	115	181	109	41	31	—	—	—	—	—
Intergovernmental Affairs, Infrastructure and Communities												
Office of Infrastructure of Canada												
<i>Signature on the St. Lawrence Group</i>												
Professional services for the New Bridge for the St. Lawrence Corridor Project	1,548	1,548	142	1,406	65	58	56	56	55	1,116		
Office of the Chief Electoral Officer												
<i>IBM Canada Limited</i>												
Corporate and events hosting and operations management	79	79	59	20	10	10	—	—	—	—	—	—
<i>The Jacques Cartier and Champlain Bridges Inc.</i>												
<i>NHSL Consortium</i>												
Deconstruction of original CH bridge.....	228	228	135	93	65	28	—	—	—	—	—	—
<i>Stellaire Construction Inc</i>												
Steelwork and new paint	14	14	4	10	4	3	3	—	—	—	—	—
Windsor-Detroit Bridge Authority												
<i>Gordie Howe International Bridge project</i>												
Bridging North America.....	2,003	2,003	275	1,728	142	60	183	24	24	1,295		

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued
(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years	
					2023	2024	2025	2026	2027			
Other contracts	23	23	11	12	6	3	2	1	—	—	—	
	3,895	3,895	626	3,269	292	162	244	81	79		2,411	
Department of National Defence												
<i>10647802 Canada Limited</i>												
CFHA Maintenance Services Contract, Petawawa, Ontario	28	28	2	26	8	9	9	—	—	—	—	—
Facilities maintenance, Vaughan, Ontario	51	50	28	22	9	10	3	—	—	—	—	—
<i>ADGA Group Consultants Inc</i>												
Land Command Support System												
Weapon System Management	279	275	262	13	13	—	—	—	—	—	—	—
<i>Alliant Techsystems Operations LLC, Arizona</i>												
Wheeled Light Armoured Vehicles 25mm												
Cannon repair and overhaul	40	32	20	12	3	3	3	3	—	—	—	—
<i>Allied Wings Limited Partnership</i>												
Primary rotary wing and multi-engine pilot training, Portage la Prairie, Manitoba	1,828	1,768	1,267	501	87	84	86	87	88	69		
<i>ATCO Frontec Ltd</i>												
Facilities maintenance, Calgary, Alberta	17	17	—	17	4	4	3	3	3	—	—	—
<i>ATCO Group</i>												
Facilities maintenance, Calgary, Alberta	74	67	55	12	12	—	—	—	—	—	—	—
<i>Babcock Canada Inc</i>												
Victoria Class in-service support contract	1,754	1,746	1,302	444	150	125	115	54	—	—	—	—
<i>Bell Helicopter Textron Canada Limited</i>												
Optimized Weapon System Support, CH-146 Griffon	1,211	1,211	989	222	94	128	—	—	—	—	—	—
<i>BMT Fleet Technology Limited</i>												
Engineering, logistics and management support services	270	68	36	32	16	16	—	—	—	—	—	—
<i>Boeing, Pennsylvania</i>												
In-service support for the CH-147F Chinooks	2,403	2,208	2,105	103	103	—	—	—	—	—	—	—
<i>Bronswerk Marine Inc</i>												
Repair and Overhaul	41	24	2	22	6	4	4	4	4	—	—	—
<i>CAE Inc</i>												
Aircrew operational training services in support of the CC-130J Hercules and CH-147F Chinook aircrafts	616	611	422	189	16	14	15	15	16	113		
<i>CAE Military Aviation Training Inc</i>												
NATO flying training in Canada, Moose Jaw and Cold Lake	2,913	2,672	2,087	585	142	147	121	97	78	—		
<i>Calian Group Limited</i>												
Development of E-Learning Content for the RCAF Learning Support Centre	12	12	—	12	2	2	2	2	2	2	—	
<i>Calian Ltd</i>												
Managing and recruiting health care providers	550	550	369	181	100	81	—	—	—	—	—	—
<i>Cascade Aerospace Inc</i>												
CC-130 Hercules PAV Optimized Weapon System Management	1,601	1,035	966	69	69	—	—	—	—	—	—	—
<i>Chantier Davie Canada Inc</i>												
In-service support for Halifax Class Frigates	1,806	575	214	361	150	150	61	—	—	—	—	—
<i>Corporation Fort Saint-Jean</i>												
Support to Royal Military College St-Jean	384	384	301	83	26	29	25	3	—	—	—	—

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2023	2024	2025	2026	2027	2028 and subsequent years
Cubic Defense Applications Incorporated, California										
Weapons effects simulation.....	417	405	388	17	13	4	—	—	—	—
Department of Defense of the United States of America										
To provide space segment in Advanced Extremely High Frequency band around the globe from +/- 70 degree latitude to DND/CAF.....	178	178	59	119	5	9	9	9	9	78
To provide space segment in L- band around the globe to DND/CAF	52	52	9	43	10	10	11	12	—	—
ENGIE Services inc.										
Facilities Maintenance.....	28	27	3	24	5	5	5	5	4	—
Federal Fleet Services Inc										
Interim Auxiliary Oiler Replenishment	612	612	540	72	72	—	—	—	—	—
Fleetway Inc										
In-service support for Halifax Class Frigates.....	100	100	62	38	16	11	11	—	—	—
General Dynamics Canada Ltd										
Wheeled Light Armoured Vehicles Optimized Weapon Systems Support, phase 2	1,300	1,034	957	77	31	15	16	15	—	—
General Dynamics Land Systems Canada Corporation										
Aircraft, Fixed Wing	72	72	2	70	8	10	10	11	11	20
Buffalo and Cougar repair and overhaul.....	13	13	2	11	2	2	2	2	2	1
Halifax Class Combat System In-Service Support Contract.....	159	159	8	151	15	35	35	35	31	—
General Dynamics Mission Systems Canada										
Land C4ISR Engineering and Integration	325	210	177	33	33	—	—	—	—	—
Underwater warfare suite upgrade.....	141	141	42	99	21	19	14	19	13	13
General Electric Canada										
Gas Turbine Overhaul Services, Marine	300	55	2	53	6	6	6	7	7	21
Harris Corporation										
Repair and Overhaul of the MSCU / CBSP-ULV	10	10	—	10	1	1	1	2	2	3
Hawboldt Industries (1989) Limited; Hermanos Toimil Garcia SL in joint venture										
Single articulated cranes.....	25	25	6	19	12	7	—	—	—	—
IBM Canada Limited										
In-service support for the Defence Resource Management Information System.....	330	261	232	29	29	—	—	—	—	—
IMP Group Ltd, Aerospace Division										
CH-149 Cormorant Helicopter in Service Support Contract.....	2,141	1,958	1,777	181	113	68	—	—	—	—
CP-140 Aurora Aircraft Prime Air Vehicle - Optimized Weapon Systems Support	1,093	1,093	976	117	90	27	—	—	—	—
Industries Ocean Inc										
Naval large tug	114	92	28	64	37	25	2	—	—	—
Integrated Distribution Systems Limited Partnership										
Diesel Engines and Components - Repair.....	31	31	18	13	8	5	—	—	—	—

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued
(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years	
					2023	2024	2025	2026	2027			
Intelligence Processing Tool (IPT)												
Intelligence Processing Tool (IPT).....	27	23	10	13	8	3	2	—	—	—	—	—
Irving Shipbuilding Inc												
Halifax Class modernization	1,126	1,126	1,052	74	74	—	—	—	—	—	—	—
In-service support for Halifax Class Frigates.....	2,233	575	28	547	200	200	147	—	—	—	—	—
IrvingGQ Limited												
Repair and Overhaul of the Surface Off-Board Passive Decoy (SOPD).....	16	16	1	15	3	3	3	3	3	3	—	—
L3 MAPPS Inc.												
Maintenance, repair, modification, rebuilding and installation of equipment related to ships.....	304	34	14	20	15	5	—	—	—	—	—	—
L-3 Technologies MAS Inc												
CC150 Polaris- Multi year I - SSC	497	497	411	86	45	41	—	—	—	—	—	—
CF-18 Hornet Aircraft System Engineering Support	2,584	2,165	1,635	530	138	135	134	123	—	—	—	—
CP-140 Aurora Aircraft Avionics, Optimized Weapon System Support.....	687	687	576	111	68	43	—	—	—	—	—	—
Lloyd's Register Canada Limited												
Classification Society Support for Combatants.....	78	48	14	34	11	11	10	2	—	—	—	—
Lockheed Martin Canada Inc												
Combat Systems Integration.....	539	539	385	154	51	51	52	—	—	—	—	—
Repair and overhaul of the Reprogrammable Advanced Electronic Countermeasure Multimode Shipborne System.....	83	83	71	12	5	1	2	—	2	2	—	—
Lockheed Martin Corporation												
Fire Control Systems, Complete.....	58	58	6	52	12	11	12	12	5	—	—	—
In-service support for the CC130J Hercules fleet.....	4,601	4,601	3,792	809	188	141	141	142	197	—	—	—
Logistik Unicorp Inc												
Non-Operational Clothing and Footwear Contract	415	415	54	361	37	81	—	81	81	81	—	—
Magellan Aerospace Limited												
Pyrotechnics.....	17	16	1	15	9	6	—	—	—	—	—	—
MDA Systems Ltd.												
Training Aids	11	11	1	10	3	3	4	—	—	—	—	—
Nasittuu Corporation												
Operation and Maintenance Services of a Technical/Scientific Facility	1,148	314	—	314	36	45	45	45	47	96	—	—
NATO SeaSparrow Consortium												
Implementation of Point Defence Missile System Upgrade Project.....	475	475	449	26	24	2	—	—	—	—	—	—
Point Defence Missile System In-Service Support.....	485	485	146	339	14	14	14	19	20	258	—	—
Orenda Aerospace Corporation												
F404 Propulsion Group interim support.....	283	283	202	81	43	38	—	—	—	—	—	—
Peraton Canada Corp												
CF-18 Hornet Avionics Optimized Weapon System Support.....	447	425	350	75	45	30	—	—	—	—	—	—
Raytheon Canada Limited												
North Warning System operation and maintenance	412	396	386	10	10	—	—	—	—	—	—	—
Repair and overhaul of the Phalanx Close-in Weapon System.....	671	330	133	197	27	25	28	22	29	66	—	—

