



Government
of Canada

Gouvernement
du Canada

Prepared by the
Receiver General for Canada

Public Accounts of Canada

2020

Volume I

**Summary Report
and Consolidated
Financial Statements**

Canada 

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To Her Excellency

The Right Honourable Julie Payette
C.C., C.M.M., C.O.M., C.D.,
*Governor General and
Commander-in-Chief of Canada*

May it please your Excellency:

I have the honour to present to Your Excellency the Public
Accounts of Canada for the year ended March 31, 2020.

All of which is respectfully submitted.

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

Ottawa, November 23, 2020

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

Sir:

In accordance with the provisions of section 64(1) of the
Financial Administration Act, I have the honour to transmit
herewith the Public Accounts of Canada for the year ended
March 31, 2020, to be laid by you before the House of
Commons.

Respectfully submitted,

Original signed by
Anita Anand, P.C., M.P.
Receiver General for Canada

Ottawa, November 23, 2020

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

Madam:

I have the honour to submit the Public Accounts of Canada
for the year ended March 31, 2020.

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
Bill Matthews
Deputy Receiver General for Canada

Ottawa, November 23, 2020

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Volume I

Public Accounts of Canada *2019–2020*

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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 2019–2020

Financial statements discussion and analysis

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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 2019–2020](#), 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.

2020 financial highlights

- The government posted a budgetary deficit of \$39.4 billion for the fiscal year ended March 31, 2020, compared to a deficit of \$14.0 billion in the previous fiscal year.
- The budgetary deficit before net actuarial losses stood at \$28.8 billion in 2020, compared to \$5.6 billion in 2019. The budgetary balance before net actuarial losses is a new measure that is being introduced to supplement the traditional budgetary balance and improve the transparency of the government’s financial reporting by isolating the impact of the amortization of net actuarial losses arising from the government’s pension and other employee future benefit plans.
- Compared to projections in the *2020 Economic and Fiscal Snapshot* (July 2020 Snapshot), the annual deficit was \$5.0 billion higher than the \$34.4-billion deficit projected, mainly reflecting lower-than-expected tax and non-tax revenues, while the annual deficit before net actuarial losses was \$5.2 billion higher than projected.
- Revenues increased by \$1.9 billion, or 0.6%, from 2019, primarily reflecting increases in income tax revenues and the introduction of the fuel charge. Program expenses excluding net actuarial losses increased by \$23.9 billion, or 7.6%, from 2019, reflecting increases in all major categories of expenses, including fuel charge proceeds returned. Net actuarial losses, which reflect changes in the measurement of the government’s obligations for pensions and other employee future benefits accrued in previous fiscal years, increased \$2.2 billion, or 26.9%, due in large part to declines in year-end interest rates used in valuing these obligations and increased costs associated with the utilization of disability and other future benefits provided to veterans. Public debt charges were up \$1.2 billion, or 5.1%, largely reflecting higher Consumer Price Index adjustments on Real Return Bonds, an increase in the stock of Government of Canada treasury bills, and higher costs associated with marketable bonds.
- The accumulated deficit (the difference between total liabilities and total assets) stood at \$721.4 billion at March 31, 2020. The accumulated deficit-to-GDP (gross domestic product) ratio was 31.3%, up from 30.8% in the previous year.
- As reported by the International Monetary Fund (IMF), Canada’s total government net debt-to-GDP ratio, which includes the net debt of the federal, provincial/territorial and local governments, as well as the net assets held in the Canada Pension Plan and Quebec Pension Plan, stood at 25.9% in 2019. This is the lowest level among Group of Seven (G7) countries, which the IMF expects will record an average net debt of 88.1% of GDP for the same year.

Discussion and analysis

Economic developments¹

The global economy was at a mature stage of the business cycle for most of 2019 and early 2020. Though the expansion was moderating, the major trade tensions that had dogged the global outlook for the past few years had eased. Many central banks had begun easing monetary policy gradually to try to maintain the expansion.

Real GDP in 2019 grew 1.7%, after growth of 2.0% in 2018. Throughout 2019, and into the early part of 2020, the labour market continued to be strong, adding about 25,000 jobs per month over this period. Commodity prices, responding to slowing global demand, saw modest declines; the price of West Texas Intermediate crude oil declined to US\$57 per barrel from US\$65 per barrel in 2018. Short-term interest rates remained around 1.7% for most of 2019 as the Bank of Canada paused its monetary policy tightening cycle for the year. However, long-term interest rates continued to decline throughout the year, averaging 1.6%, down from 2.3% in 2018, as global monetary policy continued to gradually ease.

Canada's nominal GDP, the broadest measure of the tax base, grew 3.6% in 2019, down from 3.9% in 2018, as real GDP growth moderated towards potential.

The global and Canadian economies, however, soon experienced an historic disruption in the final two weeks of the fiscal year. The COVID-19 pandemic became an unprecedented threat to our health, and a global economic challenge. With unprecedented speed and breadth, the COVID-19 pandemic affected nearly all aspects of life. Public health containment measures led to large segments of the economy coming to an abrupt stop, with activity in some industries driven to near zero. Workplaces and schools were closed, travel restricted, and public gatherings banned, resulting in drastic impacts on many aspects of Canadians' lives. In March 2020 alone, more than 3 million people lost their jobs or saw their hours significantly scaled back.

The toll on the broader economy in 2020 is expected to be the largest and most sudden economic contraction since the Great Depression. By just the first quarter of 2020, Canada had already witnessed a large decline in real GDP, a drop in both short- and long-term interest rates to record lows, and a steep decline in commodity prices, including for oil. As the recovery has taken hold over the summer of 2020, many of these indicators have since bounced back; however, activity remains depressed in many sectors.

The Government of Canada's rapid and substantial economic support measures have helped protect Canadians from a far worse economic outcome, prevented more layoffs, and have laid a foundation for a faster and stronger recovery.

Going forward, the threat of a resurgent wave of COVID-19 and uncertainty surrounding the durability of the economic recovery, and the transition to a post-pandemic world, are the key risks to the global and domestic economies. The fiscal results up to March 31, 2020 only partially reflect the impact of COVID-19. In fiscal year 2021, the severe deterioration in the economic outlook plus the temporary measures implemented through the government's economic response plan are expected to result in a projected deficit of \$343.2 billion in fiscal year 2021².

¹ This section incorporates data available up to and including August 26, 2020. The annual results are on calendar year basis, unless otherwise specified.

² Economic and Fiscal Snapshot 2020.

Average private sector forecasts

(in percentage)

	2018	2019	2020	2021
Real GDP growth				
Budget 2019	2.0	1.7	1.6	1.7
2020 Economic and Fiscal Snapshot	2.0	1.7	(6.8)	5.5
Actual	2.0	1.7	—	—
Nominal GDP growth				
Budget 2019	4.1	3.4	3.5	3.7
2020 Economic and Fiscal Snapshot	3.9	3.6	(6.3)	7.9
Actual	3.9	3.6	—	—
3-month Treasury bill rate				
Budget 2019	1.4	1.9	2.2	2.3
2020 Economic and Fiscal Snapshot	1.4	1.7	0.5	0.3
Actual	1.4	1.7	—	—
10-year government bond rate				
Budget 2019	2.3	2.4	2.7	2.8
2020 Economic and Fiscal Snapshot	2.3	1.6	0.8	1.0
Actual	2.3	1.6	—	—
Unemployment rate				
Budget 2019	5.8	5.7	5.9	6.0
2020 Economic and Fiscal Snapshot	5.8	5.7	9.8	7.8
Actual	5.8	5.7	—	—
Consumer price index inflation				
Budget 2019	2.3	1.9	2.0	1.9
2020 Economic and Fiscal Snapshot	2.2	2.0	0.5	2.0
Actual	2.2	2.0	—	—

Figures have been restated to reflect the historical revisions in the Canadian System of National Accounts as of the first quarter of 2020 released on May 29, 2020.

Canada's COVID-19 Economic Response Plan

Canada entered the COVID-19 pandemic in a strong fiscal position, enabling the government to take decisive action to protect Canadians and businesses from the impacts of the pandemic. Canada's COVID-19 Economic Response Plan (the Plan) includes measures to protect the health and safety of Canadians and provide direct support to Canadian workers and businesses. It also includes tax and customs duty payment deferrals to meet liquidity needs of businesses and households and to help stabilize the Canadian economy. Combined, these measures make Canada's plan one of the most generous response plans in the world.

The Plan focuses on three broad areas of support:

- Health Care System and Safety of Canadians, such as funding to strengthen critical health care systems, purchase personal protective equipment and supplies, and support critical medical research and vaccine developments.
- Support to Individuals, which includes delivering immediate income support to those most affected by the crisis, creating incentives for safe participation in the labour market, and ensuring vulnerable Canadians have access to the supports they need.
- Support to Businesses, such as support for market liquidity to ensure that businesses can continue to access credit, and bridge financing for businesses of all sizes so they can remain solvent and keep Canadians employed.

The government continues to take the necessary steps to implement this Plan and ensure timely access to the income support and credit relief that Canadians and businesses need to manage the pressures they are facing as a result of COVID-19, so that the Canadian economy is well-positioned to recover when the crisis subsides.

The impact of this Plan on the financial results of the government will largely be felt in the 2021 fiscal year. A relatively small share of the Plan is reflected in the 2020 budgetary results, including \$6.5 billion for the Canada Emergency Response Benefit (CERB), \$0.5 billion in support for provincial and territorial public health preparedness and critical health care systems, and \$0.2 billion for national public health pandemic operations.

In addition to the measures noted above, credit and liquidity support is being made available through the Bank of Canada under several large-scale asset purchase programs to increase liquidity in core funding markets, and by the Canada Mortgage and Housing Corporation, through the Insured Mortgage Purchase Program (IMPP). The IMPP operates at no additional risk to the taxpayer, as the mortgages underlying the purchased securities are already insured.

The Government of Canada's debt program will increase in 2021 in order to allow the government to make the necessary temporary investments to stabilize the Canadian economy amidst the extraordinary circumstances of the COVID-19 pandemic. The government is taking a prudent approach by issuing an unprecedented level of long-term bonds in order to lock in funding at historically low interest rates.

Further information on Canada's COVID-19 Economic Response Plan can be found at canada.ca/en/department-finance/economic-response-plan. Information regarding the government's 2021 Debt Management Strategy, which sets out the Government of Canada's objectives, strategy and borrowing plans for its domestic debt program and the management of its official international reserves, can be found in Annex 3 of the Economic and Fiscal Snapshot 2020 at canada.ca/en/department-finance/services/publications/economic-fiscal-snapshot/debt-management-strategy-2020-21.

Additional details regarding the impact of the Plan on the government's financial results for 2020 are presented in the following sections of this financial statements discussion and analysis.

The budgetary balance

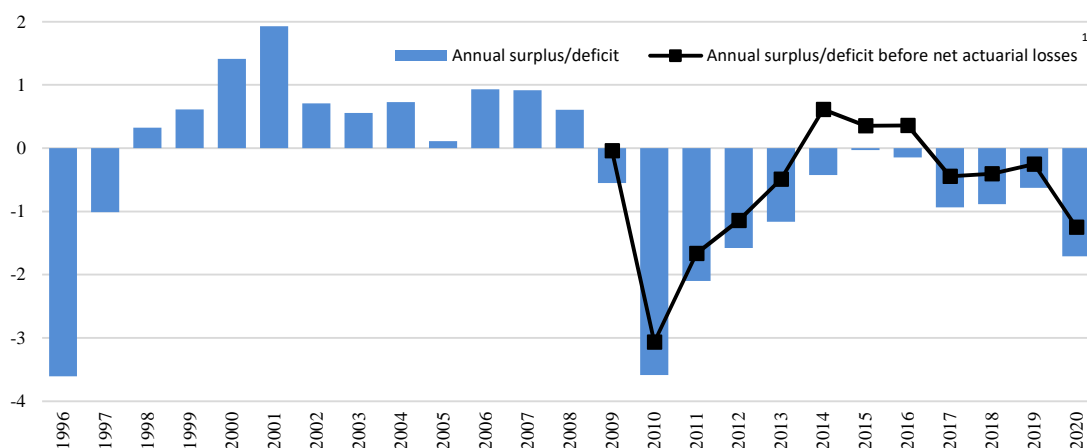
The budgetary balance is the difference between the government's revenues and total expenses over a fiscal year. It is one of the key measures of the government's annual financial performance. The government posted an annual deficit of \$39.4 billion in 2020, compared to a deficit of \$14.0 billion in 2019.

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 re-measurement gains and losses stemming from the annual revaluation of the government's pension and other employee future benefit obligations accrued 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 \$28.8 billion in 2020, compared to \$5.6 billion in 2019.

The following graph shows the government's budgetary balance since 1996, 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 2020, the budgetary deficit was 1.7% of GDP, compared to a deficit of 0.6% of GDP a year earlier. The budgetary deficit before net actuarial losses was 1.2% of GDP, compared to a deficit of 0.3% 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.

Annual deficit before net actuarial losses

A new line item, Annual deficit before net actuarial losses, has been added to this year's Consolidated Statement of Operations and Accumulated Deficit to improve the transparency of the government's financial reporting. This addition follows an introductory discussion of the concept in the Economic and Fiscal Update 2019, released on December 16, 2019, and public consultations undertaken during winter 2019 and spring 2020 on how this new measurement might be used in the government's financial reporting framework. Given the feedback received, the government has decided to incorporate this new measurement in its reports on projected and actual financial results, starting with the 2020 consolidated financial statements.

Actuarial losses and gains arise from the annual re-measurement of the government's existing obligations for public sector pensions and other future benefits owed to veterans and government employees. The measurement of these obligations involves the extensive use of estimates and assumptions about future events and circumstances, such as wage increases, inflation and mortality. In particular, the unfunded obligations are sensitive to changes in short- and long-term interest rates, which are used to estimate the value of expected future benefit payments in today's dollars. This volatility has increased in recent years, with the introduction of a new discount rate methodology in the 2018 Public Accounts. Prior to the change in methodology, unfunded pension obligations were discounted using a 20-year moving average of Government of Canada long-term bond rates, which resulted in a relatively stable discount rate. Under the new methodology, 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.

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

The new "Annual deficit before net actuarial losses" line item has been introduced as a supplementary measure to isolate the impact of re-measurements of previously recorded pension and other employee future benefit obligations and provide a clearer view of the government's planned and actual operating activities in an accounting period, enhancing transparency and accountability.

Revenues were up \$1.9 billion, or 0.6%, from the prior year, primarily reflecting increases in income tax revenues and the introduction of the fuel charge.

Expenses were up \$27.3 billion, or 7.9%, from the prior year. Program expenses excluding net actuarial losses increased by \$23.9 billion, or 7.6%, primarily reflecting an increase in transfer payments. Net actuarial losses increased by \$2.2 billion, or 26.9%, from the prior year, due in large part to declines in year-end interest rates used to value the government's pension and other employee future benefit obligations and increased costs associated with the utilization of disability and other future benefits provided to veterans, which have resulted in increases in the value of these obligations. Public debt charges increased by \$1.2 billion, or 5.1%, from the prior year, largely reflecting higher Consumer Price Index adjustments on Real Return Bonds, an increase in the stock of Government of Canada treasury bills, and higher costs associated with marketable bonds.

2020 financial highlights

(in millions of dollars)

	2020	2019
Consolidated Statement of Operations		
Revenues	334,131	332,218
Expenses		
Program expenses, excluding net actuarial losses ¹	338,467	314,555
Public debt charges	24,447	23,266
Total expenses, excluding net actuarial losses ¹	362,914	337,821
Annual deficit before net actuarial losses¹	(28,783)	(5,603)
Net actuarial losses ¹	(10,609)	(8,361)
Annual deficit	(39,392)	(13,964)
Percentage of GDP	(1.7)%	(0.6)%
Consolidated Statement of Financial Position		
Liabilities		
Accounts payable and accrued liabilities	163,833	159,707
Interest-bearing debt	1,084,776	1,025,464
Total liabilities	1,248,609	1,185,171
Financial assets	435,718	413,047
Net debt	(812,891)	(772,124)
Non-financial assets	91,531	86,674
Accumulated deficit	(721,360)	(685,450)
Percentage of GDP	31.3%	30.8%

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

Revenues

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

Within the income tax category, personal income tax revenues are the largest source of federal revenues, and accounted for 50.2% of total revenues in 2020 (up from 49.3% in 2019). Corporate income tax revenues are the second largest source of revenues, and accounted for 15.0% of total revenues in 2020 (down from 15.2% in 2019). Non-resident income tax revenues are a comparatively smaller source of revenues, accounting for only 2.8% of total revenues in 2020 (unchanged from 2019).

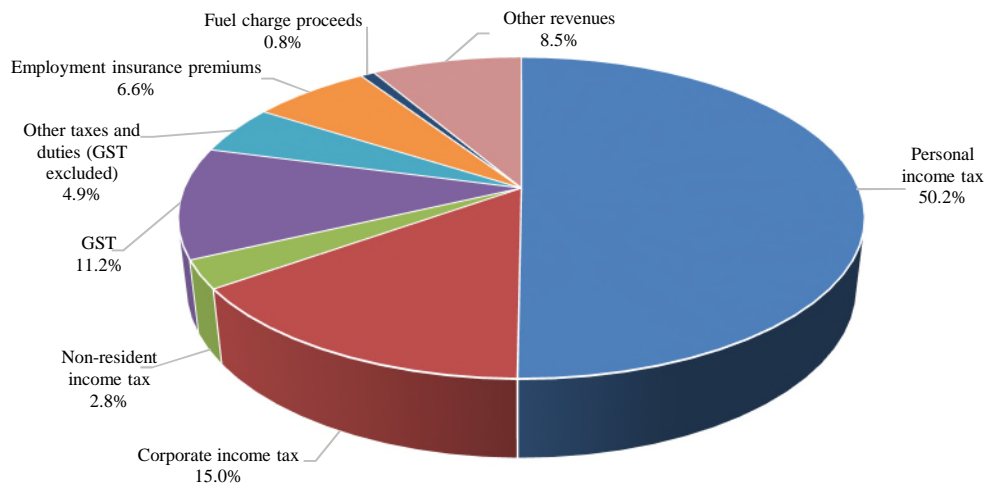
Other taxes and duties consist of revenues from the Goods and Services Tax (GST), energy taxes, customs import duties and other excise taxes and duties. The largest component of this category—GST revenues—accounted for 11.2% of all federal revenues in 2020 (down from 11.5% in 2019). The share of the remaining components of other taxes and duties stood at 4.9% of total federal revenues (down from 5.7% in 2019).

EI premium revenues accounted for 6.6% of total federal revenues in 2020 (down slightly from 2019).

Fuel charge proceeds under the new federal carbon pollution pricing system that came into effect in April 2019 accounted for 0.8% of total federal revenues in 2020.

Other revenues are made up of three broad components: net income from enterprise Crown corporations and other government business enterprises; other program revenues from returns on investments, proceeds from the sales of goods and services, and other miscellaneous revenues; and foreign exchange revenues. Other revenues accounted for 8.5% of total federal revenues in 2020 (down from 8.8% in 2019).

Composition of revenues for 2020



Numbers may not add to 100% due to rounding.

Revenues compared to 2019

Total revenues amounted to \$334.1 billion in 2020, up \$1.9 billion, or 0.6%, from 2019. The following table compares revenues for 2020 to 2019.

Revenues

	2020	2019	Change	
			\$	%
Income tax revenues				
Personal.....	167,576	163,881	3,695	2.3
Corporate	50,060	50,368	(308)	(0.6)
Non-resident.....	9,476	9,370	106	1.1
Total	227,112	223,619	3,493	1.6
Other taxes and duties				
Goods and services tax.....	37,386	38,221	(835)	(2.2)
Energy taxes.....	5,683	5,802	(119)	(2.1)
Customs import duties.....	4,853	6,881	(2,028)	(29.5)
Other excise taxes and duties.....	5,958	6,323	(365)	(5.8)
Total	53,880	57,227	(3,347)	(5.8)
Employment insurance premiums	22,219	22,295	(76)	(0.3)
Fuel charge proceeds	2,655	–	2,655	n/a
Other revenues	28,265	29,077	(812)	(2.8)
Total revenues	334,131	332,218	1,913	0.6

- Personal income tax revenues increased by \$3.7 billion in 2020, or 2.3%, reflecting developments in the labour market, particularly employment and wage growth until the end of calendar year 2019.
- Corporate income tax revenues decreased by \$0.3 billion, or 0.6%, reflecting the drop in corporate profits resulting from the COVID-19 economic weakness at the end of the fiscal year and the effects of the payment deferral measures. Declines in corporate earnings were in a number of sectors including manufacturing, transport and hospitality, accommodation and the entertainment sector.
- Non-resident income tax revenues are paid by non-residents on Canadian-sourced income. These revenues increased by \$0.1 billion, or 1.1%.
- Other taxes and duties decreased by \$3.3 billion, or 5.8%. GST revenues declined by \$0.8 billion in 2020, or 2.2%, reflecting weakness in retail sales and lower GST on imports, particularly in March as many retailers shut down operations due to the COVID-19 pandemic. Energy taxes fell by \$0.1 billion, or 2.1%, primarily due to higher aviation fuel consumption in 2019. Customs import duties decreased by \$2.0 billion, or 29.5%, largely due to the removal of retaliatory steel and aluminum tariffs. Other excise taxes and duties were down \$0.4 billion, or 5.8%, driven primarily by a decrease in tobacco excise duties.
- EI premium revenues decreased by \$0.1 billion, or 0.3%, due to a decrease in the premium rate for 2020.
- Other revenues decreased by \$0.8 billion, or 2.8%, largely reflecting a decrease in enterprise Crown corporation profits due to COVID-19.

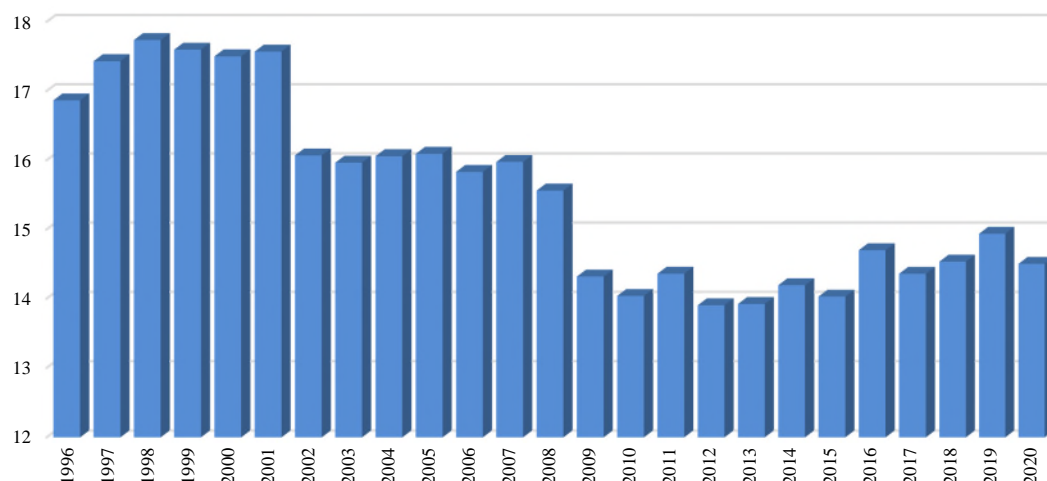
Pricing carbon pollution and delivering Climate Action Incentive payments

The federal carbon pollution pricing system is composed of a regulatory charge on fossil fuels (“fuel charge”) and an output-based pricing system. The federal fuel charge began applying in Ontario, New Brunswick, Saskatchewan, and Manitoba, effective April 1, 2019; in Nunavut and Yukon, effective July 1, 2019; and in Alberta, effective January 1, 2020. Of note, the federal fuel charge no longer applies in New Brunswick, effective April 1, 2020, as the province implemented a tax on carbon emitting products that meets the federal benchmark stringency requirements. All direct proceeds from the federal fuel charge are returned to the jurisdiction of origin. Fuel charge proceeds totalled \$2.7 billion in 2020. During 2020, in Ontario, New Brunswick, Manitoba, Alberta and Saskatchewan, the bulk of proceeds were returned through Climate Action Incentive payments. Eligible individuals residing in these provinces were able to claim the payments through their personal income tax returns. In Nunavut and Yukon, the proceeds were returned directly to the governments of those jurisdictions. Fuel charge proceeds returned totalled \$2.6 billion in 2020.

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 14.5% in 2020 (down from 14.9% in 2019). This decrease primarily reflects a year-over-year decline in other taxes and duties, particularly in customs import duty revenues due to the removal of retaliatory steel and aluminum tariffs, and a year-over-year decline in other revenues driven by lower enterprise Crown corporation profits due to COVID-19.

Revenue ratio

(revenues as a percentage of GDP)



Expenses

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

Transfer payments are classified under four categories:

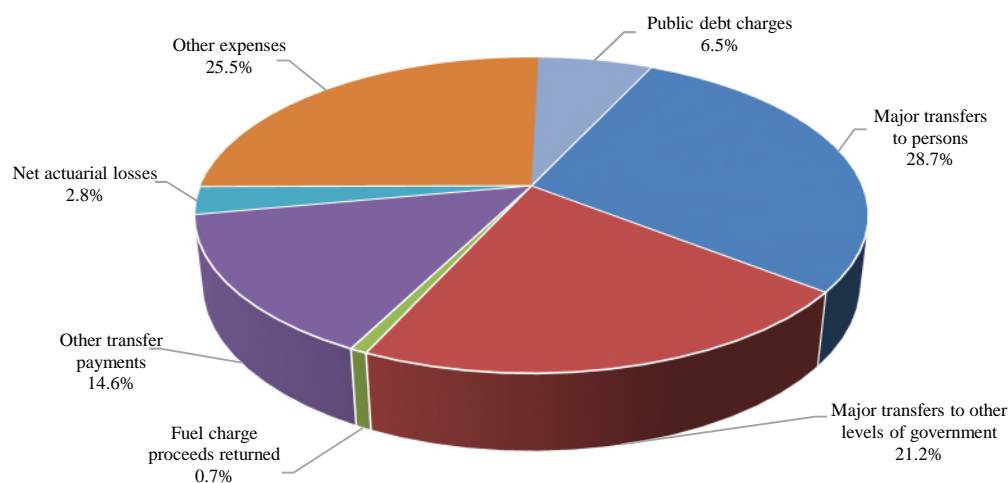
- Major transfers to persons, which made up 28.7% of total expenses (up from 27.8% in 2019). This category consists of elderly, EI, and children's benefits, and the new Canada Emergency Response Benefit.
- Major transfers to other levels of government—which include the Canada Health Transfer, the Canada Social Transfer, the home care and mental health transfers, fiscal arrangements (Equalization, transfers to the territories, a number of smaller transfer programs and the Quebec Abatement), Gas Tax Fund transfers, and transfers under the new Hibernia Dividend Backed Annuity Agreement—made up 21.2% of total expenses in 2020 (down from 21.9% in 2019).
- Fuel charge proceeds returned, consisting of payments under the new federal carbon pollution pricing system, made up 0.7% of expenses.
- 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 14.6% of expenses (down from 14.9% in 2019).

Net actuarial losses made up 2.8% of total expenses in 2020, up from 2.4% in 2019.

Other expenses, which represent the operating expenses of the government's 134 departments, agencies, and consolidated Crown corporations and other entities, accounted for 25.5% of total expenses in 2020 (down from 26.0% in 2019).

Public debt charges made up the remaining 6.5% of total expenses in 2020 (down from 6.7% in 2019).

Composition of expenses for 2020



Numbers may not add to 100% due to rounding.

Expenses compared to 2019

Total expenses amounted to \$373.5 billion in 2020, up \$27.3 billion, or 7.9%, from 2019. The following table compares total expenses for 2020 to 2019.

Expenses

(in millions of dollars)

	2020	2019	Change	
			\$	%
Transfer payments				
Major transfers to persons				
Elderly benefits.....	56,227	53,366	2,861	5.4
Employment insurance.....	21,750	18,888	2,862	15.2
Children's benefits	24,344	23,882	462	1.9
Canada emergency response benefit	4,739	—	4,739	n/a
Total.....	107,060	96,136	10,924	11.4
Major transfers to other levels of government				
Federal transfer support for health and other social programs	55,457	52,729	2,728	5.2
Fiscal arrangements and other transfers	23,718	23,196	522	2.3
Total.....	79,175	75,925	3,250	4.3
Fuel charge proceeds returned	2,636	664	1,972	297.0
Other transfer payments	54,405	51,753	2,652	5.1
Total transfer payments	243,276	224,478	18,798	8.4
Other expenses, excluding net actuarial losses¹.....	95,191	90,077	5,114	5.7
Total program expenses, excluding net actuarial losses¹.....	338,467	314,555	23,912	7.6
Public debt charges	24,447	23,266	1,181	5.1
Total expenses, excluding net actuarial losses¹.....	362,914	337,821	25,093	7.4
Net actuarial losses ¹	10,609	8,361	2,248	26.9
Total expenses	373,523	346,182	27,341	7.9

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

- Major transfers to persons increased by \$10.9 billion in 2020, reflecting increases across all major categories, as well as the new Canada Emergency Response Benefit (CERB), an income support program introduced under Canada’s COVID-19 Economic Response Plan. Elderly benefits increased by \$2.9 billion, or 5.4%, reflecting growth in the elderly population and changes in consumer prices, to which benefits are fully indexed. EI benefits, which include \$1.8 billion in CERB benefits to individuals eligible for EI in 2020, increased by \$2.9 billion, or 15.2%, as individuals qualified for increased benefits, and COVID-19 weakened labour market conditions near year-end. Children’s benefits increased by \$0.5 billion, or 1.9%, reflecting the indexation of the Canada Child Benefit. CERB payments to those individuals not eligible for EI totalled \$4.7 billion, bringing total transfers under the CERB to \$6.5 billion.
- Major transfers to other levels of government increased by \$3.3 billion in 2020, primarily reflecting \$3.3 billion in legislated growth in the Canada Health Transfer, the Canada Social Transfer, Equalization transfers and transfers to the territories; \$2.4 billion in transfers under the new Hibernia Dividend Backed Annuity Agreement reached on April 1, 2019 between Canada and Newfoundland and Labrador; and, \$0.5 billion in transfers to provinces and territories for public health preparedness, critical health care system needs and to support mitigation efforts associated with COVID-19. These increases were offset in part by a decrease in Gas Tax Fund transfers, reflecting a one-time, \$2.2-billion increase in Gas Tax Fund transfers in the prior year, and a \$0.8-billion increase in recoveries under the Quebec Abatement.
- Other transfer payments increased by \$2.7 billion, or 5.1%, in 2020, reflecting increases across a number of departments and agencies, such as growth in transfers paid through the tax system, including the Canada workers benefit, reflecting enhancements announced in Budget 2018; compensation for supply-managed dairy producers as a result of market access commitments made under recent international trade agreements; transfers under the new Interim Housing Assistance Program to address extraordinary interim housing pressures resulting from increased volumes of asylum claimants entering Canada; and, increased provisions for loan guarantees, reflecting the economic outlook at March 31, 2020.
- Fuel charge proceeds returned increased by \$2.0 billion, or 297.0%, largely reflecting the accounting treatment of Climate Action Incentive payments, which requires some of the costs to be borne in the fiscal year prior to the fuel charge being collected because they are delivered through the personal income tax system through returns for the previous tax year. A portion of personal income tax returns are filed and assessed before the end of the fiscal year. As a result, fuel charge proceeds returned in 2020 reflect a portion of the Climate Action Incentive payments that were made in respect of fuel charge proceeds generated in 2020 and returned through 2018 tax returns, and a portion of the payments made in respect of proceeds to be generated in 2021 and returned through 2019 tax returns.
- Other expenses of departments, agencies, and consolidated Crown corporations and other entities, excluding net actuarial losses, increased by \$5.1 billion, or 5.7%, in large part due to an increase in personnel costs and increased provisions for bad debts.
- Public debt charges increased by \$1.2 billion, or 5.1%, reflecting higher Consumer Price Index adjustments on Real Return Bonds, an increase in the stock of Government of Canada treasury bills, and higher costs associated with marketable bonds.
- Net actuarial losses, which represent changes in the measurement of the government’s obligations for pensions and other employee future benefits accrued in previous fiscal years, increased \$2.2 billion, or 26.9%, due in large part to declines in year-end interest rates and increased costs associated with the utilization of disability and other future benefits provided to veterans.

Hibernia Dividend Backed Annuity Agreement

The government and the province of Newfoundland and Labrador entered into the Hibernia Dividend Backed Annuity Agreement (HDBA) effective April 1, 2019. Under the HDBA, the Government of Canada is obligated to make stated annual payments between 2019 and 2056 to Newfoundland and Labrador totalling \$3.3 billion. The total payments of \$3.3 billion include the provincial income and capital taxes (provincial taxes) in respect of those years payable by Canada Hibernia Holding Corporation (CHHC) to Newfoundland and Labrador. The government indirectly owns all of the issued and outstanding shares of CHHC through the Canada Development Investment Corporation, a wholly owned federal Crown corporation.

The province of Newfoundland and Labrador is obligated under the HDBA to pay the Government of Canada eight fixed annual payments of \$100 million each, starting in 2045 and ending in 2052.

Scheduled payments to the province of Newfoundland and Labrador are made through a Specified Purpose Account, established pursuant to subsection 21(1) of the Financial Administration Act.

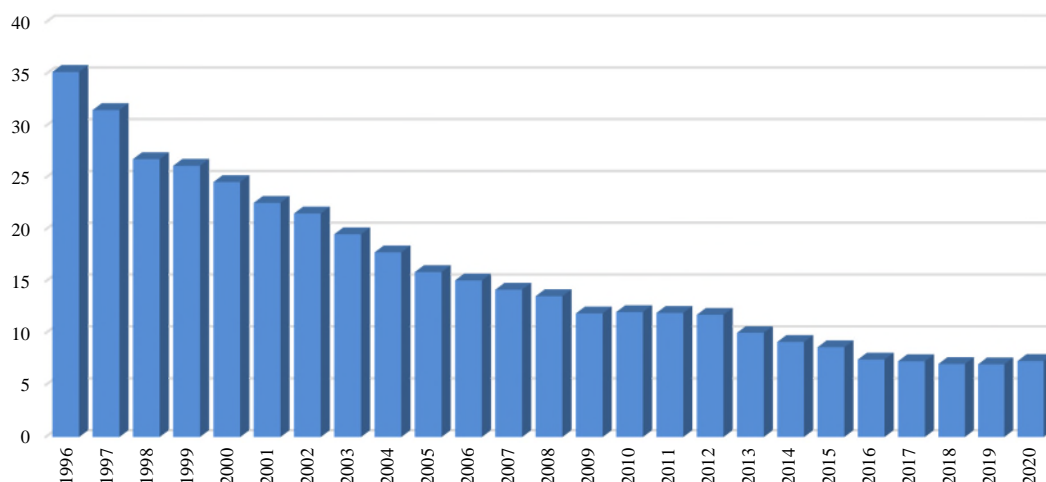
The government has recorded a transfer payment expense of \$2.4 billion and other revenue of \$0.4 billion in 2020, representing the present value of its liability to and receivable from the province, respectively, under the agreement.

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

The interest ratio (public debt charges as a percentage of revenues) shows the proportion of every dollar of revenue that is needed to pay interest and is therefore not available to pay for program initiatives. The lower the ratio, the more flexibility the government has to address the key priorities of Canadians. The interest ratio has been decreasing in recent years, falling from a peak of 37.6% in 1991 to 7.3% in 2020. This means that, in 2020, the government spent approximately 7 cents of every revenue dollar on interest on public debt.

Interest ratio

(public debt charges as a percentage of revenues)



Comparison of actual results to budget projections

Comparison to July 2020 Snapshot

The \$39.4-billion deficit recorded in 2020 was \$5.0 billion higher than the \$34.4-billion deficit projected in the July 2020 Snapshot.

- Overall, revenues were \$7.3 billion lower than forecast due to lower-than-expected tax and non-tax revenues.
- Program expenses, excluding net actuarial losses, were \$2.0 billion lower than expected.
- Public debt charges were \$0.1 billion lower than forecast.
- Net actuarial losses were \$0.2 billion lower than projected.

Comparison of 2020 outcomes to July 2020 Snapshot

(in millions of dollars)

	Projection ¹	Actual	Difference
Revenues	341,400	334,131	(7,269)
Expenses			
Program expenses, excluding net actuarial losses	340,516	338,467	(2,049)
Public debt charges	24,501	24,447	(54)
Total expenses, excluding net actuarial losses	365,017	362,914	(2,103)
Annual deficit before net actuarial losses	(23,617)	(28,783)	(5,166)
Net actuarial losses	(10,760)	(10,609)	151
Annual deficit	(34,377)	(39,392)	(5,015)

¹ To enhance comparability with actual 2020 results, certain Snapshot 2020 amounts have been reclassified to conform to the current year's presentation in the consolidated financial statements, with no overall impact on the projected 2020 annual deficit.

Comparison to March 2019 budget plan

The 2020 budgetary deficit of \$39.4 billion was \$22.5 billion higher than the \$16.8-billion deficit projected for 2020 in the March 2019 Budget.

Revenues were \$4.6 billion, or 1.4%, lower than forecast in the March 2019 Budget, driven by weaker-than-expected growth in GST revenue and customs import duties.

Total expenses, excluding net actuarial losses, were \$14.2 billion, or 4.1%, higher than projected in the March 2019 Budget, with program expenses \$15.9 billion higher than forecast and public debt charges \$1.8 billion lower than forecast.

- Major transfers to persons were \$6.6 billion higher than forecast, a result of measures announced in the COVID-19 Economic Response Plan, primarily the Canada Emergency Response Benefit.
- Major transfers to other levels of government were \$2.3 billion higher than projected. This is largely due to transfers under the new Hibernia Dividend Backed Annuity Agreement that was announced in the *Economic and Fiscal Update 2019*.
- Direct program expenses, which are comprised of other transfer payments, other expenses excluding net actuarial losses, and fuel charge proceeds returned, were \$7.0 billion higher than projected in the March 2019 Budget. The variance from forecast is largely attributable to higher-than-projected pension and other employee future benefit expenses, reflecting lower-than-expected interest rates; higher-than-expected expenses related to claims and litigation; and measures announced after Budget 2019.
- Public debt charges were \$1.8 billion lower than forecast in the March 2019 Budget, largely reflecting a lower-than-expected average effective interest rate on the stock of interest-bearing debt.

Net actuarial losses were \$3.7 billion higher than projected, largely reflecting higher-than-expected losses at the end of 2019 due to lower-than-expected interest rates, as well as increased costs associated with the utilization of disability and other future benefits provided to veterans.

Comparison of 2020 outcomes to March 2019 budget

(in millions of dollars)

	Budget ¹	Actual	Difference
Revenues			
Income tax revenues	226,526	227,112	586
Other taxes and duties	59,280	53,880	(5,400)
Employment insurance premiums	21,967	22,219	252
Fuel charge proceeds	2,335	2,655	320
Other revenues	28,670	28,265	(405)
Total revenues	338,778	334,131	(4,647)
Expenses			
Program expenses			
Major transfers to persons	100,435	107,060	6,625
Major transfers to other levels of government	76,886	79,175	2,289
Direct program expenses			
Fuel charge proceeds returned	2,640	2,636	(4)
Other transfer payments	52,798	54,405	1,607
Other expenses, excluding net actuarial losses	89,774	95,191	5,417
Total program expenses, excluding net actuarial losses	322,533	338,467	15,934
Public debt charges	26,212	24,447	(1,765)
Total expenses, excluding net actuarial losses	348,745	362,914	14,169
Annual deficit before net actuarial losses	(9,967)	(28,783)	(18,816)
Net actuarial losses	(6,882)	(10,609)	(3,727)
Annual deficit	(16,849)	(39,392)	(22,543)

¹ To enhance comparability with actual 2020 results, certain Budget 2019 amounts have been reclassified to conform to the current year's presentation in the consolidated financial statements, with no overall impact on the budgeted 2020 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)

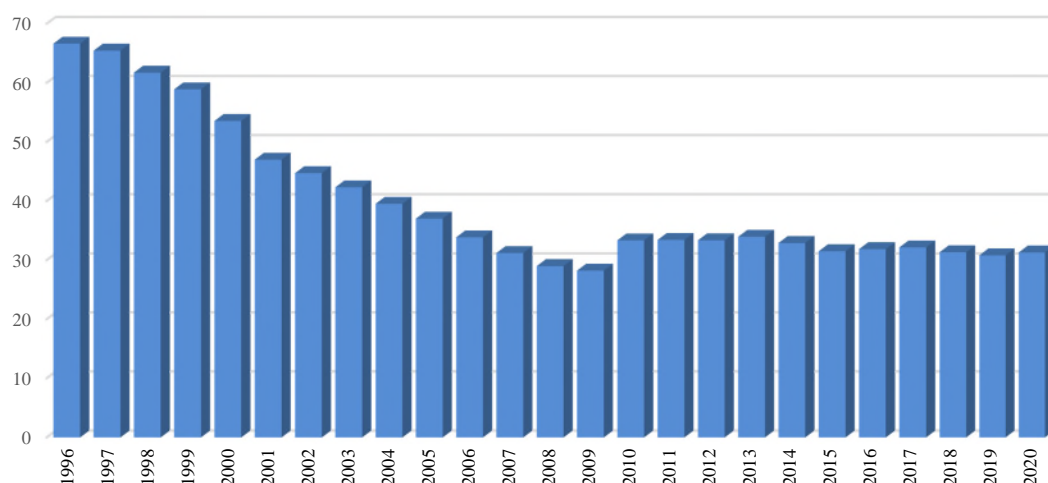
	2020	2019	Difference
Accumulated deficit at beginning of year	(685,450)	(671,254)	(14,196)
Annual deficit	(39,392)	(13,964)	(25,428)
Other comprehensive income (loss)	3,482	(232)	3,714
Accumulated deficit at end of year	(721,360)	(685,450)	(35,910)

The accumulated deficit increased by \$35.9 billion in 2020, reflecting the \$39.4-billion budgetary deficit, offset in part by \$3.5 billion in other comprehensive income.

The accumulated deficit was 31.3% of GDP at March 31, 2020, compared to a post-World War II peak of 66.6% at March 31, 1996.

Accumulated deficit

(as a percentage of GDP)



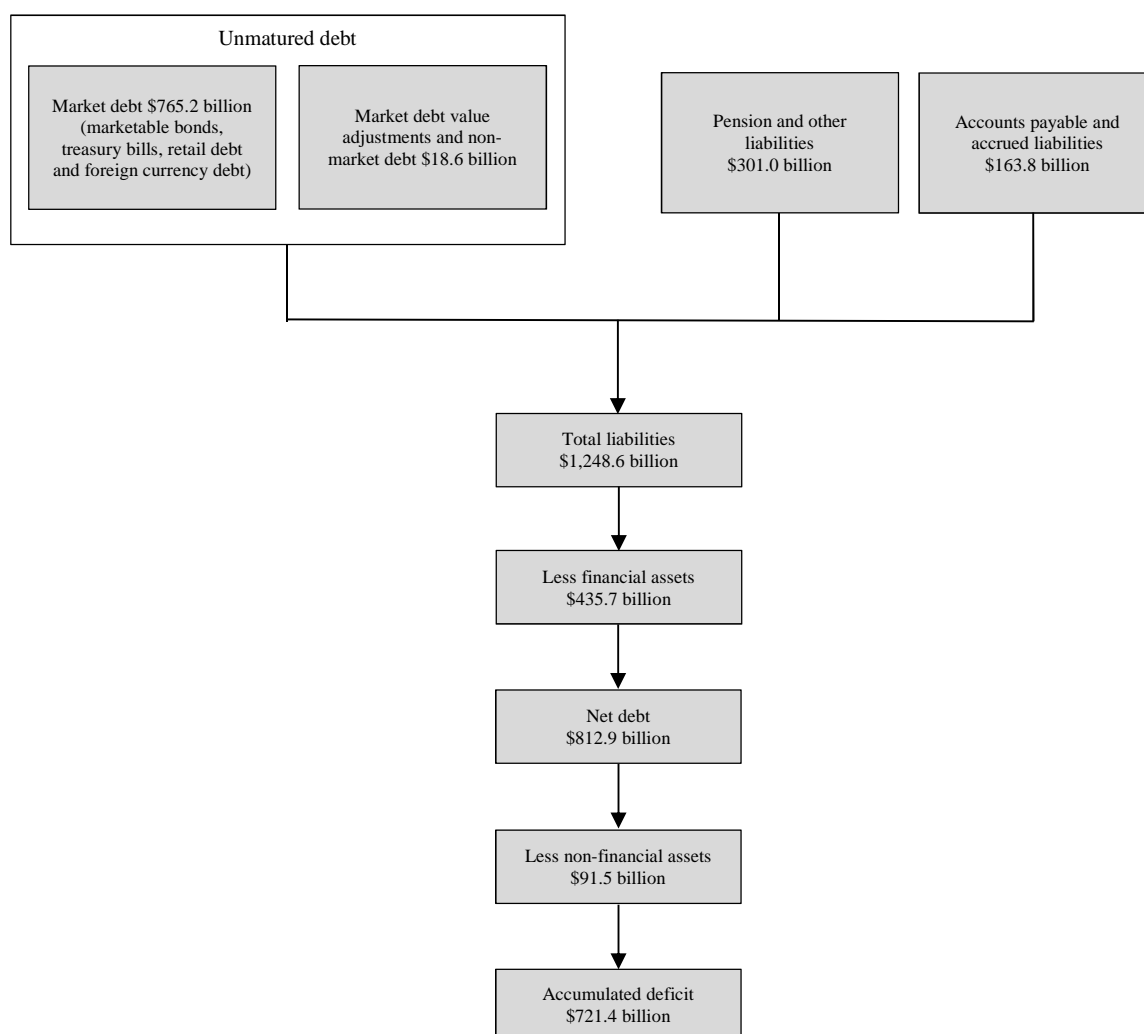
Measures of government debt

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

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

Net debt represents the total liabilities of the government less its financial assets. Financial assets include cash and cash equivalents, accounts receivable, foreign exchange accounts, loans, investments and advances, and public sector pension assets.

The accumulated deficit is equal to total liabilities less total assets—both financial and non-financial. Non-financial assets include tangible capital assets, such as land and buildings, inventories, and prepaid expenses and other. The accumulated deficit is the federal government's main measure of debt.



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

Statement of financial position

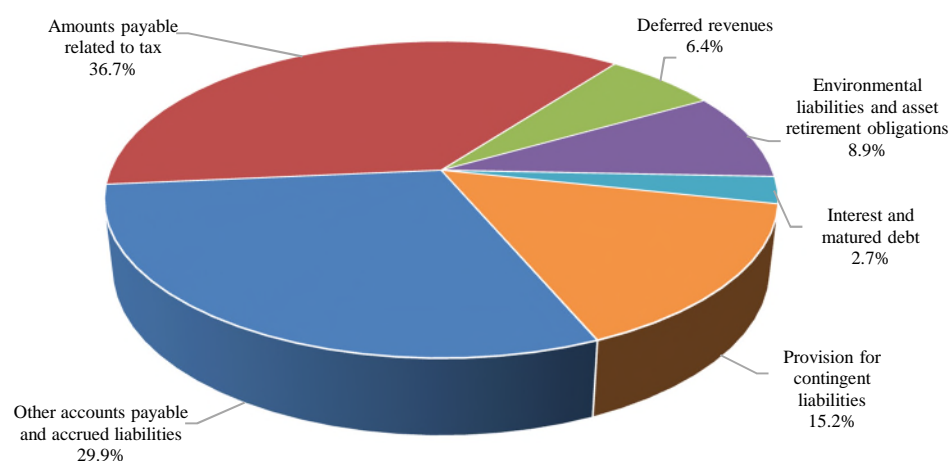
(in millions of dollars)

	2020	2019	Difference
Liabilities			
Accounts payable and accrued liabilities	163,833	159,707	4,126
Interest-bearing debt			
Unmatured debt	783,751	736,915	46,836
Pensions and other future benefits.....	294,974	282,644	12,330
Other liabilities	6,051	5,905	146
Total	1,084,776	1,025,464	59,312
Total liabilities	1,248,609	1,185,171	63,438
Financial assets			
Cash and accounts receivable	173,715	177,041	(3,326)
Foreign exchange accounts.....	104,903	99,688	5,215
Loans, investments and advances	152,502	133,912	18,590
Public sector pension assets.....	4,598	2,406	2,192
Total financial assets	435,718	413,047	22,671
Net debt	(812,891)	(772,124)	(40,767)
Non-financial assets	91,531	86,674	4,857
Accumulated deficit.....	(721,360)	(685,450)	(35,910)

Accounts payable and accrued liabilities

The following chart shows accounts payable and accrued liabilities by category for 2020.

Accounts payable and accrued liabilities by category for 2020



Numbers may not add to 100% due to rounding.

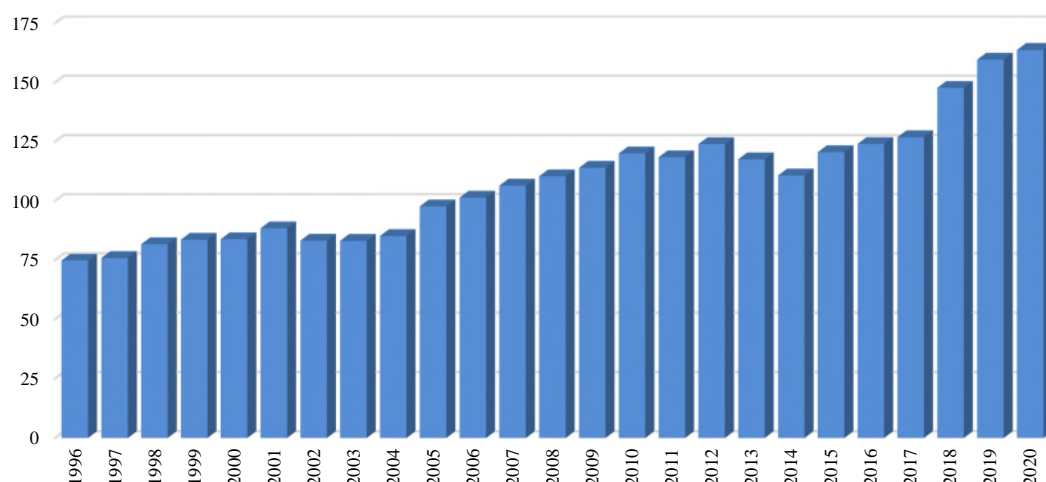
The government's accounts payable and accrued liabilities consist of amounts payable related to tax based on assessments and estimates of refunds owing for tax assessments not completed by year-end; provisions for contingent liabilities, including guarantees provided by the government and claims and pending and threatened litigation; environmental liabilities and asset retirement obligations, which include estimated costs related to the remediation of contaminated sites and the future restoration of certain tangible capital assets; deferred revenue; interest and matured debt, as well as accrued interest at year-end; and other accounts payable and accrued liabilities. Other accounts payable and accrued liabilities include items such as accrued salaries and benefits; amounts payable to provinces, territories and 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.

At March 31, 2020, accounts payable and accrued liabilities totalled \$163.8 billion, up \$4.1 billion from March 31, 2019. This increase reflects growth in other accounts payable and accrued liabilities, deferred revenue, and environmental liabilities and asset retirement obligations, offset in part by decreases in amounts payable related to tax, provisions for contingent liabilities, and interest and matured debt.

- Amounts payable related to tax decreased by \$5.0 billion in 2020, from \$65.2 billion at March 31, 2019, to \$60.2 billion at March 31, 2020. This decrease largely reflects lower assessed refunds owing at the end of the fiscal year due to extended filing deadlines under the government's Economic Response Plan, as well as year-over-year differences in the timing of refunds.
- Provisions for contingent liabilities decreased by \$1.5 billion, largely reflecting the settlement of various claims and pending and threatened litigation.
- Environmental liabilities and asset retirement obligations increased by \$1.5 billion in 2020, reflecting revisions to previously estimated provisions, net of remediation activities undertaken in 2020.
- Deferred revenue increased by \$3.0 billion in 2020, primarily reflecting proceeds from the auction of spectrum licences in the 600 MHz Band, which concluded on April 4, 2019.
- Liabilities for interest and matured debt decreased by \$0.2 billion from the prior year.
- Other accounts payable and accrued liabilities increased by \$6.4 billion in 2020. Within this component, accounts payable increased by \$9.1 billion, due largely to the accrual of CERB benefits payable to individuals for the period of March 15 to March 31, 2020, the recording of a \$2.3-billion liability to Newfoundland and Labrador under the new Hibernia Dividend Backed Annuity Agreement, as well as increased accrued liabilities for settled claims. These increases were offset in part by the payment in 2020 of a one-time \$2.2-billion top-up to the Gas Tax Fund and \$1.0 billion in funding for the Green Municipal Fund, announced in Budget 2019 and accrued at the end of 2019. Accrued salaries and benefits increased by \$2.1 billion. Liabilities under tax collection agreements decreased by \$4.7 billion, largely reflecting timing differences in payments to provinces and territories, while miscellaneous payroll deductions decreased by \$0.1 billion. Notes payable to international organizations and other accounts payable decreased by \$46 million and \$30 million, respectively.

Accounts payable and accrued liabilities

(in billions of dollars)



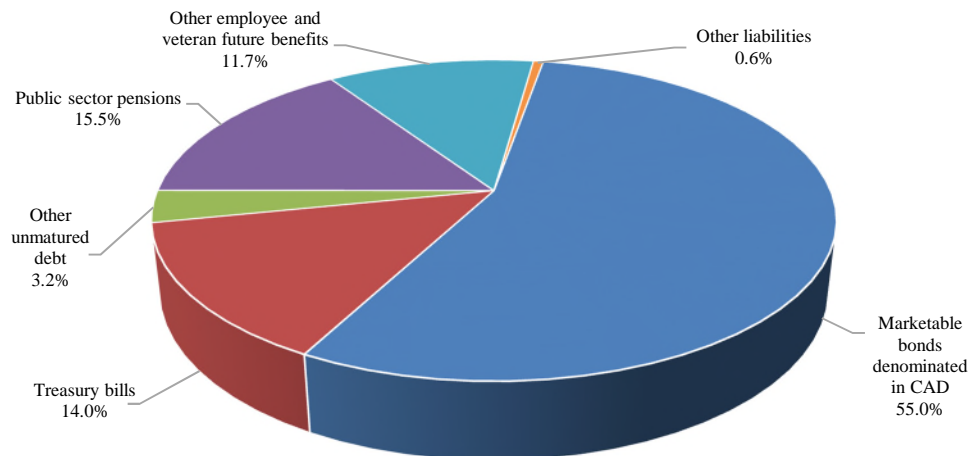
Interest-bearing debt

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

- Unmatured debt, which includes fixed-coupon marketable bonds, Real Return Bonds, treasury bills, retail debt (Canada Savings Bonds and Canada Premium Bonds), foreign-currency-denominated debt, and obligations related to capital leases and public-private partnerships, amounted to 72.3% of interest-bearing debt at March 31, 2020.
- 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 15.5% of interest-bearing debt and other employee and veteran future benefits accounted for an additional 11.7% of interest-bearing debt.
- The remaining 0.6% of interest-bearing debt represents other interest-bearing liabilities of the government, which include deposit and trust accounts and other specified purpose accounts.

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

Interest-bearing debt by category for 2020



Numbers may not add to 100% due to rounding.

At March 31, 2020, interest-bearing debt totalled \$1,084.8 billion, up \$59.3 billion from March 31, 2019. Within interest-bearing debt, unmaturing debt increased by \$46.8 billion, liabilities for pensions decreased by \$0.2 billion, liabilities for other employee and veteran future benefits increased by \$12.5 billion, and other liabilities increased by \$0.1 billion.

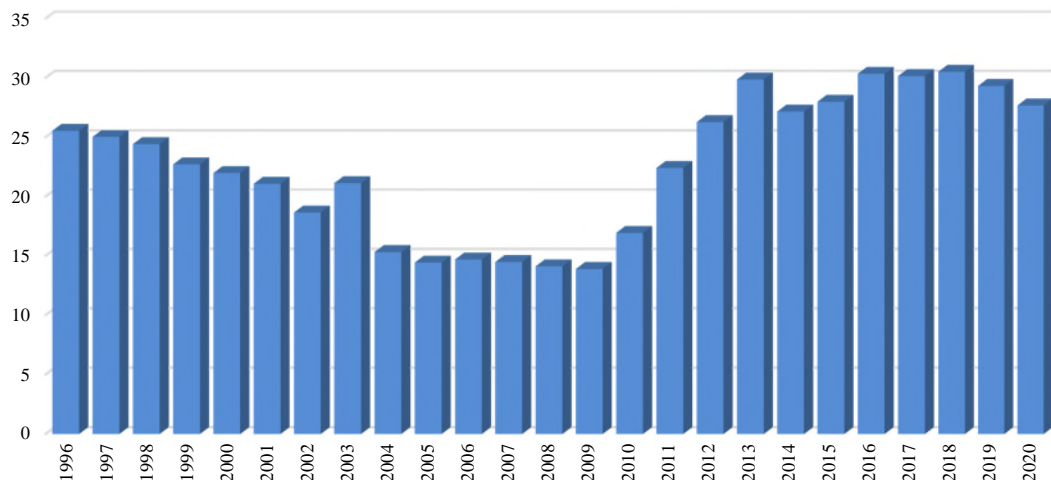
The \$46.8-billion increase in unmaturing debt is largely attributable to a \$44.1-billion increase in market debt, reflecting increased borrowings to meet the financial needs of the government, as well as a \$3.3-billion increase in liabilities from cross-currency swap revaluations.

The Bank of Canada and the Department of Finance Canada manage the government's unmaturing debt and associated risks. The fundamental objective of the debt management strategy is to provide stable, low-cost funding to meet the government's financial obligations and liquidity needs. Details on the government's debt management objectives, strategy, and borrowing plans are tabled annually in Parliament through the Department of Finance Canada's *Debt Management Strategy*.

Foreign holdings of the government's unmaturing debt are estimated at \$216.9 billion at March 31, 2020, representing approximately 27.7% of the government's total unmaturing debt.

Foreign holdings of Government of Canada unmaturing debt

(as a percentage of unmaturing debt)



Source: Statistics Canada

The government's liabilities for pensions and other future benefits stood at \$295.0 billion at March 31, 2020, up \$12.3 billion from the prior year. These liabilities represent the estimated present value of pensions and other future benefits earned to March 31, 2020, by current and former employees, as measured annually on an actuarial basis, net of the value of assets set aside for funding purposes. Liabilities for pensions and other future benefits do not include benefits payable under the Canada Pension Plan (CPP). The CPP is not consolidated in the government's financial statements because changes to the CPP require the agreement of two-thirds of participating provinces and it is therefore not controlled by the government. Further information regarding the CPP can be found in Section 6 of this volume.

Accounting for pensions and other employee and veteran future benefits

The government's \$295.0-billion liability for pensions and other employee and veteran future benefits results from its promise to provide certain benefits to employees during or after employment, or in retirement, in return for their service.

For benefits that accumulate over time as employees work, such as pensions, an annual expense and liability are recorded for the estimated cost of benefits earned by employees during the year. The government uses an actuarial cost method (the projected accrued benefit method prorated on service) to estimate this expense and liability. Under this method, the government estimates the total expected future benefit payments for current employees. This total is then prorated over employees' period of employment. This means that an equal portion of the estimate is expensed as current service cost in each year of an employee's service, on a present value basis. Several actuarial assumptions are used in calculating current service cost, including future inflation, interest rates, return on pension investments, general wage increases, workforce composition, retirement rates and mortality rates.

For post-employment benefits or compensated absences that do not vest or accumulate, a liability and expense for the expected cost of providing future benefits is recognized immediately in the period when the obligating event occurs. For example, benefits provided to employees in the event of an accident or injury would be recorded when the accident or injury occurs.

Since April 1, 2000, amounts equal to contributions less 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 Public Sector Pension Investment Board (PSPIB) for investment. Pension assets held by the PSPIB are valued at a market-related value. The government's accrued benefit obligations for pensions and other employee and veteran future benefits are presented net of pension assets, as well as unrecognized net actuarial gains and losses (discussed below) and amounts related to the plans of some consolidated Crown corporations and other entities, in arriving at the liability for pensions and other future benefits shown on the Consolidated Statement of Financial Position.

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

The government's obligations for pensions and other future benefits are re-estimated on an annual basis to reflect actual experience and updated actuarial assumptions. Increases or decreases in the estimated value of the obligations are referred to as actuarial losses and gains. Under Canadian public sector accounting standards, actuarial gains and losses are not recognized in the government's liabilities immediately due to their tentative nature and because further adjustments may be required in the future. Instead, these amounts are amortized to expense and to the government's liabilities over the expected average remaining service life of employees, which represents periods ranging from 5 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.

For plan amendments, curtailments and settlements that affect accrued benefit obligations for services already rendered by employees, the change in the government's obligations is reflected in the period of the amendment, curtailment or settlement and recorded as part of other expenses 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 2020.

Net pensions and other future benefit liabilities

(in millions of dollars)

	Pensions	Other future benefits	Total
Net future benefit liabilities at beginning of year	166,376	113,862	280,238
Add:			
Benefits earned during the year	7,687	8,334	16,021
Interest on accrued benefit obligations, net of the expected return on investments	2,684	3,395	6,079
Net actuarial losses recognized during the year	3,973	6,636	10,609
Valuation allowance	17	—	17
	14,361	18,365	32,726
Deduct:			
Benefits paid during the year	12,713	5,757	18,470
Transfers to the PSPIB and funds held in external trusts ¹	3,049	—	3,049
Transfers to other plans and administrative expenses	977	92	1,069
	16,739	5,849	22,588
Net (decrease) increase	(2,378)	12,516	10,138
Net future benefit liabilities at end of year	163,998	126,378	290,376
Presented on the Consolidated Statement of Financial Position as:			
Public sector pension liabilities			168,596
Other employee and veteran future benefit liabilities			126,378
Total pension and other future benefit liabilities			294,974
Public sector pension assets			4,598
Net pensions and other future benefit liabilities.....			290,376

¹ 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 increase in net liabilities for pensions and other future benefits in 2020 reflects the addition of \$16.0 billion in future benefits earned by employees during the year, as well as \$6.1 billion in net interest charges on the liabilities. The discount rates used in the measurement of the government-sponsored unfunded pension and benefit obligations and in calculating interest charges on the obligations are based on the actual zero-coupon yield curve for Government of Canada bonds at fiscal year-end. The discount rate used to value the government's obligations for funded pension benefits, which relate to post-March 2000 service under its three main pension plans—the public service, Canadian Forces—Regular Force, and Royal Canadian Mounted Police pension plans—as well as benefits under the Canadian Forces—Reserve Force pension plan is based on the streamed expected rates of return on invested funds.

The government's liabilities for pensions and other future benefits increased by an additional \$10.6 billion in 2020 due to the amortization of actuarial gains and losses. As of March 31, 2020, the government had net unamortized losses of \$143.6 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 \$17 million increase in liabilities for pensions to reflect the impact of a valuation allowance during the year.

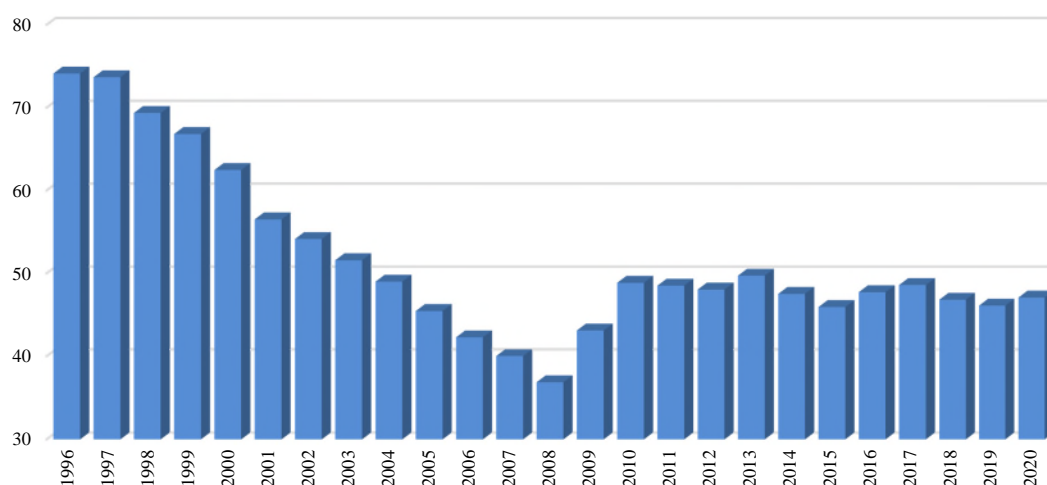
These increases were offset in part by reductions in the liabilities for benefits paid during the year (\$18.5 billion) and for net transfers to the PSPIB and funds held in external trusts for investment (\$3.0 billion).

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 47.1% of GDP in 2020, up from 46.1% in 2019. This ratio is down 27 percentage points from its high of 74.1% in 1996.

Interest-bearing debt

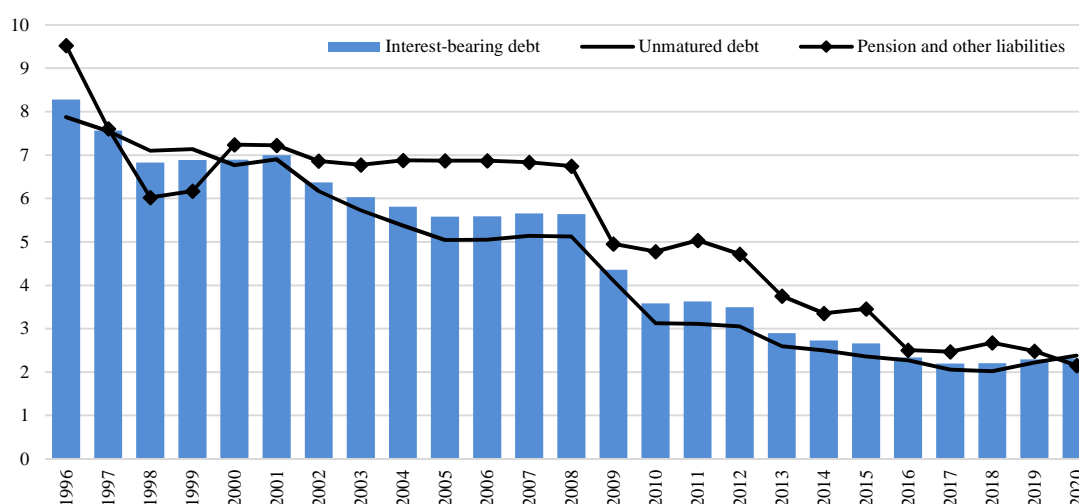
(as a percentage of GDP)



The average effective interest rate on the government's interest-bearing debt in 2020 was 2.3%, unchanged from 2019. The average effective interest rate on unmatured debt in 2020 was 2.4%, while the average effective interest rate on pension and other liabilities was 2.2%.

Average effective interest rate on interest-bearing debt

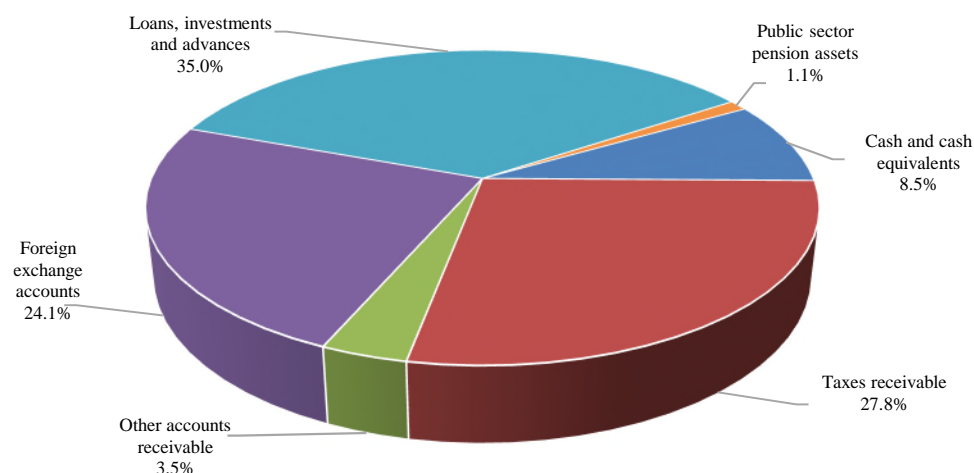
(in percentage)



Financial assets

Financial assets include cash on deposit with the Bank of Canada, chartered banks and other financial institutions, accounts receivable, foreign exchange accounts, loans, investments and advances, and public sector pension assets. The government's foreign exchange accounts include foreign currency deposits, investments in marketable securities, and subscriptions and loans to the IMF. Proceeds of the government's foreign currency borrowings are held in the Exchange Fund Account to provide foreign currency liquidity and provide funds needed to promote orderly conditions for the Canadian dollar in foreign exchange markets. Further details on the management of international reserves are available in the annual *Report on the Management of Canada's Official International Reserves*. The government's loans, investments and advances include its investments in and loans to enterprise Crown corporations, loans to national governments mainly for financial assistance and development of export trade, and loans under the Canada Student Loans Program.

Financial assets by category for 2020



Numbers may not add to 100% due to rounding.

At March 31, 2020, financial assets amounted to \$435.7 billion, up \$22.7 billion from March 31, 2019. The increase in financial assets reflects increases in foreign exchange accounts, loans, investments and advances and public sector pension assets, offset in part by a decrease in cash and accounts receivable.

At March 31, 2020, cash and accounts receivable totalled \$173.7 billion, down \$3.3 billion from March 31, 2019. Within this component, cash and cash equivalents decreased by \$0.4 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 decreased by \$6.5 billion during 2020 to \$121.1 billion, largely stemming from the COVID-19 pandemic and deferrals of tax filing deadlines announced as part of the government's relief measures. Other accounts receivable increased by \$3.5 billion, largely due to a \$2.8-billion increase in cash collateral under International Swaps and Derivatives Association agreements in respect of outstanding cross-currency swap agreements and a \$0.5-billion increase in dividends receivable from the Bank of Canada at year-end.

Loans, investments and advances in enterprise Crown corporations and other government business enterprises increased by \$16.9 billion in 2020. Capital investments in enterprise Crown corporations and other government business enterprises increased by \$1.8 billion, largely reflecting support for COVID-19 liquidity and capital relief measures for businesses under the Business Credit Availability Program administered by the Business Development Bank of Canada, as well as support for additional lending capacity under Farm Credit Canada. Investments in enterprise Crown corporations and other government business enterprises grew by an additional \$3.8 billion, primarily reflecting \$3.6 billion in net profits and \$3.5 billion in other comprehensive income recorded by these entities during 2020, offset in part by \$3.6 billion in dividends paid to the government. Net loans and advances were up \$11.9 billion, primarily reflecting a \$10.5-billion increase in loans to Crown corporations under the consolidated borrowing framework, and \$1.5 billion in financing to the Canada Development Investment Corporation (CDEV) from the Canada Account to finance construction activities for the Trans Mountain expansion project.

Other loans, investments and advances increased by \$1.7 billion, from \$25.7 billion to \$27.4 billion, largely reflecting an increase in loans and unconditionally repayable contributions to industry, as well as growth in the Canada Student Loans portfolio, reflecting in part measures announced in Budget 2016, which increased the number of students participating in the program as well as the number of students eligible to receive the maximum loan amounts.

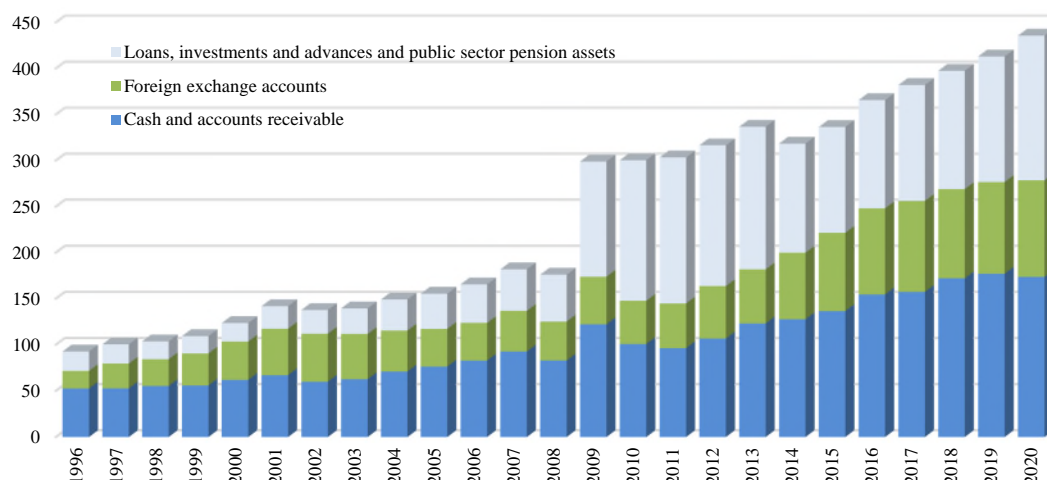
Public sector pension assets increased by \$2.2 billion, largely reflecting an increase in the net assets under the Public Service Pension Fund.

Foreign exchange accounts increased by \$5.2 billion in 2020, totalling \$104.9 billion at March 31, 2020, due mainly to foreign exchange gains on the translation of the net assets denominated in foreign currencies to Canadian dollar equivalents as at March 31, 2020.

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 \$343.1 billion, mainly reflecting higher levels of cash and cash equivalents and accounts receivable (up \$121.1 billion), an increase in the foreign exchange accounts (up \$85.8 billion), and an increase in loans, investments and advances (up \$131.5 billion). The increase in cash and cash equivalents and accounts receivable is largely attributable to growth in taxes receivable, broadly in line with the growth in the applicable tax bases. The increase in the foreign exchange accounts reflects a decision by the government in the late 1990s and more recently in the 2012 *Debt Management Strategy* to increase liquidity in these accounts. The increase in loans, investments and advances is attributable to several factors including the accumulation of net profits from enterprise Crown corporations, the government taking over the financing of the Canada Student Loans Program from the chartered banks in 2000, and the issuance of direct loans to Crown corporations under the government's consolidated borrowing framework implemented in 2008.

Financial assets

(in billions of dollars)



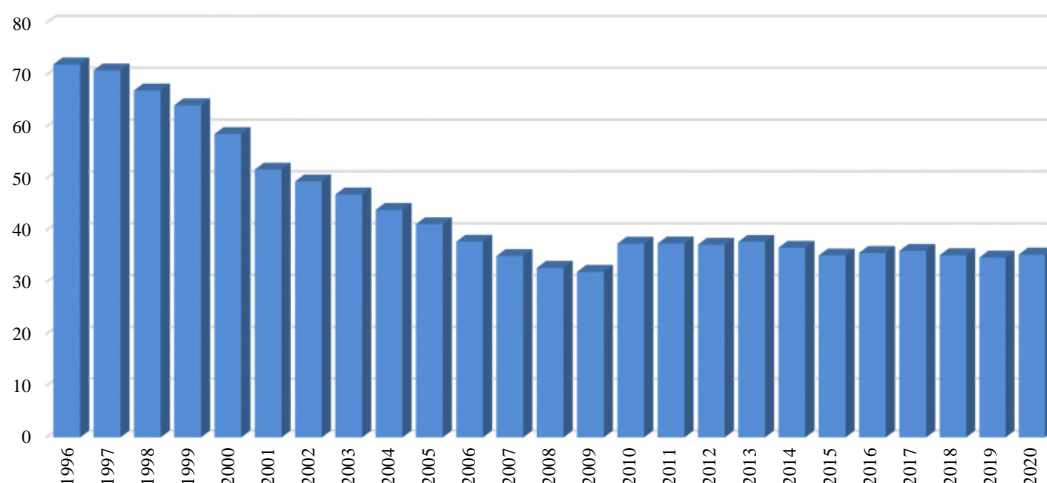
Net debt

The government's net debt—its total liabilities less financial assets—stood at \$812.9 billion at March 31, 2020. Net debt was 35.3% of GDP, up 0.6 percentage points from a year earlier, and 36.7 percentage points below its peak of 72.0% at March 31, 1996.

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

Net debt

(as percentage of GDP)



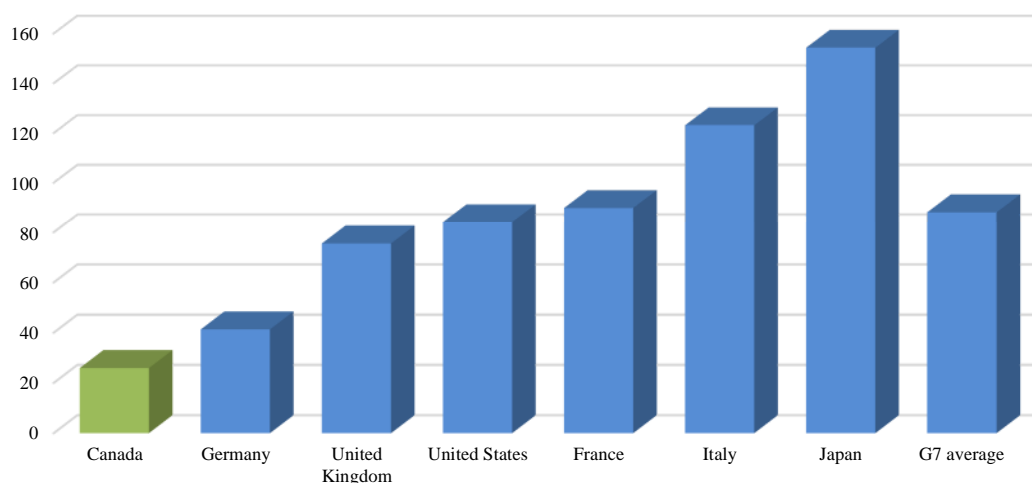
International comparisons of net debt

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, 2019

(as a percentage of GDP)



Source: IMF

Canada's total government net debt-to-GDP ratio stood at 25.9% in 2019, according to the IMF. This is the lowest level among G7 countries, which the IMF estimates will record an average net debt of 88.1% of GDP in that same year.

The following table provides a reconciliation between the Government of Canada's accumulated deficit-to-GDP ratio and Canada's total government net debt-to-GDP ratio. Importantly, Canada's total government net debt-to-GDP ratio includes the net debt of the federal, provincial, territorial and local governments, as well as the net assets held by the Canada Pension Plan and Quebec Pension Plan, while excluding liabilities for public sector pensions and other employee future benefits.

Reconciliation of 2020 accumulated deficit-to-GDP ratio to calendar 2019 total government net debt-to-GDP ratio

(as a percentage of GDP)

	(% of GDP)
Accumulated deficit	31.3
Add: Non-financial assets	4.0
Net debt (Public Accounts basis)	35.3
Less:	
Liabilities for public sector pensions	(7.3)
Liabilities for other future benefits	(5.5)
National Accounts/Public Accounts methodological differences and timing adjustments ¹	(3.5)
Total federal net debt (National Accounts basis)	18.9
Add: Net debt of provincial/territorial and local governments	20.1
Less: Net assets of the CPP/QPP	(13.2)
Total government net debt²	25.8

Numbers may not add due to rounding.

Source: Statistics Canada and Public Accounts of Canada

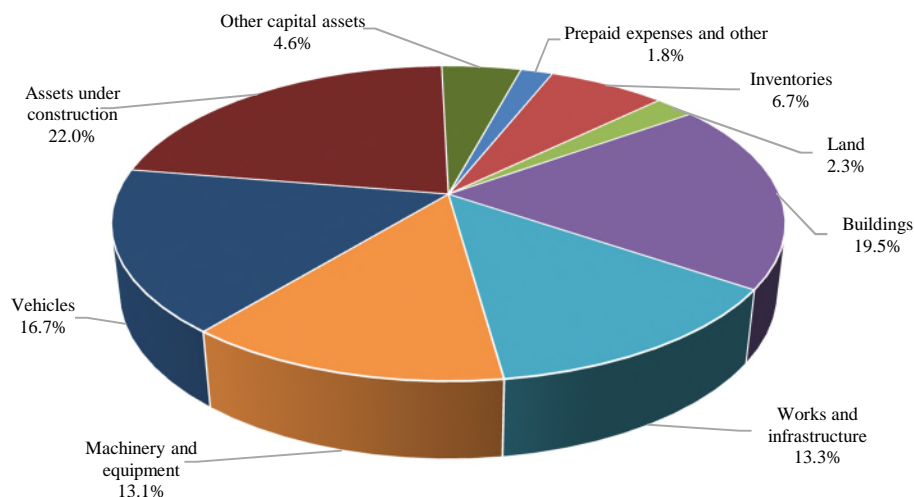
¹ Includes timing differences (National Accounts data are as of December 31), differences in the universe covered by each accounting system, and differences in accounting treatments of various transactions such as capital gains.

² The net debt figure has been revised by Statistics Canada since the publication of the IMF's April 2020 *Fiscal Monitor*, which is the source for the chart "G7 total government net debt, 2019". Net debt has been revised from 25.9% to 25.8%.

Non-financial assets

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

Non-financial assets by category for 2020



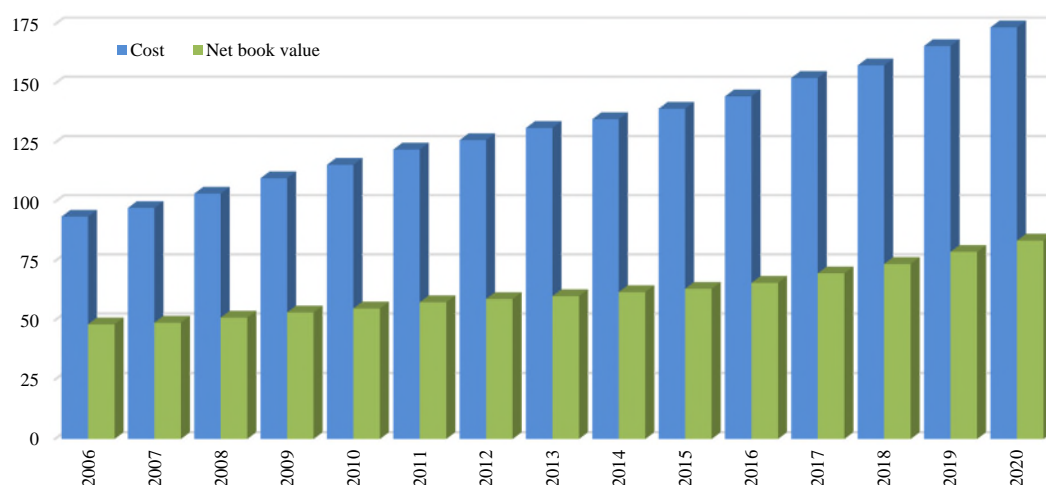
Numbers may not add to 100% due to rounding.

At March 31, 2020, non-financial assets stood at \$91.5 billion, up \$4.9 billion from a year earlier. Of this growth, \$4.7 billion relates to an increase in tangible capital assets and \$0.5 billion relates to an increase in prepaid expenses, offset in part by a \$0.4-billion decrease in inventories.

At March 31, 2020, 59.4% of the original cost of the government's depreciable tangible capital assets had been amortized, a decrease of 1.1% from a year earlier. Depreciable tangible capital assets exclude land, and assets under construction, which are not yet available for use.

Tangible capital asset cost

(in billions of dollars)



The federal government has entered into a number of public-private partnerships (P3s) to design, build, finance and/or operate and maintain large infrastructure projects. Assets under construction totalled \$20.1 billion at March 31, 2020, some of which are being built using P3s in which the private sector finances the assets during construction. The government's liability for these long-term financing arrangements is included in obligations under public-private partnerships reported in Note 9 of the consolidated financial statements.

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

Cash flow

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

In 2020, the government had a total cash requirement of \$37.8 billion before financing activities, compared to a total cash requirement of \$9.1 billion before financing activities in 2019. Operating activities resulted in a net cash requirement of \$15.3 billion in 2020, compared to a net cash source of \$4.7 billion in 2019. Cash used by capital investment activities resulted in a net cash requirement of \$9.4 billion in 2020, compared to a net cash requirement of \$9.5 billion in 2019. Cash used by investing activities totalled \$13.1 billion in 2020, compared to \$4.3 billion in 2019.

Cash flow

(in millions of dollars)

	2020	2019
Cash (used) provided by operating activities ¹	(15,287)	4,688
Cash used by capital investment activities	(9,441)	(9,545)
Cash used by investing activities ¹	(13,052)	(4,252)
<i>Total cash used before financing activities</i>	<i>(37,780)</i>	<i>(9,109)</i>
Cash provided by financing activities	37,387	12,102
Net (decrease) increase in cash and cash equivalents	(393)	2,993
Cash and cash equivalents at beginning of year.....	37,635	34,642
Cash and cash equivalents at end of year	37,242	37,635

¹ Comparative figures have been reclassified to conform to the current year's presentations.

Financing activities generated a \$37.4-billion source of cash in 2020, resulting in an overall net decrease in cash of \$0.4 billion. The level of cash and cash equivalents stood at \$37.2 billion at March 31, 2020.

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, 2020, future payments under contractual obligations totalled \$179.4 billion (\$162.5 billion as of March 31, 2019).

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 \$37.2 billion at March 31, 2020 (\$40.4 billion as of March 31, 2019).

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;
- costs associated with dismantling capital assets at the end of their useful lives;
- credit risk and foreign currency risk associated with the government's financial assets, including loans, investments and advances and foreign exchange accounts;
- demand for public services and changes in other expenses, including pension expense, that reflect actual experience that is significantly different from forecast;
- delays and unexpected cost increases associated with large-scale investment projects; and,
- unforeseen situations such as natural catastrophes, or more currently, the COVID-19 pandemic.

In the current context, uncertainty has been magnified to unprecedented levels. With extraordinary speed and breadth, the COVID-19 pandemic has affected nearly all aspects of life, and the toll of COVID-19 on the global economy is expected to be the largest and most sudden contraction since the Great Depression. The economic and fiscal developments, including those related to the COVID-19 crisis, that occurred between the *Economic and Fiscal Update 2019* and the *Economic and Fiscal Snapshot 2020* are estimated to have lowered the 2021 budgetary balance by \$81.3 billion.

The economic recovery will depend on Canada's ability to hold the rate of transmission of the virus down. However, many unknowns remain surrounding the path of the virus in key Canadian trading partners, and whether or not the world experiences a resurgence of uncontrolled transmission. Given the unique characteristics of the crisis, and the numerous unknowns surrounding the virus, many alternative paths are possible for the economic recovery.

The government is taking significant steps to prepare for and achieve a safe and gradual restart of the economy, while investing in testing, tracing and health system capacity to mitigate and manage a possible resurgence of the virus. However, the Canadian economy is likely to require ongoing policy support. In the coming months, and as needed, the government will announce additional measures to support the recovery.