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2023	2024	2025	2026	2027	2028 and subsequent years
Rheinmetall Canada Inc										
Launchers, Grenade, Rocket and Pyrotechnic.....	12	12	1	11	2	2	2	2	3	—
S.I. Systems ULC										
Informatics Professional Services.....	31	31	2	29	8	9	9	3	—	—
Saab Microwave Canada Ltd										
SG180 Antenna Replacement.....	98	84	35	49	5	14	10	12	8	—
Santé Montfort										
Facilities and medical services	189	176	128	48	11	11	13	13	—	—
Serco Facilities Management Inc										
Provision of services at Goose Bay, Newfoundland and Labrador	694	659	69	590	69	69	69	70	70	243
Sikorsky International Operations Inc, Stratford, Connecticut										
In-service support for maritime helicopters	5,804	5,804	1,218	4,586	—	—	—	—	—	4,586
SNC Lavalin Defence Programs Inc										
In-service support for Maritime Coastal Defence Vessel.....	798	761	693	68	45	23	—	—	—	—
Standard Aero Limited										
Repair and overhaul of CC-130 Hercules and CP-140 Aurora T56 engines.....	208	208	140	68	28	15	15	10	—	—
Textron Systems Canada Inc										
In-service support contract for Tactical Armoured Patrol Vehicle	135	115	94	21	15	6	—	—	—	—
Thales Canada Inc										
Arctic Offshore Patrol Ship and Joint Support Ship in-service support.....	5,000	800	120	680	115	186	168	211	—	—
Repair and overhaul of Periscopes.....	23	23	7	16	16	—	—	—	—	—
Top Aces Inc										
Combat Support Services for Operational Training and Readiness Requirements	417	417	126	291	57	58	59	60	—	57
United States Department of the Air Force										
F117 engine sustainment support	63	63	27	36	18	18	—	—	—	—
In-service support for the CC-177 Globemaster III fleet.....	1,351	1,351	929	422	89	61	61	30	30	151
To provide space segment in X-band and Mil-Ka band around the globe from +/- 70 degree latitude to DND/CAF	537	537	380	157	29	45	30	13	2	38
United States Department of the Army										
Logistics Support for U.S. Manufactured Military Equipment Currently Operated by Canadian Armed Forces (COLOG)	12	12	1	11	4	3	4	—	—	—
United States Department of the Navy										
Ability to invest in the U.S. supply system and receive access to U.S. DoD stocks for RCAF Aircraft support	18	18	6	12	4	4	4	—	—	—
Ability to invest in the U.S. supply system and receive access to U.S. DoD stocks for RCN Aircraft support	13	13	2	11	4	4	3	—	—	—
Advanced Distributed Combat Training System Hornet Extension Project	81	81	9	72	20	20	20	12	—	—

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued
(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years
					2023	2024	2025	2026	2027		
CF-18 Automatic Test Equipment Systems	14	14	2	12	4	4	4	—	—	—	—
Data Transfer Units for CF-18.....	22	22	2	20	5	7	6	2	—	—	—
Electronic Countermeasures, Counter-Countermeasures and Quick Reaction Capability Equipment - Repair	11	11	—	11	3	4	4	—	—	—	—
FMS Case for ARC-210 Gen 6 Radios.....	22	22	10	12	8	4	—	—	—	—	—
FMS Case for software fixes	12	12	—	12	4	4	4	—	—	—	—
FMS Case to procure Aircraft Components Support	16	16	3	13	4	4	5	—	—	—	—
FMS Case to procure AMRAAM Missiles	353	353	64	289	45	35	12	16	181	—	—
FMS Case to procure CIT Equipment	33	33	10	23	14	9	—	—	—	—	—
FMS Case to procure MIDS Equipment	47	47	36	11	2	9	—	—	—	—	—
Heavy weight torpedo upgrade	223	197	126	71	71	—	—	—	—	—	—
HEP AESA Radars.....	230	230	5	225	27	101	74	23	—	—	—
HEP AIM-9x.....	74	74	15	59	3	43	3	10	—	—	—
HEP ARC-210 Gen 6 Radio.....	29	29	18	11	1	1	9	—	—	—	—
HEP Jmps.....	19	19	4	15	3	6	6	—	—	—	—
HEP Jsow-c.....	105	105	5	100	2	5	11	46	31	5	—
HEP ofp	112	112	10	102	27	39	21	15	—	—	—
HEP Wideband Radome.....	59	59	3	56	8	18	18	12	—	—	—
Lightweight torpedoes.....	45	45	10	35	3	3	3	6	20	—	—
Lightweight torpedoes upgrade	479	479	77	402	9	32	98	96	83	84	—
Naval multiband terminal international partner variant in-service support.....	21	21	3	18	5	5	5	3	—	—	—
Repair and overhaul ANBQQ10(V)7	75	75	54	21	11	10	—	—	—	—	—
Repair and overhaul MK-48 torpedo	39	39	2	37	9	10	11	7	—	—	—
Telecommunications - Satellite Services	67	67	4	63	36	27	—	—	—	—	—
United States Department of the Navy (NAVAIR)											
FMS Case for ARC-210 Gen 6 Radios.....	19	19	7	12	10	1	1	—	—	—	—
Operation Training Devices - Repair	11	11	—	11	1	3	4	3	—	—	—
United States Department of the Navy (NAVICP)											
Logistics Support for U.S. Manufactured Military Equipment Currently Operated by Canadian Armed Forces (COLOG)	13	13	1	12	4	4	4	—	—	—	—
United States Department of the Navy (NAVSEA)											
Naval Architecture - Consulting Services	65	65	1	64	10	15	15	15	9	—	—
United States Government											
Repair and return, Engineering services, technical assistance and replenishment of line replaceable units and associated test and support equipment relating to the large aircraft infrared countermeasures	23	23	7	16	16	—	—	—	—	—	—
Various contractors											
Ammunition	665	662	321	341	239	66	19	15	2	—	—
Victoria Shipbuilding Limited											
Halifax Class modernization	754	754	739	15	15	—	—	—	—	—	—
In-service support for Halifax Class Frigates.....	2,957	560	73	487	180	180	127	—	—	—	—

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years	
					2023	2024	2025	2026	2027			
Weatherhaven Global Resources Ltd												
Headquarters shelter systems.....	183	180	166	14	14	—	—	—	—	—	—	—
Weir Canada Inc												
Maritime systems and engineering	657	657	509	148	59	59	30	—	—	—	—	—
Zodiac Hurricane Technologies Inc												
DND R&O of Small Service Boats	16	16	3	13	5	4	4	—	—	—	—	—
Multi Role Boat (MRB) System.....	32	32	9	23	10	8	5	—	—	—	—	—
Communications Security Establishment												
Plenary Properties												
Public-private partnership arrangement to design, build, finance and maintain (35 years), Ottawa, Ontario.....	3,229	3,229	912	2,317	114	122	115	109	105	1,752		
	66,731	52,930	32,630	20,300	4,123	3,344	2,248	1,648	1,198	7,739		
Natural Resources												
Atomic Energy of Canada Limited												
Purchase orders.....	1,380	1,380	721	659	659	—	—	—	—	—	—	—
Public Safety and Emergency Preparedness												
Canada Border Services Agency												
Corbel Management Corporation												
Detention facility management services	88	88	25	63	7	6	6	7	7	30		
Correctional Service of Canada												
Community residential facilities												
Aggregate.....	309	309	201	108	107	1	—	—	—	—	—	—
Health Services												
Aggregate.....	24	23	7	16	10	5	1	—	—	—	—	—
Royal Canadian Mounted Police												
Radio services												
Aggregate.....	119	119	29	90	13	10	10	10	10	37		
Services of guards and matrons												
Aggregate.....	69	69	31	38	38	—	—	—	—	—	—	—
Software												
Name withheld.....	31	31	12	19	16	3	—	—	—	—	—	—
	640	639	305	334	191	25	17	17	17	67		
Public Services and Procurement												
Department of Public Works and Government Services												
Amex Bank of Canada												
Card acceptance services.....	26	26	—	26	5	5	5	5	6	—		
BGIS Global Integrated Solutions Canada LP												
Building maintenance services, Real Property-1.....	9,002	9,002	3,725	5,277	860	920	999	999	761	738		
Building maintenance services, Real Property-2.....	1,566	1,566	789	777	259	259	259	—	—	—	—	—
Dragage Océan DS Inc												
Maintenance dredging, St Lawrence Seaway	32	32	16	16	4	4	4	4	—	—	—	—
Electronic Procurement Solution—Modernize the Government of Canada procurement function												
Aggregate.....	9	9	8	1	1	—	—	—	—	—	—	—
Infosys Public Services Inc	91	91	68	23	20	3	—	—	—	—	—	—
Energy Services Acquisition Program (ESAP)												
Aggregate.....	16	16	13	3	3	—	—	—	—	—	—	—
Innovate Energy (paid through ESAP Project Co Limited Partnership)	1,554	1,554	47	1,507	36	45	70	46	33	1,277		