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

Another significant area of measurement uncertainty relates to contingent liabilities. Contingent liabilities represent possible obligations that may result in future payments when one or more events occur or fail to occur. Examples of contingent liabilities include loan guarantees; insurance programs, including the Deposit Insurance Fund operated by the Canada Deposit Insurance Corporation and the Mortgage Insurance Fund operated by Canada Mortgage and Housing Corporation; callable share capital in international financial institutions; and claims and pending and threatened litigation. As of March 31, 2020, the government's contingent liabilities totalled roughly \$2 trillion. However, the vast majority of this amount represents situations where the probability of a future payment is assessed as unlikely or not determinable. The government records a provision for contingent liabilities only in cases where the probability of future payment is considered likely. As of March 31, 2020, this provision totalled \$24.9 billion.

The COVID-19 pandemic has led to additional measurement uncertainty in the preparation of the government's 2020 consolidated financial statements. Historical experience related to certain estimates in the consolidated financial statements may not be relevant, or may not be as reliable as before, in predicting future outcomes. This may lead to a greater possibility of a material variance between estimates recognized or disclosed in the consolidated financial statements and the results ultimately realized. Balances subject to additional measurement uncertainty due to the pandemic include tax revenues, provisions for accounts receivable, contingent liabilities, pensions and other future benefits and loans, investments and advances, including those that may result from lending programs of enterprise Crown corporations.

Looking to 2021, the COVID-19 pandemic and the Economic Response Plan are expected to result in significant changes in the government's revenues, expenses, assets and liabilities. The decline in economic activity will worsen the overall fiscal environment as tax revenues decline and the relative size of the deficit increases in proportion to lower levels of output in the economy. Expenses are expected to increase significantly, reflecting spending under various support programs, including the CERB, Canada Emergency Wage Subsidy, and transfers to provinces and territories under the Safe Restart Agreement. Loans, investments and advances are also expected to increase, reflecting loans advanced under the Canada Emergency Business Account program. The financial position and results of the government's enterprise Crown corporations will also be impacted, such as through loans and guarantees provided by the Business Development Bank of Canada and Export Development Canada under the Business Credit Availability Program, and through various liquidity support programs provided by the Bank of Canada. The magnitude of these impacts will depend on program uptake as well as the economic recovery.

The Government of Canada's debt program will increase significantly in 2021 in order to finance necessary temporary investments to stabilize the Canadian economy amidst the extraordinary circumstances of the COVID-19 pandemic. Despite the significant increase in borrowing, record low interest rates have made Canada's debt significantly more affordable.

A significant proportion of extraordinary borrowings early in 2021 consisted of short-term instruments, mainly treasury bills, given the ability to issue these instruments in volume quickly to raise needed funding. However, the government is planning to significantly increase long-term bonds to lock in funding at historically low interest rates. The government has also been increasing bond issuances steadily to help manage rollover risk, reduce pressure on the treasury bill sector, and ultimately rebuild contingency capacity in the event that significant funding is needed again in short order. Given a historic level of issuance overall and particularly in long-term bonds, the government will consult with market participants and experts to assess and review the market's capacity for long-term debt. Adjustments to the debt strategy may be made as warranted to maintain stability in Canada's fixed-income markets in these evolving circumstances, taking into account the requirements of other issuers, such as provinces, municipalities and corporations.

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, pensions and other 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.

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. However, as noted in the July 2020 *Economic and Fiscal Snapshot*, there is a wider divergence of views surrounding the economic outlook than during normal times and all projections should be considered with caution.

The government also typically prepares long-term economic and fiscal projections, which provide a broad analysis of its fiscal position, allowing the government to respond more effectively to upcoming challenges and protect the long-term sustainability of public finances. These projections are available on the Department of Finance Canada's website.

Ten-year comparative financial information

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

Table 1.1
Government of Canada
Consolidated Statement of Operations and Accumulated Deficit—detailed
(in millions of dollars)

	Year ended March 31 ^{1, 2, 3}									
	2011	2012 ⁵	2013 ⁴	2014	2015	2016	2017	2018	2019	2020
Revenues										
<i>Tax revenues</i>										
Income tax revenues										
Personal.....	114,661	120,537	125,728	130,811	135,743	144,897	143,680	153,619	163,881	167,576
Corporate.....	31,953	33,641	34,986	36,587	39,447	41,444	42,216	47,805	50,368	50,060
Non-resident.....	5,137	5,300	5,073	6,404	6,216	6,505	7,071	7,845	9,370	9,476
	<i>151,751</i>	<i>159,478</i>	<i>165,787</i>	<i>173,802</i>	<i>181,406</i>	<i>192,846</i>	<i>192,967</i>	<i>209,269</i>	<i>223,619</i>	<i>227,112</i>
Other taxes and duties										
Goods and services tax.....	28,379	28,370	28,821	30,998	31,349	32,952	34,368	36,751	38,221	37,386
Energy taxes.....	5,342	5,328	5,381	5,486	5,528	5,565	5,634	5,739	5,802	5,683
Customs import duties.....	3,520	3,862	3,979	4,239	4,581	5,372	5,478	5,416	6,881	4,853
Other excise taxes and duties.....	5,662	5,546	5,370	5,413	5,724	5,916	5,868	5,913	6,323	5,958
	<i>42,903</i>	<i>43,106</i>	<i>43,551</i>	<i>46,136</i>	<i>47,182</i>	<i>49,805</i>	<i>51,348</i>	<i>53,819</i>	<i>57,227</i>	<i>53,880</i>
<i>Total tax revenues.....</i>	<i>194,654</i>	<i>202,584</i>	<i>209,338</i>	<i>219,938</i>	<i>228,588</i>	<i>242,651</i>	<i>244,315</i>	<i>263,088</i>	<i>280,846</i>	<i>280,992</i>
<i>Employment insurance premiums.....</i>	<i>17,501</i>	<i>18,556</i>	<i>20,395</i>	<i>21,766</i>	<i>22,564</i>	<i>23,070</i>	<i>22,125</i>	<i>21,140</i>	<i>22,295</i>	<i>22,219</i>
<i>Fuel charge proceeds.....</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>2,655</i>
<i>Other revenues</i>										
Enterprise Crown corporations and other government business enterprises.....	9,590	7,983	7,543	7,966	9,306	7,916	5,655	7,731	7,101	5,059
Net foreign exchange revenues.....	1,809	1,669	1,502	1,682	1,355	2,322	2,133	1,473	1,667	2,410
Other.....	15,701	15,890	15,632	18,660	18,092	16,649	16,640	17,784	20,309	20,796
<i>Total other revenues.....</i>	<i>27,100</i>	<i>25,542</i>	<i>24,677</i>	<i>28,308</i>	<i>28,753</i>	<i>26,887</i>	<i>24,428</i>	<i>26,988</i>	<i>29,077</i>	<i>28,265</i>
<i>Total revenues.....</i>	<i>239,255</i>	<i>246,682</i>	<i>254,410</i>	<i>270,012</i>	<i>279,905</i>	<i>292,608</i>	<i>290,868</i>	<i>311,216</i>	<i>332,218</i>	<i>334,131</i>
Expenses										
<i>Program expenses</i>										
Transfer payments										
Old age security benefits, guaranteed income supplement and spouse's allowance.....	35,629	38,045	40,255	41,786	44,103	45,461	48,162	50,644	53,366	56,227
Major transfer payments to other levels of government										
Canada Health Transfer.....	26,031	27,174	28,912	30,543	32,114	34,025	36,057	37,124	38,568	40,872
Canada Social Transfer.....	11,179	11,514	11,860	12,215	12,582	12,959	13,348	13,748	14,161	14,585
Fiscal arrangements.....	13,826	15,259	15,595	15,610	16,271	16,893	17,145	17,575	17,929	18,030
Other major transfers.....	1,751	2,847	2,003	2,107	2,142	1,973	2,102	2,072	5,267	5,688
	<i>52,787</i>	<i>56,794</i>	<i>58,370</i>	<i>60,475</i>	<i>63,109</i>	<i>65,850</i>	<i>68,652</i>	<i>70,519</i>	<i>75,925</i>	<i>79,175</i>
Employment insurance.....	19,850	17,647	17,099	17,300	18,052	19,419	20,711	19,715	18,888	21,750
Children's benefits.....	12,656	12,726	12,975	13,136	14,303	18,025	22,065	23,432	23,882	24,344
Canada emergency response benefit.....	—	—	—	—	—	—	—	—	—	4,739
Fuel charge proceeds returned.....	—	—	—	—	—	—	—	—	664	2,636
Other transfer payments.....	43,155	37,720	34,862	36,698	35,126	34,874	41,580	47,138	51,753	54,405
<i>Total transfer payments.....</i>	<i>164,077</i>	<i>162,932</i>	<i>163,561</i>	<i>169,395</i>	<i>174,693</i>	<i>183,629</i>	<i>201,170</i>	<i>211,448</i>	<i>224,478</i>	<i>243,276</i>
Other expenses, excluding net actuarial losses.....	74,325	75,034	74,314	64,277	73,971	79,939	77,519	86,488	90,077	95,191
<i>Total program expenses, excluding net actuarial losses.....</i>	<i>238,402</i>	<i>237,966</i>	<i>237,875</i>	<i>233,672</i>	<i>248,664</i>	<i>263,568</i>	<i>278,689</i>	<i>297,936</i>	<i>314,555</i>	<i>338,467</i>
<i>Public debt charges.....</i>	<i>28,610</i>	<i>29,038</i>	<i>25,533</i>	<i>24,729</i>	<i>24,207</i>	<i>21,837</i>	<i>21,232</i>	<i>21,889</i>	<i>23,266</i>	<i>24,447</i>
<i>Total expenses, excluding net actuarial losses.....</i>	<i>267,012</i>	<i>267,004</i>	<i>263,408</i>	<i>258,401</i>	<i>272,871</i>	<i>285,405</i>	<i>299,921</i>	<i>319,825</i>	<i>337,821</i>	<i>362,914</i>
Annual surplus (deficit) before net actuarial losses.....	(27,757)	(20,322)	(8,998)	11,611	7,034	7,203	(9,053)	(8,609)	(5,603)	(28,783)
Net actuarial losses.....	(7,196)	(7,711)	(12,295)	(19,661)	(7,584)	(10,064)	(9,904)	(10,352)	(8,361)	(10,609)
Annual deficit.....	(34,953)	(28,033)	(21,293)	(8,050)	(550)	(2,861)	(18,957)	(18,961)	(13,964)	(39,392)
Accumulated deficit at beginning of year—as previously reported.....	(519,097)	(551,668)	(591,040)	(609,391)	(611,881)	(612,330)	(615,986)	(631,899)	(671,254)	(685,450)
Accounting change and restatement—Public sector pensions.....	(5,006)	(6,587)	(8,341)	(11,219)	(14,119)	(16,580)	(18,454)	(19,641)	—	—
International Financial Reporting Standards (IFRS) transition adjustment.....	—	(3,337)	—	—	—	—	—	—	—	—
Other comprehensive (loss) income.....	2,142	(2,292)	64	2,660	(2,360)	(2,669)	1,857	(753)	(232)	3,482
Accumulated deficit at end of year.....	(556,914)	(591,917)	(620,610)	(626,000)	(628,910)	(634,440)	(651,540)	(671,254)	(685,450)	(721,360)

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.

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

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

Table 1.2
Government of Canada
Consolidated Statement of Financial Position—detailed
(in millions of dollars)

	As at March 31 ^{1, 2}									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Liabilities										
<i>Accounts payable and accrued liabilities</i>										
Amounts payable related to tax	48,648	50,952	54,877	52,600	56,198	53,697	55,077	61,876	65,200	60,186
Other accounts payable and accrued liabilities	37,677	41,358	30,369	26,170	26,986	29,979	29,034	37,692	42,674	49,055
Provision for contingent liabilities	12,900	12,804	12,262	11,135	11,757	12,562	16,511	23,030	26,447	24,928
Environmental liabilities and asset retirement obligations	7,745	8,362	10,600	11,143	12,296	13,282	12,599	12,291	13,192	14,646
Deferred revenue	4,788	4,164	3,570	4,147	8,161	9,684	9,066	8,220	7,500	10,522
Interest and matured debt	6,733	6,379	5,955	5,585	5,240	4,922	4,663	4,690	4,694	4,496
<i>Total accounts payable and accrued liabilities</i>	<i>118,491</i>	<i>124,019</i>	<i>117,633</i>	<i>110,780</i>	<i>120,638</i>	<i>124,126</i>	<i>126,950</i>	<i>147,799</i>	<i>159,707</i>	<i>163,833</i>
<i>Interest-bearing debt</i>										
<i>Unmatured debt</i>										
Payable in Canadian currency										
Marketable bonds	416,080	448,140	469,039	473,319	487,881	504,068	536,280	574,968	569,526	596,864
Treasury bills	162,980	163,221	180,689	152,990	135,692	138,100	136,700	110,700	134,300	151,867
Retail debt	10,141	8,922	7,481	6,327	5,660	5,076	4,533	2,586	1,237	497
Bonds for Canada Pension Plan	27	11	—	—	—	—	—	—	—	—
Payable in foreign currencies	589,228	620,294	657,209	632,636	629,233	647,244	677,513	688,254	705,063	749,228
Cross-currency swap revaluation	7,628	10,715	10,802	16,030	20,267	22,482	17,609	16,049	16,011	15,941
Unamortized discounts and premiums on market debt	(4,485)	(4,295)	3,231	3,184	4,296	5,047	5,322	3,467	2,163	2,487
Obligation related to capital leases	3,685	3,633	3,647	3,603	3,710	3,477	3,226	3,203	2,893	2,913
Obligation under public-private partnership	190	453	917	1,179	1,005	1,570	2,199	2,393	3,511	2,590
<i>Total unamatured debt</i>	<i>591,155</i>	<i>626,352</i>	<i>672,387</i>	<i>658,958</i>	<i>665,180</i>	<i>688,211</i>	<i>713,633</i>	<i>721,201</i>	<i>736,915</i>	<i>783,751</i>
<i>Pensions and other future benefits</i>										
Public sector pensions	152,722	157,252	162,886	167,281	169,244	170,681	171,447	170,914	168,782	168,596
Other employee and veteran future benefits	58,206	61,915	67,301	71,959	76,140	85,681	93,568	104,793	113,862	126,378
<i>Total pensions and other future benefits</i>	<i>210,928</i>	<i>219,167</i>	<i>230,187</i>	<i>239,240</i>	<i>245,384</i>	<i>256,362</i>	<i>265,015</i>	<i>275,707</i>	<i>282,644</i>	<i>294,974</i>
Canada Pension Plan Account	23	138	68	140	212	35	106	32	163	279
Other liabilities	6,292	6,795	5,978	5,774	5,790	5,567	5,583	5,638	5,742	5,772
<i>Total interest-bearing debt</i>	<i>808,398</i>	<i>852,452</i>	<i>908,620</i>	<i>904,112</i>	<i>916,566</i>	<i>950,175</i>	<i>984,337</i>	<i>1,002,578</i>	<i>1,025,464</i>	<i>1,084,776</i>
Total liabilities	926,889	976,471	1,026,253	1,014,892	1,037,204	1,074,301	1,111,287	1,150,377	1,185,171	1,248,609
Financial assets										
<i>Cash and accounts receivable</i>										
Cash and cash equivalents	14,323	17,143	27,341	31,429	34,999	38,570	36,500	34,642	37,635	37,242
Taxes receivable	78,626	86,006	92,115	92,489	98,499	105,848	110,514	123,035	127,561	121,098
Other accounts receivable	3,389	3,529	3,587	3,706	3,031	10,139	10,316	14,380	11,845	15,375
<i>Total cash and accounts receivable</i>	<i>96,338</i>	<i>106,678</i>	<i>123,043</i>	<i>127,624</i>	<i>136,529</i>	<i>154,557</i>	<i>157,330</i>	<i>172,057</i>	<i>177,041</i>	<i>173,715</i>
<i>Foreign exchange accounts</i>										
International reserves held in the Exchange Fund Account	54,041	62,141	63,381	77,365	91,961	101,379	106,668	105,430	107,200	112,017
International Monetary Fund—Subscriptions	9,792	9,842	9,694	10,883	11,129	20,170	19,892	20,647	20,449	21,178
International Monetary Fund—Loans	1,139	1,325	1,457	1,665	1,353	1,278	1,125	775	546	368
Less: International Monetary Fund—Notes payable and special drawing rights allocations	16,465	16,311	15,773	17,651	19,425	29,288	28,888	29,914	28,507	28,660
<i>Total foreign exchange accounts</i>	<i>48,507</i>	<i>56,997</i>	<i>58,759</i>	<i>72,262</i>	<i>85,018</i>	<i>93,539</i>	<i>98,797</i>	<i>96,938</i>	<i>99,688</i>	<i>104,903</i>
<i>Loans, investments and advances</i>										
Enterprise Crown corporations and other government business enterprises	135,673	130,662	131,785	94,815	89,375	91,116	99,427	100,775	108,169	125,108
Other loans, investments and advances	22,876	22,258	23,134	22,820	24,306	24,841	24,579	25,596	25,743	27,394
<i>Total loans, investments and advances</i>	<i>158,549</i>	<i>152,920</i>	<i>154,919</i>	<i>117,635</i>	<i>113,681</i>	<i>115,957</i>	<i>124,006</i>	<i>126,371</i>	<i>133,912</i>	<i>152,502</i>
<i>Public sector pension assets</i>	<i>—</i>	<i>—</i>	<i>—</i>	<i>938</i>	<i>1,263</i>	<i>1,639</i>	<i>1,900</i>	<i>2,124</i>	<i>2,406</i>	<i>4,598</i>
Total financial assets	303,394	316,595	336,721	318,459	336,491	365,692	382,033	397,490	413,047	435,718
Net Debt	(623,495)	(659,876)	(689,532)	(696,433)	(700,713)	(708,609)	(729,254)	(752,887)	(772,124)	(812,891)
Non-financial assets										
Tangible capital assets	57,668	59,047	60,241	61,942	63,347	65,838	69,676	73,835	78,942	83,682
Inventories	6,830	6,996	7,453	7,316	7,250	7,221	6,842	6,679	6,601	6,171
Prepaid expenses and other	2,083	1,916	1,228	1,175	1,206	1,110	1,196	1,119	1,131	1,678
Total non-financial assets	66,581	67,959	68,922	70,433	71,803	74,169	77,714	81,633	86,674	91,531
Accumulated deficit	(556,914)	(591,917)	(620,610)	(626,000)	(628,910)	(634,440)	(651,540)	(671,254)	(685,450)	(721,360)

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}									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net debt at beginning of year—as previously reported.....	(582,472)	(616,908)	(650,135)	(671,363)	(682,314)	(686,959)	(693,751)	(714,457)	(752,887)	(772,124)
Accounting changes and restatement										
Accumulated sick leave entitlements	—	(1,341)	(1,400)	—	—	—	—	—	—	—
Unamortized premiums and discounts on the buy-back of bonds	—	—	(5,669)	(5,387)	—	—	—	—	—	—
Loans expected to be repaid from future appropriations	—	—	(1,795)	(1,563)	—	—	—	—	—	—
Public sector pensions	(5,006)	(6,587)	(8,341)	(11,219)	(14,119)	(16,580)	(18,454)	(19,641)	—	—
Change in revenue recognition criteria	—	—	—	—	—	2,826	3,596	4,844	—	—
Net debt at beginning of year—as restated	(587,478)	(624,836)	(667,340)	(689,532)	(696,433)	(700,713)	(708,609)	(729,254)	(752,887)	(772,124)
International Financial Reporting Standards (IFRS) transition adjustment	—	(3,337)	—	—	—	—	—	—	—	—
Change in net debt during the year										
Annual deficit	(34,953)	(28,033)	(21,293)	(8,050)	(550)	(2,861)	(18,957)	(18,961)	(13,964)	(39,392)
Change due to tangible capital assets										
Acquisition of tangible capital assets	(8,061)	(6,976)	(7,175)	(7,129)	(7,204)	(8,015)	(8,547)	(9,793)	(11,134)	(10,286)
Amortization of tangible capital assets	4,756	4,859	5,184	4,865	5,090	5,049	5,168	5,261	5,643	5,790
Proceeds from disposal of tangible capital assets	447	664	407	875	954	632	421	266	465	157
Net loss (gain) on disposal of tangible capital assets, including adjustments	244	74	390	(312)	(245)	(157)	(880)	107	(81)	(401)
<i>Total change due to tangible capital assets</i>	<i>(2,614)</i>	<i>(1,379)</i>	<i>(1,194)</i>	<i>(1,701)</i>	<i>(1,405)</i>	<i>(2,491)</i>	<i>(3,838)</i>	<i>(4,159)</i>	<i>(5,107)</i>	<i>(4,740)</i>
Change due to inventories.....	(638)	(166)	(457)	137	66	29	379	163	78	430
Change due to prepaid expenses.....	46	167	688	53	(31)	96	(86)	77	(12)	(547)
Net increase in net debt due to operations.....	(38,159)	(29,411)	(22,256)	(9,561)	(1,920)	(5,227)	(22,502)	(22,880)	(19,005)	(44,249)
Other comprehensive (loss) income.....	2,142	(2,292)	64	2,660	(2,360)	(2,669)	1,857	(753)	(232)	3,482
Net increase in net debt.....	(36,017)	(31,703)	(22,192)	(6,901)	(4,280)	(7,896)	(20,645)	(23,633)	(19,237)	(40,767)
Net debt at end of year.....	(623,495)	(659,876)	(689,532)	(696,433)	(700,713)	(708,609)	(729,254)	(752,887)	(772,124)	(812,891)

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}									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Operating activities										
Annual deficit	(34,953)	(28,033)	(21,293)	(8,050)	(550)	(2,861)	(18,957)	(18,961)	(13,964)	(39,392)
Non-cash items										
Share of annual profit in enterprise Crown corporations and other government business enterprises.....	(6,992)	(5,350)	(4,995)	(5,945)	(8,365)	(7,316)	(4,920)	(6,959)	(5,920)	(3,588)
Amortization of premiums and discounts on debt.....	3,297	3,824	2,919	2,792	2,261	2,374	1,936	1,999	3,044	4,649
Provision for valuation on other loans, investments and advances.....	1,358	1,486	1,213	1,302	1,372	1,647	1,421	1,457	2,605	1,707
Amortization of tangible capital assets.....	4,756	4,859	5,184	4,865	5,090	5,049	5,168	5,261	5,643	5,790
Net loss (gain) on disposal of tangible capital assets, including adjustments.....	244	74	390	(312)	(245)	(157)	(880)	107	(81)	(401)
Cross-currency swap revaluation.....	(858)	643	1,029	5,745	4,343	1,722	(627)	71	(561)	3,318
Pensions and other future benefit and interest expenses.....	23,131	22,668	25,737	24,549	21,817	26,491	25,884	29,588	25,662	28,954
Change in taxes receivable.....	(9,563)	(7,380)	(6,109)	(374)	(6,010)	(7,349)	(4,666)	(12,521)	(4,526)	6,463
Change in pensions and other future benefits.....	(14,279)	(15,770)	(14,717)	(16,434)	(15,998)	(15,889)	(17,492)	(19,120)	(19,007)	(18,816)
Change in foreign exchange accounts.....	(1,557)	(8,490)	(1,762)	(13,503)	(12,756)	(8,521)	(5,258)	1,859	(2,750)	(5,215)
Change in accounts payable and accrued liabilities.....	(1,604)	5,528	(6,386)	(6,853)	9,858	3,488	2,824	20,849	11,908	4,126
Change in cash collateral pledged to counterparties.....	—	—	—	—	—	(6,557)	(349)	(1,841)	1,622	(2,825)
Net change in other accounts.....	(3,613)	(3,003)	(2,053)	(2,421)	(683)	(2,676)	(1,327)	(3,235)	1,013	(57)
Cash used by operating activities	(40,633)	(28,944)	(20,843)	(14,639)	134	(10,555)	(17,243)	(1,446)	4,688	(15,287)
Capital investment activities										
Acquisition of tangible capital assets.....	(8,061)	(6,976)	(7,175)	(7,129)	(6,804)	(7,379)	(7,834)	(9,220)	(10,010)	(9,598)
Proceeds from disposal of tangible capital assets.....	447	664	407	875	954	632	421	266	465	157
Cash used by capital investment activities	(7,614)	(6,312)	(6,768)	(6,254)	(5,850)	(6,747)	(7,413)	(8,954)	(9,545)	(9,441)
Investing activities										
Enterprise Crown corporations and other government business enterprises										
Equity transactions.....	2,818	2,684	1,445	5,165	3,514	4,975	2,195	7,993	6,302	1,992
Issuance of loans and advances.....	(76,579)	(63,389)	(65,183)	(70,328)	(79,905)	(54,542)	(52,213)	(42,756)	(48,889)	(54,334)
Repayment of loans and advances.....	76,677	65,286	66,156	110,259	88,168	52,699	48,703	39,884	41,086	42,648
Issuance of other loans, investments and advances.....	(5,858)	(7,679)	(5,533)	(5,525)	(8,124)	(7,749)	(6,104)	(7,500)	(7,546)	(8,313)
Repayment of other loans, investments and advances.....	4,782	6,810	3,444	4,537	5,266	5,568	4,944	5,026	4,795	4,955
Cash provided (used) by investing activities	1,840	3,712	329	44,108	8,919	951	(2,475)	2,647	(4,252)	(13,052)
Total cash (used) generated before financing activities	(46,407)	(31,544)	(27,282)	23,215	3,203	(16,351)	(27,131)	(7,753)	(9,109)	(37,780)
Financing activities										
Issuance of Canadian currency borrowings.....	553,464	567,707	579,456	512,009	468,021	452,850	507,483	441,307	437,135	468,722
Repayment of Canadian currency borrowings.....	(520,569)	(536,430)	(542,063)	(536,364)	(471,891)	(435,143)	(477,549)	(433,801)	(424,926)	(430,279)
Issuance of foreign currency borrowings.....	8,195	12,743	7,782	12,011	16,961	26,817	21,702	15,847	19,631	17,821
Repayment of foreign currency borrowings.....	(8,810)	(9,656)	(7,695)	(6,783)	(12,724)	(24,602)	(26,575)	(17,458)	(19,738)	(18,877)
Cash provided (used) by financing activities	32,280	34,364	37,480	(19,127)	367	19,922	25,061	5,895	12,102	37,387
Net (decrease) increase in cash and cash equivalents	(14,127)	2,820	10,198	4,088	3,570	3,571	(2,070)	(1,858)	2,993	(393)
Cash and cash equivalents at beginning of year	28,450	14,323	17,143	27,341	31,429	34,999	38,570	36,500	34,642	37,635
Cash and cash equivalents at end of year	14,323	17,143	27,341	31,429	34,999	38,570	36,500	34,642	37,635	37,242

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}									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Loans, investments and advances										
Enterprise Crown corporations and other government business enterprises										
Loans and advances										
Canada Mortgage and Housing Corporation.....	2,693	2,974	3,472	41,951	10,465	177	720	1,124	592	(6,282)
Business Development Bank of Canada.....	(978)	662	(653)	(1,106)	(1,356)	(1,266)	(1,869)	(1,659)	(1,765)	(1,170)
Farm Credit Canada.....	(1,627)	(1,768)	(1,848)	(855)	(662)	(747)	(2,246)	(2,324)	(1,854)	(2,791)
Canadian Development Investment Corporation.....	—	—	—	—	—	—	—	—	(4,790)	(1,465)
Other.....	10	29	2	(59)	(185)	(7)	(115)	(13)	14	22
	98	1,897	973	39,931	8,262	(1,843)	(3,510)	(2,872)	(7,803)	(11,686)
Investments										
Share of annual profit.....	(6,992)	(5,350)	(4,995)	(5,945)	(8,365)	(7,316)	(4,920)	(6,959)	(5,920)	(3,588)
Other comprehensive loss (income).....	(2,142)	2,292	(64)	(2,660)	2,360	2,669	(1,857)	753	232	(3,482)
Dividends.....	2,818	2,028	1,445	5,215	2,341	4,002	2,320	8,058	6,427	3,618
Capital.....	—	656	—	(50)	1,030	973	(125)	(65)	(125)	(1,816)
Transition adjustment and other.....	—	3,337	—	—	143	—	—	—	—	190
	(6,316)	2,963	(3,614)	(3,440)	(2,491)	328	(4,582)	1,787	614	(5,078)
Total.....	(6,218)	4,860	(2,641)	36,491	5,771	(1,515)	(8,092)	(1,085)	(7,189)	(16,764)
Less:										
Loans expected to be repaid from future appropriations.....	(64)	(119)	(1,519)	(480)	353	221	218	264	204	167
Unamortized discounts and premiums.....	(4)	(32)	—	1	(22)	5	1	(1)	1	8
Total.....	(6,150)	5,011	(1,122)	36,970	5,440	(1,741)	(8,311)	(1,348)	(7,394)	(16,939)
Other loans, investments and advances										
Portfolio investments.....	—	12	5	—	10	5	—	5	—	—
National governments, including developing countries.....	69	40	18	(7)	(606)	22	(49)	78	55	432
International organizations.....	(826)	(704)	(885)	(900)	(1,039)	(972)	(703)	(888)	(989)	(1,183)
Provincial and territorial governments.....	257	(849)	803	849	765	693	126	(98)	(16)	60
Other loans, investments and advances.....	456	680	(1,254)	(1,049)	(1,751)	(1,352)	32	760	(1,242)	(1,295)
Total.....	(44)	(821)	(1,313)	(1,107)	(2,621)	(1,604)	(594)	(143)	(2,192)	(1,986)
Less: allowance for valuation.....	(326)	(1,439)	(436)	(1,421)	(1,135)	(1,069)	(856)	874	(2,045)	(335)
Total.....	282	618	(877)	314	(1,486)	(535)	262	(1,017)	(147)	(1,651)
Total loans, investments and advances.....	(5,868)	5,629	(1,999)	37,284	3,954	(2,276)	(8,049)	(2,365)	(7,541)	(18,590)
Pensions and other future benefits										
Public sector pensions.....	4,873	4,530	5,635	3,457	1,638	1,061	505	(757)	(2,414)	(2,378)
Other employee and veteran future benefits.....	3,979	3,707	5,386	4,658	4,181	9,541	7,887	11,225	9,069	12,516
Total pensions and other future benefits.....	8,852	8,237	11,021	8,115	5,819	10,602	8,392	10,468	6,655	10,138
Other liabilities										
Canada Pension Plan Account.....	(152)	115	(70)	72	72	(177)	71	(74)	131	115
Other liabilities.....	(120)	503	(817)	(204)	16	(223)	16	55	104	31
Total other liabilities.....	(272)	618	(887)	(132)	88	(400)	87	(19)	235	146
Non-financial assets										
Tangible capital assets.....	(2,614)	(1,379)	(1,194)	(1,701)	(1,405)	(2,491)	(3,838)	(4,159)	(5,107)	(4,740)
Inventories.....	(638)	(166)	(458)	137	66	29	379	163	78	430
Prepaid expenses and other.....	46	167	688	53	(31)	96	(86)	77	(12)	(547)
Total non-financial assets.....	(3,206)	(1,378)	(964)	(1,511)	(1,370)	(2,366)	(3,545)	(3,919)	(5,041)	(4,857)
Other transactions										
Taxes receivable.....	(9,563)	(7,380)	(6,109)	(374)	(6,010)	(7,349)	(4,666)	(12,521)	(4,526)	6,463
Other accounts receivable.....	(127)	(140)	(58)	(119)	675	(7,108)	(177)	(4,064)	2,535	(3,530)
Provincial, Territorial and Indigenous Tax Agreements Account.....	241	2,688	(7,130)	(1,584)	951	2,780	(1,942)	5,034	(351)	(4,710)
Amounts payable related to tax.....	397	2,304	3,925	(2,277)	3,598	(2,501)	1,380	6,799	3,324	(5,014)
Other liabilities.....	(2,242)	536	(3,181)	(2,992)	5,309	3,208	3,386	9,016	8,936	13,849
Total other transactions.....	(11,294)	(1,992)	(12,553)	(7,346)	4,523	(10,970)	(2,019)	4,264	9,918	7,058
Total non-budgetary transactions and non-financial assets.....	(11,788)	11,114	(5,382)	36,410	13,014	(5,410)	(5,134)	8,429	4,226	(6,105)

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Foreign exchange accounts										
International reserves held in the Exchange Fund										
Account	(340)	(8,100)	(1,240)	(13,984)	(14,596)	(9,418)	(5,289)	1,238	(1,770)	(4,817)
International Monetary Fund—Subscriptions.....	31	(50)	148	(1,189)	(246)	(9,041)	278	(755)	198	(729)
International Monetary Fund—Loans	(802)	(186)	(132)	(208)	312	75	153	350	229	178
	(1,111)	(8,336)	(1,224)	(15,381)	(14,530)	(18,384)	(4,858)	833	(1,343)	(5,368)
Less: International Monetary Fund										
Special drawing rights allocations	30	(48)	139	(1,118)	(231)	(493)	150	(409)	107	(396)
Notes payable.....	416	202	398	(760)	(1,543)	(9,370)	250	(617)	1,300	243
	446	154	537	(1,878)	(1,774)	(9,863)	400	(1,026)	1,407	(153)
Total foreign exchange accounts.....	(1,557)	(8,490)	(1,761)	(13,503)	(12,756)	(8,521)	(5,258)	1,859	(2,750)	(5,215)
Unmatured debt										
Payable in Canadian currency										
Marketable bonds.....	48,118	32,060	20,899	4,280	14,562	16,187	32,212	38,688	(5,442)	27,338
Treasury bills	(12,869)	241	17,468	(27,699)	(17,298)	2,408	(1,400)	(26,000)	23,600	17,567
Retail debt.....	(1,714)	(1,219)	(1,441)	(1,154)	(667)	(584)	(543)	(1,947)	(1,349)	(740)
Bonds for Canada Pension Plan.....	(425)	(16)	(11)	—	—	—	—	—	—	—
	33,110	31,066	36,915	(24,573)	(3,403)	18,011	30,269	10,741	16,809	44,165
Payable in foreign currencies.....	(615)	3,087	87	5,228	4,237	2,215	(4,873)	(1,560)	(38)	(70)
Cross-currency swap revaluation	(858)	643	1,029	5,745	4,343	1,722	(627)	71	(561)	3,318
Unamortized discounts and premiums on										
market debt	607	190	7,526	(47)	1,112	751	275	(1,855)	(1,304)	324
Obligation related to capital leases.....	(405)	(52)	14	(45)	107	(233)	(251)	(23)	(310)	20
Obligation under public-private partnership.....	190	263	464	262	(174)	565	629	194	1,118	(921)
Total unmatured debt	32,029	35,197	46,035	(13,430)	6,222	23,031	25,422	7,568	15,714	46,836
Cash and cash equivalents at end of year										
In Canadian currency.....	13,902	16,493	27,130	31,415	34,716	36,022	35,353	34,110	36,840	36,400
In foreign currencies	421	650	211	14	283	2,548	1,147	532	795	842
Total cash and cash equivalents.....	14,323	17,143	27,341	31,429	34,999	38,570	36,500	34,642	37,635	37,242

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 which may become an actual financial obligation if certain events occur or fail to occur.

Contractual obligation

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

Deficit

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

Defined benefit pension plan

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

Enterprise Crown corporation

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

Financial assets

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

Full accrual accounting

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

G7 (Group of Seven)

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

Gross domestic product (GDP)

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

National Accounts

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

Net book value of tangible capital assets

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

Net debt

The total liabilities of the government less its financial assets.

Non-financial assets

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

Operating lease

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

Other comprehensive income

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

Public money

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

Real return bonds

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

Retail debt

Canada Savings Bonds and Canada Premium Bonds.

Surplus

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

Swap

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

Tangible capital asset

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

Transfer payments

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

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Section 2

Public Accounts of Canada 2019–2020

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

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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 2019–2020 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 may only borrow as authorized by Acts of Parliament. Such Acts usually place a ceiling on the amount of borrowings that can be outstanding at any one time. Non-agent Crown corporations and other government business enterprises can borrow without specific parliamentary authority, although such borrowings are sometimes guaranteed by the government with the authority of Parliament.

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

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

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

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

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

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

Statement of responsibility

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

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

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

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

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

On behalf of the Government of Canada.

Original signed by
Peter Wallace
*Secretary of the Treasury
Board of Canada*

Original signed by
Paul Rochon
Deputy Minister of Finance

Original signed by
Bill Matthews
Deputy Receiver General for Canada

Original signed by
Roch Huppé
Comptroller General of Canada

October 9, 2020



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 2020, 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 2020, and the consolidated results of its operations, consolidated changes in its net debt, and its consolidated cash flows for the year then ended in accordance with the stated accounting policies of the Government of Canada set out in Note 1 to the consolidated financial statements, which conform with Canadian public sector accounting standards.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the *Public Accounts of Canada – 2020 – 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.

Independent Auditor's Report—concluded

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Opinion

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

Original signed by
Karen Hogan, CPA, CA
Auditor General of Canada

Ottawa, Canada
9 October 2020

Government of Canada

Consolidated Statement of Operations and Accumulated Deficit
for the year ended March 31, 2020

(in millions of dollars)

	2020		2019
	Budget (Note 3d)	Actual	Actual
Revenues (Note 4 and Note 20)			
<i>Tax revenues</i>			
Income tax revenues			
Personal.....	170,446	167,576	163,881
Corporate	46,332	50,060	50,368
Non-resident.....	9,748	9,476	9,370
Total income tax revenues	226,526	227,112	223,619
Other taxes and duties	59,280	53,880	57,227
Total tax revenues	285,806	280,992	280,846
Employment insurance premiums	21,967	22,219	22,295
Fuel charge proceeds	2,335	2,655	–
<i>Other revenues</i>			
Enterprise Crown corporations and other government business enterprises	7,313	5,059	7,101
Net foreign exchange revenues	1,944	2,410	1,667
Other.....	19,413	20,796	20,309
Total other revenues	28,670	28,265	29,077
Total revenues.....	338,778	334,131	332,218
Expenses (Note 5 and Note 20)			
<i>Program expenses</i>			
Transfer payments			
Old age security benefits, guaranteed income supplement and spouse's allowance.....	56,204	56,227	53,366
Major transfer payments to other levels of government.....	76,886	79,175	75,925
Employment insurance	19,898	21,750	18,888
Children's benefits	24,333	24,344	23,882
Canada emergency response benefit.....	–	4,739	–
Fuel charge proceeds returned	2,640	2,636	664
Other transfer payments	52,798	54,405	51,753
Total transfer payments	232,759	243,276	224,478
Other expenses, excluding net actuarial losses (Note 2).....	89,774	95,191	90,077
Total program expenses, excluding net actuarial losses	322,533	338,467	314,555
Public debt charges	26,212	24,447	23,266
Total expenses, excluding net actuarial losses.....	348,745	362,914	337,821
Annual deficit before net actuarial losses (Note 2).....	(9,967)	(28,783)	(5,603)
Net actuarial losses (Note 2 and Note 10).....	(6,882)	(10,609)	(8,361)
Annual deficit	(16,849)	(39,392)	(13,964)
Accumulated deficit at beginning of year	(685,450)	(685,450)	(671,254)
Other comprehensive income (loss) (Note 6 and Note 15)	–	3,482	(232)
Accumulated deficit at end of year (Note 6)	(702,299)	(721,360)	(685,450)

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, 2020

(in millions of dollars)

	2020	2019
Liabilities		
<i>Accounts payable and accrued liabilities</i>		
Amounts payable related to tax	60,186	65,200
Other accounts payable and accrued liabilities	49,055	42,674
Provision for contingent liabilities (Note 7)	24,928	26,447
Environmental liabilities and asset retirement obligations (Note 8)	14,646	13,192
Deferred revenue	10,522	7,500
Interest and matured debt	4,496	4,694
Total accounts payable and accrued liabilities	163,833	159,707
<i>Interest-bearing debt</i>		
Unmatured debt (Note 9)	783,751	736,915
Pensions and other future benefits		
Public sector pensions (Note 10)	168,596	168,782
Other employee and veteran future benefits (Note 10)	126,378	113,862
<i>Total pensions and other future benefits</i>	<i>294,974</i>	<i>282,644</i>
Other liabilities (Note 11)	6,051	5,905
Total interest-bearing debt	1,084,776	1,025,464
Total liabilities	1,248,609	1,185,171
Financial assets		
<i>Cash and accounts receivable</i>		
Cash and cash equivalents (Note 12)	37,242	37,635
Taxes receivable (Note 13)	121,098	127,561
Other accounts receivable (Note 13)	15,375	11,845
Total cash and accounts receivable	173,715	177,041
<i>Foreign exchange accounts (Note 14)</i>	<i>104,903</i>	<i>99,688</i>
<i>Loans, investments and advances</i>		
Enterprise Crown corporations and other government business enterprises (Note 15)	125,108	108,169
Other loans, investments and advances (Note 16)	27,394	25,743
Total loans, investments and advances	152,502	133,912
<i>Public sector pension assets (Note 10)</i>	<i>4,598</i>	<i>2,406</i>
Total financial assets	435,718	413,047
Net debt	(812,891)	(772,124)
Non-financial assets		
Tangible capital assets (Note 17)	83,682	78,942
Inventories (Note 17)	6,171	6,601
Prepaid expenses	1,678	1,131
Total non-financial assets	91,531	86,674
Accumulated deficit (Note 6)	(721,360)	(685,450)
Contractual obligations and contractual rights (Note 19)		

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

Government of Canada

Consolidated Statement of Change in Net Debt for the year ended March 31, 2020

(in millions of dollars)

	2020		2019
	Budget (Note 3d)	Actual	Actual
Net debt at beginning of year	(772,124)	(772,124)	(752,887)
Change in net debt during the year			
Annual deficit	(16,849)	(39,392)	(13,964)
Changes due to tangible capital assets			
Acquisition of tangible capital assets	(8,843)	(10,286)	(11,134)
Amortization of tangible capital assets	5,683	5,790	5,643
Proceeds from disposal of tangible capital assets	28	157	465
Net loss (gain) on disposal of tangible capital assets, including adjustments	489	(401)	(81)
Total change due to tangible capital assets	(2,643)	(4,740)	(5,107)
Change due to inventories	—	430	78
Change due to prepaid expenses	—	(547)	(12)
Net increase in net debt due to operations	(19,492)	(44,249)	(19,005)
Other comprehensive income (loss) (Note 6 and Note 15)	—	3,482	(232)
Net increase in net debt	(19,492)	(40,767)	(19,237)
Net debt at end of year	(791,616)	(812,891)	(772,124)

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, 2020

(in millions of dollars)

	2020	2019
Operating activities		
Annual deficit	(39,392)	(13,964)
Non-cash items		
Share of annual profit in enterprise Crown corporations and other government business enterprises	(3,588)	(5,920)
Amortization of premiums and discounts on debt (Note 2)	4,649	3,044
Provision for valuation on other loans, investments and advances (Note 2)	1,707	2,605
Amortization of tangible capital assets	5,790	5,643
Net gain on disposal of tangible capital assets, including adjustments	(401)	(81)
Cross-currency swap revaluation	3,318	(561)
Pension and other future benefit and interest expenses	28,954	25,662
Change in taxes receivable	6,463	(4,526)
Pension and other future benefit payments	(18,816)	(19,007)
Change in foreign exchange accounts	(5,215)	(2,750)
Change in accounts payable and accrued liabilities	4,126	11,908
Net change in cash collateral	(2,825)	1,622
Net change in other accounts (Note 2)	(57)	1,013
Cash (used) provided by operating activities	(15,287)	4,688
Capital investment activities		
Acquisition of tangible capital assets	(9,598)	(10,010)
Proceeds from disposal of tangible capital assets	157	465
Cash used by capital investment activities	(9,441)	(9,545)
Investing activities		
Enterprise Crown corporations and other government business enterprises		
Equity transactions	1,992	6,302
Issuance of loans and advances	(54,334)	(48,889)
Repayment of loans and advances	42,648	41,086
Issuance of other loans, investments and advances	(8,313)	(7,546)
Repayment of other loans, investments and advances (Note 2)	4,955	4,795
Cash used by investing activities	(13,052)	(4,252)
Financing activities		
Issuance of Canadian currency borrowings	468,722	437,135
Repayment of Canadian currency borrowings	(430,279)	(424,926)
Issuance of foreign currency borrowings	17,821	19,631
Repayment of foreign currency borrowings	(18,877)	(19,738)
Cash provided by financing activities	37,387	12,102
Net (decrease) increase in cash and cash equivalents	(393)	2,993
Cash and cash equivalents at beginning of year	37,635	34,642
Cash and cash equivalents at end of year (Note 12)	37,242	37,635
Supplementary information		
Cash used for interest	15,803	14,747

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. The consolidated Crown corporations that receive significant funding from the government include Atomic Energy of Canada Limited, Canada Infrastructure Bank, Canadian Air Transport Security Authority, Canadian Broadcasting Corporation, 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 public sector pensions and other employee and veteran future benefits (Note 10); the provision for contingent liabilities (Note 7); the accrual of tax revenues and the related amounts receivable and payable and the allowance for doubtful accounts (Note 4 and Note 13); environmental liabilities and asset retirement obligations (Note 8); enterprise Crown corporations and other government business enterprises (Note 15); other loans, investments and advances (Note 16); the expected useful life of tangible capital assets (Note 17); contractual rights (Note 19b); and the impact of the COVID-19 pandemic (Note 4, Note 10, Note 13, and Note 21). It is reasonably possible that the government's reassessments of these estimates and assumptions could require a material change in reported amounts or disclosures in the consolidated financial statements. Refer to the specific note disclosures for more information on measurement uncertainty.