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued
 (in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2023	2024	2025	2026	2027	2028 and subsequent years
<i>ESIT Canada Enterprise Services Co, previously Hewlett-Packard (Canada) Company</i>										
Pension modernization	416	405	389	16	16	—	—	—	—	—
<i>Green Timbers Limited Partnership (paid through Computershare Investor Services Inc)</i>										
Public-Private Partnership Relocation Project—RCMP "E" Division relocation, Surrey, British Columbia	723	723	280	443	31	30	31	30	30	291
RCMP Forensic Laboratories, Surrey, British Columbia	21	21	3	18	1	1	1	1	1	13
<i>IBM Canada Ltd</i>										
In-service support for the Government of Canada pay system	72	64	—	64	64	—	—	—	—	—
<i>Joneljim Concrete Construction (1994) Limited</i>										
Mechanical and sprinkler system upgrades	61	61	46	15	15	—	—	—	—	—
<i>Moneris Solutions Corporation</i>										
Card acceptance services.....	622	622	190	432	61	55	55	60	65	136
<i>Nunavut Arctic Services Ltd</i>										
Canadian High Arctic Research Station Campus (CHARS)	12	12	1	11	3	2	2	4	—	—
<i>Open Text Corporation</i>										
Licence agreement	53	53	43	10	10	—	—	—	—	—
<i>Overseas Express Consolidators</i>										
COVID-19 Logistics	220	220	194	26	26	—	—	—	—	—
<i>Parsons Canada Ltd</i>										
Giant Mine Remediation	227	227	118	109	109	—	—	—	—	—
<i>Ricoh Canada Inc</i>										
Print insert and mail workflow service	15	15	4	11	4	4	3	—	—	—
<i>Symcor Inc</i>										
Cheque Image Exchange Services.....	27	27	1	26	8	5	5	4	4	—
<i>Weatherhaven Global Resources Ltd</i>										
Logistics (Accommodation, transportation and other related services)	112	112	93	19	19	—	—	—	—	—
<i>White Bear Industries Ltd</i>										
North Alaska Highway maintenance and repair services, British Columbia	81	81	70	11	10	1	—	—	—	—
<i>Tax and operation and maintenance portion on leases</i>										
<i>131 Queen Street Limited and Morguard Corporation</i>										
Trusco Building, 131 Queen Street, Ottawa, Ontario.....	121	121	92	29	6	6	7	7	3	—
<i>2237800 Ontario Ltd</i>										
395 Terminal Avenue, Ottawa, Ontario	47	47	29	18	3	3	3	3	3	3
<i>6149626 Canada Inc</i>										
Place Vincent Massey, 351 Saint-Joseph Boulevard, Gatineau, Quebec.....	103	103	43	60	4	4	4	4	4	40
<i>6979637 Canada Inc (Parent company— Broccolini Construction)</i>										
455 De la Carrière Boulevard, Gatineau, Quebec.....	203	203	58	145	8	8	8	8	9	104
<i>8424934 Canada Inc</i>										
2 Victoria Street, Miramichi, New Brunswick.....	41	41	7	34	2	2	2	2	2	24

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years	
					2023	2024	2025	2026	2027			
A N Inc and Cominar Real Estate Investment												
550 de la Cité Boulevard, Gatineau, Quebec.....	48	48	1	47	3	3	3	3	4	31		
Chambers Building Inc												
40 Elgin Street, Ottawa, Ontario.....	40	40	1	39	2	2	2	2	3	28		
Computershare Trust Company of Canada												
Canada Place Building, 9700 Jasper Avenue, Edmonton, Alberta.....	424	424	207	217	19	19	20	20	20	119		
Harry Hays Building, 220 - 4th Avenue, Calgary, Alberta.....	226	226	116	110	10	10	10	10	10	60		
Joseph Shepard Building, 4900 Yonge Street, Toronto, Ontario	268	268	138	130	11	12	12	12	12	71		
RCMP Building, 4225 Dorchester Boulevard West, Westmount, Quebec.....	128	128	64	64	5	6	6	6	6	35		
Revenue Canada Building, 305 René-Lévesque Boulevard West, Montréal, Québec.....	146	146	77	69	6	6	6	6	7	38		
Skyline Complex, 1400 Merivale Road, Ottawa, Ontario.....	423	423	229	194	17	17	18	18	18	106		
Thomas D'Arcy McGee Building, 90 Sparks Street, Ottawa, Ontario	293	293	158	135	12	12	12	12	13	74		
Consortium GM Développement, OGESCO Construction, Pierre Martin & Associés, Design & Architecture												
1550 d'Estimauville Avenue, Québec, Québec.....	69	69	32	37	3	4	4	4	4	18		
Minto Commercial Properties Inc												
Mercury Centre, 3000 Merivale Road, Ottawa, Ontario.....	260	260	135	125	12	12	12	12	13	64		
Pomerleau, Keviar and Québec Inc												
2575 Ste-Anne Boulevard, Québec, Québec.....	47	47	14	33	2	2	2	2	3	22		
Société d'habitation et de développement de Montréal												
1501, De Bleury Street, Montréal, Québec.....	48	48	6	42	2	2	3	3	2	30		
The Canada Life Assurance Company												
Judicial Complex, 180 Queen Street West, Toronto, Ontario	82	82	65	17	4	4	4	5	—	—		
The Great-West Life Assurance Company												
James Michael Flaherty Building, 90 Elgin Street, Ottawa, Ontario	319	319	86	233	11	11	12	12	12	175		
Shared Services Canada												
Bell Canada												
Government cabling services.....	212	212	202	10	10	—	—	—	—	—		
Government of Canada Network wide area network international services, stream 3.....	117	117	86	31	31	—	—	—	—	—		
Local access service	617	617	566	51	51	—	—	—	—	—		
Bell Mobility												
Government cellular services	601	601	344	257	15	242	—	—	—	—		
CA Inc												
License and maintenance fees for operating system and utility software	94	94	63	31	31	—	—	—	—	—		
Ceridian Canada Ltd												
Information technology and telecommunications consultants.....	30	30	8	22	22	—	—	—	—	—		

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued
(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2023	2024	2025	2026	2027	2028 and subsequent years
Computacenter Teramach Inc										
Computer equipment related to production and operations.....	13	13	—	13	13	—	—	—	—	—
Defence Construction Canada										
Public private partnership, Enterprise Data Centre Borden	83	83	16	67	4	4	4	4	3	48
Equinix										
Data centre co-location services.....	29	29	5	24	3	4	4	4	4	5
IBM Canada Ltd										
Hosted contact centre services.....	79	79	42	37	10	10	10	7	—	—
License/Maintenance fees for operating system and utility software related to servers, storage, peripherals and components.....	426	426	116	310	98	98	100	14	—	—
Supercomputer renewal, Dorval, Quebec.....	109	109	77	32	14	10	8	—	—	—
Inmarsat Solutions Canada Inc										
Communications/Network services	29	29	11	18	18	—	—	—	—	—
ISM Information Systems Management										
Service Desk Services (contract 1 of 2).....	21	21	2	19	10	9	—	—	—	—
Service Desk Services (contract 2 of 2).....	15	15	1	14	7	7	—	—	—	—
Kyndryl Canada Limited										
Computer Equipment - Servers	23	23	2	21	3	3	3	3	3	6
Microsoft Canada Inc.										
License/Maintenance fees for Client Software	538	538	—	538	134	134	135	135	—	—
Microsoft Enterprise agreement	539	539	458	81	20	20	20	21	—	—
Rogers Communications Canada Inc										
Communications/Network services	133	133	118	15	15	—	—	—	—	—
Toll-free network services.....	72	72	43	29	12	6	5	6	—	—
Voice communications services	107	107	94	13	12	1	—	—	—	—
Telesat Canada										
Communications and network services	36	36	8	28	4	4	4	3	3	10
Telus Communications Company										
Communications and network services	123	123	90	33	33	—	—	—	—	—
Government Enterprise Network Services	212	212	202	10	10	—	—	—	—	—
Zayo Canada Inc										
Digital channel communication services for combined transmission	74	74	52	22	22	—	—	—	—	—
National Capital Commission										
Gemma Property Services										
Management and maintenance of land	10	10	—	10	2	2	2	2	2	—
Services récréatifs Demsis Inc										
Management and maintenance of land	20	20	7	13	4	4	5	—	—	—
	22,656	22,637	10,269	12,368	2,315	2,037	1,884	1,503	1,063	3,566
Transport										
Canadian Air Transport Security Authority										
Allied Universal Security Services of Canada.....	1,299	1,299	979	320	154	166	—	—	—	—
Garda Security Screening Inc—Central	2,089	2,089	1,520	569	276	293	—	—	—	—
Garda Security Screening Inc—Prairies.....	1,468	1,468	1,093	375	184	191	—	—	—	—
Leidos Security Detection & Automation, Inc	82	82	64	18	4	4	4	3	3	—
NAV Canada—Maintenance services.....	81	81	71	10	10	—	—	—	—	—
NAV Canada—Spare parts	59	59	48	11	11	—	—	—	—	—
Securitas Transport Aviation Security Ltd	1,522	1,522	1,115	407	197	210	—	—	—	—
Smiths Detection Montreal Inc	227	227	205	22	22	—	—	—	—	—
Sun Life Assurance Company of Canada	25	25	3	22	6	6	6	4	—	—

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2023	2024	2025	2026	2027	2028 and subsequent years
VIA Rail Canada Inc.										
<i>Siemens</i>										
Technical services.....	356	356	—	356	3	5	7	25	25	291
	7,208	7,208	5,098	2,110	867	875	17	32	28	291
Treasury Board										
<i>Treasury Board Secretariat</i>										
<i>SAP Canada Inc</i>										
Licenses and professional services agreement.....	369	369	128	241	31	26	26	26	27	105
<i>Sun Life Assurance Company of Canada</i>										
Pensioners' Dental Services Plan (Administrative services).....	94	94	70	24	15	9	—	—	—	—
Public Service Health Care Plan (Administrative services).....	406	406	367	39	39	—	—	—	—	—
<i>The Canada Life Assurance Company</i>										
Public Service Health Care Plan (Administrative services).....	447	447	—	447	21	24	31	38	51	282
	1,316	1,316	565	751	106	59	57	64	78	387
Total—Purchases.....	120,224	106,401	57,318	49,083	15,631	7,683	4,732	3,556	2,642	14,839
Total—Capital assets and purchases.....	159,120	144,764	77,471	67,293	22,847	11,194	7,418	5,803	3,311	16,720

Operating leases**Canadian Heritage***Canada Council for the Arts*

Office accommodation, 150 Elgin Street,
Ottawa, Ontario.....

92	92	31	61	4	4	5	5	5	38
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Canadian Broadcasting Corporation

Morguard.....

144	144	78	66	6	6	6	5	5	38
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Regina

13	13	2	11	—	—	—	1	1	9
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Société en commandite La Nouvelle Maison

659	659	38	621	22	22	22	22	22	511
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*Canadian Museum of Immigration
at Pier 21*

1055 Marginal Road, Halifax, Nova Scotia.....

69	69	15	54	2	2	1	2	2	45
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977	977	164	813	34	34	34	35	35	641
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Environment and Climate Change*Department of the Environment*

*Capilano Indian Reserve No. 5,
Squamish First Nation,
Vancouver, British Columbia*

Lease of land—Pacific Environmental
Center.....

692	692	296	396	18	18	18	18	18	306
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Fisheries, Oceans and the Canadian Coast Guard*Department of Fisheries and Oceans*

Atlantic Towing Limited

Leasing of two Emergency Towing
Vessels

75	75	64	11	11	—	—	—	—	—
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Global Affairs*Department of Foreign Affairs, Trade and
Development*

237 Park Owner LLC.

Chancery, New York, United States.....

182	182	30	152	8	9	9	9	9	108
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AG Insurance S.A.