Additional significant accounting policies

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

- revenues (Note 4)
- expenses (Note 5)
- contingent liabilities (Note 7)
- environmental liabilities and asset retirement obligations (Note 8)
- unmatured debt (Note 9)
- public sector pensions and other employee and veteran future benefits (Note 10)
- taxes and other accounts receivable (Note 13)
- foreign exchange accounts (Note 14)
- enterprise Crown corporations and other government business enterprises (Note 15)
- other loans, investments and advances (Note 16)
- tangible capital assets and inventories (Note 17)
- contractual obligations and contractual rights (Note 19)
- segmented information (Note 20)
- subsequent events (Note 21)

2. Comparative information

The Government of Canada has changed the presentation of the Consolidated Statement of Operations and Accumulated Deficit to separately present the recognition of actuarial gains and losses related to public sector pensions and other employee and veteran future benefits. These amounts were previously presented within the Other expenses line item but are now presented in a new consolidated financial statement line item titled net actuarial losses. A new subtotal line titled Annual deficit before net actuarial losses has also been added. The purpose of this revised presentation is to enhance financial reporting and decision-making for users of the consolidated financial statements by isolating the impacts of re-measurements of public sector pension and other employee and veteran future benefit obligations which are often significant and could potentially mask underlying events and trends in current government spending. The related comparative figures have been reclassified to conform to the current year's presentation.

In addition, the presentation of the Consolidated Statement of Cash Flow changed to segregate cash from non-cash items related to the amortization of discounts and premiums on debt and for the provision for valuation on other loans, investments and advances. These were included in the net change in other accounts line item under operating activities and in repayment of other loans, investments and advances line item under investing activities in previous years.

Amounts have also been reclassified in certain notes to the consolidated financial statements.

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. When Parliament is in session but not sitting or 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 2020, 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)

	2020	2019
Annual spending limits voted by Parliament	135,125	123,595
Expenditures permitted under other legislation	186,083	169,463
Total budgetary expenditures authorized	321,208	293,058
Less: amounts available for use in subsequent years and amounts that have lapsed	17,613	16,217
Total net budgetary expenditures	303,595	276,841
Effect of consolidation and full accrual accounting, excluding net actuarial losses ¹	59,319	60,980
Total expenses, excluding net actuarial losses ¹	362,914	337,821
Net actuarial losses ¹	10,609	8,361
Total expenses	373,523	346,182

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

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 \$245,913 million (\$231,653 million in 2019) was authorized for loans, investments and advances. A net amount of \$60,412 million (\$50,784 million in 2019) was used, an amount of \$339 million (\$375 million in 2019) lapsed and an amount of \$185,162 million (\$180,494 million in 2019) 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

During the fiscal year, the CORCAN Revolving Fund, a special operating agency within Correctional Service Canada, overspent its authority limit by \$6,120,686. Details (unaudited) of this overexpended authority can be found in the ministerial sections of Volume II of the Public Accounts of Canada.

(c) Borrowing authorities

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

Under the FAA and the BAA, the Minister of Finance (the Minister) may borrow money on behalf of Her Majesty in Right of Canada with the authorization of the Governor in Council (GIC). Subject to limited exceptions, borrowings undertaken by the Minister – together with amounts borrowed by agent Crown corporations and Canada Mortgage Bonds guaranteed by the Canada Mortgage and Housing Corporation – may not exceed the maximum amount of \$1,168,000 million specified in the BAA. As at March 31, 2020, these borrowings totalled \$1,075,082 million (\$1,015,813 million in 2019).

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

The GIC specifies a maximum amount of borrowing for the given fiscal year. In 2020, the GIC specified \$330,000 million (\$300,000 million in 2019) to be the maximum aggregate amount of principal that may be borrowed by the Minister during that fiscal year. The maximum aggregate amount of principal is the sum of *i*) the maximum stock of treasury bills anticipated to be outstanding during the year, *ii*) the total value of refinanced and anticipated new issuances of marketable bonds and retail debt and *iii*) an amount to facilitate intra-year management of the debt and foreign exchange accounts. During the year, \$284,549 million was borrowed (\$240,708 million in 2019).

(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 2020 in the March 2019 Budget Plan (Budget 2019). To enhance comparability with actual 2020 results, Budget 2019 amounts have been reclassified to conform to the current year's presentation in the consolidated financial statements, with no overall impact on the budgeted 2020 annual deficit.

Since actual opening balances of the accumulated deficit and net debt were not available at the time of preparation of Budget 2019, 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, fuel charge proceeds 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 consolidated 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

Tax revenues are recognized in the period in which the taxable event occurs and when they are authorized by legislation or the ability to assess and collect the tax has been provided through legislative convention. The policy is applied in the following manner for the below tax revenue streams:

- 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 *Income Tax Act*, 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) 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 *Excise Tax Act*.
- Excise duties revenue is recognized when the taxpayer manufactures goods taxable under the *Excise Act* and the *Excise Act, 2001*.

Tax revenues are measured from amounts assessed/reassessed and from estimates of amounts not yet assessed/reassessed based on cash received that relates to the fiscal year ended March 31. Annual revenues also include adjustments between the estimated revenues of previous years and actual amounts, as well as revenues from reassessments relating to prior years. Revenues do not include estimates of unreported taxes, or the impact of future reassessments that cannot yet be reliably determined.

Taxes under objection are assessed taxes for which the taxpayer filed a notice of objection. An amount for federal taxes under objection is recognized as a reduction of tax revenues for cases where it has been determined that the government had little or no discretion to avoid settlement. The amounts in objection are disclosed in Note 4b) to the consolidated financial statements.

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 shown as other transfer payments and are not netted against tax revenue.

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.

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.

The following policies are applied for non-tax revenue streams:

- 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 *Greenhouse Gas Pollution Pricing Act*.
- Other revenues are recognized in the period the transactions or events giving rise to the respective revenues occurred.
- Spectrum licence fees are recognized as revenue on a straight-line basis over the term of the licence. Deferred revenue consists of spectrum licence fees and other amounts received in advance for the delivery of goods and rendering of services that will be recognized as revenue in a subsequent fiscal year as it is earned.

Measurement uncertainty

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.

The COVID-19 pandemic has led to additional measurement uncertainty in the estimation of tax revenues given the declining economic situation that prevailed after year end. 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. Assumptions in the methodologies applied to estimate the individual income tax revenues, GST/HST revenues and allowance for doubtful accounts were refined to take in consideration the current economic climate and the extensions provided to taxpayers to file and pay their tax returns.

(a) Fuel charge proceeds

As part of the federal carbon pollution pricing system, the fuel and excess emission charges are collected pursuant the *Greenhouse Gas Pollution Pricing Act* and are applicable for jurisdictions that voluntarily adopt the federal carbon pollution pricing system and for those that do not meet the federal benchmark requirements. The charge on fossil fuels for regulated fuel distributors applied as of April 1st, 2019, in Ontario, New Brunswick, Manitoba and Saskatchewan, on July 1st, 2019, in Nunavut and in the Yukon, and on January 1st, 2020, in Alberta. As of March 31, 2020, there were \$2,655 million of fuel charge proceeds recorded (nil in 2019).

(b) Other taxes and duties:

(in millions of dollars)

	2020	2019
Goods and services tax.....	37,386	38,221
Energy taxes	5,683	5,802
Customs import duties	4,853	6,881
Other excise taxes and duties	5,958	6,323
Total other taxes and duties.....	53,880	57,227

(c) Federal tax objections:

As of March 31, 2020, \$18,273 million of federal taxes were under objection (\$16,068 million for 2019).

5. Expenses

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

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

Other expenses include personnel, professional and special services, repair and maintenance, utilities, materials and supplies, as well as amortization of tangible capital assets. Provisions to reflect changes in the value of assets or liabilities, such as provisions for bad debts, loans, investments and advances and inventory obsolescence, as well as utilization of inventories and prepaid expenses, and other are also included in other expenses. Public sector pension and other employee and veteran future benefit expenses are included in personnel expenses except for Net actuarial gains and losses which is presented separately on the Consolidated Statement of Operations and Accumulated Deficit (Note 2).

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

Significant accounting policies

Transfer payments are recorded as an expense in the year the transfer is authorized and all eligibility criteria have been met by the recipient.

Other expenses are generally recorded when goods are received or services are rendered. 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.

Public debt charges are recorded when incurred.

Measurement uncertainty

Measurement uncertainties that impact expenses are described in the following consolidated financial statement notes: contingent liabilities (Note 7), environmental liabilities and asset retirement obligations (Note 8), public sector pensions and other employee and veteran future benefits (Note 10), and tangible capital assets and inventories (Note 17).

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

(a) Major transfer payments to other levels of government

Major transfer payments to other levels of government include the Canada Health Transfer, the Canada Social Transfer and fiscal arrangements pursuant to the *Federal-Provincial Fiscal Arrangements Act*. Other major transfers include contributions under the federal Gas Tax Fund program and the Home Care and Mental Health Transfer.

(in millions of dollars)

	2020	2019
Canada Health Transfer	40,872	38,568
Canada Social Transfer	14,585	14,161
Fiscal arrangements	18,030	17,929
Other major transfers	5,688	5,267
Total major transfer payments to other levels of government	79,175	75,925

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

(b) Employment insurance

Pursuant to the *Employment Insurance Act*, employment insurance includes income benefits and support measures paid to individuals of \$17,660 million (\$16,717 million in 2019) and payments to provinces and territories related to Labour Market Development Agreements of \$2,329 million (\$2,171 million in 2019). The *Employment Insurance Act* was amended to authorize \$1,761 million of emergency response benefit payments to individuals eligible for Employment insurance (EI), as part of the Government's Economic Response Plan. Refer to Note 5d) for further information on the Canada Emergency Response Benefit (CERB).

(c) Fuel charge proceeds returned

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

- For jurisdictions that voluntarily adopt the federal carbon pollution pricing system, directly to the governments of those jurisdictions beginning in 2020. As of March 31, 2020, \$6 million were paid or payable;
- For other jurisdictions that do not meet the federal benchmark requirements:
 - i. Directly to individuals and families through Climate Action Incentive (CAI) payments which started in the 2018 taxation year. These payments are provided for under the *Income Tax Act* and are delivered through the personal income tax system. In 2020, \$2,630 million (\$664 million in 2019) of CAI payments were made or were payable by the government;
 - ii. To particularly affected sectors including schools, hospitals, small and medium-sized enterprises, colleges and universities, municipalities, non-profit organizations, and Indigenous communities beginning in 2020. As of March 31, 2020, \$7 million were paid or payable. These proceeds returned were included in Other transfer payments expenses on the Consolidated Statement of Operations and Accumulated Deficit as disclosed in Note 5e).

(d) Canada Emergency Response Benefit

The CERB provides Canadians who meet certain eligibility criteria with \$2,000 per four-week period up to a maximum of 16 weeks starting March 15, 2020. Subsequent to March 31, 2020, it was announced that the benefit would be extended to a maximum of 28 weeks.

CERB payments to individuals eligible for EI are recorded as part of EI expenses on the Consolidated Statement of Operations and Accumulated Deficit, and have been charged to the EI Operating Account. Payments to those individuals not eligible for EI are recorded under the Canada Emergency Response Benefit on the Consolidated Statement of Operations and Accumulated Deficit, and have not been charged to the EI Operating Account. Combined, CERB expenses totaled \$6,500 million in 2020.

(e) Other transfer payments

Other transfer payments totalling \$54,405 million (\$51,753 million in 2019) include various amounts paid or payable through federal programs which stabilize market prices for commodities, develop new technologies, conduct research, provide international development assistance, support health care and infrastructure of First Nations and Inuit communities, support social housing and families and promote educational and cultural activities. Also included are expenses of other consolidated entities and other miscellaneous payments. The various types of transfer payments are being delivered by departments according to their departmental legislative mandates. Details can be found in Table 3.6 of Section 3 (unaudited) of this volume.

(f) Public debt charges

(in millions of dollars)

	2020	2019
Public debt charges related to unmatured debt		
Interest on unmatured debt	13,394	13,017
Amortization of discounts on Canada and Treasury bills	2,303	1,958
Amortization of premiums and discounts on all other debts	2,346	1,086
Net interest on cross-currency swaps	(216)	(133)
Servicing costs and costs of issuing new borrowings	10	8
Interest on capital lease obligations	165	175
Interest on obligations under public-private partnerships	99	80
Total	18,101	16,191
Interest expense related to pensions and other employee and veteran future benefits	6,079	6,781
Other liabilities	267	294
Total public debt charges	24,447	23,266

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

(g) 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)

	2020	2019
Ministries		
Agriculture and Agri-Food	2,907	2,572
Canadian Heritage ^{1, 2}	4,476	4,399
Crown-Indigenous Relations and Northern Affairs ¹	6,041	7,349
Digital Government ¹	1,863	1,796
Environment and Climate Change	2,480	2,375
Families, Children and Social Development	96,316	84,306
Finance	101,059	95,297
Fisheries, Oceans and the Canadian Coast Guard	2,826	2,584
Global Affairs	7,224	7,085
Health	5,366	5,048
Immigration, Refugees and Citizenship	3,491	2,889
Indigenous Services ¹	13,255	12,098
Infrastructure and Communities	5,889	8,210
Innovation, Science and Economic Development ¹	8,504	7,467
Justice	1,912	1,825
National Defence ^{1, 2}	27,613	26,896
National Revenue	40,132	36,795
Natural Resources	3,074	3,733
Office of the Governor General's Secretary	24	22
Parliament	766	731
Privy Council ¹	913	531
Public Safety and Emergency Preparedness ²	13,727	12,485
Public Services and Procurement ¹	3,611	3,067
Transport ²	3,716	3,199
Treasury Board	3,582	6,721
Veterans Affairs	1,149	1,141
Women and Gender Equality	112	71
Provision for valuation and other items ²	886	(2,871)
Total expenses, excluding net actuarial losses ²	362,914	337,821
Net actuarial losses ²	10,609	8,361
Total expenses	373,523	346,182

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 Refer to Note 2 for further information regarding the reclassification of net actuarial losses.

(h) 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	2020	2019
Transfer payments	243,276	224,478
Other expenses		
Personnel, excluding net actuarial losses ¹	55,185	49,321
Transportation and communications	2,989	3,046
Information	366	371
Professional and special services	11,042	11,036
Rentals	2,706	2,717
Repair and maintenance	3,641	3,527
Utilities, materials and supplies	3,453	3,312
Other subsidies and expenses	9,876	10,929
Amortization of tangible capital assets	5,790	5,643
Net loss on disposal of assets	143	175
Total other expenses, excluding net actuarial losses ¹	95,191	90,077
Total program expenses, excluding net actuarial losses ¹	338,467	314,555
Public debt charges	24,447	23,266
Total expenses, excluding net actuarial losses ¹	362,914	337,821
Net actuarial losses ¹	10,609	8,361
Total expenses	373,523	346,182

Details reconciling objects of expense to objects of expenditure can be found in Section 3 (unaudited) of this volume and details on ministerial expenditures by object can be found in Section 1 (unaudited) of Volume II of the Public Accounts of Canada.

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

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)

	2020	2019
Accumulated deficit, excluding consolidated specified purpose accounts and accumulated other comprehensive income ¹	(727,441)	(692,171)
Consolidated specified purpose accounts		
Employment Insurance Operating Account	3,905	4,916
Other insurance accounts	783	756
Other consolidated accounts	609	380
	(722,144)	(686,119)
Accumulated other comprehensive income	784	669
Accumulated deficit	(721,360)	(685,450)

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)

	2020	2019
Accumulated other comprehensive income at beginning of year	669	551
Other comprehensive income (loss)		
Net change in unrealized gains on financial instruments measured at fair value through other comprehensive income	136	137
Net change in fair value of derivatives designated as hedges	(21)	(19)
Actuarial gains (losses) on pensions and other employee future benefits	3,367	(350)
Total	3,482	(232)
Less: Actuarial gains (losses) on pensions and other employee future benefits recorded directly to accumulated deficit	3,367	(350)
Accumulated other comprehensive income at end of year	784	669

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)

	2020	2019
Claims		
Pending and threatened litigation and other claims ¹	6,653	10,724
Specific claims	10,788	9,099
Comprehensive land claims ¹	6,726	6,347
Provision for guarantees provided by the government.....	761	277
Total provision recorded	24,928	26,447

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

(a) Claims

The government's estimated provision for claims is determined using relevant historical experience, facts and circumstances. In situations where the estimate of loss is based on a range of amounts, the amount accrued within the range is management's best estimate of the potential loss which may be at an amount lesser than the maximum of the range. Significant exposure to a liability could exist in excess of what has been accrued. Claims for which the outcome is not determinable and for which an amount has not been accrued are estimated at approximately \$4,648 million (\$8,528 million in 2019).

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 593 (567 in 2019) 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 (79 in 2019) 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)

	2020	2019
	Principal amount outstanding	Principal amount outstanding
Guarantees with an authorized limit (2020 limit: \$411,823; 2019 limit: \$409,125).....	254,389	256,602
Guarantees with no authorized limit (including borrowings of agent enterprise Crown corporations and other government business enterprises).....	309,909	294,734
Total	564,298	551,336
Less: provision for guarantees.....	761	277
Net exposure under guarantees	563,537	551,059

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

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

(c) Other

Assessed taxes under appeal: Contingent liabilities include previously assessed federal taxes where amounts are being appealed to the Tax Court of Canada, the Federal Court of Canada, or the Supreme Court of Canada. As of March 31, 2020, an amount of \$4,373 million (\$4,467 million in 2019) was being appealed to the courts. The government has recorded, in the amounts payable related to tax or in reduction of the amounts receivable from taxpayers, as applicable, the estimated amount of appeals that are considered likely to be lost and that can be reasonably estimated.

International organizations: The government has callable share capital whereby certain international organizations have the ability to require payments. As at March 31, 2020, the callable share capital amounts to \$36,533 million (\$34,750 million in 2019). No payments (nil in 2019) 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. At March 31, 2020, total insurance in force amounts to \$1,802,143 million (\$1,772,785 million in 2019). The government expects that all four corporations will cover the cost of both current claims and possible future claims.

8. Environmental liabilities and asset retirement obligations

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

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

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

Environmental liabilities and asset retirement obligations include:

(in millions of dollars)

	2020	2019
Gross remediation liability for contaminated sites.....	7,375	6,478
Less expected recoveries	(25)	(23)
Net remediation liability for contaminated sites	7,350	6,455
Other environmental liabilities	110	115
Asset retirement obligations.....	7,186	6,622
Total environmental liabilities and asset retirement obligations	14,646	13,192

(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 6,860 sites (7,011 sites in 2019) where contamination may exist and assessment, remediation and monitoring may be required. Of these, the government has identified 2,444 sites (2,433 sites in 2019), where action is required and for which a gross liability of \$7,117 million (\$6,230 million in 2019) 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 3,562 unassessed sites (3,673 sites in 2019), of which 1,464 sites (1,478 sites in 2019) are projected to proceed to remediation and for which an estimated liability of \$258 million (\$248 million in 2019) has been recorded. These two estimates combined, totalling \$7,375 million (\$6,478 million in 2019), 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 854 sites (905 sites in 2019), 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% (2.2% in 2019). 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 2020 discount rates range from 0.37% (1.55% in 2019) for a 1-year term to 1.37% (1.92% in 2019) for a 30 or greater year term.

(in millions of dollars)

	2020					2019				
	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	127	106	4,319	6,305	25	129	109	3,325	6,168	23
Radioactive material ²	7	6	881	966	–	9	7	1,059	1,172	–
Military and former military sites ³	443	214	410	422	–	449	210	437	539	–
Fuel related practices ⁴	1,738	1,140	399	406	–	1,769	1,186	387	377	–
Marine facilities/aquatic sites ⁵	2,344	1,127	589	610	–	2,453	1,118	525	548	–
Landfill/waste sites ⁶	1,061	720	235	241	–	1,063	715	252	212	–
Other ⁷	1,140	595	542	551	–	1,139	566	493	511	–
Total	6,860	3,908	7,375	9,501	25	7,011	3,911	6,478	9,527	23

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

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

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

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

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

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

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

Also, during the year, 386 sites (589 sites in 2019) 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 484 unexploded explosive ordnance (UXO) suspected sites (532 in 2019) for which clearance action may be necessary. Of these sites, 43 (43 in 2019) are confirmed UXO affected sites. Based on management's best estimates, a liability of \$110 million (\$115 million in 2019) has been recorded for clearance action on 9 of the confirmed UXO sites (9 in 2019). Remediation has not been completed for any sites during the year (1 in 2019). The remaining 475 suspect sites (523 in 2019) 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 23 of them, indeterminable for 50 and unlikely for the 402 remaining.

(c) Asset retirement obligations

The asset retirement obligation is \$7,186 million (\$6,622 million in 2019) of which Atomic Energy of Canada Ltd. has recorded \$7,185 million (\$6,614 million in 2019) for nuclear facility decommissioning.

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

(in millions of dollars)

	2020	2019
Opening balance	6,622	6,482
Liabilities settled	(391)	(353)
Revision in estimate	701	242
Accretion expense ¹	254	251
Closing balance.....	7,186	6,622

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 \$16,263 million (\$15,901 million at March 31, 2019).

Key assumptions used in determining the provision are as follows:

	2020	2019
Weighted average discount rate	3.78%	3.84%
Discount period.....	165 years	145 years
Long-term rate of inflation	1.70%	1.70%

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

9. Unmatured debt

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

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

Unmatured debt includes:

(in millions of dollars)

	2020	2019
Market debt		
Payable in Canadian currency	749,228	705,063
Payable in foreign currencies.....	15,941	16,011
Total	765,169	721,074
Unamortized discounts and premiums on market debt	2,487	2,163
Market debt including unamortized discounts and premiums.....	767,656	723,237
Cross-currency swap revaluations	10,592	7,274
Obligation related to capital leases.....	2,913	2,893
Obligation under public-private partnerships	2,590	3,511
Total unmatured debt	783,751	736,915

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, 2020, the fair value of market debt including unamortized discounts and premiums is \$823,221 million (\$757,260 million in 2019). For marketable bonds denominated in Canadian dollars and foreign currencies, treasury bills issued in Canadian dollars, retail debt, Canada bills and medium-term notes issued in US dollars and Euros, fair values are established using market quotes or the discounted cash flow calculated using year-end market interest and exchange rates.

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

Included in Cross-currency swap revaluations is \$702 million (\$988 million at March 31, 2019) related to individual cross-currency swap contracts that have a net foreign exchange asset value to the government upon revaluation and \$11,294 million (\$8,262 million at March 31, 2019) relating to individual cross-currency swap contracts that have a net foreign exchange liability value, resulting in an overall cross-currency swap net liability revaluation of \$10,592 million (\$7,274 million at March 31, 2019).

(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, 2020:

(in millions of dollars)

Maturing year	Marketable bonds				Canada bills	Medium-term notes		Total
	CAD	USD	Treasury bills	Retail debt ¹	USD	USD	Euro	
2021.....	92,037	—	151,867	175	2,160	810	233	247,282
2022.....	104,890	4,223	—	322	—	70	—	109,505
2023.....	76,706	4,223	—	—	—	—	—	80,929
2024.....	40,466	—	—	—	—	—	—	40,466
2025.....	47,065	4,222	—	—	—	—	—	51,287
2026 and subsequent.....	235,376	—	—	—	—	—	—	235,376
	596,540	12,668	151,867	497	2,160	880	233	764,845
Less: Government holdings of unmatured debt and consolidation adjustment ²	(324)	—	—	—	—	—	—	(324)
Total market debt.....	596,864	12,668	151,867	497	2,160	880	233	765,169
Nature of interest rate ³	Fixed ⁴	Fixed	Variable	Variable	Variable	Fixed and variable	Fixed	
Effective weighted average annual interest rates.....	2.19	2.08	1.39	0.79	1.56	1.21	0.15	
Range of interest rates.....	0.50 - 10.50	1.63 - 2.63	0.30 - 1.76	0.50 - 1.35	0.86 - 1.79	0.71 - 2.30	0.15	

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

¹ Includes \$275 million of Canada savings bonds having fixed dates of maturity which are redeemable on demand.

² Includes \$2 million of securities held by consolidated Crown corporations and other entities and \$326 million of borrowings by consolidated agent Crown corporations.

³ Debt with terms to maturity of less than one year is considered to have a variable interest rate. For marketable bonds and foreign currency notes, some of the fixed interest rates were converted into variable interest rates through swap agreements.

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

(b) Obligation related to capital leases

The total obligation related to capital leases as at March 31, 2020, is \$2,913 million (\$2,893 million in 2019). Interest on this obligation of \$165 million (\$175 million in 2019) 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	2020
2021.....	388
2022.....	358
2023.....	340
2024.....	336
2025.....	323
2026 and subsequent.....	2,649
Total minimum lease payments.....	4,394
Less: imputed interest at the average discount rate of 5.15%.....	1,481
Obligation related to capital leases.....	2,913

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 (EARSLS) of the employees, which varies across plans, or the average remaining life expectancy (ARLE) of the benefit recipients under wartime veteran plans. Recognition commences in the year following the determination of the actuarial gains and losses. In addition, an unrecognized net actuarial loss is recognized immediately upon 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>The measurement of the accrued benefit obligations and the investments held by PSPIB as at March 31, 2020, as well as the return on investments for the year, reflect the impacts resulting from the COVID-19 pandemic to the extent known at the reporting date. The COVID-19 pandemic is expected to continue to have significant impacts on domestic and international equity markets and fixed income yields for the near term. The government continues to monitor developments in equity and fixed income markets generally and specifically in connection with PSPIB's portfolio. The full potential impact of the COVID-19 pandemic on the actuarial assumptions used to measure the present value of the accrued benefit obligations and the market value of PSPIB's portfolio is unknown as it will depend on future developments that are uncertain. Such uncertainties include the duration and depth of the pandemic. The government expects that the accrued benefit obligations and the market value of PSPIB's portfolio will continue to be affected for the near term.</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 \$1,152 million (\$3,254 million in 2019) of which \$127 million (\$86 million in 2019) represents regular employer contributions, \$956 million (\$3,107 million in 2019) represents special employer contributions, and \$69 million (\$61 million in 2019) 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 \$473 million (\$456 million in 2019). The cost of benefits earned and benefits paid are presented net of these contributions. Additional details can be found in Section 6 (unaudited) of this volume.

(c) Actuarial valuations

i. For funding purposes

Pursuant to the *Public Pensions Reporting Act*, actuarial valuations of the pension plans sponsored by the government are performed at least every three years to determine the state of the pension plans, as well as to assist in making informed decisions regarding the financing of the government's pension benefit obligations. The actuarial assumptions underlying the valuations are based on the actuary's best estimates.

The most recent triennial actuarial valuations were conducted as at March 31, 2016, for the Canadian Forces—Regular Force and Canadian Forces—Reserve Force; as at March 31, 2017, for the public service pension plan; and as at March 31, 2018, for the Royal Canadian Mounted Police pension plan. For the Members of Parliament and the federally appointed judges pension plans, the valuations as at March 31, 2019, are currently in progress.

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

ii. For accounting purposes

Actuarial valuations of the public sector 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 or in-progress actuarial valuation for funding purposes, as applicable, in regards to the majority of the demographic assumptions. The other assumptions underlying the valuations are based on best estimates of the government or of the management of the consolidated Crown corporations and other entities.

(d) Changes to benefits

Curtailments

No curtailments occurred this year.

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

(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)

	2020				2019			
	Pension benefits			Other future benefits	Pension benefits			Other future benefits
	Funded	Unfunded	Total		Funded	Unfunded	Total	
Accrued benefit obligations at beginning of year	149,067	204,155	353,222	178,994	138,495	198,000	336,495	147,283
Benefits earned	7,194	493	7,687	8,334	6,872	433	7,305	6,807
Interest on average accrued benefit obligations	7,570	3,690	11,260	3,395	7,040	4,248	11,288	3,272
Benefits paid	(4,082)	(9,136)	(13,218)	(5,757)	(3,680)	(9,037)	(12,717)	(5,695)
Administrative expenses	(84)	(68)	(152)	(92)	(77)	(66)	(143)	(82)
Net transfers to other plans	(751)	(74)	(825)	—	(619)	(64)	(683)	—
Curtailment costs (cost reductions)	—	—	—	—	(108)	(16)	(124)	(28)
Actuarial losses	7,399	17,876	25,275	47,146	1,144	10,657	11,801	27,437
Accrued benefit obligations at end of year	166,313	216,936	383,249	232,020	149,067	204,155	353,222	178,994

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)

	2020		2019	
	Funded pension benefits	Other future benefits	Funded pension benefits	Other future benefits
Investments at beginning of year.....	168,389	1	152,306	1
Expected return on average market-related value of investments.....	8,576	–	7,779	–
Contributions				
Employees	3,522	–	3,499	–
Public Service corporations, territorial governments and Crown corporations and other entities.....	271	–	294	–
Government	3,667	–	3,633	–
Benefits paid, transfers and others	(4,914)	–	(3,982)	–
Actuarial gains	1,538	–	4,860	–
Investments at end of year	181,049	1	168,389	1
Contributions receivable from employees for past service	632	–	632	–
Total pension and other future benefit assets at end of year	181,681	1	169,021	1

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

As at March 31, the market value of the investments is \$181,190 million (\$179,263 million in 2019). The actual loss on investments is \$632 million (return of \$11,794 million in 2019) and the actual net rate of return on investments, calculated on a time-weighted basis is -0.3% (7.1% in 2019) 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)

	2020				2019			
	Pension benefits			Other future benefits	Pension benefits			Other future benefits
	Funded	Unfunded	Total		Funded	Unfunded	Total	
Accrued benefit obligations	166,313	216,936	383,249	232,020	149,067	204,155	353,222	178,994
Less: Pension and other future benefit assets	181,681	–	181,681	1	169,021	–	169,021	1
Subtotal.....	(15,368)	216,936	201,568	232,019	(19,954)	204,155	184,201	178,993
Plus: Unrecognized net actuarial gains (less losses)	10,780	(48,758)	(37,978)	(105,639)	17,914	(36,128)	(18,214)	(65,129)
Less:								
Contributions after measurement date up to March 31	8	–	8	–	10	–	10	–
Benefits paid after measurement date up to March 31	–	–	–	2	–	–	–	2
Subtotal.....	(4,596)	168,178	163,582	126,378	(2,050)	168,027	165,977	113,862
Plus: Valuation allowance.....	416	–	416	–	399	–	399	–
Net future benefit liabilities (assets).....	(4,180)	168,178	163,998	126,378	(1,651)	168,027	166,376	113,862

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	418	168,178	168,596	–	755	168,027	168,782	–
Other employee and veteran future benefit liabilities	–	–	–	126,378	–	–	–	113,862
Less: Public sector pension assets ¹	4,598	–	4,598	–	2,406	–	2,406	–
Net future benefit liabilities (assets).....	(4,180)	168,178	163,998	126,378	(1,651)	168,027	166,376	113,862

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)

	2020				2019			
	Pension benefits			Other future benefits	Pension benefits			Other future benefits
	Funded	Unfunded	Total		Funded	Unfunded	Total	
Benefit expense								
Benefits earned, net of employee contributions	3,490	425	3,915	8,334	3,178	376	3,554	6,807
Curtailment costs (cost reductions)	—	—	—	—	(108)	(16)	(124)	(28)
Valuation allowance	17	—	17	—	311	—	311	—
Total benefit expense included in personnel expenses	3,507	425	3,932	8,334	3,381	360	3,741	6,779
Actuarial (gains) losses recognized during the year	(1,273)	5,246	3,973	6,636	(1,056)	4,734	3,678	4,778
Actuarial (gains) losses recognized following plan amendments, curtailments and settlements	—	—	—	—	(111)	—	(111)	16
Total actuarial (gains) losses	(1,273)	5,246	3,973	6,636	(1,167)	4,734	3,567	4,794
Total benefit expense	2,234	5,671	7,905	14,970	2,214	5,094	7,308	11,573
Interest expense								
Interest on average accrued benefit obligations	7,570	3,690	11,260	3,395	7,040	4,248	11,288	3,272
Expected return on average market-related value of investments	(8,576)	—	(8,576)	—	(7,779)	—	(7,779)	—
Total interest expense	(1,006)	3,690	2,684	3,395	(739)	4,248	3,509	3,272

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

Net actuarial losses of \$10,609 million (\$8,361 million in 2019) are presented in the Consolidated Statement of Operations and Accumulated Deficit. The net actuarial losses are comprised of actuarial gains of \$1,273 million (\$1,167 million in 2019) on funded pension benefits, actuarial losses of \$5,246 million (\$4,734 million in 2019) on unfunded pension benefits and actuarial losses of \$6,636 million (\$4,794 million in 2019) 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 or in-progress 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 streamed expected rates of return on invested funds.
- For unfunded pension and other future benefits, the government's cost of borrowing derived from the yields on the actual zero-coupon yield curve for Government of Canada bonds which reflect the timing of the expected future cash flows.

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

	2020		2019	
	Accrued benefit obligations	Benefit and interest expenses	Accrued benefit obligations	Benefit and interest expenses
Discount rates				
Funded pension benefits ¹	5.6%	5.0%	5.8%	5.0%
Unfunded pension benefits ²	1.2%	1.9%	1.9%	2.2%
Other employee and veteran future benefits ²	1.3%	1.9%	1.9%	2.2%
Expected rate of return on investments	—	5.0%	—	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	4.9%	5.5%	5.5%	5.9%
Cost trend rate is expected to stabilize at	4.5%	4.8%	4.8%	4.8%
Year that the rate is expected to stabilize	2029	2029	2029	2028

¹ In regards to funded pension benefits, the streamed discount rates used to measure the accrued benefit obligations are equivalent to the flat discount rates presented in the table; the initial discount rates used to measure the benefit and interest expenses are presented in the table whereas the ultimate discount rates are expected to reach 5.9% by 2035 (6.0% by 2030 in 2019).

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, amendments, curtailments, settlements and the interest expense.

The discount rates used to measure the significant classes of pensions and other employee future benefits sponsored by the consolidated Crown corporations and other entities are based on a variety of methodologies. To measure the present value of their accrued benefit obligations, these consolidated Crown corporations and other entities used expected rates of return on invested funds ranging from 5.0% to 6.1% (5.3% to 6.3% in 2019) for the funded pension benefits, discount rates ranging from 1.8% to 3.8% (2.2% to 3.3% in 2019) for the unfunded pension benefits and discount rates ranging from 1.3% to 3.8% (2.1% to 3.5% in 2019) for the other employee future benefits. The long-term general wage increase ranged from 2.8% to 3.8% (2.8% to 3.8% in 2019). The long-term inflation rate has remained consistent at 2.0% (2.0% in 2019).

The expected average remaining service life (EARSLS) of the employees represent periods ranging from 5 to 23 years (4 to 23 years in 2019) according to the plan in question; more specifically, from 12 to 15 years (12 to 15 years in 2019) 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 2019).

(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)

	2020			2019		
	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	(25,000)	(28,600)	(44,100)	(22,400)	(25,900)	(32,500)
Decrease of 1% in discount rates	32,600	35,700	62,200	29,100	32,600	45,100
Increase of 1% in rate of inflation	22,300	32,300	54,400	19,700	29,600	41,000
Decrease of 1% in rate of inflation	(18,200)	(26,800)	(40,000)	(16,200)	(24,200)	(30,000)
Increase of 1% in general wage increase	7,700	800	300	7,000	1,000	300
Decrease of 1% in general wage increase	(6,800)	(1,100)	(300)	(6,200)	(1,000)	(300)
Increase of 1% in assumed health care cost trend rates	—	—	11,400	—	—	10,100
Decrease of 1% in assumed health care cost trend rates	—	—	(8,200)	—	—	(7,300)

11. Other liabilities

Other liabilities include:

(in millions of dollars)

	2020	2019
Canada Pension Plan Accounts	279	163
Others		
Government Annuities Account	115	123
Deposit and trust accounts	1,335	1,356
Other specified purpose accounts	4,322	4,263
	5,772	5,742
Total other liabilities	6,051	5,905

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

(a) Canada Pension Plan Accounts

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

The CPP is a federal/provincial social insurance program established by an Act of Parliament. It is compulsory and in operation in all parts of Canada, except for the Province of Quebec. The objective of the program is to provide a measure of protection to workers and their families against the loss of earnings due to retirement, disability or death. The CPP is financed from employees, employers and self-employed workers contributions, as well as investments earnings. The CPP's investments are held and managed by the Canada Pension Plan Investment Board (CPIB). 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 \$413,022 million (\$396,480 million in 2019) for the CPP Account and \$2,615 million (\$536 million in 2019) 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 CPIB. The \$279 million (\$163 million in 2019) 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 \$260 million (\$152 million in 2019) and the Additional CPP Account balance of \$19 million (\$11 million in 2019).

(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. One of the largest deposit and trust accounts is the Indian band funds account in the amount of \$544 million (\$580 million in 2019). This account was established to record funds belonging to Indian bands throughout Canada pursuant to the *Indian Act*.

Other specified purpose accounts are liability accounts that are used to record transactions made under authorities obtained from Parliament through either the *Financial Administration Act* or other specific legislation. Certain accounts earn interest which is charged to interest on the public debt. The largest other specified purpose account is the Public Service Death Benefit Account totalling \$3,880 million (\$3,800 million in 2019). 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)

	2020	2019
Cash ¹	33,892	29,190
Cash equivalents	3,350	8,445
Total cash and cash equivalents	37,242	37,635

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

¹ Included in cash is \$20,000 million (\$20,000 million in 2019) which has been designated as a deposit held at the Bank of Canada with respect to prudential liquidity management undertaken by the government.

13. Taxes and other accounts receivable

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

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

Significant accounting policies
<p>Tax revenues 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.</p> <p>Taxes and other accounts receivable are measured at amortized cost. An allowance for doubtful accounts is recorded where recovery is considered uncertain.</p> <p>The allowance for doubtful accounts for tax receivables is management's best estimate of the uncollectible amounts that have been assessed, including the related interest and penalties. The annual provision for the allowance for doubtful accounts is reported as a bad debt expense which is charged against other expenses.</p> <p>The allowance for doubtful accounts for tax receivables has two components. A general allowance is calculated based on the age and type of tax accounts using rates based on historical collection experience. A specific allowance is calculated based on an annual review of all accounts over \$10 million. The allowance for doubtful accounts is adjusted every year through a provision for doubtful accounts and is reduced by amounts written off as uncollectible during the year.</p>
Measurement uncertainty
<p>Tax receivable and the allowance for doubtful accounts are subject to measurement uncertainty due to the use of estimates of amounts not yet assessed/reassessed based on cash received as well as taxpayer objections to assessed federal tax.</p> <p>Key assumptions used in estimating tax revenues are tax instalments, historical information on refund rates, payments received on filing tax returns, and amounts receivable assessed.</p> <p>Assumptions in the methodologies applied to estimate the individual income tax revenues, GST/HST revenues and allowance for doubtful accounts were refined to take in consideration the current economic climate and the extensions provided to taxpayers to file and pay their tax returns. Historical experiences related to the estimates tax receivables and payables, 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.</p>

(a) Taxes receivable

The government has established an allowance for doubtful accounts of \$15,658 million (\$14,559 million in 2019) and has recorded a bad debt expense of \$4,265 million (\$3,766 million in 2019).

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

(in millions of dollars)

	2020			2019		
	Total taxes receivable	Allowance for doubtful accounts	Net	Total taxes receivable	Allowance for doubtful accounts	Net
Income taxes receivable						
Individuals.....	67,819	8,265	59,554	70,466	7,561	62,905
Employers	20,849	1,192	19,657	21,993	1,152	20,841
Corporations.....	19,597	2,834	16,763	20,297	2,976	17,321
Non-residents	2,135	130	2,005	2,027	97	1,930
Goods and services tax receivable.....	24,148	2,951	21,197	24,595	2,492	22,103
Customs import duties receivable	647	95	552	809	80	729
Other excise taxes and duties receivable	1,561	191	1,370	1,933	201	1,732
Total	136,756	15,658	121,098	142,120	14,559	127,561

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

(b) Other accounts receivable

Billed or accrued financial claims arising from amounts owed to the government total \$6,927 million (\$6,136 million in 2019) and are presented net of an allowance for doubtful accounts of \$1,527 million (\$1,454 million in 2019). Further details can be found in Section 7 (unaudited) of this volume.

Cash collateral pledged to counterparties of \$9,975 million (\$7,163 million in 2019) represents collateral support under International Swaps and Derivatives Association (ISDA) master agreements in respect of outstanding cross-currency swap arrangements. Further details can be found in Note 18.

14. Foreign exchange accounts

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

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

As at March 31, 2020, the fair value of the marketable securities held in the Exchange Fund Account is \$98,338 million (\$91,051 million in 2019), established using market quotes or other available market information. Further details on these investments are provided in the unaudited financial statements of the Exchange Fund Account in Section 8 of this volume.

Subscriptions and loans to the International Monetary Fund (IMF) and special drawing rights allocations are denominated in special drawing rights (SDR). The SDR serves as the unit of account for the IMF and its value is based on a basket of key international currencies (US dollar, Euro, Japanese yen, British pound sterling and Chinese renminbi). Canada participates in two lending arrangements with the IMF along with a group of other member countries. Collectively, maximum direct lending under these arrangements is limited to no more than the equivalent of SDR 12,074 million (\$23,195 million) at March 31, 2020.

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

(in millions of dollars)

	2020	2019
International reserves held in the Exchange Fund Account		
Cash and cash equivalents		
US dollar	6,014	4,904
Euro	488	250
British pound sterling	168	450
Japanese yen	14	6
Short-term deposits—US dollar	—	268
Total	6,684	5,878
Marketable securities ¹		
US dollar	62,636	59,234
Euro	17,538	17,646
British pound sterling	8,045	9,775
Japanese yen	5,266	3,678
Total	93,485	90,333
Special drawing rights	11,848	10,989
Total international reserves held in the Exchange Fund Account	112,017	107,200
International Monetary Fund		
Subscriptions	21,178	20,449
Loans	368	546
Total	133,563	128,195
Less: International Monetary Fund		
Special drawing rights allocations	11,504	11,108
Notes payable	17,156	17,399
Total	28,660	28,507
Total foreign exchange accounts	104,903	99,688

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

¹ Interest earned on marketable securities was \$1,458 million (\$1,492 million in 2019).

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 equity is reduced by dividends received and adjusted to include the annual profits and losses of these corporations, after elimination of unrealized inter-organizational gains and losses. All of these corporations follow International Financial Reporting Standards (IFRS). Under the modified equity method, the corporations' accounts are not adjusted to the government's basis of accounting and other comprehensive income or loss is recorded directly to the government's accumulated deficit and net debt.
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 which are inherent to their organization such as those relating to pension and employee future benefits and other liabilities. Measurement uncertainty exists with regards to the estimate of the amount of loans that are expected to be repaid through future appropriation which is based upon the amount qualified borrowers are expected to receive under various government subsidy programs and the percentage of the subsidy expected to be applied to the outstanding loan balance.

(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)

	2020	2019
Investments		
Canada Mortgage and Housing Corporation	15,430	14,952
Export Development Canada	8,722	9,449
Farm Credit Canada	7,252	6,429
Business Development Bank of Canada	8,892	7,714
Canada Port Authorities	3,864	3,499
Canada Deposit Insurance Corporation	3,480	2,985
Canada Development Investment Corporation	354	320
Canada Post Corporation	2,205	(972)
Other	540	1,285
Total investments	50,739	45,661
Loans and advances		
Farm Credit Canada	32,653	29,862
Business Development Bank of Canada	23,405	22,235
Canada Mortgage and Housing Corporation	14,377	8,095
Canada Development Investment Corporation	6,255	4,790
Other	432	454
Total loans and advances	77,122	65,436
Less:		
Loans expected to be repaid from future appropriations	2,718	2,885
Unamortized discounts and premiums	35	43
	2,753	2,928
Total loans, investments and advances to enterprise Crown corporations and other government business enterprises	125,108	108,169

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)

	2020			2019		
	Third Parties	Government, Crown corporations and other entities	Total	Third Parties	Government, Crown corporations and other entities	Total
Assets						
Financial assets.....	518,555	123,086	641,641	415,876	116,038	531,914
Non-financial assets	19,861		19,861	17,537		17,537
Total assets.....	538,416	123,086	661,502	433,413	116,038	549,451
Liabilities.....	500,589	109,241	609,830	412,800	90,492	503,292
Equity of Canada as reported			51,672			46,159
Elimination adjustments.....			(933)			(498)
Equity of Canada			50,739			45,661
Revenues	27,218	4,865	32,083	26,997	4,542	31,539
Expenses.....	25,999	2,434	28,433	23,551	2,298	25,849
Profit as reported.....			3,650			5,690
Adjustments and others			(62)			230
Profit.....			3,588			5,920
Other changes in equity						
Equity adjustments and other.....			(190)			–
Other comprehensive income (loss).....			3,482			(232)
Dividends ¹			(3,618)			(6,427)
Capital ²			1,816			125
			5,078			(614)
Equity of Canada at beginning of year			45,661			46,275
Equity of Canada at end of year			50,739			45,661
Contingent liabilities			3,939			3,877
Contractual obligations			47,788			

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

¹ Amounts reported as dividends include \$1,515 million (\$3,680 million in 2019) from Canada Mortgage and Housing Corporation, nil (\$1,010 million in 2019) from Export Development Canada, \$1,323 million (\$1,169 million in 2019) from the Bank of Canada and \$395 million (\$364 million in 2019) from Farm Credit Canada.

² Amounts reported as capital include a purchase of common shares of \$1,406 million (\$125 million in 2019) from Business Development Bank of Canada and \$500 million (nil in 2019) from Farm Credit 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 2020, CFMWS administered estimated revenues and expenses of \$377 million (\$410 million in 2019) and \$410 million (\$405 million in 2019) respectively and had net equity of \$764 million at March 31, 2020 (\$784 million at March 31, 2019). These amounts are excluded from the consolidated financial statements of the Government of Canada.

16. Other loans, investments and advances

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

Significant accounting policies
<p>Other loans, investments and advances are initially recorded at cost and are discounted to reflect their concessionary terms or their net recoverable value. Concessionary terms include cases where loans are made on a long-term, low interest or interest-free basis.</p> <p>When necessary, an allowance for valuation is recorded to reduce the carrying value of other loans, investments and advances to amounts that approximate their net recoverable value. The allowance for valuation for other loans, investments and advances, reflects the possibility of losses associated with potential default. The determination of the valuation allowance considers the credit risk of borrowers, collateral provided as well as previous repayment history. When they are determined to be uncollectible, other loans, investments and advances are written off. Subsequent recoveries are recorded as revenue when received.</p>
Measurement uncertainty
<p>Other loans, investments and advances are subject to measurement uncertainty due to the use of estimates relating to the allowance for valuation that reflects the possibility of losses associated with potential defaults, as well as for determining whether investments are concessionary in nature and the valuation of the concession.</p> <p>The estimate of the provision for other loans, investments and advances is regularly reviewed and refined in light of several factors, including: historical loan loss rates, residual values, expert judgment, management assumptions, and model-based approaches that consider current economic conditions. Similarly, any changes to the terms of Canada's investments (such as changes to the discount rate, the expected return on investment, and how much of the initial capital is expected to be returned) would result in a review of the estimates used to determine any associated concessions.</p>

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

(in millions of dollars)

	2020	2019
National governments, including developing countries and international organizations		
National governments including developing countries	450	882
International organizations	24,924	23,741
Total	25,374	24,623
Other loans, investments and advances		
Loans for the development of export trade	1,028	446
Provincial and territorial governments.....	347	407
Unconditionally repayable contributions	4,235	3,732
Other loans, investments and advances.....	26,149	25,939
Total	31,759	30,524
Total	57,133	55,147
Less: allowance for valuation.....	29,739	29,404
Total other loans, investments and advances.....	27,394	25,743

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

Interest earned on other loans, investments and advances was \$821 million (\$1,010 million in 2019).

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

(in millions of dollars)

	2020		2019	
	Loans, investments and advances in base currency	Foreign exchange rate	Loans, investments and advances in CAD	Loans, investments and advances in CAD
Canadian dollar.....	52,056		52,056	51,235
US dollar.....	3,100	1.4076	4,364	3,628
Special drawing rights.....	357	1.9211	686	267
Various other currencies			27	17
Total			57,133	55,147

Loans to national governments consist mainly of loans for financial assistance totalling nil (\$400 million in 2019), international development assistance to developing countries totalling \$71 million (\$85 million in 2019), and development of export trade totalling \$379 million (\$397 million in 2019) which are administered by Export Development Canada. Certain loans are non-interest bearing and others bear interest at rates varying from 0.1% to 10.3%. These loans are repayable over 1 to 28 years, with final instalments due in 2045.

Loans, investments and advances to international organizations include subscriptions to the share capital of international banks totalling \$15,602 million (\$15,098 million in 2019) as well as loans and advances to associations and other international organizations totalling \$9,323 million (\$8,644 million in 2019). These subscriptions are composed of both paid-in and callable capital. The majority of these investments are treated as concessionary as they do not provide a return on investment, but are repayable on termination of the organization or withdrawal from it. Most loans and advances to international organizations are made to banks and associations that use these funds to make loans to developing countries at significantly concessionary terms.

Loans for the development of export trade are either non-interest bearing or bear interest at rates varying from 1.0% to 9.0% and are administered by Export Development Canada. Collateral of \$199 million (\$189 million in 2019) is held on these loans and they are repayable over 1 to 4 years with final instalments due in 2022.

Loans to provinces and territories include loans made under relief acts and other legislation. Loans totalling \$343 million (\$403 million in 2019) are non-interest bearing and will be repaid by reducing transfer payments over 1 to 8 years.

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

Other loans, investments and advances include loans under the Canada Student Loans Program, and other investments in bonds, market funds and fixed income securities. Loans under the Canada Student Loans Program of \$22,081 million (\$21,164 million in 2019) are provided interest-free to full-time students and afterward bear interest at either a variable prime rate plus 2.5% or a fixed prime rate plus 5.0%. Following Budget 2019 announcement, interest rates were changed so that as of November 1, 2019, the loans bear interest at either a variable rate (prime rate) or a fixed rate (prime rate plus 2.0%). The repayment period is generally 10 years. To support borrowers during the COVID-19 pandemic the Government of Canada suspended repayments of Canada Student Loans and Canada Apprentice Loans for the period of March 30, 2020, to September 30, 2020. During this time, no interest will accrue on these loans. Other investments were \$2,423 million (\$2,289 million in 2019).

17. Tangible capital assets and inventories

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

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

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

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

Buildings	10 to 125 years
Works and infrastructure ¹	10 to 80 years
Machinery and equipment	2 to 30 years
Vehicles	2 to 40 years
Leasehold improvements	lesser of useful life of improvement or lease term
Assets under construction	once in service, in accordance with asset type
Assets under capital leases	in accordance with asset type or over the lease term

¹ Except for the Confederation Bridge, which is amortized over 100 years.

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

(in millions of dollars)

	Cost					Accumulated amortization					Net book value 2020 ²	Net book value 2019
	Opening balance	Acquisitions	Disposals	Adjustments ¹	Closing balance	Opening balance	Amortization expense	Disposals	Adjustments	Closing balance		
Land	2,100	20	(5)	6	2,121	—	—	—	—	—	2,121	2,100
Buildings	35,165	61	(127)	1,349	36,448	17,723	977	(100)	28	18,628	17,820	17,442
Works and infrastructure	18,872	308	(220)	3,507	22,467	9,906	577	(179)	7	10,311	12,156	8,966
Machinery and equipment	38,514	1,003	(700)	970	39,787	26,769	1,976	(660)	(295)	27,790	11,997	11,745
Vehicles	42,890	249	(788)	1,589	43,940	28,065	1,855	(763)	(509)	28,648	15,292	14,825
Leasehold improvements	3,477	36	(39)	478	3,952	2,339	184	(26)	4	2,501	1,451	1,138
Assets under construction	20,188	8,299 ³	(99)	(8,257)	20,131	—	—	—	—	—	20,131	20,188
Assets under capital leases	4,668	310 ³	(160)	77	4,895	2,130	221	(160)	(10)	2,181	2,714	2,538
Total	165,874	10,286	(2,138)	(281)	173,741	86,932	5,790	(1,888)	(775)	90,059	83,682	78,942

¹ Adjustments include assets under construction of \$8,008 million (\$6,472 million in 2019) that were transferred to other categories upon completion of the assets.

² The government has \$43 million (\$83 million in 2019) in net book value of capital assets with an original acquisition cost of \$1,199 million (\$1,743 million in 2019) that have been declared surplus. Upon physical disposal, the government's investment in the tangible capital asset will be removed.

³ Acquisitions of \$275 million (\$1,115 million in 2019) in assets under construction through public-private partnership arrangements, including \$89 million (\$85 million in 2019) in interest, and \$310 million (\$8 million in 2019) in assets under capital leases do not involve the use of cash and are therefore excluded from the Consolidated Statement of Cash Flow.

18. Financial instruments

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

(a) Derivative financial instruments

i. Swap agreements

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

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

The government enters into two-way Credit Support Annex agreements for cross-currency swaps with certain counterparties pursuant to International Swaps and Derivatives Association (ISDA) master agreements. Under the terms of those agreements, the government may be required to pledge and/or receive eligible collateral relating to obligations to the counterparties. In the normal course of business, these pledged collateral amounts (which may include cash and/or securities) will be returned to the pledgor when there are no longer any outstanding obligations. At March 31, 2020, cash collateral pledged of \$9,975 million (\$7,163 million in 2019) is recorded in other accounts receivable, and cash collateral received of \$152 million (\$165 million in 2019) is recorded in other liabilities. In addition, the government holds collateral in securities from counterparties with a nominal amount of \$2,384 million and fair value of \$2,776 million (nominal amount of \$2,207 million and fair value of \$2,602 million in 2019), 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	2020
2021	12,450
2022	7,601
2023	7,563
2024	10,296
2025	8,589
2026 and subsequent	42,448
Total	88,947

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 \$3,074 million (\$2,065 million at March 31, 2019), 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	2020	2019
A+.....	29,462	28,050
A.....	40,881	37,966
A-.....	21,678	19,193
Total.....	92,021	85,209

(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, 2020, 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, 2020, 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 gain of \$2 million due to the exposure of the US dollar portfolio, a foreign exchange gain of \$3 million due to the exposure of the Euro portfolio, a foreign exchange gain of \$1 million due to the exposure of the Japanese yen portfolio and a foreign exchange loss of \$2 million due to the exposure of the British pound sterling portfolio.

The net foreign exchange gain included in net foreign exchange revenues, other revenues and other expenses on the Consolidated Statement of Operations and Accumulated Deficit amounts to \$135 million (net foreign exchange gain of \$31 million in 2019).

(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)

	2020		2019	
	Principal amount	Fair value	Principal amount	Fair value
Cross-currency swaps.....	88,947	(10,877)	83,144	(7,033)
Foreign exchange forward agreements.....	3,074	(21)	2,065	11
Total.....	92,021	(10,898)	85,209	(7,022)

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

19. Contractual obligations and contractual rights

(a) Contractual obligations

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

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

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

(in millions of dollars)

Minimum payments to be made in:	Transfer payment agreements	Capital assets and purchases	Operating leases	International organizations ¹	Total
2021.....	34,270	15,215	468	1,590	51,543
2022.....	23,691	10,279	438	691	35,099
2023.....	18,470	5,497	394	493	24,854
2024.....	12,662	3,998	328	177	17,165
2025.....	9,428	2,979	301	123	12,831
2026 and subsequent.....	19,374	15,284	2,070	1,199	37,927
Total.....	117,895	53,252	3,999	4,273	179,419

¹ Includes transfer payments, undisbursed loans and advances to international organizations as well as loans for the development of export trade (administered by Export Development Canada), if any, which Canada has agreed to disburse in the future. Future paid-in share capital commitments made by Canada for future purchases of non-budgetary share capital in international organizations are also included.

(b) Contractual rights

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

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

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

(in millions of dollars)

Revenue to be received in:	Sales of goods and services	Leases of property	Royalties and revenue/profit-sharing arrangements	Other	Contractual rights subject to non-disclosure clauses	Total
2021.....	2,415	129	5	433	2	2,984
2022.....	2,459	496	4	56	2	3,017
2023.....	2,513	511	3	51	2	3,080
2024.....	2,578	527	2	43	2	3,152
2025.....	2,647	533	2	41	2	3,225
2026 and subsequent.....	20,538	643	16	399	164	21,760
Total.....	33,150	2,839	32	1,023	174	37,218

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

20. Segmented information

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

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

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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)

(in millions of dollars)

	2020								
	Families, Children and Social Development	Finance	National Defence	National Revenue	Public Safety and Emergency Preparedness	Other ministries	Enterprise Crown corporations and other government business enterprises	Adjust- ments ¹	Total
Revenues									
Tax revenues									
Income tax revenues	—	—	—	227,112	—	—	—	—	227,112
Other taxes and duties	—	—	—	21,400	32,480	—	—	—	53,880
Total tax revenues	—	—	—	248,512	32,480	—	—	—	280,992
Employment insurance premiums	22,636	—	—	—	—	—	—	(417)	22,219
Fuel charge proceeds	—	—	—	2,655	—	—	—	—	2,655
Other revenues									
Enterprise Crown corporations and other government business enterprises	—	—	—	—	—	—	5,059	—	5,059
Net foreign exchange revenues	—	2,410	—	—	—	—	—	—	2,410
Other	3,131	1,895	461	6,442	2,649	21,258	—	(15,040)	20,796
Total other revenues	3,131	4,305	461	6,442	2,649	21,258	5,059	(15,040)	28,265
Total revenues	25,767	4,305	461	257,609	35,129	21,258	5,059	(15,457)	334,131
Expenses									
Program expenses									
Transfer payments									
Old age security benefits, guaranteed income supplement and spouse's allowance	56,227	—	—	—	—	—	—	—	56,227
Major transfer payments to other levels of government	—	75,905	—	—	—	3,270	—	—	79,175
Employment insurance	21,750	—	—	—	—	—	—	—	21,750
Children's benefits	9	—	—	24,335	—	—	—	—	24,344
Canada emergency response benefit	4,739	—	—	—	—	—	—	—	4,739
Fuel charge proceeds returned	—	—	—	2,636	—	—	—	—	2,636
Other transfer payments	9,664	386	224	4,686	883	39,055	—	(493)	54,405
Total transfer payments	92,389	76,291	224	31,657	883	42,325	—	(493)	243,276
Other expenses, excluding net actuarial losses	5,582	1,348	27,556	8,954	13,128	53,582	—	(14,959)	95,191
Total program expenses, excluding net actuarial losses	97,971	77,639	27,780	40,611	14,011	95,907	—	(15,452)	338,467
Public debt charges	—	24,188	69	—	1	194	—	(5)	24,447
Total expenses, excluding net actuarial losses									
net actuarial losses	97,971	101,827	27,849	40,611	14,012	96,101	—	(15,457)	362,914
Net actuarial losses	—	—	6,699	—	933	2,977	—	—	10,609
Total expenses	97,971	101,827	34,548	40,611	14,945	99,078	—	(15,457)	373,523

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)

	2019								
	Families, Children and Social Development	Finance	National Defence	National Revenue	Public Safety and Emergency Preparedness	Other ministries	Enterprise Crown corporations and other government business enterprises	Adjust- ments ¹	Total
Revenues									
Tax revenues									
Income tax revenues	–	–	–	223,619	–	–	–	–	223,619
Other taxes and duties	–	–	–	21,879	35,348	–	–	–	57,227
Total tax revenues	–	–	–	245,498	35,348	–	–	–	280,846
Employment insurance premiums	22,698	–	–	–	–	–	–	(403)	22,295
Fuel charge proceeds	–	–	–	–	–	–	–	–	–
Other revenues									
Enterprise Crown corporations and other government business enterprises	–	–	–	–	–	–	7,101	–	7,101
Net foreign exchange revenues	–	1,667	–	–	–	–	–	–	1,667
Other	3,091	1,284	422	6,695	2,649	20,382	–	(14,214)	20,309
Total other revenues	3,091	2,951	422	6,695	2,649	20,382	7,101	(14,214)	29,077
Total revenues	25,789	2,951	422	252,193	37,997	20,382	7,101	(14,617)	332,218
Expenses									
Program expenses									
Transfer payments									
Old age security benefits, guaranteed income supplement and spouse's allowance	53,366	–	–	–	–	–	–	–	53,366
Major transfer payments to other levels of government	–	70,734	–	–	–	5,191	–	–	75,925
Employment insurance	18,888	–	–	–	–	–	–	–	18,888
Children's benefits	17	–	–	23,865	–	–	–	–	23,882
Canada emergency response benefit	–	–	–	–	–	–	–	–	–
Fuel charge proceeds returned	–	–	–	664	–	–	–	–	664
Other transfer payments	8,899	1,012	209	3,737	1,132	37,182	–	(418)	51,753
Total transfer payments	81,170	71,746	209	28,266	1,132	42,373	–	(418)	224,478
Other expenses, excluding net actuarial losses²	4,956	1,095	26,822	8,963	11,604	50,828	–	(14,191)	90,077
Total program expenses, excluding net actuarial losses	86,126	72,841	27,031	37,229	12,736	93,201	–	(14,609)	314,555
Public debt charges	–	23,020	74	–	1	179	–	(8)	23,266
Total expenses, excluding net actuarial losses²	86,126	95,861	27,105	37,229	12,737	93,380	–	(14,617)	337,821
Net actuarial losses ²	–	–	5,099	–	643	2,619	–	–	8,361
Total expenses	86,126	95,861	32,204	37,229	13,380	95,999	–	(14,617)	346,182

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

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

21. Subsequent events

COVID-19 pandemic

In March 2020, the World Health Organization classified the outbreak of COVID-19 disease as a global pandemic. In response, the government enacted emergency measures to combat the spread of the virus and announced the COVID-19 Economic Response Plan to help stabilize the economy during the pandemic.

Measurement uncertainty
<p>The COVID-19 pandemic led to additional measurement uncertainty in the preparation of the government's consolidated financial statements given the declining economic situation that prevailed at and after year end.</p> <p>Historical experience related to certain estimates in the consolidated financial statements may not be relevant, or may not be as reliable as before, in predicting future outcomes. This may lead to a greater possibility of a material variance between estimates recognized or disclosed in the consolidated financial statements and the results ultimately realized. Accounting estimates subject to additional measurement uncertainty due to the pandemic include the provisions for accounts receivable, contingent liabilities, public sector pensions and other employee and veteran future benefits and loans, investments and advances, including those that may result from lending programs of enterprise Crown corporations. Assumptions used to estimate the individual income tax revenues, GST/HST revenues, and allowance for doubtful accounts have been adjusted to take into consideration the current economic climate and the extensions provided to taxpayers to file and pay their tax returns.</p> <p>The pandemic is expected to continue to have a significant impact on domestic and international economies and markets for the near term. The government continues to monitor developments generally and specifically in connection with estimates required in the consolidated financial statements. The full potential impact of the COVID-19 pandemic is unknown as it will depend on future developments that are uncertain. Such uncertainties include the duration and depth of the pandemic. The government expects that the estimates and assumptions used in the preparation of the consolidated financial statements will continue to be affected for the near term.</p>

The emergency measures introduced by the government are intended to protect the health and safety of Canadians and provide direct support to Canadian workers and businesses. The impact of the measures for which accounting recognition criteria were met prior to March 31, 2020, are recognized in the government's 2020 consolidated financial statements. Since most of the measures were implemented subsequent to year-end, the government's 2021 consolidated financial statements will be more significantly impacted.

Funding was provided to protect the health and safety of Canadians to prevent, control and stop the spread of COVID-19 as well as respond to the critical health needs of Canadians. The support to individuals has been provided through various programs to replace lost income, such as the Canada Emergency Response Benefit, and to provide one-time payments to groups of individuals determined to be most in need of direct financial support like the additional GST credit.

Support to businesses has primarily been focused on providing bridge financing for businesses of all sizes and helping them deal with their fixed costs during this crisis, including the Canada Emergency Wage Subsidy and the Canada Emergency Business Account. This also includes loan and guarantee programs which have resulted in increasing the government's market debt and can result in additional credit risk to the government if businesses continue to experience reduced ability to repay their debts.

The government is also providing other credit and liquidity supports and capital relief, under the Economic Response Plan, to support financial sector liquidity and market functioning to facilitate and continue lending to individuals and businesses.

Legislation was enacted to provide the government additional borrowing authority to fund the crisis without the amounts counting towards the maximum amounts set out in the *Borrowing Authority Act*. This authority expired September 30, 2020, and the Minister of Finance is required to provide a report to Parliament detailing money that has been borrowed within 30 sitting days. Between April 1 and July 31, 2020, the government had increased its unmatured debt by \$323 billion to meet the government's projected financial requirements under the Economic Response Plan up to that date.

Federal revenues are projected to be lower in 2021 as compared to 2020, largely due to the economic impacts of the COVID-19 crisis on both employment levels and business activity.

Major government announcements including the Speech from the Throne in September 2020, and legislation introduced in Parliament authorizing new spending measures from April 1, 2020 onward will have a significant impact on the 2021 consolidated financial statements. As this pandemic is ongoing and the government response is continuing to evolve, the government is unable to reliably estimate at this time the full impact on the unmatured debt or financial results of future years. The effects of the pandemic will continue into the foreseeable future, and the government continues to assess and monitor the effects on its financial condition, and provide regular updates on its financial results through regular reporting processes and periodic economic and fiscal updates.

Section 3

Public Accounts of Canada
2019–2020

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

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Revenues, expenses and accumulated deficit

Table 3.1

Revenues, expenses and accumulated deficit

(in millions of dollars)

	2020	2019
Revenues		
Tax revenues, Table 3.2.....	280,992	280,846
Employment insurance premiums.....	22,219	22,295
Fuel charge proceeds.....	2,655	—
Other revenues, Table 3.4.....	28,265	29,077
Total revenues.....	334,131	332,218
Expenses		
Transfer payments.....	243,276	224,478
Other expenses, excluding net actuarial losses ¹	95,191	90,077
Total program expenses, excluding net actuarial losses¹.....	338,467	314,555
Public debt charges, Table 3.8.....	24,447	23,266
Total expenses, excluding net actuarial losses, Table 3.6¹.....	362,914	337,821
Annual deficit before net actuarial losses¹.....	(28,783)	(5,603)
Net actuarial losses ¹	(10,609)	(8,361)
Annual deficit.....	(39,392)	(13,964)
Accumulated deficit at beginning of year.....	(685,450)	(671,254)
Other comprehensive income (loss).....	3,482	(232)
Accumulated deficit at end of year.....	(721,360)	(685,450)

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

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)

	2020	2019
Tax revenues		
Income tax revenues		
Personal	167,576	163,881
Corporate	50,060	50,368
Non-resident	9,476	9,370
Total income tax revenues	227,112	223,619
Other taxes and duties		
Goods and services tax, Table 3.3	37,386	38,221
Energy taxes		
Excise tax—Gasoline	4,453	4,483
Excise tax—Aviation gasoline and diesel fuel.....	1,230	1,319
Total energy taxes	5,683	5,802
Customs import duties	4,853	6,881
Other excise taxes and duties		
Excise duties	4,950	5,228
Air travellers security charge.....	798	872
Other miscellaneous excise taxes and duties	210	223
Total other excise taxes and duties	5,958	6,323
Total other taxes and duties	53,880	57,227
Total tax revenues ¹	280,992	280,846

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)

	2020	2019
GST	45,038	45,392
Less: remission order for the GST paid and accrued by ministries on or for goods and services purchased from outside parties	2,628	2,494
Gross GST from outside parties	42,410	42,898
Less: quarterly tax credits	5,024	4,677
Net GST from outside parties	37,386	38,221

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)

	2020	2019
Other revenues		
Enterprise Crown corporations and other government business enterprises		
Share of annual profit	3,588	5,920
Interest and other	1,471	1,181
<i>Total enterprise Crown corporations and other government business enterprises</i>	<i>5,059</i>	<i>7,101</i>
Other programs		
Return on investments, Table 3.5	1,808	1,806
Sales of goods and services		
Rights and privileges	2,078	2,322
Lease and use of public property	772	778
Services of a regulatory nature	1,995	1,780
Services of a non-regulatory nature	4,619	4,014
Sales of goods and information products	1,173	1,218
Other fees and charges	805	806
<i>Total sales of goods and services</i>	<i>11,442</i>	<i>10,918</i>
Miscellaneous		
Interest and penalties	5,823	6,171
Other	1,723	1,414
<i>Total miscellaneous</i>	<i>7,546</i>	<i>7,585</i>
<i>Total other programs</i>	<i>20,796</i>	<i>20,309</i>
Net foreign exchange revenues		
Exchange Fund Account	2,283	1,480
International Monetary Fund	93	164
Other	34	23
<i>Total net foreign exchange revenues</i>	<i>2,410</i>	<i>1,667</i>
Total other revenues¹	28,265	29,077

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)

	2020	2019
Cash and accounts receivable		
Interest on bank deposits	772	738
Loans, investments and advances		
National governments including developing countries	35	24
International organizations	4	3
Other loans, investments and advances	878	964
Total loans, investments and advances	917	991
Other accounts	5	1
Total ministerial return on investments	1,694	1,730
Net gain on exchange	86	25
Accrual of other revenues	30	52
Total return on investments	1,810	1,807
Elimination of return on investments internal to the government	(2)	(1)
Total external return on investments	1,808	1,806

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.

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	
	2020	2019	2020	2019
Ministries				
Agriculture and Agri-Food	—	—	1,774	1,397
Canadian Heritage ³	—	—	1,317	1,187
Crown-Indigenous Relations and Northern Affairs ³	—	—	4,532	5,096
Digital Government ³	—	—	—	—
Environment and Climate Change	—	—	532	429
Families, Children and Social Development	82,725	72,272	9,664	8,899
Finance	75,905	70,734	386	1,012
Fisheries, Oceans and the Canadian Coast Guard	—	—	272	182
Global Affairs	—	—	4,769	4,679
Health	1,100	849	1,826	1,930
Immigration, Refugees and Citizenship	—	—	1,825	1,434
Indigenous Services ³	—	—	11,136	10,178
Infrastructure and Communities	2,170	4,341	3,214	3,330
Innovation, Science and Economic Development ³	—	—	5,495	4,742
Justice	—	—	431	400
National Defence ³	—	—	224	209
National Revenue	24,335	23,865	7,322	4,401
Natural Resources	—	—	793	1,717
Office of the Governor General's Secretary	—	—	—	—
Parliament	—	—	1	1
Privy Council ³	—	—	81	3
Public Safety and Emergency Preparedness ³	—	—	883	1,132
Public Services and Procurement ³	—	—	—	—
Transport ³	—	—	607	212
Treasury Board	—	—	1	1
Veterans Affairs	—	—	56	21
Women and Gender Equality	—	—	66	29
Provision for valuation and other items ³	—	—	(166)	(204)
Total expenses, excluding net actuarial losses ³	186,235	172,061	57,041	52,417
Net actuarial losses ³	—	—	—	—
Total expenses ⁴	186,235	172,061	57,041	52,417

¹ Includes transfer payments of \$56,227 million (\$53,366 million in 2019) for old age security benefits, the guaranteed income supplement and the spouse's allowance; \$79,175 million (\$75,925 million in 2019) to other levels of government; \$21,750 million (\$18,888 million in 2019) for employment insurance, \$24,344 million (\$23,882 million in 2019) for children's benefits and \$4,739 million (nil in 2019) for the Canada Emergency Response Benefit. Additional information is provided in Table 3.7 of this section.

² Includes transfer payments of \$2,636 million (\$664 million in 2019) for fuel charge proceeds returned.

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	
2020	2019	2020	2019	2020	2019	2020	2019
1,774	1,397	1,133	1,175	—	—	2,907	2,572
1,317	1,187	3,156	3,209	3	3	4,476	4,399
4,532	5,096	1,509	2,253	—	—	6,041	7,349
—	—	1,848	1,792	15	4	1,863	1,796
532	429	1,947	1,946	1	—	2,480	2,375
92,389	81,171	3,927	3,135	—	—	96,316	84,306
76,291	71,746	585	539	24,183	23,012	101,059	95,297
272	182	2,554	2,402	—	—	2,826	2,584
4,769	4,679	2,455	2,406	—	—	7,224	7,085
2,926	2,779	2,440	2,269	—	—	5,366	5,048
1,825	1,434	1,666	1,455	—	—	3,491	2,889
11,136	10,178	2,119	1,920	—	—	13,255	12,098
5,384	7,671	496	539	9	—	5,889	8,210
5,495	4,742	3,009	2,725	—	—	8,504	7,467
431	400	1,481	1,425	—	—	1,912	1,825
224	209	27,320	26,613	69	74	27,613	26,896
31,657	28,266	8,475	8,529	—	—	40,132	36,795
793	1,717	2,280	2,015	1	1	3,074	3,733
—	—	24	22	—	—	24	22
1	1	765	730	—	—	766	731
81	3	832	528	—	—	913	531
883	1,132	12,843	11,352	1	1	13,727	12,485
—	—	3,488	2,938	123	129	3,611	3,067
607	212	3,067	2,945	42	42	3,716	3,199
1	1	3,581	6,720	—	—	3,582	6,721
56	21	1,093	1,120	—	—	1,149	1,141
66	29	46	42	—	—	112	71
(166)	(204)	1,052	(2,667)	—	—	886	(2,871)
243,276	224,478	95,191	90,077	24,447	23,266	362,914	337,821
—	—	10,609	8,361	—	—	10,609	8,361
243,276	224,478	105,800	98,438	24,447	23,266	373,523	346,182

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	Employment Insurance	Canada Emergency Response Benefit	Fiscal arrangements	Quebec Abatement ²	Canada Health Transfer	Canada Social Transfer	Other major transfers ³	Children's benefits	Total
Newfoundland and Labrador.....	2020	1,139	1,266	—	10	—	568	203	80	—	3,266
	2019	1,086	1,169	—	10	—	535	202	45	—	3,047
Prince Edward Island ...	2020	277	373	—	420	—	171	61	38	—	1,340
	2019	263	270	—	419	—	158	58	20	—	1,188
Nova Scotia	2020	1,807	1,018	—	1,930	—	1,056	377	143	—	6,331
	2019	1,723	917	—	1,954	—	1,000	367	158	—	6,119
New Brunswick	2020	1,561	1,064	—	2,025	—	845	301	115	—	5,911
	2019	1,485	977	—	1,876	—	814	299	65	—	5,516
Quebec.....	2020	15,448	4,281	—	13,130	(5,811)	9,225	3,292	1,248	—	40,813
	2019	14,775	3,703	—	11,738	(5,046)	8,679	3,185	696	—	37,730
Ontario.....	2020	21,213	6,989	—	9	—	15,832	5,650	2,062	—	51,755
	2019	20,158	5,953	—	972	—	14,851	5,450	1,148	—	48,532
Manitoba.....	2020	1,886	770	—	2,258	—	1,490	532	185	—	7,121
	2019	1,797	682	—	2,040	—	1,413	518	103	—	6,553
Saskatchewan.....	2020	1,615	719	—	23	—	1,278	456	159	—	4,250
	2019	1,537	647	—	2	—	1,203	442	89	—	3,920
Alberta.....	2020	4,857	2,668	—	259	—	4,748	1,694	601	—	14,827
	2019	4,544	2,336	—	2	—	4,461	1,638	328	—	13,309
British Columbia.....	2020	7,970	2,498	—	3	—	5,523	1,971	708	—	18,673
	2019	7,545	2,133	—	3	—	5,325	1,955	393	—	17,354
Total provinces	2020	57,773	21,646	—	20,067	(5,811)	40,736	14,537	5,339	—	154,287
	2019	54,913	18,787	—	19,016	(5,046)	38,439	14,114	3,045	—	143,268
Northwest Territories ...	2020	35	37	—	1,309	—	49	17	34	—	1,481
	2019	33	26	—	1,256	—	47	17	18	—	1,397
Nunavut	2020	11	28	—	1,642	—	42	15	34	—	1,772
	2019	11	33	—	1,579	—	39	14	16	—	1,692
Yukon Territory	2020	34	32	—	997	—	45	16	34	—	1,158
	2019	32	34	—	950	—	43	16	17	—	1,092
International.....	2020	304	7	—	—	—	—	—	—	—	311
	2019	299	8	—	—	—	—	—	—	—	307
Total expenses for provinces and territories	2020	58,157	21,750	—	24,015	(5,811)	40,872	14,585	5,441	—	159,009
	2019	55,288	18,888	—	22,801	(5,046)	38,568	14,161	3,096	—	147,756
Accrual and other adjustments	2020	(1,930)	—	4,739	(174)	—	—	—	247	—	2,882
	2019	(1,922)	—	—	174	—	—	—	2,171	—	423
Subtotal.....	2020	56,227	21,750	4,739	23,841	(5,811)	40,872	14,585	5,688	—	161,891
	2019	53,366	18,888	—	22,975	(5,046)	38,568	14,161	5,267	—	148,179
Transfers made through the tax system	2020	—	—	—	—	—	—	—	—	24,344	24,344
	2019	—	—	—	—	—	—	—	—	23,882	23,882
Total major transfer payments ...	2020	56,227	21,750	4,739	23,841	(5,811)	40,872	14,585	5,688	24,344	186,235
	2019	53,366	18,888	—	22,975	(5,046)	38,568	14,161	5,267	23,882	172,061

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

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

³ Includes the contributions under the federal Gas Tax Fund program of \$2,170 million (\$4,341 million in 2019).

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 9 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)

	2020	2019
Unmatured debt		
Interest on:		
Marketable bonds	13,348	12,952
Retail debt	10	16
Medium-term notes.....	36	49
	<u>13,394</u>	<u>13,017</u>
Amortization of discounts on Canada and Treasury bills		
Treasury bills	2,247	1,899
Canada bills	56	59
	<u>2,303</u>	<u>1,958</u>
Amortization of premiums and discounts on all other debts		
Marketable bonds	972	340
Foreign bonds	4	5
Real return bonds.....	(122)	(124)
Consumer price index adjustments on real return bonds	1,492	865
	<u>2,346</u>	<u>1,086</u>
Net interest on cross-currency swaps.....	(216)	(133)
Servicing costs and costs of issuing new borrowings.....	10	8
Interest on capital lease obligations	165	175
Interest on obligations under public-private partnerships	99	80
Total public debt charges related to unmatured debt	<u>18,101</u>	<u>16,191</u>
Pensions and other future benefits		
Interest on:		
Public sector pensions—Superannuation accounts.....	5,680	6,005
Allowance for pension adjustments	(2,791)	(2,319)
Consolidated Crown corporations and other entities pensions.....	(205)	(177)
	<u>2,684</u>	<u>3,509</u>
Other employee and veteran future benefits		
Public Service Health Care Plan and Pensioners' Dental Service Plan.....	746	800
Severance and other benefits	35	42
Accumulated sick leave entitlements.....	32	37
Worker's compensation	31	37
Veterans' disability and other future benefits.....	2,157	2,021
Royal Canadian Mounted Police disability and other future benefits.....	385	326
Consolidated Crown corporations and other entities.....	9	9
	<u>3,395</u>	<u>3,272</u>
Total public debt charges related to pensions and other future benefits.....	<u>6,079</u>	<u>6,781</u>
Other liabilities		
Canada Pension Plan	5	5
Government Annuities Account	6	7
Deposit and trust accounts	13	18
Other specified purpose accounts	149	153
Other liabilities.....	94	111
Total public debt charges related to other liabilities	<u>267</u>	<u>294</u>
Consolidated specified purpose accounts		
Interest	5	8
Total public debt charges related to consolidated specified purpose accounts	<u>5</u>	<u>8</u>
Total public debt charges before consolidation adjustments.....	24,452	23,274
Less: consolidation adjustments	5	8
Total public debt charges ^{1 2}	<u>24,447</u>	<u>23,266</u>

Table 3.8
Public debt charges¹—concluded

(in millions of dollars)

	2020	2019
Comprised of:		
Total public debt charges under statutory authorities before accrual and other adjustments and consolidation adjustments	23,789	22,243
Accrual and other adjustments.....	663	1,031
Consolidation adjustments.....	(5)	(8)
Total public debt charges	24,447	23,266

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	194,129	49,147	243,276
Other expenses			
Personnel, excluding net actuarial losses	46,349	8,836	55,185
Transportation and communications.....	3,034	(45)	2,989
Information	423	(57)	366
Professional and special services.....	13,334	(2,292)	11,042
Rentals	3,528	(822)	2,706
Repair and maintenance	3,746	(105)	3,641
Utilities, materials and supplies.....	3,432	21	3,453
Acquisition of land, buildings and works	3,546	(3,546)	–
Acquisition of machinery and equipment	5,879	(5,879)	–
Other subsidies and expenses	13,646	(3,770)	9,876
Amortization of tangible capital assets	–	5,790	5,790
Net loss on disposal of assets.....	–	143	143
Total other expenses, excluding net actuarial losses ²	96,917	(1,726)	95,191
Public debt charges	23,991	456	24,447
Total gross expenses	315,037	47,877	362,914
Revenues netted against expenditures	(11,442)	11,442	–
Total expenses, excluding net actuarial losses ²	303,595	59,319	362,914
Net actuarial losses ²	–	–	10,609
Total expenses	303,595	59,319	373,523

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

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

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)

	2020	2019
Old Age Security payments (<i>Old Age Security Act</i>)	42,706	40,424
Canada Health Transfer (Part V.1— <i>Federal-Provincial Fiscal Arrangements Act</i>)	40,872	38,567
Public debt charges	23,789	22,244
Fiscal Equalization (Part I— <i>Federal-Provincial Fiscal Arrangements Act</i>)	19,837	18,958
Canada Social Transfer (Part V.1— <i>Federal-Provincial Fiscal Arrangements Act</i>)	14,585	14,161
Guaranteed Income Supplement payments (<i>Old Age Security Act</i>)	13,007	12,404
Payments for the Canada Emergency Response Benefit pursuant to the <i>Public Health Events of National Concern Payments Act</i>	4,756	—
Gas Tax Fund	4,400	2,200
Territorial Financing (Part I.1— <i>Federal-Provincial Fiscal Arrangements Act</i>)	3,948	3,785
Climate action incentive payments	2,630	664
Canada Student Grants to qualifying full and part-time students pursuant to the <i>Canada Student Financial Assistance Act</i>	1,583	1,538
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	970	911
Contribution to the Federation of Canadian Municipalities for the Green Municipal Fund (<i>Budget Implementation Act, 2019</i>)	950	—
Payments related to the direct financing arrangement under the <i>Canada Student Financial Assistance Act</i>	935	965
Payments to Canada Infrastructure Bank	759	553
Contribution payments for the AgriInsurance program	667	665
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	615	583
Allowance payments (<i>Old Age Security Act</i>)	556	562
Salary of the Chief Electoral Officer (<i>Canada Elections Act</i>)	517	143
Payments to International Development Association	442	442
Youth Allowances Recovery (<i>Federal-Provincial Fiscal Revision Act, 1964</i>)	(1,044)	(914)
Alternative Payments for Standing Programs (Part VI— <i>Federal-Provincial Fiscal Arrangements Act</i>)	(4,767)	(4,132)
Total ²	172,713	154,723
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	2,467	5,522
Government's contribution to the Canada and the Quebec pension plans ²	871	787
Government's contribution to the Employment Insurance Operating Account	320	308
Government's contribution to the Death Benefit Account	16	15
Total	3,674	6,632
Canadian Forces		
Government's contribution to the Canadian Forces Pension Plan and the Retirement Compensation Arrangements Account	1,029	1,007
Government's contribution to the Canada and the Quebec pension plans	215	199
Government's contribution as employer to the Employment Insurance Operating Account	76	76
Statutory payments under the <i>Supplementary Retirement Benefits Act</i>	1	1
Government's contribution to the Death Benefit Account	2	2
Total	1,323	1,285

Table 3.10
Expenditures under statutory authorities—concluded

(in millions of dollars)

	2020	2019
Royal Canadian Mounted Police		
Government's contribution to the Royal Canadian Mounted Police Pension Plan and the Retirement Compensation Arrangements Account	1,223	269
Government's contribution to the Canada and the Quebec pension plans	59	61
Government's contribution as employer to the Employment Insurance Operating Account	21	20
Statutory payments under the <i>Supplementary Retirement Benefits Act</i>	4	5
Total	1,307	355
Shared Services Canada		
Government's contribution to the Canada and the Quebec pension plans	4	3
Government's contribution to the Royal Canadian Mounted Police Pension Plan and the Retirement Compensation Arrangements Account	1	1
Total	5	4
All other statutory expenditures ²	4,841	4,058
Total ministerial expenditures under statutory authorities ³	183,863	167,057

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 *2019–2020*

Consolidated accounts as at March 31

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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, 2020

(in thousands of dollars)

	Assets			
	Financial			Total assets
	Third parties	Government, Crown corporations and other entities	Non-financial	
Consolidated Crown corporations and other entities				
Crown corporations¹				
Atomic Energy of Canada Limited	258,141	114,984	867,022	1,240,147
Canada Council for the Arts	415,268	903	31,660	447,831
Canada Infrastructure Bank	1,184,891	8,522	1,528	1,194,941
Canadian Air Transport Security Authority	120,356	138,005	520,746	779,107
Canadian Broadcasting Corporation	1,892,294	87,436	1,405,979	3,385,709
Canadian Commercial Corporation	91,392	1,203	2,741	95,336
Canadian Dairy Commission	8,509	—	122,245	130,754
Canadian Museum for Human Rights	15,459	95	278,820	294,374
Canadian Museum of History	90,675	6,739	217,919	315,333
Canadian Museum of Immigration at Pier 21	13,673	277	11,731	25,681
Canadian Museum of Nature	19,872	196	171,739	191,807
Canadian Race Relations Foundation	23,611	2,482	52	26,145
Canadian Tourism Commission	39,695	37	3,879	43,611
Defence Construction (1951) Limited	29,928	23,679	11,640	65,247
International Development Research Centre	83,348	2,390	14,860	100,598
Marine Atlantic Inc.	163,577	8,966	434,431	606,974
National Arts Centre Corporation	20,665	618	229,107	250,390
National Capital Commission	180,435	2,788	696,093	879,316
National Gallery of Canada	19,946	467	80,807	101,220
National Museum of Science and Technology	20,210	963	265,868	287,041
Standards Council of Canada	9,586	880	2,928	13,394
Telefilm Canada	6,429	56,977	5,855	69,261
The Federal Bridge Corporation Limited	28,108	57	384,104	412,269
The Jacques Cartier and Champlain Bridges Inc.	34,527	820	607,515	642,862
VIA Rail Canada Inc.	487,697	54,832	1,185,958	1,728,487
Windsor-Detroit Bridge Authority	202,237	17,300	1,688,652	1,908,189
Total—Crown corporations	5,460,529	531,616	9,243,879	15,236,024
Conversion to the government accounting basis for consolidation purposes	(7,575)	—	(100,236)	(107,811)
Net Crown corporations on the government accounting basis	5,452,954	531,616	9,143,643	15,128,213
Other entities²				
Canada Foundation for Innovation	251,770	318	3,437	255,525
Canada Foundation for Sustainable Development Technology	16,970	—	829	17,799
First Nations Market Housing Fund	327,193	39,710	282	367,185
St. Lawrence Seaway Management Corporation	203,390	25,084	14,999	243,473
Capital Fund Trust	2,470	18,712	—	21,182
Employee Termination Benefits Trust Fund	758	3	—	761
Total—Other entities	802,551	83,827	19,547	905,925
Conversion to the government accounting basis for consolidation purposes	2,284	—	—	2,284
Net other entities on the government accounting basis	804,835	83,827	19,547	908,209
Total	6,257,789	615,443	9,163,190	16,036,422

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

² These entities, which are not Crown corporations or agents of the Crown, are considered other consolidated entities.