Chancery, Brussels, Belgium

22	22	7	15	2	2	2	2	2	5
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Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued
(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years	
					2023	2024	2025	2026	2027			
Main Business Administration for Services to the Diplomatic Corps (GlavUpDK)												
Chancery, Moscow, Russia	60	60	37	23	3	3	3	3	4	7		
One George Street LLP												
Chancery, Singapore, Singapore.....	17	17	4	13	4	3	3	3	—	—		
Shanghai JingAn Century Property Dv												
Chancery, Shanghai, China	16	16	—	16	3	3	3	4	3	—		
Canadian Commercial Corporation												
Office space.....	23	23	8	15	1	1	2	2	2	7		
International Development Research Centre												
World Exchange Plaza, 45 O'Connor Street, Ottawa.....	50	50	—	50	2	3	3	3	3	36		
	370	370	86	284	23	24	25	26	23	163		
Public Safety and Emergency Preparedness												
Royal Canadian Mounted Police												
<i>Government of Alberta</i>												
Alberta First Responders Radio Communications System	385	385	144	241	24	24	24	24	24	121		
<i>Government of Manitoba</i>												
Manitoba Public Safety Communications Service Agreement	73	69	3	66	7	7	7	6	6	33		
	458	454	147	307	31	31	31	30	30	154		
Public Services and Procurement												
Department of Public Works and Government Services												
<i>100-130 Colonnade Road Reginal Inc (Cushman and Wakefield Ottawa)</i>												
100 Colonnade Road, Ottawa, Ontario	11	11	—	11	1	1	1	2	2	4		
130 Colonnade Road, Ottawa, Ontario	20	20	1	19	2	2	3	3	3	6		
<i>121 King Street West Ltd</i>												
121 King Street West, Toronto, Ontario	111	70	13	57	7	7	7	7	7	22		
<i>1301986 Ontario Inc</i>												
405 Terminal Avenue, Ottawa, Ontario.....	50	44	9	35	5	5	5	5	5	10		
<i>1550 Carling Inc</i>												
1451 Coldrey Avenue and 1550 Carling Avenue, Ottawa, Ontario	27	17	4	13	3	3	4	3	—	—		
<i>160 Elgin Portfolio Inc and 160 Elgin Leaseholds Inc</i>												
Place Bell Canada, 160 Elgin Street, Ottawa, Ontario	63	63	23	40	8	8	4	4	4	12		
<i>1725 Woodward Drive Inc</i>												
1725 Woodward Drive, Ottawa, Ontario	20	16	4	12	2	2	2	2	2	2		
<i>1823175 Ontario Inc</i>												
Pinecrest Office Park, 2745 Iris Street, Ottawa, Ontario	25	25	15	10	2	2	2	3	1	—		
<i>22 Varennes Regional Inc</i>												
22 de Varennes Street, Gatineau, Quebec.....	12	12	—	12	1	2	3	3	2	1		
<i>25 Nicholas Properties Ltd</i>												
25 Nicholas Street, Ottawa, Ontario	45	31	10	21	4	4	5	5	3	—		
<i>3352200 Canada Inc</i>												
840 Howe Street, Vancouver, British Columbia	66	66	16	50	6	6	7	7	7	17		
<i>519719 Ontario Inc</i>												
1600 Star Top Road, Ottawa, Ontario	58	46	—	46	4	5	6	6	6	19		
<i>800 Burrard Limited Partnership</i>												
800 Burrard Street, Vancouver, British Columbia	94	64	33	31	9	10	10	2	—	—		

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years
					2023	2024	2025	2026	2027		
9182071 Canada Inc and 10064963 Canada Inc 2215 Gladwin Crescent, Ottawa, Ontario	27	19	—	19	2	3	3	3	3		5
9197397 Canada Inc 2200 Walkley Road, Ottawa, Ontario..... 2204 Walkley Road, Ottawa, Ontario.....	27 17	18 12	6 1	12 11	3 1	3 1	3 1	2 1	1 2		— 5
Arnon Corporation 785 Carling Avenue, Ottawa, Ontario	28	28	11	17	3	3	3	3	3		2
Aspen Properties GP Inc Bell Tower, 10104 - 103rd Avenue North West, Edmonton, Alberta.....	24	15	3	12	1	1	2	2	2		4
Bona Building & Management Company Ltd Place Vanier - Towers A and B, 333 and 355 North River Road, Ottawa, Ontario	211	147	83	64	12	12	12	12	13		3
Vanier Building, 222 Nepean Street, Ottawa, Ontario	31	31	5	26	3	3	3	3	3		11
Bona Building & Management Company Ltd and Bona Building & Management Company Ltd as trustee 1625 Vanier Parkway, Ottawa, Ontario..... 285 Coventry Road, Ottawa, Ontario	138 33	70 16	13 3	57 13	7 3	7 3	8 3	8 3	8 1		19 —
Capital City Shopping Centre Limited Billings Bridge Office Tower, 2323 Riverside Drive, Ottawa, Ontario	25	25	12	13	2	3	3	3	2		—
Centrale de l'enseignement du Québec, The 320 St-Joseph Street East, Québec, Québec	14	10	—	10	—	1	1	1	1		6
CFCF / QCC 4200 Labelle St Inc 4200 Labelle Street, Ottawa, Ontario	23	17	5	12	2	2	2	2	2		2
Chambers Building (Ottawa) Inc, c/o Allied Properties Chambers Building, 40 Elgin Street, Ottawa, Ontario	25	19	4	15	2	2	3	3	3		2
Chefoo Holdings Ltd 1138 Melville Street, Vancouver, British Columbia	82	64	10	54	8	8	8	8	8		14
City Centre Equities Inc and Harvard Developments Inc 2010-12th Avenue Regina, Saskatchewan.....	55	41	24	17	3	3	3	3	2		3
Colonnade Bridgeport Realty Inc Holland Cross Complex Towers A and B, 11 Holland Avenue, Ottawa, Ontario and 1600 Scott Street, Ottawa, Ontario.....	58	39	8	31	3	4	4	4	4		12
CPVC Place de Ville Nominee Inc 320 Queen Street, Ottawa, Ontario..... 330 Sparks Street, Ottawa, Ontario	480 162	476 68	322 —	154 68	39 4	36 22	16 23	16 19	16 —		31 —
Desjardins Financial Security Life Assurance Company and SWBC MEC 2 Ltd 2, Robert Speck Parkway, Mississauga, Ontario	26	26	3	23	2	2	2	3	3		11
Donald Bondy and Earl Brewer, in joint venture 81 Regent Street, Fredericton, New Brunswick	16	14	2	12	1	1	1	2	2		5
Dream Office LP 74 Victoria Street, Toronto, Ontario	17	17	—	17	3	9	5	—	—		—
GTA Office Inc c/o State Office II LP 100-2599 Speakman Drive, Mississauga, Ontario	15	12	1	11	1	1	1	1	1		6

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued
(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2023	2024	2025	2026	2027	2028 and subsequent years
Hantom Holdings Inc										
100 Metcalfe Street, Ottawa, Ontario	72	61	3	58	5	5	5	6	6	31
HOOPP Realty Inc										
ATB Place, North Tower, 10025 Jasper Avenue, Edmonton, Alberta	24	19	1	18	1	1	1	2	2	11
Ivanhoe Cambridge II Inc										
4720 Kingsway, Burnaby, British Columbia	31	31	19	12	3	3	3	3	—	—
Jones Lang and Lasalle Real estate										
750 Heron Road, Ottawa, Ontario	353	168	144	24	9	9	6	—	—	—
Kidinks Holdings Inc and Crestpoint Real Estate (234 Laurier) Inc										
234 Laurier Avenue West, Ottawa, Ontario....	96	96	—	96	—	3	3	4	9	77
Kidinks Holdings Inc and Outcore Equities Inc										
234 Laurier Avenue West, Ottawa, Ontario....	22	22	11	11	3	3	3	2	—	—
Larco Investments Limited										
1 Front Street, Toronto, Ontario	100	100	74	26	15	11	—	—	—	—
LCPF Realty Inc and Southland Park Inc, c/o Lasalle Investment Management (Canada)										
Southland Park 1, 10201 Southport Road South West, Calgary, Alberta	20	16	—	16	2	2	2	2	2	6
Leima Holdings Limited										
Leima Building, 410 Laurier Avenue West, Ottawa, Ontario	26	26	7	19	2	3	3	3	3	5
Les Cours Pointe St-Charles Inc										
Environment and Climate Change Canada, 1870 Le Ber Street, Montreal, Quebec	25	12	—	12	1	1	1	1	1	7
Lord Realty (Quebec) Limited Partnership										
Immigration and Refugee Board of Canada and Canada Economic Development, 800 René-Lévesque Boulevard West, Montreal, Quebec	18	18	7	11	1	2	2	2	2	2
MDL Real Estate Income Fund LP										
3427 Faithfull Avenue, Saskatoon, Saskatchewan	25	25	12	13	2	1	2	2	2	4
Minto (Kent St) Inc, I G Investment Management Ltd and LCPF Realty Inc										
180, Kent Street, Ottawa, Ontario	42	42	11	31	5	5	5	5	5	6
Minto Commercial Properties Inc, I G Investment Management Ltd and LCPF Realty Inc										
Canada Building, 344 Slater Street and Enterprise Building, 427 Laurier Avenue West, Ottawa, Ontario	174	135	105	30	15	2	2	2	2	7
MJ (5001 Yonge) Limited Partnership										
5001 Yonge Street, Toronto, Ontario	28	28	—	28	—	8	9	10	1	—
Morguard Camelot Limited, as nominee for and on behalf of Morguard Corporation										
59 Camelot Drive, Ottawa, Ontario	28	28	16	12	3	3	3	3	—	—
Morguard Investments Ltd										
Heritage Place Building, 155 Queen Street, Ottawa, Ontario	44	44	14	30	4	4	4	4	5	9
Morguard (Jean Edmonds) Limited and 10938629 Canada Inc										
Jean Edmonds Building, North Tower, 300 Slater Street, Ottawa, Ontario	97	97	58	39	10	10	11	8	—	—