Liabilities								
Third parties		Government, Crown corporations and other entities	Total liabilities	Accumulated profits (losses)	Contributed surplus	Capital stock	Equity of Canada	Total liabilities and equity
Borrowings	Other							
–	8,279,530	286	8,279,816	(7,504,381)	449,712	15,000	(7,039,669)	1,240,147
–	123,249	1,146	124,395	323,436	–	–	323,436	447,831
–	9,521	222,423	231,944	962,997	–	–	962,997	1,194,941
–	193,792	1,203	194,995	584,112	–	–	584,112	779,107
265,430	803,356	13,813	1,082,599	2,303,110	–	–	2,303,110	3,385,709
–	54,495	16,753	71,248	14,088	10,000	–	24,088	95,336
3,789	55,307	71,658	130,754	–	–	–	–	130,754
–	150,524	133,859	284,383	9,991	–	–	9,991	294,374
–	28,764	217,383	246,147	69,186	–	–	69,186	315,333
–	9,647	11,473	21,120	4,561	–	–	4,561	25,681
–	38,064	159,186	197,250	(5,443)	–	–	(5,443)	191,807
–	215	–	215	25,930	–	–	25,930	26,145
–	16,398	62	16,460	27,151	–	–	27,151	43,611
–	57,828	703	58,531	6,716	–	–	6,716	65,247
–	65,450	17,241	82,691	17,907	–	–	17,907	100,598
–	109,890	583	110,473	496,501	–	–	496,501	606,974
–	26,899	228,790	255,689	(5,299)	–	–	(5,299)	250,390
–	148,473	8,826	157,299	722,017	–	–	722,017	879,316
–	6,846	91,033	97,879	3,341	–	–	3,341	101,220
–	9,167	265,911	275,078	11,963	–	–	11,963	287,041
–	6,657	10	6,667	6,727	–	–	6,727	13,394
–	51,467	139	51,606	17,655	–	–	17,655	69,261
56,440	16,518	104,235	177,193	235,076	–	–	235,076	412,269
–	68,374	–	68,374	574,488	–	–	574,488	642,862
–	257,764	1,123,480	1,381,244	337,943	–	9,300	347,243	1,728,487
–	775,679	–	775,679	1,132,510	–	–	1,132,510	1,908,189
325,659	11,363,874	2,690,196	14,379,729	372,283	459,712	24,300	856,295	15,236,024
–	(10,585)	(2,405,898)	(2,416,483)	2,792,684	(459,712)	(24,300)	2,308,672	(107,811)
325,659	11,353,289	284,298	11,963,246	3,164,967	–	–	3,164,967	15,128,213
–	2,201	253,324	255,525	–	–	–	–	255,525
–	5,461	12,338	17,799	–	–	–	–	17,799
–	62,742	304,443	367,185	–	–	–	–	367,185
–	103,696	9,482	113,178	130,295	–	–	130,295	243,473
–	2	21,180	21,182	–	–	–	–	21,182
–	3	758	761	–	–	–	–	761
–	174,105	601,525	775,630	130,295	–	–	130,295	905,925
–	(88)	(579,973)	(580,061)	582,345	–	–	582,345	2,284
–	174,017	21,552	195,569	712,640	–	–	712,640	908,209
325,659	11,527,306	305,850	12,158,815	3,877,607	–	–	3,877,607	16,036,422

Table 4.2
Revenues, expenses and other changes in equity of consolidated Crown corporations
and other entities for the year ended March 31, 2020

(in thousands of dollars)

Consolidated Crown corporations and other entities	Revenues			
	Third parties	Government, Crown corporations and other entities		Total
		Financial assistance	Other	
Crown corporations				
Atomic Energy of Canada Limited	162,044	868,140	5,722	1,035,906
Canada Council for the Arts	27,032	327,771	6,342	361,145
Canada Infrastructure Bank	19,795	537,541	—	557,336
Canadian Air Transport Security Authority	9,206	846,862	—	856,068
Canadian Broadcasting Corporation	498,966	1,210,798	6,055	1,715,819
Canadian Commercial Corporation	23,380	4,500	2,319	30,199
Canadian Dairy Commission	328,568	3,967	274	332,809
Canadian Museum for Human Rights	11,196	30,281	10	41,487
Canadian Museum of History	18,815	80,350	979	100,144
Canadian Museum of Immigration at Pier 21	3,335	9,991	114	13,440
Canadian Museum of Nature	12,345	33,453	35	45,833
Canadian Race Relations Foundation	(3,738)	—	170	(3,568)
Canadian Tourism Commission	25,121	103,693	98	128,912
Defence Construction (1951) Limited	1,034	—	119,166	120,200
International Development Research Centre	36,875	142,907	15,953	195,735
Marine Atlantic Inc.	105,625	133,315	—	238,940
National Arts Centre Corporation	41,888	51,137	2,374	95,399
National Capital Commission	50,093	137,659	5,614	193,366
National Gallery of Canada	16,459	48,847	171	65,477
National Museum of Science and Technology	12,090	40,275	1,327	53,692
Standards Council of Canada	9,756	18,579	1,034	29,369
Telefilm Canada	22,226	109,379	471	132,076
The Federal Bridge Corporation Limited	43,106	3,535	—	46,641
The Jacques Cartier and Champlain Bridges Inc.	1,417	155,659	315	157,391
VIA Rail Canada Inc.	373,638	405,707	2,514	781,859
Windsor-Detroit Bridge Authority	14,428	576,993	7	591,428
Total—Crown corporations	1,864,700	5,881,339	171,064	7,917,103
Conversion to the government accounting basis for consolidation purposes	19,324	266,477	—	285,801
Total on the government accounting basis	1,884,024	6,147,816	171,064	8,202,904
Consolidation adjustments	636	(6,147,816)	(171,064)	(6,318,244)
Net amount—Crown corporations	1,884,660	—	—	1,884,660
Other entities				
Canada Foundation for Innovation	6,494	366,896	125	373,515
Canada Foundation for Sustainable Development Technology	1,095	133,200	—	134,295
First Nations Market Housing Fund	9,543	—	972	10,515
St. Lawrence Seaway Management Corporation	77,969	1,714	60,867	140,550
Capital Fund Trust	84	55,000	7,792	62,876
Employee Termination Benefits Trust Fund	22	—	—	22
Total—Other entities	95,207	556,810	69,756	721,773
Conversion to the government accounting basis for consolidation purposes	28,277	(4,964)	—	23,313
Total on the government accounting basis	123,484	551,846	69,756	745,086
Consolidation adjustments	1,097	(551,846)	(69,756)	(620,505)
Net amount—Other entities	124,581	—	—	124,581
Total	2,009,241	—	—	2,009,241

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

Third parties	Expenses		Net income (loss)	Equity beginning of year	Equity adjustments and other	Remeasurement gains (losses)	Equity transactions with the Government		Equity end of year
	Government, Crown corporations and other entities	Total					Dividends	Capital	
1,352,944	2,260	1,355,204	(319,298)	(6,721,285)	–	914	–	–	(7,039,669)
340,848	1,219	342,067	19,078	335,121	–	(30,763)	–	–	323,436
84,739	–	84,739	472,597	490,400	–	–	–	–	962,997
805,184	19,708	824,892	31,176	552,936	–	–	–	–	584,112
1,419,116	1,624	1,420,740	295,079	2,008,031	–	–	–	–	2,303,110
22,316	5,144	27,460	2,739	21,349	–	–	–	–	24,088
346,998	2,406	349,404	(16,595)	–	16,595	–	–	–	–
39,017	2,078	41,095	392	9,599	–	–	–	–	9,991
95,565	3,952	99,517	627	68,559	–	–	–	–	69,186
9,978	2,538	12,516	924	4,230	–	(593)	–	–	4,561
46,258	2,865	49,123	(3,290)	(2,153)	–	–	–	–	(5,443)
1,044	–	1,044	(4,612)	30,074	–	468	–	–	25,930
128,529	1,130	129,659	(747)	27,708	–	190	–	–	27,151
122,381	842	123,223	(3,023)	9,454	–	285	–	–	6,716
189,181	2,792	191,973	3,762	14,145	–	–	–	–	17,907
236,670	–	236,670	2,270	505,571	–	(11,340)	–	–	496,501
94,114	1,234	95,348	51	(5,350)	–	–	–	–	(5,299)
132,537	7,865	140,402	52,964	669,053	–	–	–	–	722,017
57,580	7,339	64,919	558	2,783	–	–	–	–	3,341
48,592	6,580	55,172	(1,480)	13,443	–	–	–	–	11,963
29,078	125	29,203	166	6,561	–	–	–	–	6,727
126,236	1,996	128,232	3,844	13,811	–	–	–	–	17,655
48,625	–	48,625	(1,984)	236,046	720	294	–	–	235,076
148,799	–	148,799	8,592	565,896	–	–	–	–	574,488
742,351	8,430	750,781	31,078	316,165	–	–	–	–	347,243
131,430	–	131,430	459,998	671,385	1	1,126	–	–	1,132,510
6,800,110	82,127	6,882,237	1,034,866	(156,468)	17,316	(39,419)	–	–	856,295
(3,225)	5,920	2,695	283,106	2,003,463	(17,316)	39,419	–	–	2,308,672
6,796,885	88,047	6,884,932	1,317,972	1,846,995	–	–	–	–	3,164,967
2,139	(88,047)	(85,908)	(6,232,336)	–	6,232,336	–	–	–	–
6,799,024	–	6,799,024	(4,914,364)	1,846,995	6,232,336	–	–	–	3,164,967
373,477	38	373,515	–	–	–	–	–	–	–
134,295	–	134,295	–	–	–	–	–	–	–
9,543	972	10,515	–	–	–	–	–	–	–
124,970	218	125,188	15,362	114,933	–	–	–	–	130,295
2	62,874	62,876	–	–	–	–	–	–	–
2	20	22	–	–	–	–	–	–	–
642,289	64,122	706,411	15,362	114,933	–	–	–	–	130,295
2,007	(2,007)	–	23,313	559,032	–	–	–	–	582,345
644,296	62,115	706,411	38,675	673,965	–	–	–	–	712,640
998	(62,115)	(61,117)	(559,388)	–	559,388	–	–	–	–
645,294	–	645,294	(520,713)	673,965	559,388	–	–	–	712,640
7,444,318	–	7,444,318	(5,435,077)	2,520,960	6,791,724	–	–	–	3,877,607

Borrowings by consolidated agent Crown corporations

Table 4.3

Borrowings by consolidated agent Crown corporations

(in thousands of dollars)

	April 1, 2019	Borrowings and other credits	Repayments and other charges	March 31, 2020
Canadian Broadcasting Corporation.....	291,846	18,095	44,511	265,430
Canadian Dairy Commission	5,638	68,117	69,966	3,789
The Federal Bridge Corporation Limited	62,546	1,662	7,768	56,440
Total	360,030	87,874	122,245	325,659

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)

	2020
Pending and threatened litigation and other claims—Provision accrued.....	35,752
Pending and threatened litigation and other claims—Disclosure only	19,258

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, 2020

(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	868,140	—	—	868,140
Canadian Air Transport Security Authority	847,862	—	—	847,862
Canadian Broadcasting Corporation	—	1,098,114	112,684	1,210,798
Canadian Commercial Corporation	4,500	—	—	4,500
Canadian Dairy Commission	3,967	—	—	3,967
Canadian Museum for Human Rights	26,955	—	—	26,955
Canadian Museum of History	75,729	—	—	75,729
Canadian Museum of Immigration at Pier 21	7,905	—	—	7,905
Canadian Museum of Nature	29,197	—	—	29,197
Canadian Tourism Commission	100,666	—	—	100,666
National Capital Commission	—	75,027	62,453	137,480
National Gallery of Canada	—	39,171	8,000	47,171
National Museum of Science and Technology	30,937	—	—	30,937
Telefilm Canada	109,379	—	—	109,379
The Jacques Cartier and Champlain Bridges Inc.	155,647	—	—	155,647
Total—Agent Crown corporations	2,260,884	1,212,312	183,137	3,656,333
Non-agent Crown corporations				
Canada Council for the Arts	327,771	—	—	327,771
Canada Infrastructure Bank	759,154	—	—	759,154
International Development Research Centre	142,907	—	—	142,907
Marine Atlantic Inc.	130,904	—	—	130,904
National Arts Centre Corporation	35,270	—	—	35,270
Standards Council of Canada	18,579	—	—	18,579
VIA Rail Canada Inc.	506,348	—	—	506,348
Windsor-Detroit Bridge Authority	570,550	—	—	570,550
Total—Non-agent Crown corporations	2,491,483	—	—	2,491,483
Total	4,752,367	1,212,312	183,137	6,147,816

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		
	April 1, 2019	External transactions	Internal transactions	External transactions	Internal transactions	March 31, 2020
Insurance accounts						
Agriculture and Agri-Food						
Department of Agriculture and Agri-Food						
Crop Reinsurance Fund	577,373,441	25,211	—	—	—	577,398,652
Less: Interest-bearing loans	277,514,751	—	—	—	—	277,514,751
	299,858,690	25,211	—	—	—	299,883,901
Agricultural Commodities Stabilization						
Accounts.....	646,510	—	—	—	—	646,510
	300,505,200	25,211	—	—	—	300,530,411
Families, Children and Social Development						
Department of Employment and Social Development						
Employment Insurance Operating Account, Table 4.7.....	4,915,647,005	22,296,261,055	417,396,296	22,001,812,689	1,722,964,278	3,904,527,389
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	4,439,445	143,510	—	—	—	4,582,955
Transport						
Department of Transport						
Fund for railway accidents involving designated goods	39,568,125	26,827,271	680,436	350,872	115,765	66,609,195
Ship-Source Oil Pollution Fund	411,464,720	827,329	5,713,403	3,699,981	2,312,153	411,993,318
	451,032,845	27,654,600	6,393,839	4,050,853	2,427,918	478,602,513
Total insurance accounts	5,671,698,184	22,324,084,376	423,790,135	22,005,863,542	1,725,392,196	4,688,316,957

Table 4.6
Consolidated specified purpose accounts—concluded

(in dollars)

		Revenues and other credits		Expenses and other debits		
	April 1, 2019	External transactions	Internal transactions	External transactions	Internal transactions	March 31, 2020
Other consolidated specified purpose accounts						
Canadian Heritage						
The National Battlefields Commission						
Trust Fund.....	1,174,729	119,990	14,208	495	—	1,308,432
Crown-Indigenous Relations and Northern Affairs						
Department of Crown-Indigenous Relations and Northern Affairs						
Environmental Studies Research Fund ¹	286,103	—	154,948	11,964	274,139	154,948
Environment and Climate Change						
Department of the Environment						
Court Award Deposits						
Other than Environmental Damages Fund .	509,193	—	—	—	—	509,193
Environmental Damages Fund	29,235,271	204,286,886	1,217,726	3,272,598	484,000	230,983,285
Parks Canada Agency						
New Parks and Historic Sites Account	57,605,441	241,748	26,323,000	4,942,837	75,562	79,151,790
	87,349,905	204,528,634	27,540,726	8,215,435	559,562	310,644,268
Finance						
Department of Finance						
Canadian Commercial Bank and						
Northland Bank Holdback Account	246,223,464	—	—	—	—	246,223,464
Fisheries, Oceans and the Canadian Coast Guard						
Department of Fisheries and Oceans						
Supplementary Fines Account						
<i>Species at Risk Act</i>	35,000	—	—	—	—	35,000
Supplementary Fish Fines Account	2,300,760	29,600	—	56,764	—	2,273,596
	2,335,760	29,600	—	56,764	—	2,308,596
Natural Resources						
Department of Natural Resources						
Environmental Studies Research Fund	5,734,238	1,729,273	—	964,067	624,507	5,874,937
Public Services and Procurement						
Department of Public Works and Government Services						
Seized Property Proceeds Account	26,745,283	25,319,904	—	20,160,640	—	31,904,547
Transport						
Department of Transport						
Fines for the Transportation of						
Dangerous Goods	4,113,754	40,000	—	—	—	4,153,754
Total other consolidated specified purpose accounts	373,963,236	231,767,401	27,709,882	29,409,365	1,458,208	602,572,946
Endowment principal						
Environment and Climate Change						
Parks Canada Agency						
Mackenzie King Trust Account.....	225,000	—	—	—	—	225,000
Health						
Canadian Institutes of Health Research						
Endowments for Health Research	75,000	—	—	—	—	75,000
Innovation, Science and Economic development						
National Research Council of Canada						
H.L. Holmes Fund.....	5,313,432	153,078	—	—	—	5,466,510
W.G. Schneider Fund	30,000	—	—	—	—	30,000
	5,343,432	153,078	—	—	—	5,496,510
Science						
Social Sciences and Humanities						
Research Council						
Queen's Fellowship Fund	250,000	—	—	—	—	250,000
Total endowment principal	5,893,432	153,078	—	—	—	6,046,510
Total	6,051,554,852	22,556,004,855	451,500,017	22,035,272,907	1,726,850,404	5,296,936,413

¹ This account has been transferred from the Department of Indian Affairs and Northern Development.

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 \$1.62 from January 1, 2019, to December 31, 2019, for employees without a Provincial Parental Insurance Plan and \$1.25 for the others. From January 1, 2020, to March 31, 2020, 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 2020 calendar year is \$54,200 (\$53,100 in 2019).

Table 4.7
Transactions in the Employment Insurance Operating Account

(in millions of dollars)

	2020	2019
Revenues		
Premiums		
Employers and employees ¹	22,637	22,699
Penalties and interest revenue	77	83
	<u>22,714</u>	<u>22,782</u>
Expenses		
Benefits	17,661	16,717
Transfers to the provinces—Part II	2,329	2,171
Employment Insurance Emergency Response Benefit	1,761	—
Administration costs	1,718	1,641
Administration cost transferred to provinces	191	189
Bad debts	65	99
	<u>23,725</u>	<u>20,817</u>
Net change	<u>(1,011)</u>	<u>1,965</u>
Balance at beginning of year	<u>4,916</u>	<u>2,951</u>
Balance at end of year	<u>3,905</u>	<u>4,916</u>

¹ The difference between premium revenue presented here and the amount presented in the Government of Canada consolidated financial statements is due to the elimination on consolidation of premiums incurred by the Government of Canada, for an amount of \$417 million (\$403 million in 2019).

Investors' Indemnity Account

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

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

Health Insurance Supplementary Account

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

Nuclear Liability Account—Department of Natural Resources

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

Fund for railway accidents involving designated goods

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

Ship-Source Oil Pollution Fund

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

Other consolidated specified purpose accounts

Trust Fund—The National Battlefields Commission

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

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* primarily to provide the Agency with the ability to set aside capital funds for new protected areas. Funds are deposited into this account in order to protect the capital funding required and honor the Agency's commitment for the establishment, enlargement or designation of national parks, national historic sites, national marine conservation areas or other protected heritage areas.

Canadian Commercial Bank and Northland Bank Holdback Account

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

Supplementary Fines Account—*Species at Risk Act*

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

Supplementary Fish Fines Account

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

Environmental Studies Research Fund—Department of Natural Resources

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

Seized Property Proceeds Account

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

Fines for the Transportation of Dangerous Goods

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

Endowment principal

Mackenzie King Trust Account

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

Endowments for health research

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

H.L. Holmes Fund

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

W.G. Schneider Fund

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

Queen's Fellowship Fund

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

Supplementary statement

Employment Insurance Operating Account

Management's responsibility for financial statements

The financial statements of the Employment Insurance Operating Account (the Account) are prepared in accordance with Canadian public sector accounting standards by the management of Employment and Social Development Canada (ESDC). The Canada Employment Insurance Commission, 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.

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

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

Gatineau, Canada
October 2, 2020

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 2020, and the statement of operations and accumulated surplus, statement of change in net financial assets and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Account as at 31 March 2020, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

Employment Insurance Operating Account—*continued*

Independent Auditor's Report—*concluded*

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

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

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

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

Ottawa, Canada
2 October 2020

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

(in thousands of dollars)

	2020	2019
Financial assets		
Balance of the account with Receiver General for Canada	4,212,337	2,698,319
Premiums receivable (Note 7)	1,341,830	2,120,052
Benefit overpayments and penalties receivable (Note 3)	546,475	494,891
Benefit repayments receivable from higher income claimants	376,519	432,284
	6,477,161	5,745,546
Liabilities		
Benefits payable	2,509,903	784,384
Other accounts payable (Note 4)	62,731	45,515
	2,572,634	829,899
Net financial assets and accumulated surplus	3,904,527	4,915,647

Contractual obligations (Note 10)

Contingent liabilities (Note 12)

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

Approved by:

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

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

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

(in thousands of dollars)

	Budget 2020	Actual 2020	Actual 2019
	(Note 6)		
Revenues			
Premiums (Note 7)	22,647,100	22,636,570	22,698,401
Penalties (Note 3)	63,900	54,719	62,021
Interest (Note 3)	21,900	22,368	21,222
	22,732,900	22,713,657	22,781,644
Expenses			
Benefits and support measures (Schedule I)			
Income benefits (Note 8)	18,647,000	17,749,940	16,866,292
Transfers to provinces and territories related to Labour			
Market Development Agreements (LMDA)	2,245,500	2,329,238	2,170,960
Employment Insurance Emergency Response Benefit	—	1,761,404	—
Support measures	153,880	146,934	136,960
Benefit repayments from higher income claimants	(290,000)	(237,048)	(286,247)
	20,756,380	21,750,468	18,887,965
Administration costs (Note 9)	1,691,000	1,909,035	1,830,404
Bad debts	70,000	65,274	98,986
	22,517,380	23,724,777	20,817,355
Net surplus (deficit) for the year	215,520	(1,011,120)	1,964,289
Accumulated surplus—beginning of year	4,915,647	4,915,647	2,951,358
Accumulated surplus—end of year	5,131,167	3,904,527	4,915,647

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

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

(in thousands of dollars)

	Budget 2020	Actual 2020	Actual 2019
	(Note 6)		
Net surplus (deficit) for the year	215,520	(1,011,120)	1,964,289
Net financial assets—beginning of year	4,915,647	4,915,647	2,951,358
Net financial assets—end of year	5,131,167	3,904,527	4,915,647

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)

	2020	2019
Operating activities		
Cash receipts		
Premiums.....	23,414,793	22,435,846
Recoveries of benefit overpayments, penalties and interest.....	350,372	344,300
Benefit repayments received from higher income claimants	292,813	291,870
	<u>24,057,978</u>	<u>23,072,016</u>
Cash payments		
Income benefits.....	(18,107,347)	(17,213,520)
Transfers to provinces and territories related to LMDA	(2,388,688)	(2,188,798)
Support measures.....	(148,514)	(138,199)
Administration costs	(1,899,411)	(1,872,181)
	<u>(22,543,960)</u>	<u>(21,412,698)</u>
Net change in balance of the account with Receiver General for Canada	<u>1,514,018</u>	<u>1,659,318</u>
Balance of the account with Receiver General for Canada		
Beginning of year.....	2,698,319	1,039,001
End of year	<u>4,212,337</u>	<u>2,698,319</u>

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, 2020

1. Authority, objective and responsibilities

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

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

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

Starting with the 2017 EI premium rate, the Commission assumed responsibility for setting the EI premium rate for each year no higher than needed to cover the projected costs of the EI program over a seven-year period and eliminate any cumulative surplus/deficit in the Account.

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

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

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

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 enacted the *Canada Emergency Response Benefit Act* to authorize the making of income support payments to workers who suffer a loss of income for reasons related to the 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 (ERB) was created using this new authority and the EI ERB was added in the new Part VIII.4 of the Act. EI ERB are paid pursuant to Part III of the Act.

2. Significant accounting policies

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

(a) Basis of accounting

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

(b) Premiums

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

Employment Insurance Operating Account—*continued*

Notes to the financial statements for the year ended March 31, 2020—*continued*

(c) Benefits and support measures

Benefits and support measures include income benefits (or benefits under Part I of the Act) and employment benefits and support measures (benefits under Part II of the Act). Those benefit expenses are recorded when the recipients become entitled to the benefits. An estimate of the benefits earned by the recipients related to the current fiscal year but not yet paid are recorded as benefits payable. This estimate is based on actual payments made subsequent to year-end.

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

The rates for income benefits are set on a calendar year basis. The maximum rate is \$573 per week for the period from January to December 2020, and \$562 per week for January to December 2019 (\$547 per week for 2018). 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 Canada Emergency Response Benefit (CERB) provides financial support to employed and self-employed Canadians who are directly affected by COVID-19. CERB is jointly delivered by ESDC and CRA. ESDC delivered the Employment Insurance Emergency Response Benefit to provide a flat rate income support payments of \$500 per week to workers who suffer a loss of income for reasons related to COVID-19 for EI claims received on or after March 15, 2020, in place of the regular EI benefits. Employment Insurance Emergency Benefit payments may be increased by an amount for family supplement for claimants who qualify as a low-income family with children. The Employment Insurance Emergency Response Benefit expenses, which are paid out of the Account, represent an estimate of the benefits earned by claimants relating to the fiscal year but not paid as of March 31 2020. CRA delivered CERB on behalf of ESDC to provide income support to claimants who are self-employed or part-time employees for less than 8 months. The benefits administered by CRA are paid out of the CRF and are not charged to the Account.

Transfer payments to the provinces and territories under the LMMA are made pursuant to section 63 of the Act. Similar to the employment benefits and support measures, these transfers' payments are recorded as expenses in the year in which the provinces/territories met the eligibility criteria and the transfers are authorized. Overpayments to provinces and territories are recovered and recorded as a reduction of expenses.

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

Claimants with income levels higher than those stated in the Act have to repay a portion of Income benefits they receive. Benefit repayments received and the estimated benefit repayments receivable are assessed by the CRA based on tax returns assessed and an estimate of tax returns not yet assessed. These benefit repayments are disclosed in the Statement of operations and accumulated surplus and Schedule I as benefit repayments from higher income claimants. Employment Insurance Emergency Benefit is not subject to these repayments.

(d) Administration costs

Administration costs are charged to the Account in accordance with various memoranda of understanding. The Account does not have employees and ESDC administers the Act. 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 LMMA are included in the administration costs for the year according to the provisions of those agreements and are also measured at the exchange value.

(e) Balance of the account with Receiver General for Canada

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

Employment Insurance Operating Account—continued**Notes to the financial statements for the year ended March 31, 2020—continued****(f) Related party transactions***Inter-entity transactions*

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

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

Other related party transactions

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

(g) Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires that management makes estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and revenues and expenses during the reporting period. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant estimates are related to premium revenues and receivable, administration costs, Employment Insurance Emergency Response Benefit and benefits payable, benefit repayments, allowance for doubtful accounts, estimated overpayments and underpayments of benefits disclosed in Note 8, contingent liabilities and the amounts presented in Schedule II. Actual results could differ significantly from those estimates.

3. Benefit overpayments and penalties receivable

(in thousands of dollars)

	2020	2019
Benefit overpayments receivable	751,143	706,263
Penalties receivable.....	194,290	188,724
	945,433	894,987
Less: allowance for doubtful accounts	398,958	400,096
	546,475	494,891

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

Penalties may be imposed on a claimant or an employer that provided false or misleading information. The Act sets the maximum amounts that may be imposed in these cases.

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

Employment Insurance Operating Account—continued**Notes to the financial statements for the year ended March 31, 2020—continued**

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

(in thousands of dollars)

	2020	2019
Benefit overpayments receivable—beginning of year	706,263	629,092
Benefit overpayments established.....	390,144	394,395
Interest accrued	18,973	18,039
Reimbursement	(305,886)	(302,860)
Uncollectible benefit overpayments receivable written off	(58,351)	(32,403)
Benefit overpayments receivable—end of year	751,143	706,263
Penalties receivable—beginning of year	188,724	168,289
Penalties imposed	54,719	62,021
Interest accrued	8,648	7,735
Reimbursement	(44,486)	(41,440)
Uncollectible penalties written off.....	(13,315)	(7,881)
Penalties receivable—end of year	194,290	188,724

During 2020, the Account charged a total \$27.6 million (\$25.8 million in 2019) of interest. The interest revenue presented in the Statement of operations and accumulated surplus (\$22.4 million in 2020 and \$21.2 million in 2019) is net of interest charged on accounts receivable deemed unrecoverable (\$5.2 million in 2020 and \$4.6 million in 2019). The allowance for doubtful accounts was increased by this amount.

4. Other accounts payable

(in thousands of dollars)

	2020	2019
Related parties		
Administration costs payable to federal government departments	17,501	12,612
Amounts payable to ESDC related to LMDA.....	5,753	1,018
Tax deductions on benefits due to CRA	35,398	27,805
Other deductions	167	1,322
	58,819	42,757
External parties		
Assignments of benefits due to social services organizations	1,267	1,133
Tax deductions on benefits due to Quebec.....	2,645	1,625
	3,912	2,758
	62,731	45,515

5. Financial assets and liabilities

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

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

Other than the impact of the COVID-19 pandemic on benefits payables, all financial assets and liabilities arose in the normal course of business.

Employment Insurance Operating Account—continued

Notes to the financial statements for the year ended March 31, 2020—continued

6. Comparison of results against budget

The budget amounts included in the Statement of operations and accumulated surplus and Schedule I—Benefits and support measures are part of the amounts reported in Employment and Social Development Canada's future oriented consolidated financial statements, which are included in the 2019–20 Departmental Plan.

7. Premiums receivable and revenues

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

Premium revenue of \$22,637 million (\$22,698 million in 2019) 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 2020 includes \$7,217 million in forecasted premium revenue for the 3-month period from January to March 2020 (\$7,750 million in 2019), or approximately 33.21% (34.40% in 2019) of the total forecast premium revenue of \$21,732 million for calendar year 2020 (\$22,529 million for 2019), net of reductions and refunds. This estimate is based on the forecasted total insurable earnings of \$637,847 million in calendar year 2020 (\$642,776 million in 2019). The total insurable earnings forecasts are mainly dependent upon the projected growth in both employment (-4.73% in 2020 and 0.85% in 2019) and average wages (2.64% in 2020 and 3.05% in 2019).

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

Variable	Variation	Forecasted premium revenue
		January – March 2020
Employment growth	+/- 0.1%	+/- \$7 million
Average wages	+/- 0.1%	+/- \$3 million

Actual premium revenue for calendar years 2019 and 2020 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 2018, as known and recorded at the time of the preparation of these financial statements is an increase in revenue of \$336.8 million (\$103.8 million decrease for calendar year 2017 in 2019 financial statements).

For the 2020 calendar year, premium rate for each \$100 of insurable earnings was set under section 66 of the Act at 1.58 (1.62 in 2019 and 1.66 in 2018) 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 2020 (1.25 in 2019 and 1.30 in 2018). The employers must pay 1.4 times the amount of the employee's premiums. The annual maximum insurable earnings for 2020 is \$54,200 (\$53,100 in 2019 and \$51,700 in 2018).

Employment Insurance premiums include the employer's share of premiums paid by the federal government of \$417.4 million (\$403.5 million in 2019).

Employment Insurance Operating Account—continued**Notes to the financial statements for the year ended March 31, 2020—continued****8. Estimated overpayments and underpayments of income benefits**

The verification of claims is conducted both prior to and after claimants have begun to receive benefits, using a combination of up-front and automated control measures and post-payment verification activities.

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

For benefits paid during the twelve months ended March 31, 2020, these undetected overpayments and underpayments are estimated to be \$862.6 million and \$193.2 million respectively (\$605.8 million and \$135.3 million in 2019). The annual payment accuracy rate (which is comprised of three error sources: claimant, employer and administrative) and estimated value of errors are used by ESDC to assess the quality of decisions and the need, if any, to improve its systems and practices of processing claims.

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

9. Administration costs

(in thousands of dollars)

	2020	2019
Related parties		
Employment and Social Development Canada		
Personnel related costs	973,371	950,279
Non-personnel related costs	432,750	379,276
Canada Revenue Agency		
Collection of premiums and rulings	212,653	212,755
Treasury Board Secretariat		
Health Insurance Plan and Public Service Insurance	88,983	83,323
Administrative Tribunals Support Service of Canada		
Social Security Tribunal	14,069	18,209
Courts Administration Services	1,138	1,007
	1,722,964	1,644,849
Deduct: Recovery of costs from the Canada Pension Plan for maintaining the social insurance number registry	4,609	4,140
	1,718,355	1,640,709
External parties		
Administration costs incurred by provinces and territories under the LMDA	190,680	189,695
	1,909,035	1,830,404

Employment Insurance Operating Account—continued**Notes to the financial statements for the year ended March 31, 2020—continued****10. Contractual obligations**

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

(in thousands of dollars)

	2021	2022	2023	2024	2025 and thereafter	Total
Related parties						
Administration costs.....	1,763,473	—	—	—	—	1,763,473
External parties						
Transfers to provinces and territories, including administration costs, related to LMDA.....	2,491,757	—	—	—	—	2,491,757
Other transfer payments	141,285	125,173	121,540	120,730	598,064	1,106,792
Total.....	4,396,515	125,173	121,540	120,730	598,064	5,362,022

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

LMDA with eight of the provinces and one territory require a two year notice for cancellation of the agreements, other provinces and territories require a one year notice. The obligations for 2022 cannot be reasonably estimated.

11. Related party transactions

The Account enters into transactions with federal government departments and entities in the normal course of business. Details of these transactions are provided in Note 4, Note 7, Note 9 and Note 10.

There 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.

12. Contingent liabilities

In the normal course of the operations, numerous appeals against or by the Commission are presently outstanding. The outcome of these appeals is not presently determinable. Any claims resulting from the resolution of these appeals will be accounted for as an expense in the period in which the outcome of the claim will be determinable. However, in the opinion of management, the result of these appeals should not have a significant impact on the operations of the Account as the total contingent liability amount is estimated at \$23.4 million as at March 31, 2020 (\$33.4 million as at March 31, 2019).

13. Subsequent event

In March 2020, the World Health Organization classified the outbreak of COVID-19 disease as a global pandemic. In response, the government enacted emergency measures to combat the spread of the virus and announced the COVID-19 Economic Response Plan to help stabilize the economy during the pandemic.

The emergency measures introduced by the government are intended to protect the health and safety of Canadians and provide direct support to Canadian workers and businesses. The impact of the measures for which accounting recognition criteria were met prior to March 31, 2020, are recognized in these financial statements.

The most significant of these measures is the Canada Emergency Response Benefit (CERB), of which EI eligible expenditures were paid out of the Account as Employment Insurance Emergency Response Benefit. This taxable benefit is an amount of \$500 per week for up to 16 weeks for EI eligible Canadians. Subsequent to March 31, 2020, it was announced that the benefit would be extended to a maximum of 28 weeks.

Employment Insurance Operating Account—continued**Notes to the financial statements for the year ended March 31, 2020—concluded**

As a result of the economic impact of the COVID-19, 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 Government of Canada also confirmed that it will be crediting the Account for the costs related to the CERB.

Major government announcements including the Speech from the Throne in September 2020 and legislation introduced in Parliament authorizing new spending measures from April 1, 2020 onward will have an impact on the financial statements. As this pandemic is ongoing and the government response is continuing to evolve, the government is unable to determine the impact on the financial results of future years. The effects of the pandemic will continue into the foreseeable future, and the government continues to assess and monitor the effects on its financial condition, and provide regular updates on its financial results through regular reporting processes and periodic economic and fiscal updates.

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

(in thousands of dollars)

	Budget 2020 (Note 6)	Actual 2020	Actual 2019
Part I—Income benefits			
Income support			
Regular.....	11,837,000	11,131,343	10,639,258
Fishing	347,000	341,976	332,784
Work-sharing	10,000	16,747	5,775
	12,194,000	11,490,066	10,977,817
Special benefits			
Parental	3,202,000	2,952,142	2,750,600
Sickness	1,839,000	1,904,756	1,781,315
Maternity.....	1,257,000	1,229,011	1,191,599
Family caregiver.....	82,000	92,451	80,982
Compassionate care.....	62,000	49,641	52,805
Adoption	—	20,507	21,273
Self-employment	11,000	11,366	9,901
	6,453,000	6,259,874	5,888,475
Total income benefits	18,647,000	17,749,940	16,866,292
Less: benefit repayments from higher income claimants	290,000	237,048	286,247
Total part I	18,357,000	17,512,892	16,580,045
Part II—Employment benefits and support measures			
Employment benefits			
Transfer payments to provinces and territories related to LMDA	2,245,500	2,329,238	2,170,960
Support measures			
Labour market partnerships	151,764	144,225	133,295
Research and innovation.....	2,116	2,709	3,665
	153,880	146,934	136,960
Total part II.....	2,399,380	2,476,172	2,307,920
Part VIII—Employment Insurance Emergency Response Benefit			
Employment Insurance Emergency Response Benefit.....	—	1,761,404	—
Total benefits and support measures	20,756,380	21,750,468	18,887,965

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

(in thousands of dollars)

	2019	2018
Revenues		
Premiums	23,168,609	22,692,297
Penalties	55,031	62,547
Interest	22,460	19,971
	<u>23,246,100</u>	<u>22,774,815</u>
Expenses		
Income benefits	17,207,672	17,200,768
Transfers to provinces and territories related to LMDA.....	2,290,078	2,140,484
Support measures	174,121	127,000
Benefits repayments from higher income claimants	(288,980)	(298,854)
	<u>19,382,891</u>	<u>19,169,398</u>
Administration costs.....	1,889,641	1,842,056
Bad debts.....	73,702	91,555
	<u>21,346,234</u>	<u>21,103,009</u>
Net surplus for the period.....	1,899,866	1,671,806
Accumulated surplus—beginning of period.....	3,274,007	1,602,201
Accumulated surplus—end of period	5,173,873	3,274,007

The estimates provided in this Schedule for calendar year 2019 which is prepared in accordance with Canadian public sector accounting standards are used by the Commission to establish the Employment Insurance premium rate for the following calendar year. The mechanism for setting the Employment Insurance premium rate is designed to ensure that revenues and expenditures break even over a seven year period.

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Section 5

Public Accounts of Canada
2019–2020

Accounts payable and accrued liabilities as at March 31

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Interest and matured debt	156

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)

	2020	2019
Other accounts payable and accrued liabilities, Table 5.2	49,055,139,904	42,673,872,539
Deferred revenues, Table 5.5	10,521,738,148	7,500,380,171
Amounts payable related to tax, Table 5.6	60,186,063,749	65,200,486,882
Provision for contingent liabilities	24,928,489,281	26,447,057,841
Environmental liabilities and asset retirement obligations, Table 5.7	14,645,749,293	13,192,330,277
Interest and matured debt, Table 5.9	4,495,597,460	4,693,715,213
Total	163,832,777,835	159,707,842,923

Other accounts payable and accrued liabilities

Table 5.2
Other accounts payable and accrued liabilities

(in dollars)

	2020	2019
Accounts payable.....	37,168,676,111	28,026,025,457
Add: consolidation adjustment ¹	1,461,472,460	1,460,940,143
	38,630,148,571	29,486,965,600
Accrued salaries and benefits	7,306,980,972	5,215,246,318
Notes payable to international organizations, Table 5.3	150,375,319	195,955,069
Provincial, Territorial and Indigenous Tax Agreements Account, Table 5.4	2,358,189,879	7,067,872,435
Miscellaneous payroll deductions	112,259,829	180,564,779
Other	497,185,334	527,268,338
Total	49,055,139,904	42,673,872,539

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)

	April 1, 2019	Receipts and other credits		Payments and other charges		March 31, 2020
		Note issuances	Revaluation ¹	Note encashment	Revaluation ¹	
Department of Finance						
Asian Infrastructure Investment Bank	159,622,452	–	7,401,741	54,922,929	–	112,101,264
International Bank for Reconstruction and Development (World Bank)	32,045,914	–	1,712,377	–	–	33,758,291
Multilateral Investment Guarantee Agency	4,286,703	–	229,061	–	–	4,515,764
Total	195,955,069	–	9,343,179	54,922,929	–	150,375,319

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. Effective April 1, 2013, the Province of British Columbia returned to the provincial sales tax regime.

In addition, the account records transactions related to the Coordinated Cannabis Taxation Agreements reached with all provinces and territories (except Manitoba). Provinces and territories receive revenues from the cannabis excise duty imposed under the *Excise Act, 2001*. The Government of Canada pays provinces monthly based on the duties assessed, in accordance with the agreements.

The Public Accounts of Canada reports information on an April to March fiscal year basis, while tax information is generally calculated on a calendar year basis. Transactions related to several tax years can occur during a given fiscal year. For example, during a given fiscal year, payments are made, based on estimates, in respect of two calendar years (April to December and January to March). During this period, it is also necessary to make payments or adjustments related to tax revenues, rebates and credits for previous calendar years.