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years
					2023	2024	2025	2026	2027		
Jean Edmonds Building, South Tower, 365 Laurier Avenue West, Ottawa, Ontario	92	92	55	37	10	10	10	7	—	—	—
Morguard Real Estate Investment Trust 7575 - 8th Street North-East, Calgary, Alberta	45	45	24	21	3	3	3	3	3	6	—
Nadfan Holdings Inc 360 Lisgar Avenue, Ottawa, Ontario	18	18	6	12	1	1	2	2	2	4	—
Newwest Realty Corporation 105 Hôtel-de-Ville Street, Gatineau, Quebec	32	32	21	11	5	5	1	—	—	—	—
O A C Holdings Limited 2525 Lancaster Road, Ottawa, Ontario.....	17	17	3	14	2	2	2	2	2	4	—
OMNI Property Management Inc 1611 Main Street, Vancouver, British Columbia	68	49	25	24	3	3	3	3	4	8	—
OPB (Centre 10) Inc 517 - 10th Avenue South West, Calgary, Alberta	145	69	59	10	7	3	—	—	—	—	—
Orlando Corporation 5800 Hurontario Street, Mississauga, Ontario	33	33	12	21	8	8	5	—	—	—	—
Outcore Equities Inc and Slate Asset Management GP Inc Sir Richard Scott Building, 191 Laurier Avenue West, Ottawa, Ontario	113	86	29	57	2	3	6	6	6	34	—
Oxford Properties Group Inc and OREC (RAC) Holdings Inc 120 Adelaide Street West and 101 Richmond Street West, Toronto, Ontario...	168	81	30	51	8	8	8	8	8	11	—
Place Bonaventure Property Management Inc Place Bonaventure, 800 de la Gauchetière Street West, Montréal, Quebec	20	20	7	13	2	2	2	2	2	3	—
Place d'Orléans Holdings Inc 110 Place d'Orléans Drive, Ottawa, Ontario	21	18	3	15	2	2	2	2	2	5	—
Priority Asset Management Inc 9240 - 49th Street, Edmonton, Alberta	101	50	28	22	3	3	3	4	4	5	—
Rize Alliance (Terminal Building) Inc Canada Revenue Agency Tax Services Office, 468 Terminal Avenue, Vancouver, British Columbia	78	78	25	53	5	5	5	5	6	27	—
Roscourt Investments Inc 30 McGill Street, Montréal, Quebec	30	30	10	20	4	4	4	4	4	—	—
S E C Promenade du Portage 60 Laval Street, Gatineau, Quebec	21	21	2	19	2	2	2	2	2	9	—
Station Lands Ltd Epcor Tower, 10423 - 101st Street, Edmonton, Alberta.....	29	20	2	18	4	4	4	4	2	—	—
Summit (1980 Matheson Boulevard East) Ltd 1980 Matheson Boulevard East, Mississauga, Ontario	23	23	13	10	3	3	3	1	—	—	—
Sun Life Assurance Company of Canada and Ontario Holdings Limited Sun Life Financial Centre, 50 O'Connor Street, Ottawa, Ontario	139	121	56	65	12	13	13	13	7	7	—
Surrey CC Properties Inc 13450 - 102nd Avenue, Surrey, British Columbia	31	31	18	13	3	3	3	2	2	—	—

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2022—concluded
(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2028 and subsequent years	
					2023	2024	2025	2026	2027			
The Cadillac Fairview Corporation Limited												
IBM Tower, 701 West Georgia Street, Vancouver, British Columbia	33	33	8	25	3	4	4	4	4	6		
The Canada Life Assurance Company												
151 Yonge Street, Toronto, Ontario	22	12	—	12	3	3	3	3	—	—		
219 Laurier Avenue West, Ottawa, Ontario.....	78	78	21	57	5	5	5	6	6	30		
269 Laurier Avenue West, Ottawa, Ontario.....	119	91	15	76	14	14	15	9	5	19		
Centennial Towers, 200 Kent Street, Ottawa, Ontario	233	181	119	62	16	16	17	13	—	—		
The Manitoba Public Insurance Corporation												
Cityplace Building, 234 Donald Street, Winnipeg, Manitoba	57	44	—	44	1	1	1	3	4	34		
TNC 340 Laurier Ltd												
340 Laurier Avenue West, Ottawa, Ontario....	85	85	14	71	10	10	10	10	10	21		
Westcliff Development Ltd and Centre Commercial Manicouagan Ltée												
200, promenade du Portage, Gatineau, Quebec	15	15	3	12	2	1	1	2	2	4		
Whiterock 655 Bay Street Toronto Inc												
655, Bay Street, Toronto, Ontario	32	32	—	32	2	4	4	5	5	12		
Windmill Dream Ontario GP 211 Inc												
125 Zaida Eddy Private, Ottawa, Ontario.....	145	106	1	105	7	7	7	7	7	70		
Winnipeg Square Leaseco Inc												
Commodity Exchange and Winnipeg Square, 360 Main Street, Winnipeg, Manitoba	41	41	5	36	4	4	4	4	4	16		
York Realty Inc												
7390 - 64th Street SE, Calgary, Alberta.....	22	15	—	15	—	—	1	1	1	12		
Z V Holdings Corporation												
2, Constellation Drive, Ottawa, Ontario	40	29	5	24	3	3	4	4	4	6		
National Capital Commission												
Chambers Building, Ottawa, Ontario	39	39	29	10	5	4	1	—	—	—		
	5,546	4,372	1,774	2,598	404	426	392	354	270	752		
Transport												
Canadian Air Transport Security Authority												
Sun Life Assurance Company of Canada	62	62	45	17	3	3	3	3	3	2		
Marine Atlantic Inc.												
Agreement to lease new vessel	109	109	—	109	—	2	22	22	22	41		
MV Atlantic Vision	107	107	97	10	10	—	—	—	—	—		
VIA Rail Canada Inc.												
<i>City of Toronto</i>												
Union Station	211	211	63	148	4	4	4	4	4	128		
	489	489	205	284	17	9	29	29	29	171		
Total—Operating leases.....												
	8,607	7,429	2,736	4,693	538	542	529	492	405	2,187		
Grand total.....	428,201	412,250	194,522	217,728	65,814	40,271	30,399	26,016	12,314	42,914		

¹ Future expenditures that the Government has committed to as part of a legal settlement.

International contractual obligations

International contractual obligations reported in this table include transfer payments, and loans and advances to international organizations as well as loans for the development of export trade (administered by Export Development Canada), if any, which Canada has agreed to disburse in the future. Future paid-in share capital represents commitments made by Canada for future purchases of non-budgetary share capital in international organizations. The amounts reported in Table 11.4 as undisbursed loans and advances and as future paid-in share capital exclude notes that have been issued and that are still unpaid as at March 31, 2022.

Table 11.4 presents information that is summarized in Note 19 to the consolidated financial statements in Section 2 of this volume.

Table 11.4
International contractual obligations

(in millions of dollars)¹

	Transfer payments	Undisbursed loans and advances	Future paid-in share capital	Total
Non-budgetary share capital and loans				
Finance				
Department of Finance				
Concessional Partner Loan				
International Development Association	—	360	—	360
Global Affairs				
Department of Foreign Affairs, Trade and Development				
African Development Bank	—	—	138	138
—	—	360	138	498
Budgetary transfer payments, loans and advances				
Finance				
Department of Finance				
Multilateral Debt Relief Initiative				
African Development Fund.....	413	—	—	413
International Development Association	858	—	—	858
Replenishment of the International Development Association				
Subscriptions and contributions	424	—	—	424
—	1,695	—	—	1,695
Global Affairs				
Department of Foreign Affairs, Trade and Development				
Development, peace and security programming	3,599	—	—	3,599
African Development Fund.....	—	118	—	118
Asian Development Fund	—	90	—	90
Caribbean Development Bank—Special Development Fund.....	—	61	—	61
Global Environment Facility Trust Fund	—	23	—	23
International Fund for Agricultural Development.....	—	50	—	50
Multilateral Fund of the Montreal Protocol	—	16	—	16
—	3,599	358	—	3,957
Health				
Canadian Institutes of Health Research				
Grants for research projects and personnel support	13	—	—	13
Immigration, Refugees and Citizenship				
Department of Citizenship and Immigration				
International Organization for Migration.....	69	—	—	69
United Nations High Commissioner for Refugees.....	15	—	—	15
—	84	—	—	84
Innovation, Science and Industry				
Department of Industry				
International Telecommunication Union	29	—	—	29
Canadian Space Agency				
European Space Agency.....	162	—	—	162
National Research Council of Canada				
Canada-France-Hawaii Telescope Corporation	28	—	—	28
The National Science Foundation.....	47	—	—	47
TMT International Observatory LLC	145	—	—	145
—	411	—	—	411
—	5,802	358	—	6,160
Total	5,802	718	138	6,658

¹ Foreign currencies were translated into Canadian dollars using the closing rates of exchange at March 31, 2022 (\$1 USD = \$1.2502 CAD; 1 SDR = \$1.7282 CAD; 1 EUR = \$1.3831 CAD).

Contractual rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future. These contractual rights can be classified into four categories: sales of goods and services, leases of property, royalties and revenue/profit-sharing arrangements and others.

All contractual rights of \$10 million or more per contract or per portfolio of agreements that are similar in nature outstanding at year-end are reported.

In accordance with the government's significant accounting policies, the contractual rights of consolidated Crown corporations are included with those of the government.

Table 11.5**Sales of goods and services, leases of property, royalties and revenue/profit-sharing arrangements and other contractual rights as at March 31, 2022**

(in millions of dollars)

	Outstanding revenue ¹	Outstanding revenue to be earned by March 31						2028 and subsequent years
		2023	2024	2025	2026	2027		
Sales of goods and services								
Environment and Climate Change								
Department of Environment and Climate Change.....	65	13	13	13	14	12	—	
Global Affairs								
Canadian Commercial Corporation.....	34	16	9	4	3	—	2	
Public Safety								
Royal Canadian Mounted Police.....	28,861	2,813	2,830	2,848	2,866	2,883	14,621	
Total—Sales of goods and services.....	28,960	2,842	2,852	2,865	2,883	2,895	14,623	
Leases of property								
Canadian Heritage								
Canadian Broadcasting Corporation	397	10	11	10	11	11	344	
Environment and Climate Change								
Parks Canada Agency ²	207	10	9	10	9	9	160	
Public Services and Procurement								
National Capital Commission	110	2	2	2	2	2	100	
Transport								
Department of Transport ³	2,137	326	423	454	463	471	—	
Total—Leases of property	2,851	348	445	476	485	493	604	
Royalties and revenue/profit-sharing arrangements								
Innovation, Science and Economic Development								
National Research Council of Canada.....	28	4	3	2	2	2	15	
Total—Royalties and revenue/profit-sharing arrangements	28	4	3	2	2	2	15	
Other								
Agriculture and Agri-Food								
Department of Agriculture and Agri-Food.....	157	30	20	18	13	13	63	
Environment and Climate Change								
Parks Canada Agency ²	17	3	3	3	2	3	3	
Employment, Workforce Development and Disability Inclusion								
Department of Employment and Social Development.....	464	464	—	—	—	—	—	
Innovation, Science and Industry								
Department of Industry	100	14	13	12	11	10	40	
National Defence								
Department of National Defence.....	31	—	—	—	—	—	31	
Total—Other.....	769	511	36	33	26	26	137	
Contractual rights subject to non-disclosure clauses.....	171	2	2	2	3	3	159	
Total	32,779	3,707	3,338	3,378	3,399	3,419	15,538	

¹ The amounts reflected in outstanding revenue are incomplete because of the degree of uncertainty surrounding a number of contracts. Estimates of future revenue have been provided where the degree of certainty allows for reasonable estimates to be made.

² There are agreements that are perpetual in nature, i.e. there is no end date. Five years' future revenues have been estimated; revenues beyond that have not been estimated due to uncertainty.

³ There are agreements where the department or Crown corporation is entitled to future revenue based on a percentage of revenue or profits of the other party to the agreement, or based on receiving an amount for each unit of goods sold. Estimates of future revenue have been provided where the degree of certainty allows for reasonable estimates to be made.

In addition to the contractual rights presented in Table 11.5, the Parks Canada Agency has agreements that entitles it to future revenue based on a percentage of revenue or profits of the other party to the agreement, or based on receiving an amount for each unit of goods sold. Revenues have not been estimated due to uncertainty.

Contingent liabilities

The contingent liabilities of the government are grouped into: guarantees provided by the government, international organizations, pending and threatened litigation and other claims, assessed taxes under appeal and insurance programs of agent enterprise Crown corporations. Additional information regarding each category is provided below.

For details of contingent liabilities of consolidated Crown corporations, refer to Table 4.4 in Section 4 of this volume. Particulars of contingent liabilities of enterprise Crown corporations and other government business enterprises are not consolidated with those of the government but details of these contingencies may be found in Table 9.7 of Section 9 of this volume.

Guarantees

Losses on guarantees are recorded in the accounts when it is likely that a payment will be made to honour a guarantee and when the amount of the anticipated loss can be reasonably estimated. The amount of the allowance is determined by taking into consideration the nature of the guarantee, loss experience and the use of other measurement techniques. Borrowings of enterprise Crown corporations and other government business enterprises are recorded as liabilities for the portion not expected to be repaid directly by these corporations.

Table 11.6 lists the outstanding guarantees and is summarized in Note 7 to the consolidated financial statements in Section 2 of this volume. The authorized limits indicated in Table 11.6 represent the aggregate total of various types of authorities of government bodies as stipulated in legislation, legal agreements or other documents that may be in force at any one time.

Table 11.6
Guarantees provided by the government as at March 31, 2022

(in millions of dollars)

	Authorized limit (where applicable)	Principal amount outstanding
Guaranteed borrowings of enterprise Crown corporations and other government business enterprises		
Agent enterprise Crown corporations		304,871 ¹
Other guarantees provided by the government		
Loan guarantees		
Agriculture and Agri-Food		
Department of Agriculture and Agri-Food		
Advance Payments Program— <i>Agricultural Marketing Programs Act</i>	7,500	921
Loans to farmers under the <i>Canadian Agricultural Loans Act</i>	3,000	85
Employment, Workforce Development and Disability Inclusion		
Department of Employment and Social Development		
<i>Canada Student Loans Act</i>	10,782	— ²
Finance		
Department of Finance		
International Bank for Reconstruction and Development	148	148
Indigenous Services		
Department of Indigenous Services		
Indian Economic Development Guarantee Program.....	60	— ²
On-Reserve Housing Guarantee Program.....	2,200	
Canada Mortgage and Housing Corporation.....		1,597
Other approved lenders.....		280
Innovation, Science and Industry		
Department of Industry		
<i>Canada Small Business Financing Act</i>	4,065	1,070
College of Patent and Trademark Agents	1	—
Natural Resources		
Department of Natural Resources		
Lower Churchill Hydro Electric Projects.....	10,200	9,056
Total—Loan guarantees.....	37,956	13,157

Table 11.6
Guarantees provided by the government as at March 31, 2022—concluded
 (in millions of dollars)

	Authorized limit (where applicable)	Principal amount outstanding
Insurance programs managed by the government		
Canadian Heritage		
Department of Canadian Heritage		
<i>Canada Travelling Exhibitions Indemnification Act</i>	3,000	—
Finance		
Department of Finance		
Mortgage or Hypothecary Insurance Protection	350,000	257,704
Global Affairs		
Department of Foreign Affairs, Trade and Development		
Accounts administered for the government by Export Development Canada	115,000	11
Natural Resources		
Department of Natural Resources		
Nuclear Liability Account	—	—
Total—Insurance programs managed by the government.....	<u>468,000</u>	<u>257,715</u>
Other explicit guarantees		
Agriculture and Agri-Food		
Department of Agriculture and Agri-Food		
National Biomass Ethanol Program.....	140	—
Price Pooling Program— <i>Agricultural Marketing Programs Act</i>	—	—
Total—Other explicit guarantees	<u>140</u>	<u>—</u>
Total—Gross guarantees	<u>506,096</u>	<u>575,743</u>
Less: allowance for guarantees	390	—
Net exposure under guarantees	<u>575,353</u>	<u>—</u>

This table excludes insurance programs operated by agent enterprise Crown corporations. Information on these programs is disclosed in Note 7 to the consolidated financial statements in Section 2 of this volume and additional information is provided in Table 11.8 of this section.

¹ Details can be found in Table 9.5, Section 9 of this volume.

² Less than \$500,000

Advance Payments Program—*Agricultural Marketing Programs Act*

The Advance Payments Program (APP) is a federal loan guarantee program which provides producers with access to cash advances over their production and marketing period. The cash advances are based on the anticipated value of the eligible agricultural products being produced or that are in storage. The program is administered by participating producer organizations (APP administrators) and the federal guarantee helps these organizations obtain financing for the cash advances at lower interest rates.

Under the APP, a producer can obtain a cash advance of up to \$1.0 million. The federal government pays the interest on the first \$100,000. Producers are required to repay their advances as they sell their products, with up to 18 months to fully repay advances on most agricultural products (up to 24 months on cattle and bison). By improving producers' cash flow throughout the year, the APP helps crop and livestock producers meet their financial obligations and benefit from the best market conditions.

Loans to farmers under the *Canadian Agricultural Loans Act*

The *Canadian Agricultural Loans Act* (CALA) program is a financial loan guarantee program that gives farmers easier access to credit. Farmers can use these loans to establish, improve, and develop farms; while Agricultural co-operatives may also access loans to process, distribute, or market the products of farming.

The CALA program builds on and replaces the previous *Farm Improvement and Marketing Co-operative Loans Act* program, which has helped farming operations grow their businesses by guaranteeing loans issued through financial institutions since 1988.

Through the CALA, the Government of Canada is supporting the renewal of the agricultural sector and enabling co-operatives to better seize market opportunities. This program guarantees 95% of the value of loans provided to farms and cooperatives by financial institutions. For individual applicants, including corporations, the maximum amount for a CALA loan is \$0.5 million. Most loans are repayable within ten years; for loans on land purchases, the repayment period is 15 years.

Canada Student Loans Act

Loans provided by financial institutions between 1964 and August 1995, under the *Canada Student Loans Act*, are fully guaranteed by the Department of Employment and Social Development (ESDC) to the lenders. ESDC reimburses the lenders for the outstanding principal, accrued interest and costs in the event of default, permanent disability or death of the borrower. ESDC bears all risks associated with guaranteed loans.

International Bank for Reconstruction and Development

Pursuant to section 8.3(1) of the *Bretton Woods and Related Agreements Act*, the Minister of Finance, by order of the Governor in Council, authorized a partial loan guarantee in the amount of \$118 million USD to the International Bank for Reconstruction and Development (IBRD) in respect to a \$1,443.82 million USD loan entered into between the IBRD and the Republic of Iraq.

Under this guarantee, the Minister would make payment to the IBRD in the event that the Republic of Iraq is more than six months late in meeting a scheduled interest or principal payment to the IBRD. The Minister would only be required to pay a pro-rata share of the loan repayment that is past due, up to a fixed aggregate amount of \$118 million USD. In the event that any portion of the guarantee is called, Canada would receive a claim from the IBRD against the Republic of Iraq, and would have the option to pursue recovery. At this point, no losses are anticipated with respect to this guarantee and no provision has been made.

Indian Economic Development Guarantee Program

This program authorizes the Department to guarantee loans for non-incorporated Indian businesses on a risk-sharing basis with commercial lenders because security restrictions in the *Indian Act* prevent the mortgage and seizure of property located on reserves. Guarantees are provided for various types of borrowers whose activities contribute to the economic development of Indians and enable them to develop long-term credit relationships with mainstream financial institutions.

Loans issued under this program cannot exceed a term of 15 years and the line of credit must be renewed every year. Interest rates on guaranteed loans are consistent with rates provided by lending institutions to commercial businesses, which are usually based on a spread from the prime lending rate. Any security pledged for a guaranteed loan may not be released by the lending institution without the prior approval of the Minister of Indigenous Services Canada.

On-Reserve Housing Guarantee Program

This program authorizes the Department of Indigenous Services to guarantee loans to individuals and Indian bands to assist in the purchase of housing on reserves because security restrictions in the *Indian Act* prevent the mortgage and seizure of property located on reserves. These loan guarantees enable status Indians residing on reserves, Band councils, or their delegated authorities, to secure housing loans without giving the lending institution rights to the property.

Loans under this program are issued by registered lending institutions and Canada Mortgage and Housing Corporation. Payments of principal and interest for loans issued under this program are amortized over a period up to 25 years. The interest rates on the guaranteed loans are consistent with conventional mortgage interest rates offered by the major banks. The total guarantee loans amount authorized by the Department cannot exceed \$2.2 billion.