Table 5.4
Provincial, Territorial and Indigenous Tax Agreements Account

(in dollars)

	April 1, 2019	Receipts and other credits	Payments and other charges	March 31, 2020
Total personal income tax administered by the Government of Canada	5,445,281,057	75,415,472,091		80,860,753,148
Less: payments to provinces, territories and Indigenous governments				
Newfoundland and Labrador			1,607,477,737	1,607,477,737
Prince Edward Island			391,528,272	391,528,272
Nova Scotia			2,821,067,553	2,821,067,553
New Brunswick			1,887,956,848	1,887,956,848
Ontario			42,569,020,359	42,569,020,359
Manitoba			3,731,522,641	3,731,522,641
Saskatchewan			2,598,560,955	2,598,560,955
Alberta			11,363,411,783	11,363,411,783
British Columbia			10,946,999,867	10,946,999,867
Yukon			77,110,781	77,110,781
Northwest Territories			74,927,725	74,927,725
Nunavut			31,322,745	31,322,745
Indigenous governments			29,455,960	29,455,960
			78,130,363,226	78,130,363,226
Total personal income tax on hand	5,445,281,057	75,415,472,091	78,130,363,226	2,730,389,922
Total corporate income tax administered by the Government of Canada	4,488,321,694	20,328,765,206		24,817,086,900
Less: payments to provinces and territories				
Newfoundland and Labrador			183,073,737	183,073,737
Prince Edward Island			101,559,557	101,559,557
Nova Scotia			542,250,246	542,250,246
New Brunswick			331,802,505	331,802,505
Ontario			14,431,574,776	14,431,574,776
Quebec			80,254,300	80,254,300
Manitoba			554,435,038	554,435,038
Saskatchewan			658,177,084	658,177,084
Alberta			128,133,732	128,133,732
British Columbia			4,039,227,598	4,039,227,598
Yukon			18,280,311	18,280,311
Northwest Territories			34,451,277	34,451,277
Nunavut			23,665,960	23,665,960
			21,126,886,121	21,126,886,121
Total corporate income tax on hand	4,488,321,694	20,328,765,206	21,126,886,121	3,690,200,779
Total harmonized sales tax administered by the Government of Canada	(2,933,124,476)	31,403,440,860		28,470,316,384
Less: payments to provinces and territories				
Newfoundland and Labrador			1,081,000,322	1,081,000,322
Prince Edward Island			307,405,759	307,405,759
Nova Scotia			1,960,186,630	1,960,186,630
New Brunswick			1,514,341,377	1,514,341,377
Ontario			27,781,908,129	27,781,908,129
British Columbia			(79,479)	(79,479)
			32,644,762,738	32,644,762,738
Total harmonized sales tax on hand	(2,933,124,476)	31,403,440,860	32,644,762,738	(4,174,446,354)

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

(in dollars)

	April 1, 2019	Receipts and other credits	Payments and other charges	March 31, 2020
Total cannabis tax administered by the Government of Canada	67,394,160	210,805,029		278,199,189
Less: payments to provinces and territories				
Newfoundland and Labrador			3,146,446	3,146,446
Prince Edward Island			1,921,660	1,921,660
Nova Scotia			7,552,085	7,552,085
New Brunswick			5,656,978	5,656,978
Ontario			42,835,895	42,835,895
Quebec			20,827,212	20,827,212
Saskatchewan			6,448,362	6,448,362
Alberta			69,180,789	69,180,789
British Columbia			7,965,996	7,965,996
Yukon			320,439	320,439
Northwest Territories			230,592	230,592
Nunavut			67,203	67,203
			<i>166,153,657</i>	<i>166,153,657</i>
Total cannabis tax on hand	67,394,160	210,805,029	166,153,657	112,045,532
Total First Nations sales tax administered by the Government of Canada	—	8,530,737	—	8,530,737
Less: payments to Indigenous governments	—	—	8,530,737	8,530,737
Total First Nations sales tax on hand	—	8,530,737	8,530,737	—
Total First Nations goods and services sales tax administered by the Government of Canada	—	22,527,964	—	22,527,964
Less: payments to Indigenous governments	—	—	22,527,964	22,527,964
Total First Nations goods and services sales tax on hand	—	22,527,964	22,527,964	—
Total	7,067,872,435	127,389,541,887	132,099,224,443	2,358,189,879

Miscellaneous payroll deductions

Deductions from the salaries and wages of certain employees are credited to this account pending transmittal to related outside organizations.

Other

Miscellaneous accounts payable and accrued liabilities such as provincial sales tax collected on sales are recorded in this account.

Deferred revenues

This account records revenues received before the end of the current fiscal year for which the goods or services are to be delivered or rendered in a subsequent fiscal year. It includes licence fees received for which access to the radio spectrum is being provided in subsequent years. The major deferred revenues of \$50 million or more are reported individually. It also presents separately revenues received which have been recorded in a specified purpose account.

Table 5.5
Deferred revenues

(in dollars)

	April 1, 2019	Receipts and other credits	Payments and other charges	March 31, 2020
Deferred revenues				
Immigration, Refugees and Citizenship				
Department of Citizenship and Immigration				
Service fees for immigration and citizenship	540,233,783	1,157,910,588	1,104,351,172	593,793,199
Innovation, Science and Economic Development				
Department of Industry				
Canadian Intellectual Property Office Revolving Fund	68,615,121	173,797,849	154,939,879	87,473,091
Spectrum licence fees	6,469,363,012	3,513,381,655	678,512,153	9,304,232,514
	6,537,978,133	3,687,179,504	833,452,032	9,391,705,605
Other deferred revenues	368,830,715	961,833,411	857,840,135	472,823,991
Total	7,447,042,631	5,806,923,503	2,795,643,339	10,458,322,795
Other deferred revenues—Specified purpose accounts				
Donation and bequest accounts				
Agriculture and Agri-Food				
Department of Agriculture and Agri-Food				
Shared-cost agreements—Research	12,652,672	7,383,445	6,781,732	13,254,385
Canadian Heritage				
Library and Archives of Canada				
Special Operating Account	1,062,274	705,064	749,383	1,017,955
National Film Board				
Gift to the Crown	50,212	57,000	91,342	15,870
	1,112,486	762,064	840,725	1,033,825
Environment and Climate Change				
Department of the Environment				
Endangered species—Donations	9,934	1,028	—	10,962
Miscellaneous projects deposits	26,434,086	19,582,047	10,715,361	35,300,772
	26,444,020	19,583,075	10,715,361	35,311,734
Families, Children and Social Development				
Canadian Centre for Occupational Health and Safety				
Donations	113,152	300	—	113,452
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	2,817,346	664,136	1,690,106	1,791,376
Innovation, Science and Economic Development				
Department of Industry				
Deposits from non-government organizations	3,846,422	2,732,397	2,207,043	4,371,776
Prime Minister's Awards	50,680	100,000	50,000	100,680
	3,897,102	2,832,397	2,257,043	4,472,456
Canadian Space Agency				
RADARSAT-2	2,198	—	—	2,198
RADARSAT-2—Data satellite	1	1,421,499	1,322,077	99,423
	2,199	1,421,499	1,322,077	101,621
Social Sciences and Humanities Research Council				
Trust Fund	208,668	1,569	10,000	200,237
	4,107,969	4,255,465	3,589,120	4,774,314
National Defence				
Department of National Defence				
Corporate sponsorships and donations	22,919	109,213	90,186	41,946

Table 5.5
Deferred revenues—concluded

(in dollars)

	April 1, 2019	Receipts and other credits	Payments and other charges	March 31, 2020
Office of the Governor General's Secretary				
Cost-sharing agreements and other collaborative agreements	144,752	—	1,080	143,672
Donations—Rideau Hall	19,821	—	—	19,821
	<i>164,573</i>	<i>—</i>	<i>1,080</i>	<i>163,493</i>
Public Safety and Emergency Preparedness				
Royal Canadian Mounted Police				
Civil Remedies Grant Program	429	—	—	429
Mounted Police Foundation	290,622	194,324	16,385	468,561
Royal Canadian Mounted Police Pipe Band (NCR)	7,163	—	—	7,163
Sponsorship Agreement—Contributions	168,653	—	—	168,653
	<i>466,867</i>	<i>194,324</i>	<i>16,385</i>	<i>644,806</i>
Transport				
Department of Transport				
Shared-cost agreements—Transportation research and development ..	725,544	1,060,438	—	1,785,982
Veterans Affairs				
Department of Veterans Affairs				
Restricted donations				
Visitor Education Centre, Vimy Memorial	4,603,004	—	203,776	4,399,228
Wounded Warrior Fund	700	—	—	700
	<i>4,603,704</i>	<i>—</i>	<i>203,776</i>	<i>4,399,928</i>
Total—Donation and bequest accounts	<i>53,232,499</i>	<i>34,012,460</i>	<i>23,928,471</i>	<i>63,316,488</i>
Endowment interest accounts				
Environment and Climate Change				
Parks Canada Agency				
Laurier House—Interest (Mackenzie King Trust Account)	—	3,308	3,308	—
Health				
Canadian Institutes of Health Research				
Endowments for health research	4,036	1,185	—	5,221
Innovation, Science and Economic Development				
Social Sciences and Humanities Research Council				
Queen's Fellowship Fund	101,005	2,639	10,000	93,644
Total—Endowment interest accounts	<i>105,041</i>	<i>7,132</i>	<i>13,308</i>	<i>98,865</i>
Total—Other deferred revenues—Specified purpose accounts	<i>53,337,540</i>	<i>34,019,592</i>	<i>23,941,779</i>	<i>63,415,353</i>
Total—Deferred revenues	<i>7,500,380,171</i>	<i>5,840,943,095</i>	<i>2,819,585,118</i>	<i>10,521,738,148</i>

Service fees for immigration and citizenship

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

Canadian Intellectual Property Office Revolving Fund

This account was established to record funds reserved from sources such as patents, trademarks examination and registration fees which are recognized as revenue in subsequent years.

Spectrum licence fees

This account was established to record: (a) funds received from spectrum auctions, which are recognized as revenues over the period of the licences; and (b) funds received from spectrum licence fees that are received in the latter part of the fiscal year, but which are applicable to the following fiscal year.

Shared-cost agreements—Research

This account was established to record amounts deposited by external parties for shared-cost projects, and any related future provincial program payments to be made on a province's behalf by the Department of Agriculture and Agri-Food as part of a related project. Funds are disbursed on behalf of depositors as specific projects are undertaken.

Special Operating Account

This account was established, pursuant to section 18 of the *Library and Archives of Canada Act*, to record funds received by way of gifts for the purposes of Library and Archives Canada. Amounts required for the purposes of the Act may be paid out of this account, or out of funds appropriated by Parliament for such purposes.

Gift to the Crown

This account was established to record donations for the production of 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.

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.

Civil Remedies Grant Program

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

Mounted Police Foundation

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.

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)

	2020	2019
Personal and non-resident income tax	34,144,018,147	36,803,289,851
Corporate income tax	12,867,493,157	14,923,539,650
Goods and services tax	12,982,736,362	13,395,173,889
Customs import duties and excise taxes and duties	191,816,083	78,483,492
Total	60,186,063,749	65,200,486,882

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)

	2020	2019
Remediation liabilities for contaminated sites		
Agriculture and Agri-Food		
Department of Agriculture and Agri-Food	9,284,096	5,978,858
Canadian Heritage		
Canadian Broadcasting Corporation.....	273,000	352,000
National Capital Commission	63,901,000	65,354,000
	64,174,000	65,706,000
Crown-Indigenous Relations and Northern Affairs		
Department of Indian Affairs and Northern Development	–	3,772,146,710
Department of Crown-Indigenous Relations and Northern Affairs.....	4,361,394,318	–
	4,361,394,318	3,772,146,710
Environment and Climate Change		
Department of the Environment.....	206,021,558	213,611,159
Parks Canada Agency	96,177,742	76,892,665
	302,199,300	290,503,824
Fisheries, Oceans and the Canadian Coast Guard		
Department of Fisheries and Oceans.....	268,022,078	226,345,681
Global Affairs		
Department of Foreign Affairs, Trade and Development	16,253	15,934
Indigenous Services		
Department of Indigenous Services	379,387,007	38,534
Infrastructure and Communities		
The Jacques Cartier and Champlain Bridges Inc.	34,396,000	26,592,000
Windsor-Detroit Bridge Authority	9,088,000	19,523,000
	43,484,000	46,115,000
Innovation, Science and Economic Development		
National Research Council of Canada.....	2,358,615	3,458,402
National Defence		
Department of National Defence.....	541,307,536	526,425,304
Natural Resources		
Department of Natural Resources	1,866,717	1,800,845
Atomic Energy of Canada Limited	877,196,000	1,054,978,000
	879,062,717	1,056,778,845
Public Safety and Emergency Preparedness		
Canada Border Services Agency.....	1,770,812	1,317,794
Correctional Service of Canada.....	2,649,382	3,211,004
Royal Canadian Mounted Police.....	11,260,019	11,088,614
	15,680,213	15,617,412
Public Services and Procurement		
Department of Public Works and Government Services.....	253,480,574	239,334,375
Transport		
Department of Transport.....	250,208,263	228,297,858
VIA Rail Canada Inc.....	5,090,000	1,312,000
	255,298,263	229,609,858
Gross remediation liability for contaminated sites	7,375,148,970	6,478,074,737
Less expected recoveries—Department of Crown-Indigenous Relations and Northern Affairs.....	25,655,597	23,161,964
Net remediation liability of contaminated sites.....	7,349,493,373	6,454,912,773
Other environmental liabilities		
National Defence		
Department of National Defence (unexploded explosive ordnance affected sites)	110,313,796	115,201,168
Asset retirement obligations		
Natural Resources		
Atomic Energy of Canada Limited (nuclear facility decommissioning)	7,184,910,000	6,613,955,000
Others	1,032,124	8,261,336
Total asset retirement obligations	7,185,942,124	6,622,216,336
Total environmental liabilities and asset retirement obligations	14,645,749,293	13,192,330,277

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

(in dollars)

	2020	2019
Opening balance	6,478,074,737	5,710,488,358
Less: Expenditures reducing opening liabilities	585,673,239	583,549,885
Add:		
Changes in estimated remediation costs	1,428,328,494	1,127,718,946
New liability for sites not previously recorded	54,418,978	223,417,318
Closing balance (gross)	7,375,148,970	6,478,074,737
Expected recoveries	25,655,597	23,161,964
Closing balance (net)	7,349,493,373	6,454,912,773

In addition to expenditures reducing liabilities previously recorded, the government spent another \$14,889,737 (\$36,910,534 in 2019) 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)

	2020	2019
Interest due	356,331,884	420,313,885
Interest accrued	3,667,732,195	3,728,409,761
Matured debt	471,533,381	544,991,567
Total	4,495,597,460	4,693,715,213

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 2019–2020

Interest-bearing debt as at March 31

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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, 2019	Receipts and other credits	Payments and other charges	March 31, 2020
Unmatured debt ¹				
Payable in Canadian currency				
Marketable bonds, Table 6.2.....	569,526,487,750	128,181,149,500	100,843,536,000	596,864,101,250
Treasury bills, Table 6.3.....	134,300,000,000	343,567,000,000	326,000,000,000	151,867,000,000
Retail debt, Table 6.4.....	1,236,815,539	—	739,595,657	497,219,882
	705,063,303,289	471,748,149,500	427,583,131,657	749,228,321,132
Payable in foreign currencies				
Marketable bonds, Table 6.2.....	11,015,102,887	4,655,773,813	3,002,476,700	12,668,400,000
Canada bills, Table 6.5.....	2,699,274,991	14,098,823,514	14,638,424,863	2,159,673,642
Medium-term notes, Table 6.6.....	2,295,945,000	52,620,000	1,235,985,000	1,112,580,000
	16,010,322,878	18,807,217,327	18,876,886,563	15,940,653,642
Total—Market debt.....	721,073,626,167	490,555,366,827	446,460,018,220	765,168,974,774
Unamortized discounts and premiums on market debt, Table 6.7.....	2,162,797,706	2,859,974,900	2,535,854,539	2,486,918,067
Total—Market debt including unamortized discounts and premiums.....	723,236,423,873	493,415,341,727	448,995,872,759	767,655,892,841
Cross-currency swap revaluation.....	7,273,489,098	3,318,728,524	—	10,592,217,622
Obligation related to capital leases, Table 6.12.....	2,893,316,412	283,423,986	263,841,006	2,912,899,392
Obligation under public-private partnerships.....	3,511,226,400	275,440,466	1,196,636,962	2,590,029,904
Total—Unmatured debt.....	736,914,455,783	497,292,934,703	450,456,350,727	783,751,039,759
Pensions, other future benefits and other liabilities				
Public sector pensions, Table 6.15.....	168,782,547,750	21,684,322,220	21,870,278,963	168,596,591,007
Other employee and veteran future benefits, Table 6.28.....	113,861,798,000	18,366,627,000	5,850,804,000	126,377,621,000
Other liabilities				
Canada Pension Plan Accounts, Table 6.29.....	163,236,867	89,387,170,387	89,271,780,995	278,626,259
Government Annuities Account.....	122,942,522	8,887,455	17,068,736	114,761,241
Deposit and trust accounts, Table 6.30.....	1,355,356,410	749,998,345	770,729,292	1,334,625,463
Other specified purpose accounts, Table 6.33.....	4,263,076,667	1,903,943,875	1,844,423,278	4,322,597,264
	5,904,612,466	92,050,000,062	91,904,002,301	6,050,610,227
Total—Pensions, other future benefits and other liabilities.....	288,548,958,216	132,100,949,282	119,625,085,264	301,024,822,234
Total.....	1,025,463,413,999	629,393,883,985	570,081,435,991	1,084,775,861,993

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 unmaturing 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, 2020.

Table 6.2
Marketable bonds

(in dollars)

	April 1, 2019	Receipts and other credits ¹	Payments and other charges ¹	March 31, 2020
Payable in Canadian currency				
Matured 2019–2020	77,742,633,000	–	77,742,633,000	–
Maturing				
2020–2021	110,637,361,000	–	18,600,072,000	92,037,289,000
2021–2022	67,307,950,250	39,198,927,000	1,616,828,000	104,890,049,250
2022–2023	43,506,022,000	33,200,000,000	–	76,706,022,000
2023–2024	40,558,552,000	–	92,320,000	40,466,232,000
2024–2025	13,800,000,000	33,500,000,000	234,619,000	47,065,381,000
2025–2026	15,403,156,000	–	169,298,000	15,233,858,000
2026–2027	21,485,880,000	190,890,000	28,000,000	21,648,774,000
2027–2028	19,035,975,000	–	300,134,000	18,735,841,000
2028–2029	13,500,000,000	–	–	13,500,000,000
2029–2030	19,883,378,000	3,300,000,000	208,000,000	22,975,378,000
2030–2031	–	10,200,000,000	–	10,200,000,000
2031–2032	8,479,136,000	202,652,000	–	8,681,788,000
2033–2034	12,273,905,000	–	215,000,000	12,058,905,000
2036–2037	7,588,210,500	181,408,500	–	7,769,619,000
2037–2038	12,500,774,000	–	770,000,000	11,730,774,000
2041–2042	22,351,657,000	188,116,000	645,487,000	21,894,286,000
2044–2045	8,898,505,000	212,751,000	–	9,111,256,000
2045–2046	16,400,000,000	–	100,000,000	16,300,000,000
2047–2048	8,343,489,000	199,430,000	–	8,542,919,000
2048–2049	14,900,000,000	–	–	14,900,000,000
2050–2051	4,522,804,000	2,002,572,000	–	6,525,376,000
2051–2052	5,300,000,000	5,516,529,000	–	10,816,529,000
2064–2065	4,750,000,000	–	–	4,750,000,000
	569,169,387,750	128,093,275,500	100,722,391,000	596,540,272,250
Less:				
Government holdings of unmatured debt	–	–	–	–
Consolidation adjustment ²	(357,100,000)	(87,874,000)	(121,145,000)	(323,829,000)
	(357,100,000)	(87,874,000)	(121,145,000)	(323,829,000)
Total marketable bonds payable in Canadian currency	569,526,487,750	128,181,149,500	100,843,536,000	596,864,101,250
Payable in foreign currencies				
Matured 2019–2020	3,002,476,700	–	3,002,476,700	–
Maturing				
2021–2022	4,008,600,000	214,200,000	–	4,222,800,000
2022–2023	4,008,600,000	214,200,000	–	4,222,800,000
2024–2025	–	4,222,800,000	–	4,222,800,000
	11,019,676,700	4,651,200,000	3,002,476,700	12,668,400,000
Less: Government's holdings and securities held for the retirement of unmatured debt ³	4,573,813	4,573,813	–	–
Total marketable bonds payable in foreign currencies	11,015,102,887	4,655,773,813	3,002,476,700	12,668,400,000
Total	580,541,590,637	132,836,923,313	103,846,012,700	609,532,501,250

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 \$1,830,000 of securities held by consolidated Crown corporations and other entities and \$325,659,000 of borrowings by consolidated agent Crown corporations. Additional information on consolidated Crown corporations and other entities is provided in Section 4 of this volume.

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

Treasury bills

Treasury bills are short-term certificates of indebtedness issued by the Government of Canada to pay sums of money on given dates, and have the following characteristics:

- issued at a discount in lieu of interest payments;
- issued in Canadian currency only;
- issued every 2 weeks;
- common terms: 3 months, 6 months and 12 months;
- transferable;
- bought and sold on the open market.

The balance at March 31, 2020 consists of \$43,700 million in three-month bills; \$27,500 million in six-month bills; \$60,400 million in 364-day bills; and \$20,267 million in odd-issue bills.

Table 6.3
Treasury bills

(in dollars)

	April 1, 2019	Receipts and other credits	Payments and other charges	March 31, 2020
Three-month bills.....	41,900,000,000	155,200,000,000	153,400,000,000	43,700,000,000
Six-month bills.....	27,300,000,000	60,400,000,000	60,200,000,000	27,500,000,000
Other bills	65,100,000,000	127,967,000,000	112,400,000,000	80,667,000,000
Total	134,300,000,000	343,567,000,000	326,000,000,000	151,867,000,000

Retail debt

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

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

Table 6.4
Retail debt

(in dollars)

	April 1, 2019	Receipts and other credits	Payments and other charges	March 31, 2020
Canada savings bonds (CSB)				
Matured 2019–2020	449,418,366	–	449,418,366	–
Maturing				
2020–2021	116,638,650	–	21,705,947	94,932,703
2021–2022	183,416,948	–	2,950,711	180,466,237
	<i>749,473,964</i>	–	<i>474,075,024</i>	<i>275,398,940</i>
Canada premium bonds (CPB)				
Matured 2019–2020	248,504,068	–	248,504,068	–
Maturing				
2020–2021	90,272,906	–	10,531,142	79,741,764
2021–2022	148,564,601	–	6,485,423	142,079,178
	<i>487,341,575</i>	–	<i>265,520,633</i>	<i>221,820,942</i>
Total	1,236,815,539	–	739,595,657	497,219,882

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, 2020.

Table 6.5
Canada bills

(in dollars)

	April 1, 2019	Receipts and other credits	Payments and other charges	March 31, 2020
Canada bills before revaluation	2,574,167,765	13,959,163,944	14,638,424,863	1,894,906,846
Exchange valuation adjustment	125,107,226	139,659,570	–	264,766,796
Total	2,699,274,991	14,098,823,514	14,638,424,863	2,159,673,642

Medium-term notes

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

The year-end balances of medium-term notes payable in US dollars and Euros were translated into Canadian dollars using the closing rate of exchange of the appropriate currency at March 31, 2020.

Table 6.6
Medium-term notes

(in dollars)

	April 1, 2019	Receipts and other credits	Payments and other charges	March 31, 2020
Payable in foreign currencies				
Matured 2019–2020	1,235,985,000	–	1,235,985,000	–
Maturing				
2020–2021	993,150,000	49,050,000	–	1,042,200,000
2021–2022	66,810,000	3,570,000	–	70,380,000
Total	2,295,945,000	52,620,000	1,235,985,000	1,112,580,000

Unamortized discounts and premiums on market debt

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

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

Table 6.7

Unamortized discounts and premiums on market debt

(in dollars)

	April 1, 2019	Receipts and other credits	Payments and other charges	March 31, 2020
Unamortized discounts on Canada bills	(8,337,187)	55,689,593	51,423,649	(4,071,243)
Unamortized discounts on treasury bills.....	(744,568,783)	2,247,229,968	2,084,810,867	(582,149,682)
Unamortized discounts and premiums on marketable bonds	2,915,703,676	557,055,339	399,620,023	3,073,138,992
Total	2,162,797,706	2,859,974,900	2,535,854,539	2,486,918,067

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 2016 to 2020 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 2016 to 2020, with the average rate of interest thereon

(in millions of dollars)

	Marketable bonds		Treasury bills		Retail debt		Canada bills		Medium-term notes		Total market debt	
	Amount outstanding	Average interest rate %	Amount outstanding	Average interest rate %	Amount outstanding	Average interest rate %	Amount outstanding	Average interest rate %	Amount outstanding	Average interest rate %	Amount outstanding	Average interest rate %
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
2017...	547,761	2.25	136,700	0.54	4,533	0.66	3,521	0.77	2,607	1.06	695,122	1.89
2016...	519,373	2.47	138,100	0.50	5,076	0.67	4,748	0.43	2,429	0.67	669,726	2.03

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			
2020	1.69	0.38	0.38
2019	1.73	1.12	1.65
2018	1.21	0.52	1.09
2017	0.55	0.46	0.51
2016	0.67	0.37	0.46
Six-month bills			
2020	1.75	0.38	0.38
2019	1.93	1.33	1.68
2018	1.37	0.56	1.28
2017	0.58	0.51	0.55
2016	0.69	0.37	0.51
364-day bills			
2020	1.76	0.38	0.38
2019	2.17	1.64	1.70
2018	1.63	0.62	1.60
2017	0.65	0.50	0.64
2016	0.72	0.38	0.54
Other bills			
2020	1.77	0.30	0.30
2019	1.76	1.10	1.71
2018	1.20	0.48	1.20
2017	0.58	0.46	0.53
2016	0.67	0.45	0.53

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 %
2021	92,037	1.59	151,867	1.39	175	0.86	2,160	1.56	1,043	0.94	247,282	1.47
2022	109,113	1.65	—	—	322	0.76	—	—	70	1.68	109,505	1.65
2023	80,929	1.66	—	—	—	—	—	—	—	—	80,929	1.66
2024	40,466	2.25	—	—	—	—	—	—	—	—	40,466	2.25
2025	51,287	1.69	—	—	—	—	—	—	—	—	51,287	1.69
2026–2030	92,094	2.88	—	—	—	—	—	—	—	—	92,094	2.88
2031–2035	30,941	3.78	—	—	—	—	—	—	—	—	30,941	3.78
2036–2040	19,500	4.20	—	—	—	—	—	—	—	—	19,500	4.20
2041–2045	31,006	2.75	—	—	—	—	—	—	—	—	31,006	2.75
2046–2050	39,743	2.74	—	—	—	—	—	—	—	—	39,743	2.74
2051–2055	17,342	1.44	—	—	—	—	—	—	—	—	17,342	1.44
2060–2065	4,750	2.75	—	—	—	—	—	—	—	—	4,750	2.75
	609,208	2.19	151,867	1.39	497	0.79	2,160	1.56	1,113	0.99	764,845	2.03
Less: Government's holdings and consolidation adjustment	(324)		—		—		—		—		(324)	
Total	609,532	2.19	151,867	1.39	497	0.79	2,160	1.56	1,113	0.99	765,169	2.03

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, 2019	Issues/ Borrowings	Retirements	March 31, 2020
Market debt of the Government of Canada ¹	721,074	490,555	446,460	765,169
Cross-currency swap revaluation	7,274	3,318	–	10,592
Unamortized discounts and premiums on market debt ¹	2,163	2,860	2,536	2,487
Obligation related to capital leases ¹	2,893	284	264	2,913
Obligation under public-private partnerships	3,511	276	1,197	2,590
	736,915	497,293	450,457	783,751
Borrowings of enterprise Crown corporations designated as agents of Her Majesty	294,734	111,694	96,519	309,909
Total	1,031,649	608,987	546,976	1,093,660

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, 2019	Net changes	March 31, 2020
Land	1,416,251	(1,301,979)	114,272
Buildings	2,176,440,660	135,720,895	2,312,161,555
Works and infrastructure	439,988,871	(25,142,669)	414,846,202
Machinery and equipment	234,706,218	(52,425,641)	182,280,577
Vehicles	40,764,412	(37,267,626)	3,496,786
Total	2,893,316,412	19,582,980	2,912,899,392

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	June 2015	7	4.11	5,424	229	5,195
Maison de Radio-Canada	Feb 2020	30	2.95	279,887	92,551	187,336
.....				285,311	92,780	192,531
Canadian Museum of Nature						
Natural Heritage Building, Gatineau	Sept 1996	35	9.88	40,250	16,307	23,943
Canadian Race Relations Foundation						
Capital leases less than \$10,000,000				1	—	1
National Film Board						
Capital leases less than \$10,000,000				2,684	93	2,591
Digital Government						
Shared Services Canada						
IBM—Mainframes	Jan 2018	4	1.89	45,900	715	45,185
Supercomputer—Meteorological Service of Canada	July 2017	8	1.44	138,671	4,521	134,150
				184,571	5,236	179,335
Environment and Climate Change						
Department of the Environment						
Carleton University, Ottawa—						
National Wildlife Research Centre	May 2002	25	5.63	9,100	1,747	7,353
Parks Canada Agency						
Capital leases less than \$10,000,000				1,898	255	1,643
National Defence						
Department of National Defence						
Edmonton Armoury—North	Dec 2000	20	5.62	943	19	924
Edmonton Armoury—South	May 2001	20	6.07	2,220	74	2,146
Longue Pointe Supply Depot	Nov 1994	35	7.74	32,618	9,642	22,976
Milit-Air Capital Lease (NFTC)	Oct 2003	17	5.87	3,599	103	3,496
Montfort Hospital—Health Services	Oct 2003	17	5.26	23,001	505	22,496
				62,381	10,343	52,038
Natural Resources						
Department of Natural Resources						
183 Longwood Drive, Hamilton	Nov 2010	25	1.65	68,274	8,123	60,151
Public Safety and Emergency Preparedness						
Royal Canadian Mounted Police						
RCMP Detachment, Cornwall	Aug 2009	25	5.54	16,522	5,159	11,363
Other capital leases less than \$10,000,000				1,151	274	877
				17,673	5,433	12,240
Public Services and Procurement						
Department of Public Works and Government Services						
111 Lombard Avenue, Winnipeg	Nov 2014	20	2.69	16,868	2,928	13,940
1501 Bleury Street, Montreal	Oct 2019	20	4.50	63,667	21,338	42,329
1550 d'Estimauville Avenue, Quebec	Nov 2011	20	8.24	50,545	18,049	32,496
181 Queen Street, Ottawa	March 2004	20	10.65	15,034	2,784	12,250
2 Victoria Avenue, Miramichi	Jan 2018	20	3.46	54,194	13,749	40,445
200 Promenade du Portage, Gatineau	Nov 2019	10	4.36	14,563	2,676	11,887
22 Eddy Street, Gatineau	May 2013	25	7.89	216,840	101,923	114,917
2575 Sainte-Anne Boulevard, Quebec	April 2015	20	10.32	33,020	16,255	16,765
269 Laurier Avenue, Ottawa	Sept 2005	15	4.18	2,434	25	2,409
30 Victoria Street, Gatineau	June 2013	25	7.89	217,815	102,681	115,134
351 Saint-Joseph Boulevard, Gatineau (Lease 1 of 3)	July 2011	25	5.28	58,828	19,460	39,368
351 Saint-Joseph Boulevard, Gatineau (Lease 2 of 3)	Dec 2011	25	7.33	15,244	6,410	8,834
351 Saint-Joseph Boulevard, Gatineau (Lease 3 of 3)	Aug 2014	12	2.45	6,323	472	5,851
395 Terminal Avenue, Ottawa	Jan 2013	15	2.67	34,523	3,372	31,151
455 de la Carrière Boulevard, Gatineau	Nov 2012	25	6.86	163,280	69,364	93,916
90 Elgin Street, Ottawa	Nov 2014	25	7.23	382,597	178,277	204,320
Canada Place Building, Edmonton	Oct 2007	25	4.44	251,018	60,998	190,020

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	9,111	711	8,400
Guy Favreau Complex, Montreal	Jan 2004	30	3.17	34,588	6,580	28,008
Harry Hays Building, Calgary	Oct 2007	25	4.44	248,570	60,412	188,158
Joseph Shepard Building, Toronto	Oct 2007	25	4.44	171,880	41,776	130,104
Judicial Complex, Toronto	April 2006	20	11.40	38,958	11,038	27,920
Library Square (Block 56), Vancouver	May 1995	25	9.68	555	4	551
Maritime Centre, Halifax	Jan 2010	15	6.26	7,846	1,075	6,771
Mercury Centre, Ottawa	Jan 2007	25	4.50	76,389	17,159	59,230
Montcalm Place, Tower II, Gatineau	April 2012	15	2.64	12,614	1,108	11,506
Queen Square, Dartmouth	Sept 2011	10	3.18	1,890	44	1,846
RCMP Building, Montreal	Oct 2007	25	4.44	43,302	10,547	32,755
Revenue Canada Building, Montreal	Oct 2007	25	4.44	87,915	21,373	66,542
Skyline Complex, Ottawa	Oct 2007	25	4.44	194,645	47,353	147,292
Thomas D'Arcy McGee Building, Ottawa	Oct 2007	25	4.44	151,552	36,819	114,733
Trusco Building, Ottawa	Sept 2006	20	4.28	44,573	5,657	38,916
Other capital leases less than \$10,000,000				151,100	25,316	125,784
				2,872,281	907,733	1,964,548
Defence Construction (1951) Limited						
Capital leases less than \$10,000,000				67	1	66
Transport						
Department of Transport						
Confederation Bridge, Borden-Carleton	May 1997	35	6.16	846,025	431,179	414,846
Other ministries						
Capital leases less than \$10,000,000				3,847	2,234	1,613
Total				4,394,363	1,481,464	2,912,899

¹ For lessors and lessees, the financing rate of a lease agreement is subject to change over the term of lease.

Minimum lease payments related to capital leases

Table 6.14

Minimum lease payments related to capital leases

(in thousands of dollars)

	Payments due by March 31						Total
	2021	2022	2023	2024	2025	2026 and subsequent	
Canadian Heritage							
Canadian Broadcasting Corporation							
Remaining payments.....	10,090	10,072	13,408	9,382	9,381	232,978	285,311
Imputed interest	5,490	5,358	5,162	5,015	4,886	66,869	92,780
	4,600	4,714	8,246	4,367	4,495	166,109	192,531
Canadian Museum of Nature							
Remaining payments.....	3,500	3,500	3,500	3,500	3,500	22,750	40,250
Imputed interest	2,325	2,203	2,068	1,919	1,755	6,037	16,307
	1,175	1,297	1,432	1,581	1,745	16,713	23,943
Canadian Race Relations Foundation							
Remaining payments.....	1	—	—	—	—	—	1
Imputed interest	—	—	—	—	—	—	—
	1	—	—	—	—	—	1
National Film Board							
Remaining payments.....	655	633	587	586	223	—	2,684
Imputed interest	36	27	18	10	2	—	93
	619	606	569	576	221	—	2,591
Digital Government							
Shared Services Canada							
Remaining payments.....	62,390	47,091	28,090	26,857	20,143	—	184,571
Imputed interest	2,329	1,418	874	495	120	—	5,236
	60,061	45,673	27,216	26,362	20,023	—	179,335
Environment and Climate Change							
Department of the Environment							
Remaining payments.....	1,300	1,300	1,300	1,300	1,300	2,600	9,100
Imputed interest	414	364	312	256	197	204	1,747
	886	936	988	1,044	1,103	2,396	7,353
Parks Canada Agency							
Remaining payments.....	403	403	403	402	287	—	1,898
Imputed interest	94	74	52	29	6	—	255
	309	329	351	373	281	—	1,643
National Defence							
Department of National Defence							
Remaining payments.....	13,980	7,366	7,290	7,287	7,289	19,169	62,381
Imputed interest	2,071	1,712	1,538	1,352	1,153	2,517	10,343
	11,909	5,654	5,752	5,935	6,136	16,652	52,038
Natural Resources							
Department of Natural Resources							
Remaining payments.....	4,372	4,372	4,372	4,372	4,372	46,414	68,274
Imputed interest	967	910	852	794	735	3,865	8,123
	3,405	3,462	3,520	3,578	3,637	42,549	60,151
Public Safety and Emergency Preparedness							
Royal Canadian Mounted Police							
Remaining payments.....	1,490	1,206	1,206	1,206	1,207	11,358	17,673
Imputed interest	651	617	583	548	511	2,523	5,433
	839	589	623	658	696	8,835	12,240
Public Services and Procurement							
Department of Public Works and Government Services							
Remaining payments.....	226,070	216,654	213,519	214,024	207,671	1,794,343	2,872,281
Imputed interest	104,976	98,755	92,451	85,758	78,925	446,868	907,733
	121,094	117,899	121,068	128,266	128,746	1,347,475	1,964,548

Table 6.14
Minimum lease payments related to capital leases—concluded

(in thousands of dollars)

	Payments due by March 31						Total
	2021	2022	2023	2024	2025	2026 and subsequent	
Defence Construction (1951)							
Limited							
Remaining payments	47	19	1	–	–	–	67
Imputed interest	1	–	–	–	–	–	1
	46	19	1	–	–	–	66
Transport							
Department of Transport							
Remaining payments	63,871	64,836	65,815	66,809	67,819	516,875	846,025
Imputed interest	37,583	37,351	37,080	36,766	36,408	245,991	431,179
	26,288	27,485	28,735	30,043	31,411	270,884	414,846
Other ministries							
Remaining payments	336	375	301	253	250	2,332	3,847
Imputed interest	141	139	146	150	150	1,508	2,234
	195	236	155	103	100	824	1,613
Total	231,427	208,899	198,656	202,886	198,594	1,872,437	2,912,899
Summary							
Remaining payments	388,505	357,827	339,792	335,978	323,442	2,648,819	4,394,363
Imputed interest	157,078	148,928	141,136	133,092	124,848	776,382	1,481,464
Net obligation	231,427	208,899	198,656	202,886	198,594	1,872,437	2,912,899

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) 2020: 9.6% (9.8% in 2019) of salary up to the Yearly Maximum Pensionable Earnings (YMPE) for the CPP or QPP and 11.8% (12.1% in 2019) of salary above the YMPE; and
- for the last three months of FY 2020: 9.5% (9.6% in 2019) of salary up to the YMPE and 11.7% (11.8% in 2019) of salary above the YMPE.

Public service Group 2 pension plan members contributed:

- for the first nine months of FY 2020: 8.7% (8.8% in 2019) of salary up to the YMPE for the CPP or QPP and 10.2% (10.5% in 2019) of salary above the YMPE; and
- for the last three months of FY 2020: 8.7% (8.7% in 2019) of salary up to the YMPE and 10.2% (10.2% in 2019) 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 2020, the employer contribution rates were about 1.0, 1.5 and 1.2 (1.0, 1.5 and 1.2 respectively in 2019) times the current year's employee contribution for the plans under the Public Service Superannuation Act, the Canadian Forces Superannuation Act (Regular Force pension plan) and the Royal Canadian Mounted Police Superannuation Act, respectively. For 2020, the employer contribution rate was about 2.1 (2.2 in 2019) times the current year's employee contribution for the Reserve Force pension plan.

The superannuation accounts, which record the transactions that pertain to pre-April 1, 2000 service, are credited with interest at rates that are based on the Government of Canada long-term bond rate. The average interest rate credited to the superannuation accounts was approximately 3.7% (4.0% in 2019).

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 2020 fiscal year, plan members contributed at a rate of 19.5% (19.4% in 2019) of their salary for the first nine months and a rate of approximately 19.7% (19.5% in 2019) 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:

	2020	2019
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 2020 was approximately 3.3% (2.9% in 2019).

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 \$179 million (\$170 million in 2019). At March 31, 2020, the portion of the pension liability recorded through an allowance account for the judges' pension plan amounted to \$3,505 million (\$3,105 million in 2019).

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:

Canadian Forces—Regular Force—March 31, 2016;

Canadian Forces—Reserve Force—March 31, 2016;

Members of Parliament—March 31, 2016;

Federally appointed judges—March 31, 2016;

Public Service—March 31, 2017; and,

Royal Canadian Mounted Police—March 31, 2018.

The actuarial valuations for the public service, Canadian Forces, Royal Canadian Mounted Police and Members of Parliament pension plans include the valuation of the Retirement Compensation Arrangements (RCA) component related to each plan.

Where applicable, the funding valuations provide the government with recommendations for setting both employer and employee contribution rates, as well as any actuarial adjustment to amortize deficiencies or excesses. These actuarial adjustments are made in equal instalments over a period not exceeding 15 years commencing in the year in which the actuarial report is laid before Parliament.

To address actuarial deficiencies, no adjustment was made (\$3,107 million credited in 2019) to the Public Service Superannuation Account, \$145 million (\$145 million in 2019) were credited to the Canadian Forces Pension Fund Account, \$5.3 million (\$5.3 million in 2019) were credited to the Reserve Force Pension Fund Account, no adjustment was made (\$9 million credited in 2019) to the Royal Canadian Mounted Police Pension Fund Account and \$956 million (nil in 2019) were credited to the Royal Canadian Mounted Police Superannuation Account. The actuarial adjustments recorded in pension fund accounts are transferred to the PSPIB for investment. To address deficiencies, the consolidated Crown corporations and other entities made special funding payments of \$1 million (\$8 million in 2019).