Canada Small Business Financing Act

The *Canada Small Business Financing Act* includes loans registered since April 1, 1999. In collaboration with financial institutions, the programs offered under this Act is designed to help Canadian small and medium-sized enterprises (SMEs) get access to loans that would not otherwise have been available, or would only have been available under less favourable terms. In the event a registered loan defaults, the government pays 85% of the net eligible losses. To be eligible, SMEs must be for-profit businesses with revenues not exceeding \$10 million per year.

College of Patent and Trademark Agents

The Minister of Innovation, Science and Industry has the authority under section 14(1)(b) of the *Department of Industry Act* to authorize a loan guarantee to facilitate the implementation of any program or project of the Minister. The College of Patent Agents and Trademark Agents was established in federal legislation in December 2018 to act as the professional regulator for patent agents and trademark agents. The guarantee was provided on a line of credit up to \$1,000,000 to support the College's preparations prior to the full coming into force of its legislation, at which point it would have authority to collect fees.

Lower Churchill Hydroelectric Projects

From 2013 to 2017, the Government of Canada guaranteed a total of \$9.2 billion in debt issued to support the construction of the Lower Churchill Hydroelectric Projects, including two projects sponsored by Nalcor Energy ([1] Muskrat Falls and Labrador Transmission Assets and [2] Labrador-Island Link) and one project sponsored by Emera Inc. (Maritime Link).

Interest payments on these bonds began immediately after issuance, occurring every six months on June 1 and December 1 of every year. Principal repayments began in 2020. In some cases, principal repayments are made directly to bondholders every six months; in other cases, the entire principal amount of the bond is repaid on the maturity date – in these cases, funds are gradually set aside every six months to ensure that the full principal amount can be paid on the maturity date.

In March 2022, the Government of Canada issued a subsequent federal loan guarantee for \$1 billion in debt. The proceeds of this debt issuance will be used to make principal repayments for the Muskrat Falls and Labrador Transmission Assets project that come due on or before June 1, 2029. Interest payments on this subsequent guarantee begin on June 1, 2022 and will occur every six months until the debt is retired. The principal amounts will be repaid beginning on December 1, 2037, with the final payment occurring on June 1, 2057.

Among the many safeguards put in place to protect Canada's interests, all of the project entities' shares, assets and agreements have been pledged as security to Canada.

The net amount of debt remaining outstanding, having been reduced by both principal repayments to bond holders as well as funds held in escrow for future principal repayments, is \$9,056,168,500 as at March 31, 2022.

Canada Travelling Exhibitions Indemnification Act

Pursuant to s. 3(1) of the *Canada Travelling Exhibitions Indemnification Act* (the Act) the Minister of Canadian Heritage is authorized to enter into indemnification agreements with owners of objects or appurtenances on loan to travelling exhibitions in Canada. Under the Act, maximum levels of liability are established including: no more than \$600 million in respect of each travelling exhibition and; no more than \$3 billion at any given time in respect of all travelling exhibitions. The Canada Travelling Exhibitions Indemnification Regulations set out specific requirements to be met when owners are seeking indemnification agreements with the Minister. The Regulations also set limitations on the scope of indemnity, establish deductibles, define maximums for and period of coverage, set requirements for condition reporting, outline a claims procedure and provide for dispute resolution, among other things. Applicants may include institutions organizing or participating in travelling exhibitions who apply on behalf of owners. Upon approval of an application by the Minister, the owner of an object or appurtenance included in the particular travelling exhibition may enter into an indemnification agreement with the Minister.

Mortgage or Hypothecary Insurance Protection

The *Protection of Residential Mortgage or Hypothecary Insurance Act* (PRMHIA) received Royal Assent on June 26, 2011, and came into force on January 1, 2013.

The PRMHIA authorizes the Minister of Finance to provide protection in respect of certain mortgage or hypothecary insurance contracts written by approved mortgage insurers. Under the PRMHIA, a payment in respect of this guarantee would only be made if a winding-up order were made in respect of an approved mortgage insurer that had written an insurance contract guaranteed under the PRMHIA. In that case, the Minister would honour lender claims for insured mortgages in default, subject to: (a) any proceeds the beneficiary has received from the underlying property or the insurer's liquidation, and (b) a deductible of 10% of the original principal amount of the insured mortgage.

As at March 31, 2022, the aggregate outstanding principal amount of loans that are guaranteed under the PRMHIA is estimated at \$292.6 billion (\$289.9 billion in 2021). Any payment by the Minister is subject to a deductible equal to 10% of the original principal amount of these loans, or \$34.9 billion (\$34.4 billion in 2021). The principal amount outstanding presented within Table 11.6 does not refer to anticipated losses or payments in respect of the guarantee. No provision has been made in these accounts for payments under the guarantee.

As at March 31, 2022, there are two approved mortgage insurers under the PRMHIA: Sagen Mortgage Insurance Company Canada (formerly Genworth Financial Mortgage Insurance Company Canada) and Canada Guaranty Mortgage Insurance Company.

Accounts administered for the government by Export Development Canada

The Government of Canada has authorized support for insurance and guarantee programs which, on the basis of Export Development Canada's (EDC) risk management practices, could not be supported under EDC's Corporate Account but are in the national interest. Canada Account transactions consist of activities undertaken by EDC pursuant to Section 23 of the *Export Development Act*.

Nuclear Liability Account

Under the *Nuclear Liability and Compensation Act* (NLCA), which entered into force on January 1, 2017, and replaced the *Nuclear Liability Act* (NLA), now repealed, operators of designated nuclear installations are required to maintain financial security against the liability imposed on them by the NLCA.

The NLCA establishes that the operator's liability for damages resulting from a nuclear incident is limited to \$1 billion. This amount applies to the "Power Reactor Class" of nuclear installations prescribed in the Nuclear Liability and Compensation Regulations (NLCR). Lower liability amounts for lower-risk installations, based on their commensurate risk, are prescribed in the NLCR. The Minister of Natural Resources is required to review the operator's liability limit at least once every five years, and the government may increase the limit by regulation.

Financial security covers all the categories of damage that are compensable under the NLCA, with the exception of damage arising from routine emissions, and bodily injury occurring 10 to 30 years after a nuclear incident. Through the indemnity agreement, entered into with 9 operators, the federal government covers the liability associated with the two exceptions. It also covers the difference between the lower liability amount prescribed in NLCR for lower-risk installations and, as applicable, the \$1 billion liability assigned in the NLCA. The federal government charges each operator an annual fee for providing this indemnity coverage.

The Department of Natural Resources administers the Nuclear Liability Account (Account) on behalf of the federal government through a consolidated specified purpose account. This Account is a continuation of the Nuclear Liability Reinsurance Account under the repealed NLA. All fees paid by the operators of nuclear installations are credited to this Account. The closing balance of this Account as at March 31, 2022, is \$4,879,402. Any claims under an indemnity agreement could be up to the level of the liability amount assigned in the NLCA; however, there is no limit to the number of incidents to which the indemnity could apply. There have been no claims against – or payments out of – the Account since its creation under the NLA.

National Biomass Ethanol Program

By Agreement dated March 30, 2001 (and amended in September 1, 2003), Her Majesty the Queen in Right of Canada as represented by the Minister of Agriculture and Agri-Food and Farm Credit Canada (FCC) entered into the National Biomass Ethanol Program. The purpose of the program is to encourage new biomass fuel ethanol production in Canada. Guarantees are provided in relation to the Line of Credit Agreements entered into by FCC.

Price Pooling Program—*Agricultural Marketing Programs Act*

The Price Pooling Program provides a price guarantee that protects marketing agencies and producers against unanticipated declines in the market price of their products. Program participants use the price guarantee as security in obtaining credit from lending institutions. This credit allows the marketing agency to improve cash flow of producers through an initial payment for products delivered. It also provides equal returns to producers for products of like grades, varieties and types. This program is designed to assist and encourage cooperative marketing of eligible agricultural products, including processed products.

International organizations

Within contingent liabilities, callable share capital represents the portion of Canada's capital subscriptions that has not yet been paid-in. Callable capital is subject to call by offshore banks in the event that they were unable to meet their obligations.

Table 11.7 details the contingent liabilities for international organizations and is summarized in Note 7 to the consolidated financial statements in Section 2 of this volume.

Table 11.7
International organizations—Contingent liabilities

(in millions of dollars)¹

	2022	2021
Non-budgetary share capital and loans		
Callable share capital		
Finance		
Department of Finance		
Asian Infrastructure Investment Bank.....	996	1,001
European Bank for Reconstruction and Development.....	1,117	1,190
International Bank for Reconstruction and Development (World Bank).....	9,851	9,903
Multilateral Investment Guarantee Agency.....	57	57
	<i>12,021</i>	<i>12,151</i>
Global Affairs		
Department of Foreign Affairs, Trade and Development		
African Development Bank	9,144	9,186
Asian Development Bank	7,955	7,997
Caribbean Development Bank	153	154
Inter-American Development Bank	8,249	8,293
	<i>25,501</i>	<i>25,630</i>
Total	<i>37,522</i>	<i>37,781</i>

¹ Foreign currencies were translated into Canadian dollars using the closing rates of exchange at March 31, 2022 (\$1 USD = \$1.2502 CAD; 1 SDR = \$1.7282 CAD; 1 EUR = \$1.3831 CAD).

Pending and threatened litigation and other claims

Refer to Note 7 to the consolidated financial statements in Section 2 of this volume for information on pending and threatened litigation and other claims.

Assessed taxes under appeal

Refer to Note 7 to the consolidated financial statements in Section 2 of this volume for information on assessed taxes under appeal.

Insurance programs of agent enterprise Crown corporations

An insurance program is a program where the insured, an outside party, pays an insurance fee which is credited to an insurance fund or provision. The amount of the fee is based on the estimated amount of insurance fund or provision needed to meet future claims. The Canada Deposit Insurance Corporation, Canada Mortgage and Housing Corporation, Export Development Canada and Farm Credit Canada currently operate insurance programs as agents of Her Majesty. Insurance programs operated by private corporations such as employee group insurance, dental plans, etc., are not included in this definition.

The insurance programs are intended to operate on a self-sustaining basis. However, in the event the corporations have insufficient funds, the government will have to provide financing. The government expects that all four corporations will cover the cost of both current claims and possible future claims.

Table 11.8
Summary of insurance programs of agent enterprise Crown corporations
for the year ended March 31, 2022

(in millions of dollars)

	Canada Deposit Insurance Corporation ¹		Canada Mortgage and Housing Corporation ²				Export Development Canada ³		Farm Credit Canada ⁴	
			Mortgage Insurance Fund		Mortgage-Backed Securities Guarantee Fund					
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Insurance in force as at reporting date ...	1,025,235	967,981	394,000	422,000	460,000	479,000	28,556	28,792	5,100	4,477
Opening balance of Fund	3,842	3,480	10,919	12,056	1,552	2,396	3 ³	3 ³	21	16
Revenues for the period										
Premiums and fees	772	739	1,401	1,384	737	680	254	239	26	26
Interest on loans	—	—	—	—	4,208	4,459	—	—	—	—
Investment income	93	90	279	897	39	92	—	—	—	1
Other revenues	—	—	(2)	(1)	14	20	172	—	—	—
Total revenues.....	865	829	1,678	2,280	4,998	5,251	426	239	26	27
Expenses for the period										
Loss on/provision for claims	(750)	400	(134)	164	—	—	—	—	8	4
Interest on borrowings.....	—	—	—	—	4,199	4,451	—	—	—	—
Administrative expenses.....	68	60	312	329	69	68	—	—	7	8
Other expenses (includes taxes).....	6	7	377	452	183	183	—	504	15	10
Total expenses	(676)	467	555	945	4,451	4,702	—	504	30	22
Net income or (loss) for the period.....	1,541	362	1,123	1,335	547	549	426	(265)	(4)	5
Adjustments	—	—	(1,459)	(2,472)	(583)	(1,393)	—	—	—	—
Closing balance of Fund	5,383	3,842	10,583	10,919	1,516	1,552	3 ³	3 ³	17	21
Net claims during the period ⁵			116	115			30	128	8	4
Five year average of net claims paid			204	252			156	167	6	6

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

¹ The Canada Deposit Insurance Corporation (CDIC) provides insurance on deposits placed with member banks and trust and loan companies for up to \$100,000 per depositor, per institution. The Corporation is funded by premiums assessed against its member institutions.

² Canada Mortgage and Housing Corporation (CMHC) administers two funds: the Mortgage Insurance Fund (MIF) and the Mortgage-Backed Securities Guarantee Fund (MBSGF). The MIF provides insurance for a fee, to lending institutions to cover mortgage lending on Canadian housing. Besides establishing a framework of confidence for mortgage lending by lending institutions, the Fund facilitates an adequate supply of mortgage funds by reducing the risk to lenders and by encouraging the secondary market trading of mortgages, to make housing more accessible for Canadians. An actuarial study of the MIF is produced as of September 30 of each year. The Corporation determines provisions for claims and unearned premiums at December 31 using valuation factors taking into account new business, claims and interest for the last quarter. The MBSGF supports two CMHC guarantee products: *National Housing Act* (NHA) Mortgage-Backed Securities and Canada Mortgage Bonds.

The Mortgage-Backed Securities (MBS) program was implemented in 1987. For a guarantee fee paid by approved financial institutions, CMHC and ultimately the government guarantee timely payment of monthly principal and interest to MBS investors who participate in a pool of insured residential mortgages which have been repackaged by the financial institution into investments which can be sold to investors in denominations as low as \$1,000. The Canada Mortgage Bond (CMB) program was implemented in 2001. Under this program, bonds are issued by a special purpose trust known as Canada Housing Trust and sold to investors in denominations as low as \$1,000. The proceeds of the bonds are used to purchase mortgages packaged into newly issued NHA MBS. Canada Mortgage Bonds of \$258,831 million (\$265,191 million in 2021) including accrued interest, issued by the Trust carry the full faith and credit of the Government of Canada. The timely payment of semi-annual interest and principal at maturity is guaranteed by the Government of Canada through CMHC.

³ Export Development Canada (EDC) provides export and foreign investment insurance to Canadian businesses to facilitate and develop export trade. The insurance program has been adequate to provide for the full cost of claims experienced to date and for the cost of future claims established based on previous claims experience. The Corporation does not maintain a separate fund for its insurance program and therefore the balance of the fund is not available. EDC maintains an allowance for claims on insurance which is based on an actuarial review of net loss experience and potential net losses. The balance of the allowance is \$530 million (\$750 million in 2021).

⁴ Farm Credit Canada sells group creditor life and accident insurance to its customers through a program administered by a major insurance provider and Farm Credit Canada's risk of the insurance program is limited.

⁵ Refers to the difference between claims and amounts received from sales of related assets and other recoveries.

Additional financial information relating to these corporations may be found in the annual *Inventory of Federal Organizations and Interests*. This information is also summarized in Note 7 to the consolidated financial statements in Section 2 of this volume.

Section 12

*Public Accounts of Canada
2021–2022*

Index

Index

	<i>Page</i>	
	<i>English</i>	<i>French</i>
A		
Accounting for expenses.....	108	112
Accounting policies, Summary of significant	61	65
Accounts payable and accrued liabilities, Section 5		
Accounts payable and accrued liabilities	150	156
Accumulated deficit.....	22, 57	23, 74
Allowance for valuation	320	332
Amounts payable related to tax.....	158	164
Assets under capital leases.....	326	338
Auditor General of Canada—Independent Auditor's Report.....	54	57
B		
Budgetary balance, The	12	12
C		
Canada bills.....	166	172
Canada Pension Plan	195	201
Financial statements.....	218	225
Cash and accounts receivable, Section 7		
Cash and cash equivalents	87, 270	90, 280
Cash flow.....	38	40
Comparison of actual results to budget projections	20	20
Comparative information.....	63	66
Consolidated accounts, Section 4		
Consolidated agent Crown corporations, Borrowings by.....	126	130
Consolidated Crown corporations and other entities.....	121	125
Contingent liabilities of	126	130
Summary financial statements of.....	121	125
Consolidated Crown corporations, Financial assistance under budgetary appropriations to	127	131
Consolidated financial statements of the Government of Canada and report of the Auditor General of Canada, Section 2		
Consolidated financial statements of the Government of Canada		
Notes to the.....	61	64
Preface to the	52	55
Consolidated specified purpose accounts.....	128	132
Consolidated Statement of Cash Flow		
Detailed	60	63
Detailed	44	46
Consolidated Statement of Change in Net Debt.....		
Detailed	59	63
Detailed	43	45
Consolidated Statement of Financial Position		
Detailed	58	61
Detailed	42	44
Consolidated Statement of Foreign Exchange, Unmatured Debt and Cash Transaction—detailed.....	46	48
Consolidated Statement of Non-Budgetary Transactions and of Non-Financial Assets—detailed	45	47
Consolidated Statement of Operations and Accumulated Deficit		
Detailed	57	60
Detailed	43	43
Contingent liabilities.....	73, 126, 388	75, 152, 397
Contractual obligations	38, 98, 328	40, 102, 340
Contractual obligations, contractual rights and contingent liabilities, Section 11		
Contractual rights	38, 98, 386	40, 102, 398
Cross-currency swap revaluation.....	167	173
D		
Deferred revenues.....	154	160
Deposit and trust accounts	198	204

Index—continued

	<i>Page</i>	<i>Page</i>
	<i>English</i>	<i>French</i>
E		
Economic developments.....	9	9
Employment Insurance Operating Account financial statements.....	133	138
Employment insurance premiums.....	105	109
Endowment principal.....	132	137
Enterprise Crown corporations and other government business enterprises.....	90, 285	94, 295
Borrowings by	294	304
Contingent liabilities of	295	305
Contractual obligations of.....	296	306
Financial assistance to	296	306
Maturity and currency of borrowings by.....	295	305
Summary financial statements of.....	289	296
Environmental liabilities and asset retirement obligations.....	75, 159	78, 165
Exchange Fund Account		
Financial statements.....	277	287
International reserves held in the	275	285
Expenditures under statutory authorities.....	116	120
Expenses.....	17, 67, 108	17, 70, 112
by object	115	119
by segment.....	110	114
F		
Financial highlights, 2022	8	8
Financial instruments.....	96	100
Financial statements discussion and analysis, Section 1		
Financial statements discussion and analysis.....	8	8
Foreign exchange accounts, Section 8		
Foreign exchange accounts.....	88	92
G		
Glossary of terms.....	47	49
Government Annuities Account	197	203
Financial statements.....	250	260
Government's cost of operations.....	110	114
I		
Insurance accounts.....	130	134
Interest and matured debt.....	160	166
Interest-bearing debt, Section 6		
Interest rates	167	173
International Monetary Fund	276	286
International organizations	304	314
L		
Loans, investments and advances, Section 9		
Loans, investments and advances	284	294
M		
Marketable bonds	163	169
Maturity of government debt	168	174
Medium-term notes	166	172

Index—concluded

	<i>Page</i>	<i>Page</i>
	<i>English</i>	<i>French</i>
N		
National governments including developing countries	300	310
Non-financial assets, Section 10		
Non-financial assets.....	322	335
O		
Obligations related to capital leases.....	169	175
Other accounts receivable.....	272	282
Other consolidated specified purpose accounts.....	131	136
Other employee and veteran future benefits	193	199
Other liabilities	86, 195	89, 201
Other loans, investments and advances.....	92, 310	96, 321
Other revenues.....	106	110
Other specified purpose accounts	206	212
P		
Pension and other future benefits.....	173	179
Portfolio investments.....	297	307
Provincial and territorial governments.....	309	320
Public sector pensions	173	179
Public sector pensions and other employee and veteran future benefits.....	80	83
R		
Retail debt	165	171
Return on investments	107	111
Revenues	14, 65, 104	14, 68, 108
Revenues, expenses and accumulated deficit, Section 3		
Risk and uncertainties.....	39	41
Royal Canadian Mounted Police (Dependants) Pension Fund financial statements.....	260	270
S		
Segmented information.....	99	103
Special drawing rights allocations	276	286
Spending and borrowing authorities	63	66
Statement of all borrowing transactions on behalf of Her Majesty	169	175
Statement of responsibility	53	56
T		
Tangible capital assets	324	336
Tangible capital assets and inventories	94	98
Tax revenues.....	104	108
Taxes and other accounts receivable.....	87	91
Taxes receivable	271	281
Ten-year comparative financial information.....	40	42
Treasury bills.....	165	171
U		
Unamortized discounts and premiums on market debt	167	173
Unmatured debt	78, 163	81, 169
V		
Vehicles.....	326	338