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, 2019	Receipts and other credits	Payments and other charges	March 31, 2020
Funded pension benefits				
Public Service Pension Fund Account, Table 6.18	17	5,302	5,295	24
Allowance for pension adjustments	(236)	1,786	3,579	(2,029)
<i>Subtotal</i>	(219)	7,088	8,874	(2,005)
Canadian Forces Pension Fund Account, Table 6.20	111	1,534	1,519	126
Allowance for pension adjustments	581	4	293	292
<i>Subtotal</i>	692	1,538	1,812	418
Reserve Force Pension Fund Account, Table 6.21	(124)	79	92	(137)
Allowance for pension adjustments	81	32	40	73
<i>Subtotal</i>	(43)	111	132	(64)
Royal Canadian Mounted Police Pension Fund Account, Table 6.23	1	500	512	(11)
Allowance for pension adjustments	62	57	131	(12)
<i>Subtotal</i>	63	557	643	(23)
Total pension fund accounts	5	7,415	7,418	2
Total allowance for pension adjustments	488	1,879	4,043	(1,676)
Net pension benefit liabilities related to government-sponsored funded plans	493	9,294	11,461	(1,674)
Pension benefit assets related to funded plans sponsored by consolidated Crown corporations and other entities	(2,144)	92	454	(2,506)
Net pension benefit liabilities related to funded plans	(1,651)	9,386	11,915	(4,180)
Unfunded pension benefits				
Public Service Superannuation Account, Table 6.17	93,700	3,418	5,602	91,516
Allowance for pension adjustments	3,419	2,807	1,314	4,912
<i>Subtotal</i>	97,119	6,225	6,916	96,428
Canadian Forces Superannuation Account, Table 6.19	45,607	1,687	2,552	44,742
Allowance for pension adjustments	3,015	1,649	623	4,041
<i>Subtotal</i>	48,622	3,336	3,175	48,783
Royal Canadian Mounted Police Superannuation Account, Table 6.22	12,917	1,428	724	13,621
Allowance for pension adjustments	686	438	1,116	8
<i>Subtotal</i>	13,603	1,866	1,840	13,629
Members of Parliament Retiring Allowances Account, Table 6.24.....	560	35	34	561
Allowance for pension adjustments	102	36	4	134
<i>Subtotal</i>	662	71	38	695
Members of Parliament Retirement Compensation Arrangements Account, Table 6.25	203	20	22	201
Allowance for pension adjustments	323	29	–	352
<i>Subtotal</i>	526	49	22	553
Retirement Compensation Arrangements Accounts, Table 6.26	2,402	247	211	2,438
Allowance for pension adjustments	1,641	175	31	1,785
<i>Subtotal</i>	4,043	422	242	4,223
Supplementary Retirement Benefits Account (Judges), Table 6.27	247	11	–	258
Allowance for pension adjustments	3,105	400	–	3,505
<i>Subtotal</i>	3,352	411	–	3,763
Supplementary Retirement Benefits Account (Others), Table 6.27.....	1	–	–	1
Total superannuation accounts.....	155,637	6,846	9,145	153,338
Total allowance for pension adjustments	12,291	5,534	3,088	14,737
Pension benefit liabilities related to government-sponsored unfunded plans.....	167,928	12,380	12,233	168,075
Pension benefit liabilities related to unfunded plans sponsored by consolidated Crown corporations and other entities.....	99	10	6	103
Pension benefit liabilities related to unfunded plans.....	168,027	12,390	12,239	168,178
Net pension benefit liabilities	166,376	21,776	24,154	163,998
The net pension benefit liabilities were recognized and presented in the Consolidated Statement of Financial Position as follows:				
Public sector pension liabilities ¹	168,782	21,684	21,870	168,596
Public sector pension assets ²	(2,406)	92	2,284	(4,598)
Net pension benefit liabilities	166,376	21,776	24,154	163,998

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 \$5,680 million (\$6,005 million credited in 2019) credited to the superannuation accounts in accordance with the pension legislation, a provision of \$5,129 million (\$4,841 million in 2019) and interest of \$451 million (\$442 million in 2019) on the consolidated Crown corporations and other entities' obligations, shown net of \$8,576 million (\$7,779 million in 2019) 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)

	2020									2019	
	Government contributions and other ¹	Adjustment	Net benefits earned	Actuarial adjustments ²	Costs recorded in previous years ³	Valuation allowance	Actuarial losses (gains) recognized	Pension expense	Net interest expense	Pension expense	Net interest expense
Funded pension benefits											
Public Service Pension											
Fund Account	2,397	(126)	2,271	—	—	—	(983)	1,288	(684)	966	(495)
Canadian Forces Pension											
Fund Account	799	4	803	145	(145)	—	(69)	734	(71)	744	(29)
Reserve Force Pension											
Fund Account	51	(14)	37	5	(5)	—	1	38	2	24	(1)
Royal Canadian Mounted Police Pension Fund											
Account	270	34	304	—	—	—	(64)	240	(44)	225	(33)
Consolidated Crown corporations and other entities	86	(11)	75	1	(1)	17	(158)	(66)	(209)	255	(181)
Total funded pension benefits	3,603	(113)	3,490	151	(151)	17	(1,273)	2,234	(1,006)	2,214	(739)

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

(in millions of dollars)

	2020									2019	
	Government contributions and other ¹	Adjustment	Net benefits earned	Actuarial adjustments ²	Costs recorded in previous years ³	Valuation allowance	Actuarial losses (gains) recognized	Pension expense	Net interest expense	Pension expense	Net interest expense
Unfunded pension benefits											
Public Service											
Superannuation Account ⁴	3	(7)	(4)	—	—	—	2,807	2,803	2,104	2,535	2,449
Canadian Forces											
Superannuation Account ⁴	2	(4)	(2)	—	—	—	1,649	1,647	1,063	1,473	1,217
Defence Services											
Pension Continuation Act	1	—	1	—	—	—	—	1	—	2	—
Royal Canadian Mounted Police											
Superannuation Account	—	(1)	(1)	956	(956)	—	438	437	312	389	353
Royal Canadian Mounted Police											
Continuation Act	6	—	6	—	—	—	—	6	—	7	—
Members of Parliament											
Retiring Allowances Account	9	15	24	—	—	—	21	45	14	41	15
Members of Parliament											
Retirement Compensation Arrangements Account	7	11	18	—	—	—	13	31	11	27	12
Retirement Compensation Arrangement Accounts	93	24	117	—	—	—	100	217	88	179	96
Supplementary Retirement Benefits Account	4	—	4	—	—	—	—	4	—	4	—
Judges Act	179	95	274	—	—	—	214	488	94	446	102
Other (diplomatic services, lieutenant governors, etc.)	3	—	3	—	—	—	—	3	—	2	—
Consolidated Crown corporations and other entities	—	2	2	—	—	—	4	6	4	5	4
Subtotal	307	135	442	956	(956)	—	5,246	5,688	3,690	5,110	4,248
Contributions from the Judges' plan recorded to revenues	(17)	—	(17)	—	—	—	—	(17)	—	(16)	—
Total unfunded pension benefits	290	135	425	956	(956)	—	5,246	5,671	3,690	5,094	4,248
Total reported in the Consolidated Statement of Operations and Accumulated Deficit	3,893	22	3,915	1,107	(1,107)	17	3,973	7,905	2,684	7,308	3,509

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)

	2020	2019
Opening balance	93,700,183,799	92,536,360,415
Receipts and other credits		
Employee contributions		
Government employees	826,359	970,947
Retired employees	3,311,300	4,560,109
Public Service corporation employees	46,425	102,235
Employer contributions		
Government	3,461,289	4,597,075
Public Service corporations	22,384	30,348
Actuarial adjustment	–	3,107,000,000
Transfers from other pension funds	70,680	811,542
Interest	3,410,432,517	3,592,782,645
Other ¹	–	655
Total receipts and other credits	3,418,170,954	6,710,855,556
Subtotal	97,118,354,753	99,247,215,971
Payments and other charges		
Benefit payments		
Annuities	5,512,288,490	5,455,468,734
Minimum benefits	13,821,878	14,876,476
Pension division payments	14,494,277	16,527,961
Pension transfer value payments	11,887,896	10,226,553
Return of contributions		
Government employees	37,214	158,122
Public Service corporation employees	1,813	–
Transfers to other pension funds	2,749,315	3,567,649
Administrative expenses	46,890,327	46,206,677
Total payments and other charges	5,602,171,210	5,547,032,172
Closing balance	91,516,183,543	93,700,183,799

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

Public Service Pension Fund Account

This account is used to record the transactions in respect of service accrued on or after April 1, 2000, under the *Public Service Superannuation Act*. An amount equal to contributions less benefit payments and other charges is transferred to the PSPIB for investment. The closing balance in this account represents the net cash position prior to the transfer to the PSPIB.

Table 6.18
Public Service Pension Fund Account

(in dollars)

	2020	2019
Opening balance	16,598,579	314,775,347
Receipts and other credits		
Employee contributions		
Government employees	2,409,721,286	2,376,806,578
Retired employees	52,795,966	51,260,689
Public Service corporation employees	192,703,710	199,311,621
Employer contributions		
Government	2,397,195,812	2,375,589,814
Public Service corporations	182,668,152	194,603,113
Transfers from other pension funds	67,132,149	56,599,226
Total receipts and other credits	5,302,217,075	5,254,171,041
Payments and other charges		
Benefit payments		
Annuities	2,528,738,856	2,255,301,448
Minimum benefits	17,749,633	18,908,212
Pension division payments	39,380,048	41,588,334
Pension transfer value payments	387,976,907	287,919,644
Return of contributions		
Government employees	14,346,409	11,147,567
Public Service corporation employees	4,059,208	4,576,716
Transfers to other pension funds	48,103,462	42,850,913
Administrative expenses	56,895,258	51,730,323
Total payments and other charges	3,097,249,781	2,714,023,157
Receipts and other credits less payments and other charges	2,204,967,294	2,540,147,884
Transfers to PSPIB	2,197,350,958	2,838,324,652
Closing balance	24,214,915	16,598,579

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)

	2020	2019
Opening balance	45,607,472,272	46,356,962,588
Receipts and other credits		
Contributions from personnel	2,103,211	2,295,691
Contributions by the Government	2,103,211	2,295,691
Interest	1,681,327,281	1,786,411,646
Other ¹	1,096,951	270,124
Total receipts and other credits	1,686,630,654	1,791,273,152
Subtotal	47,294,102,926	48,148,235,740
Payments and other charges		
Benefit payments		
Pensions and retiring allowances	2,512,115,493	2,500,576,410
Minimum benefits	569,521	357,871
Pension division payments	22,696,098	22,572,164
Pension transfer value payments	1,334,167	1,660,893
Administrative expenses	15,669,530	15,596,130
Total payments and other charges	2,552,384,809	2,540,763,468
Closing balance	44,741,718,117	45,607,472,272

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)

	2020	2019
Opening balance	110,785,906	164,762,178
Receipts and other credits		
Contributions from personnel	532,100,764	541,458,641
Contributions by the Government	799,430,985	795,607,851
Actuarial adjustment	145,000,000	145,000,000
Transfers from other pension funds	56,547,957	68,887,607
Other ¹	1,286,683	173,747
Total receipts and other credits	1,534,366,389	1,551,127,846
Payments and other charges		
Benefit payments		
Pensions and retiring allowances	774,383,487	684,683,610
Minimum benefits	1,836,369	1,038,703
Pension division payments	46,518,428	36,256,577
Pension transfer value payments	214,753,994	186,434,101
Return of contributions	1,968,670	2,027,083
Transfers to other pension funds	1,906,688	1,799,316
Administrative expenses	15,563,339	13,998,044
Total payments and other charges	1,056,930,975	926,237,434
Receipts and other credits less payments and other charges	477,435,414	624,890,412
Transfers to PSPIB	462,171,995	678,866,684
Closing balance	126,049,325	110,785,906

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)

	2020	2019
Opening balance	(123,565,062)	(83,308,325)
Receipts and other credits		
Contributions from personnel	22,442,708	20,983,502
Contributions by the Government	50,910,434	40,748,802
Actuarial adjustment	5,300,000	5,300,000
Total receipts and other credits	78,653,142	67,032,304
Payments and other charges		
Benefit payments		
Pensions and retiring allowances	9,963,024	9,151,423
Minimum benefits	52,760	195,791
Pension transfer value payments	17,080,698	21,562,942
Return of contributions	69,735	95,017
Transfers to other pension funds	56,547,957	68,887,607
Administrative expenses	8,036,625	7,396,261
Total payments and other charges	91,750,799	107,289,041
Closing balance	(136,662,719)	(123,565,062)

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)

	2020	2019
Opening balance	12,916,633,815	13,116,767,456
Receipts and other credits		
Contributions from personnel (current services and arrears)	357,693	493,645
Contributions by the Government	314,550	348,738
Actuarial adjustment	956,000,000	—
Interest	470,927,017	508,103,714
Total receipts and other credits	1,427,599,260	508,946,097
Subtotal	14,344,233,075	13,625,713,553
Payments and other charges		
Benefit payments		
Annuities and allowances	711,720,812	698,978,733
Cash termination allowance and gratuities	313,410	358,101
Pension division payments	6,226,186	4,589,142
Pension transfer value payments	17,513	302,988
Return of contributions	309,323	17,621
Administrative expenses	4,941,627	4,833,153
Total payments and other charges	723,528,871	709,079,738
Closing balance	13,620,704,204	12,916,633,815

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)

	2020	2019
Opening balance	1,480,904	2,690,544
Receipts and other credits		
Contributions from personnel (current services and arrears)	220,776,751	222,850,535
Contributions by the Government	269,968,417	262,313,115
Actuarial adjustment	—	9,000,000
Transfers from other pension funds	9,523,174	4,896,742
Total receipts and other credits	500,268,342	499,060,392
Payments and other charges		
Benefit payments		
Annuities and allowances	244,497,074	216,577,954
Minimum benefits	1,021,098	515,246
Pension division payments	12,149,424	11,629,861
Pension transfer value payments	39,402,060	35,127,212
Return of contributions		
Personnel	317,106	220,697
Interest	172,261	58,057
Transfers to other pension funds	371,907	445,793
Administrative expenses	3,973,449	3,653,508
Total payments and other charges	301,904,379	268,228,328
Receipts and other credits less payments and other charges	198,363,963	230,832,064
Transfers to PSPIB	211,394,953	232,041,704
Closing balance	(11,550,086)	1,480,904

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)

	2020	2019
Opening balance	559,955,950	557,559,308
Receipts and other credits		
Members' contributions		
Current services	8,434,314	8,004,846
Arrears of principal, interest and mortality insurance	20,002	20,865
Government contributions (current services)	8,434,314	8,004,846
Interest	17,789,464	15,497,108
Total receipts and other credits	34,678,094	31,527,665
Subtotal	594,634,044	589,086,973
Payments and other charges		
Benefit payments		
Annual allowances	29,451,936	29,047,966
Pension division payments	244,279	33,927
Return of contributions		
Withdrawals	3,881,217	47,499
Interest	102,445	1,631
Total payments and other charges	33,679,877	29,131,023
Closing balance	560,954,167	559,955,950

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)

	2020	2019
Opening balance	202,643,898	142,829,500
Receipts and other credits		
Members' contributions		
Current services	6,976,832	7,037,944
Arrears of principal, interest and mortality insurance	45,517	40,472
Government contributions (current services)	6,976,832	7,037,944
Refundable tax	—	58,588,621
Interest	6,773,423	3,959,231
Total receipts and other credits	20,772,604	76,664,212
Subtotal	223,416,502	219,493,712
Payments and other charges		
Benefit payments		
Annual allowances	17,981,308	16,829,886
Pension division payments	287,936	19,418
Return of contributions		
Withdrawals	3,191,829	—
Interest	117,053	—
Refundable tax	814,100	510
Total payments and other charges	22,392,226	16,849,814
Closing balance	201,024,276	202,643,898

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	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Opening balance	1,265,638,829	1,241,175,803	442,574,225	430,166,136	35,187,370	34,456,839	659,130,079	688,734,759	2,402,530,503	2,394,533,537
Receipts and other credits										
Employee contributions										
Government										
employees.....	17,690,955	10,658,710	4,985,512	3,398,549	211,851	331,161	—	—	22,888,318	14,388,420
Retired employees..	344,102	549,149	—	—	2,057	764	—	—	346,159	549,913
Public Service corporation employees.....	2,600,842	2,363,356	—	—	—	—	—	—	2,600,842	2,363,356
Employer contributions										
Government	66,025,001	33,859,345	25,647,473	18,123,360	707,550	1,069,921	—	—	92,380,024	53,052,626
Public Service corporations	8,689,443	7,602,054	—	—	—	—	—	—	8,689,443	7,602,054
Transfers from other pension funds	216,870	55,091	—	—	—	—	—	—	216,870	55,091
Refundable tax.....	—	—	—	—	—	—	30,456,797	28,921,208	30,456,797	28,921,208
Interest	47,240,725	48,511,115	16,856,237	16,999,413	1,304,107	1,357,796	23,374,139	26,271,701	88,775,208	93,140,025
	142,807,938	103,598,820	47,489,222	38,521,322	2,225,565	2,759,642	53,830,936	55,192,909	246,353,661	200,072,693
	1,408,446,767	1,344,774,623	490,063,447	468,687,458	37,412,935	37,216,481	712,961,015	743,927,668	2,648,884,164	2,594,606,230
Payments and other charges										
Benefit payments										
Annuities.....	56,408,899	49,076,877	10,094,799	9,514,294	1,559,459	1,366,090	85,021,755	84,797,589	153,084,912	144,754,850
Minimum benefits..	855	165,060	—	—	—	—	—	—	855	165,060
Pension division payments.....	383,971	891,847	1,182,524	626,341	24,290	—	—	—	1,590,785	1,518,188
Pension transfer value payments.....	2,267,492	865,081	1,624,293	2,504,578	2,649	709	—	—	3,894,434	3,370,368
Return of contributions										
Government employees.....	35,279	3,271	—	—	—	—	—	—	35,279	3,271
Public Service corporation employees.....	40,795	18,322	—	—	—	—	—	—	40,795	18,322
Transfers to other pension funds	816,795	238,368	—	—	—	—	—	—	816,795	238,368
Refundable tax.....	33,702,003	27,876,968	16,724,673	13,468,020	448,659	662,312	—	—	50,875,335	42,007,300
	93,656,089	79,135,794	29,626,289	26,113,233	2,035,057	2,029,111	85,021,755	84,797,589	210,339,190	192,075,727
Closing balance.....	1,314,790,678	1,265,638,829	460,437,158	442,574,225	35,377,878	35,187,370	627,939,260	659,130,079	2,438,544,974	2,402,530,503

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	
	2020	2019	2020	2019	2020	2019
Opening balance	246,666,011	234,358,307	967,693	897,280	247,633,704	235,255,587
Receipts and other credits						
Employee contributions						
Government	3,995,595	3,806,631	30,979	36,317	4,026,574	3,842,948
Employer contributions						
Government	3,995,595	3,806,631	28,823	36,317	4,024,418	3,842,948
Interest	3,451,490	4,694,442	14,156	19,086	3,465,646	4,713,528
Total receipts and other credits ...	11,442,680	12,307,704	73,958	91,720	11,516,638	12,399,424
Subtotal	258,108,691	246,666,011	1,041,651	989,000	259,150,342	247,655,011
Payments and other charges						
Annuities	—	—	28,941	21,307	28,941	21,307
Closing balance	258,108,691	246,666,011	1,012,710	967,693	259,121,401	247,633,704

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 \$4,127 million (\$3,697 million in 2019), due to plan experience and changes in actuarial assumptions, were recognized in this account and increased pension expenses for the year.

An amount of \$1,106 million (\$3,266 million in 2019) 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 \$31 million was credited (\$243 million debited in 2019) from this account and increased (decreased in 2019) pension costs to adjust for the difference between the government contributions and the net cost of benefits earned.

No amount was recorded (\$124 million debited in 2019) in this account and pension costs were not adjusted (decreased in 2019) for a past service cost reduction related to a curtailment.

An amount of \$5,129 million (\$4,841 million credited in 2019) 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 \$7,920 million (\$7,160 million debited in 2019) was debited from this account to record the expected return on the pension investments.

As well, a consolidation adjustment of \$21 million was credited (\$46 million debited in 2019) from this account and debited (credited in 2019) against personal tax revenues to eliminate the effect of internal transactions resulting from tax amounts debited (credited in 2019) from the RCA accounts that were previously recorded as tax revenues.

The unrecognized net actuarial loss of \$38,230 million (\$19,178 million in 2019) 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 \$374,797 million (\$345,207 million in 2019) minus the pension assets of \$170,166 million (\$157,608 million in 2019) were \$51,291 million (\$31,957 million in 2019) higher than the balance of the pension fund accounts of \$2 million (\$5 million in 2019) and the superannuation accounts of \$153,338 million (\$155,637 million in 2019). The excess or shortfall is made up of the following:

(in millions of dollars)

	(Shortfall) excess	
	2020	2019
Public Service Pension Plan		
Public Service Superannuation Account	(31,636)	(23,459)
Public Service Pension Fund	11,769	14,109
Retirement Compensation Arrangements	(2,472)	(1,908)
Total allowance for Public Service Pension Plan	(22,339)	(11,258)
Canadian Forces Pension Plan		
Canadian Forces Superannuation Account	(17,381)	(12,809)
Canadian Forces Pension Fund	789	1,616
Reserve Force Pension Fund	(658)	(439)
Retirement Compensation Arrangements	(287)	(189)
Total allowance for Canadian Forces Pension Plan	(17,537)	(11,821)
Royal Canadian Mounted Police Pension Plan		
Royal Canadian Mounted Police Superannuation Account	(4,888)	(4,328)
Royal Canadian Mounted Police Pension Fund	(88)	899
Retirement Compensation Arrangements	(81)	(43)
Total allowance for Canadian Mounted Police Pension Plan	(5,057)	(3,472)
Members of Parliament Pension Plan		
Members of Parliament Retiring Allowances	(286)	(190)
Retirement Compensation Arrangements	(469)	(379)
Total allowance for Members of Parliament Pension Plan	(755)	(569)
Pension plan for federally appointed judges	(5,603)	(4,837)
Total	(51,291)	(31,957)

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, 2019	Receipts and other credits	Payments and other charges	March 31, 2020
Veterans' disability and other future benefits	65,410	12,328	4,276	73,462
Royal Canadian Mounted Police disability and other future benefits	9,510	2,397	342	11,565
Public Service Health Care Plan	28,932	2,533	429	31,036
Pensioners' Dental Services Plan	4,385	453	108	4,730
Severance and other benefits	1,826	136	208	1,754
Accumulated sick leave entitlements	1,834	383	293	1,924
Workers' compensation	1,627	108	169	1,566
Consolidated Crown corporations and other entities	338	29	26	341
Total	113,862	18,367	5,851	126,378

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)

	2020					2019
	Accrued benefit obligations	Other future benefit assets	Unrecognized net actuarial (loss) gain	Benefits paid after measurement date up to March 31	Future benefit liabilities	Future benefit liabilities
Veterans' disability and other future benefits	150,845	–	(77,383)	–	73,462	65,410
Royal Canadian Mounted Police disability and other future benefits	31,948	–	(20,383)	–	11,565	9,510
Public Service Health Care Plan	36,817	–	(5,781)	–	31,036	28,932
Pensioners' Dental Services Plan	6,074	–	(1,344)	–	4,730	4,385
Severance and other benefits	2,101	–	(347)	–	1,754	1,826
Accumulated sick leave entitlements	2,060	–	(136)	–	1,924	1,834
Workers' compensation	1,865	–	(299)	–	1,566	1,627
Consolidated Crown corporations and other entities	310	(1)	34	(2)	341	338
Total	232,020	(1)	(105,639)	(2)	126,378	113,862

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)

	2020					2019
	Benefits earned	Actuarial losses (gains) recognized	Net benefit expense	Interest cost	Total	Total
Veterans' disability and other future benefits.....	4,988	5,183	10,171	2,157	12,328	9,658
Royal Canadian Mounted Police disability and other future benefits	1,080	932	2,012	385	2,397	1,824
Public Service Health Care Plan	1,556	333	1,889	644	2,533	2,170
Pensioners' Dental Services Plan	218	133	351	102	453	440
Severance and other benefits.....	65	36	101	35	136	131
Accumulated sick leave entitlements	351	(2)	349	32	381	365
Workers' compensation	58	19	77	31	108	232
Consolidated Crown corporations and other entities	18	2	20	9	29	25
Total	8,334	6,636	14,970	3,395	18,365	14,845

Other liabilities

Other liabilities include general liabilities established under section 64 of the *Financial Administration Act* as well as specified purpose accounts opened under section 21 of the *Financial Administration Act* or of other legislation. Specified purpose accounts are an accounting classification used to record transactions and expenditures in respect of money payable out of the Consolidated Revenue Fund under statutory authorities, pursuant to legislation, trusts, treaties, undertakings or contracts. Legislation relating to some of these accounts permits investments to be made and, in certain cases, the balances of the accounts earn interest.

Canada Pension Plan

The Canada Pension Plan (CPP) is a federal/provincial social insurance program established by an Act of Parliament in 1965. The CPP began operations in 1966. It is compulsory and in operation in all parts of Canada, except for the Province of Quebec. The objective of the program is to provide a measure of protection to workers and their families against the loss of earnings due to retirement, disability or death. The CPP is financed from employees, employers and self-employed workers contributions, as well as investment earnings. The CPP's investments are held and managed by the Canada Pension Plan Investment Board (CPPIB).

The CPP is administered by the Government of Canada and the provinces. As such, CPP's financial activities are not part of the Government of Canada's reporting entity because changes to the CPP require the agreement of at least two thirds of the provinces, representing at least two thirds of the population of all the provinces and it is therefore not controlled by the government.

The Minister of 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 his provincial counterparts are responsible for setting CPP contribution rates, pension and benefit levels and funding policy. The CPPIB is responsible for managing the amounts that are being transferred under Sections 108.1 and 108.3 of the *Canada Pension Plan Act*. It acts in the best interests of the beneficiaries and contributors under the Act.

Legislation to implement the CPP Enhancement came into force on March 3, 2017, amending the *Canada Pension Plan*, and took effect on January 1, 2019. The CPP Enhancement will increase the amount of pensions and post-retirement benefits that will be paid on CPP contributions made after 2018, with a corresponding increase to the contribution rate. Effectively, the CPP Enhancement will serve as a "top-up" of the benefits calculated under the existing CPP. Unlike the existing CPP, the CPP Enhancement will be fully funded per the legislative requirement.

The existing CPP Account and the Additional CPP Account for the CPP Enhancement, collectively referred to as the CPP Accounts, were established in the accounts of Canada pursuant to the *Canada Pension Plan Act*. The transactions of each component of the CPP are recorded in the Account to which they relate. CPP's revenues and expenses such as contributions, interests, investment income or loss from CPPIB, pension benefits and operating expenses, are reported as increases and decreases to this liability. The CPP Accounts also record the amounts transferred to or received from the CPPIB. The CPPIB operates at arm's length from the government and invests in a diversified portfolio of securities.

As administrator of the CPP, the Government's authority to provide benefits is limited to the assets available for benefit payments of the CPP. At March 31, 2020, the fair value of the CPP's assets available for benefit payments is \$413,022 million (\$396,480 million in 2019) for the CPP Account and \$2,615 million (\$536 million in 2019) 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 \$279 million (\$163 million in 2019) corresponds to the balance in the CPP Accounts and is reported as the government's liability to the CPP at March 31, 2020. The CPP's deposit with the Receiver General for Canada is comprised of the CPP Account balance of \$260 million (\$152 million in 2019) and the Additional CPP Account balance of \$19 million (\$11 million in 2019).

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, 2019	Receipts and other credits	Payments and other charges	March 31, 2020
Canada Pension Plan balance per audited consolidated financial statements				
Assets available for benefit payments.....	396,479,715,001	67,261,572,866	50,719,228,711	413,022,059,156
Less:				
Receivables, net of liabilities	4,770,535,627	5,512,650,311	4,770,535,627	5,512,650,311
Accumulated net income from Canada Pension Plan				
Investment Board's operations	247,622,000,000	13,334,000,000	1,250,000,000	259,706,000,000
	144,087,179,374	48,414,922,555	44,698,693,084	147,803,408,845
Less: transfers to Canada Pension Plan Investment Board	143,934,938,924	39,009,753,836	42,618,517,962	147,543,703,050
Total Canada Pension Plan.....	152,240,450	87,424,676,391	87,317,211,046	259,705,795
Additional Canada Pension Plan balance per audited consolidated financial statements				
Assets available for benefit payments.....	536,321,871	2,237,478,793	158,417,575	2,615,383,089
Less:				
Receivables, net of liabilities	102,167,701	257,984,797	102,167,701	257,984,797
Accumulated net income from Canada Pension Plan				
Investment Board's operations	2,000,000	17,000,000	4,000,000	15,000,000
	432,154,170	1,962,493,996	52,249,874	2,342,398,292
Less: transfers to Canada Pension Plan Investment Board	421,157,753	–	1,902,320,075	2,323,477,828
Total Additional Canada Pension Plan	10,996,417	1,962,493,996	1,954,569,949	18,920,464
Deposit with the Receiver General for Canada.....	163,236,867	89,387,170,387	89,271,780,995	278,626,259

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 \$1,227,852 was transferred to the government's revenues to reduce the balance of the account to \$85.4 million and the allowance account was adjusted at \$29.4 million to increase the pension obligations to \$114.8 million as at March 31, 2020.

As of March 31, 2020, the annuitants held 21,949 active contracts, representing a decrease of 2,724 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, 2019	Receipts and other credits	Payments and other charges	March 31, 2020
Deposit accounts				
Agriculture and Agri-Food				
Department of Agriculture and Agri-Food				
Contractor security deposits—Certified cheques	—	26,293	—	26,293
Canadian Dairy Commission				
Canadian Dairy Commission Account	—	30,239,625	30,239,625	—
	—	30,265,918	30,239,625	26,293
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 ¹	992,587	—	—	992,587
Guarantee deposits ¹	9,186,653	1,921,393	315,277	10,792,769
	10,179,240	1,921,393	315,277	11,785,356
Environment and Climate Change				
Parks Canada Agency				
Contractor security deposits—Cash	1,458,879	411,734	1,015,376	855,237
Families, Children and Social Development				
Department of Employment and Social Development				
Canada Labour Code—Other	53,404	847,096	877,064	23,436
Canada Labour Code—Wage recovery request				
for review or appeal	4,349,033	285,069	694,664	3,939,438
	4,402,437	1,132,165	1,571,728	3,962,874
Finance				
Department of Finance				
Canada Development Investment Corporation				
Holdback—Privatization	12,091,105	180,346	—	12,271,451
Canada Hibernia Holding Corporation				
Abandonment Reserve Fund	100,407,174	1,497,636	—	101,904,810
Swap collateral guarantee deposits	164,561,609	411,138,503	423,745,325	151,954,787
	277,059,888	412,816,485	423,745,325	266,131,048
Fisheries, Oceans and the Canadian Coast Guard				
Department of Fisheries and Oceans				
Contractor security deposits—Cash	370,027	576,174	753,726	192,475
Guarantee deposits—Fish habitat preservation	360,106	10,000	—	370,106
	730,133	586,174	753,726	562,581
Health				
Canadian Food Inspection Agency				
Contractor security deposits—Cash	73,672	—	—	73,672
Indigenous Services				
Department of Indigenous Services				
Guarantee deposits	2,181,568	1,215,500	1,076,688	2,320,380
Innovation, Science and Economic Development				
Department of Industry				
Deposits from spectrum auctions	8,909,000	—	8,909,000	—
Justice				
Courts Administration Service				
Security for costs	65,272	51,279	37,421	79,130
Registrar of the Supreme Court of Canada				
Security for costs	392,181	334	—	392,515
	457,453	51,613	37,421	471,645
National Defence				
Department of National Defence				
Contractor security deposits—Cash	3,302,791	4,279,214	4,743,895	2,838,110

Table 6.30
Deposit and trust accounts—continued

(in dollars)

	April 1, 2019	Receipts and other credits	Payments and other charges	March 31, 2020
National Revenue				
Canada Revenue Agency				
Guarantee deposits	260,926,599	67,809,588	31,758,329	296,977,858
Less: securities held in trust	35,000	—	—	35,000
	260,891,599	67,809,588	31,758,329	296,942,858
Natural Resources				
Department of Natural Resources				
Contractor security deposits—Cash.....	16,965	—	4,100	12,865
Guarantee deposits—Oil and gas.....	15,438,052	1,076,260	3,003,192	13,511,120
Canadian Energy Regulator				
Guarantee deposits ²	151,306	344,467	—	495,773
	15,606,323	1,420,727	3,007,292	14,019,758
Privy Council				
Office of the Chief Electoral Officer				
Candidates' and committees' deposits—Election and referendum	102,000	—	—	102,000
Contractor security deposits—Cash.....	—	2,500,000	—	2,500,000
	102,000	2,500,000	—	2,602,000
Public Safety and Emergency Preparedness				
Canada Border Services Agency				
General security deposits.....	7,793,697	181,791	—	7,975,488
Guarantee deposits	10,719,344	640,149	244,120	11,115,373
Immigration Guarantee Fund.....	23,179,502	7,914,849	6,449,764	24,644,587
Temporary deposits received from importers	1,042,156	252,780	269,683	1,025,253
	42,734,699	8,989,569	6,963,567	44,760,701
Royal Canadian Mounted Police				
Contractor security deposits—Cash.....	285,278	257,906	436,843	106,341
	43,019,977	9,247,475	7,400,410	44,867,042
Public Services and Procurement				
Department of Public Works and Government Services				
Contractor security deposits—Cash.....	6,751,270	1,963,682	5,318,176	3,396,776
Deposits on disposals	998,310	5,197,457	22,711	6,173,056
Seized property—Cash.....	44,005,128	30,987,405	33,589,388	41,403,145
	51,754,708	38,148,544	38,930,275	50,972,977
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.....	126,408	9,072	17,195	118,285
	126,408	9,072	17,195	118,285
Total—Deposits accounts	680,256,076	571,815,602	553,521,562	698,550,116

Table 6.30
Deposit and trust accounts—concluded

(in dollars)

	April 1, 2019	Receipts and other credits	Payments and other charges	March 31, 2020
Trust accounts				
Families, Children and Social Development				
Department of Employment and Social Development				
Indian Residential Schools Settlement Agreement				
Common experience payments	18,436,785	233,952	3,303,470	15,367,267
Indigenous Services				
Department of Indigenous Services				
Indian band funds				
Capital accounts, Table 6.31	400,301,654	42,592,100	60,826,554	382,067,200
Revenue accounts, Table 6.32	179,299,566	85,053,956	102,448,694	161,904,828
	579,601,220	127,646,056	163,275,248	543,972,028
Indian estate accounts	29,109,170	8,495,211	6,520,404	31,083,977
Indian savings accounts	25,537,469	1,425,985	3,837,180	23,126,274
	634,247,859	137,567,252	173,632,832	598,182,279
Innovation, Science and Economic Development				
Department of Industry				
Restitutions under the <i>Competition Act</i>	4,353	181	–	4,534
National Defence				
Department of National Defence				
Estates—Armed services	980,064	1,591,941	1,316,210	1,255,795
Public Safety and Emergency Preparedness				
Canadian Security Intelligence Service				
Scholastic awards	26,590	397	500	26,487
Correctional Service of Canada				
Inmates Trust Fund	17,732,441	38,433,142	38,665,384	17,500,199
Royal Canadian Mounted Police				
Benefit Trust Fund	2,394,668	274,250	198,763	2,470,155
	20,153,699	38,707,789	38,864,647	19,996,841
Veterans Affairs				
Department of Veterans Affairs				
Administered accounts	238,309	55,425	37,734	256,000
Veterans Administration and Welfare Trust Fund	1,039,265	26,203	52,838	1,012,630
	1,277,574	81,628	90,572	1,268,630
Total—Trust accounts	675,100,334	178,182,743	217,207,731	636,075,346
Total—Deposit and trust accounts	1,355,356,410	749,998,345	770,729,293	1,334,625,462

¹ This account has been transferred from the Department of Indian Affairs and Northern Development.

² This account has been transferred from the National Energy Board.

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

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

Canadian Dairy Commission Account

The Canadian Dairy Commission is a Crown corporation listed in Part I of Schedule III of the *Financial Administration Act*. This account was established for banking purposes using the Consolidated Revenue Fund pursuant to section 15 of the *Canadian Dairy Commission Act*.

Field British Columbia and Yukon Operations of the Northern Canada Power Commission

This account was established to record amounts deposited by the Northern Canada Power Commission to reimburse liabilities pertaining to Field, British Columbia and Yukon Operations of the Northern Canada Power Commission.

Guarantee deposits—Department of 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.

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

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

Contractor security deposits—Cash—Parks Canada Agency

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

Canada Labour Code—Other

This account was established to record amounts received under the provisions of section 251 of the Canada Labour Code Part III. The receipts are payment of wages or other amounts prescribed under the Code that a Labour inspector determined to be owed following a complaint or an inspection. Employers can pay the amount owed to the Minister of Labour instead of paying them directly to the employee. These amounts are then paid out to the employees.

Canada Labour Code—Wage recovery request for review or appeal

This account was established to record amounts following the issuance of a payment order under section 251.1 of the Canada Labour Code Part III. This account contains amounts that were remitted by an employer or a director who request a review or an appeal of a payment order issued by a Labour Program inspector regarding wages or amounts that are owed to employees. 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 Minister's review decision, to the Minister of Labour for deposit. This amount is held until the revision or the appeal is completed after which it will be remitted to the employee, the employer, the director or both where applicable, 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 are refunded to the employer. 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 contractors' deposits.

Holdback—Privatization—Canada Development Investment Corporation

This account was established pursuant to subsection 129(1) of the *Financial Administration Act*. This special purpose money is to be used to meet costs incurred on the sale of Crown corporations and demand for payment by purchasers pursuant to the acquisition agreement and costs incurred by the Canada Development Investment Corporation in connection with their sale.

Abandonment Reserve Fund—Canada Hibernia Holding Corporation

This account was established to record funds which will be used to defray the future abandonment costs that will occur at the closure of the Hibernia field.

Swap collateral guarantee deposits

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

An amount of \$107.4 million US is held in this account at year-end.

Contractor security deposits—Cash—Department of Fisheries and Oceans

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

Guarantee deposits—Fish habitat preservation

This account was established to record cash and securities deposited as guarantees for preservation of fish habitat as required by permits, leases or authorizations, pursuant to Section 35 of the *Fisheries Act*. Interest is not allowed on cash deposits.

Contractor security deposits—Cash—Canadian Food Inspection Agency

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

Guarantee deposits—Department of Indigenous Services

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.

Candidates' and committees' deposits—Election and referendum

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

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

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)

	2020	2019
Opening balance	400,301,654	414,383,748
Receipts and other credits		
Claim settlements	—	498,500
Gas royalties	18,317,828	23,737,635
Oil royalties	19,331,135	18,287,897
Sundries	4,943,137	3,825,018
	42,592,100	46,349,050
	442,893,754	460,732,798
Payments and other charges		
Per capita cash distribution	4,388,051	3,673,139
Transfer pursuant to section 64 of the <i>Indian Act</i>	51,238,926	56,758,005
Sundries	5,199,577	—
	60,826,554	60,431,144
Closing balance	382,067,200	400,301,654

Table 6.32

Indian band funds—Revenue accounts

(in dollars)

	2020	2019
Opening balance	179,299,566	176,982,079
Receipts and other credits		
Government interest	9,268,911	13,906,031
Land and other claim settlements	5,299,461	50,000
Sundries	70,485,584	68,353,552
	85,053,956	82,309,583
	264,353,522	259,291,662
Payments and other charges		
Transfer pursuant to section 69 of the <i>Indian Act</i>	89,722,587	71,032,208
Sundries	12,726,107	8,959,888
	102,448,694	79,992,096
Closing balance	161,904,828	179,299,566

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 estates are distributed to the legal representative of the member's estate.

Scholastic awards

This account was established to record donations of \$26,000 to be used for the presentation of scholarship awards to children of employees of the Canadian Security Intelligence Service to encourage university studies.

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, 2019	Receipts and other credits	Payments and other charges	March 31, 2020
Insurance and death benefit accounts				
Families, Children and Social Development				
Department of Employment and Social Development				
Civil Service Insurance Fund	1,319,933	56	217,918	1,102,071
National Defence				
Department of National Defence				
Regular Force Death Benefit Account, Table 6.34	179,510,719	28,097,867	35,385,687	172,222,899
Treasury Board				
Treasury Board Secretariat				
Public Service Death Benefit Account, Table 6.35	3,799,864,724	272,539,992	192,235,800	3,880,168,916
Veterans Affairs				
Department of Veterans Affairs				
Returned Soldiers' Insurance Fund	4,459	1,780	511	5,728
Veterans' Insurance Fund	965,986	2,572	114,497	854,061
	970,445	4,352	115,008	859,789
Total—Insurance and death benefit accounts	3,981,665,821	300,642,267	227,954,413	4,054,353,675
Pension accounts				
Global Affairs				
Department of Foreign Affairs, Trade and Development				
Contributory Pension Account—Locally engaged staff	80,566	—	—	80,566
Public Safety and Emergency Preparedness				
Royal Canadian Mounted Police				
Royal Canadian Mounted Police (Dependants) Pension Fund	12,862,731	444,736	2,402,341	10,905,126
Total—Pension accounts	12,943,297	444,736	2,402,341	10,985,692
Other accounts				
Agriculture and Agri-Food				
Department of Agriculture and Agri-Food				
AgriInvest Program	8,272,922	228,959,240	233,257,707	3,974,455
AgriStability Program	50,643,517	26,901,725	25,158,678	52,386,564
Collaborative Institution	—	734,200	78,000	656,200
Federal/provincial collaborative agreement—Dam transfer	488,665	1,086,278	1,574,943	—
Foreign missions to advance Canadian agriculture	—	131,456	131,456	—
In-Market Partnership Fund	—	3,100	3,100	—
	59,405,104	257,815,999	260,203,884	57,017,219
Canadian Heritage				
Department of Canadian Heritage				
Miscellaneous projects deposits	277,062	629,021	382,526	523,557
Shared-cost/joint project agreements	22,193	901,069	169,315	753,947
Library and Archives of Canada				
Special Operating Account	146,739	22,000	168,739	—
Telefilm Canada				
Advance Account	56,587,467	30,517,116	30,130,372	56,974,211
	57,033,461	32,069,206	30,850,952	58,251,715
Environment and Climate Change				
Parks Canada Agency				
Miscellaneous projects deposits	6,278,269	6,072,280	6,562,726	5,787,823

Table 6.33
Other specified purpose accounts—continued

(in dollars)

	April 1, 2019	Receipts and other credits	Payments and other charges	March 31, 2020
Families, Children and Social Development				
Department of Employment and Social Development				
Federal/provincial collaborative agreement.....	4,942,326	69,921,446	71,833,643	3,030,129
Federal/provincial shared-cost project.....	365,327	69,631	39,460	395,498
Federal/provincial/territorial shared-cost project				
Interprovincial Computerized Examination				
Management System.....	2,486,430	774,073	494,592	2,765,911
Labour Standards Suspense Account	1,785,419	127,820	5,560	1,907,679
	9,579,502	70,892,970	72,373,255	8,099,217
Finance				
Department of Finance				
Common school funds—Ontario and Quebec	2,677,771	—	—	2,677,771
Foreign Claims Fund.....	179,020	—	—	179,020
Hibernia Dividend Backed Annuity Agreement.....	—	124,628,959	124,628,959	—
War Claims Fund—World War II.....	4,236	—	—	4,236
	2,861,027	124,628,959	124,628,959	2,861,027
Fisheries, Oceans and the Canadian Coast Guard				
Department of Fisheries and Oceans				
Federal/provincial cost-sharing agreements	5,950,182	34,571,150	14,436,731	26,084,601
Miscellaneous projects deposits	21,147,762	5,828,226	11,133,762	15,842,226
Sales of seized assets	1,501,652	928,863	423,483	2,007,032
	28,599,596	41,328,239	25,993,976	43,933,859
Global Affairs				
Department of Foreign Affairs, Trade and Development				
Canada Foundation Account	410,097	—	29,538	380,559
Less:				
Deposits in a special bank account.....	7,140	—	5,131	12,271
Securities held in trust.....	402,957	34,669	—	368,288
	—	34,669	34,669	—
Financial assistance to Canadians abroad.....	117,820	537,770	566,796	88,794
Funds from non-governmental organizations	3,227,113	6,719,536	9,231,603	715,046
Shared-cost projects	8,778,265	5,697,779	5,565,931	8,910,113
Shared-cost projects—Support to various programs.....	230,505	—	—	230,505
	12,353,703	12,989,754	15,398,999	9,944,458
Health				
Department of Health				
Collaborative research projects	3,619,129	686,911	758,787	3,547,253
Miscellaneous federal/provincial projects	1,682,101	545,362	305,639	1,921,824
World Health Organization	105,908	—	—	105,908
Canadian Food Inspection Agency				
Shared-cost agreements.....	1,206,251	967,559	1,301,340	872,470
Public Health Agency of Canada				
Collaborative research projects	558,526	399,016	317,136	640,406
Miscellaneous federal/provincial projects	972,870	—	—	972,870
	8,144,785	2,598,848	2,682,902	8,060,731
Immigration, Refugees and Citizenship				
Department of Citizenship and Immigration				
Immigrant Investor Program	19,600,000	223,600,000	240,000,000	3,200,000
Indigenous Services				
Department of Indigenous Services				
Fines— <i>Indian Act</i>	423,211	1,272	—	424,483
Indian band funds—Shares and certificates.....	20,000	—	—	20,000
Less: securities held in trust.....	20,000	—	—	20,000
	—	—	—	—
Indian Moneys Suspense Account.....	42,272,387	13,426,272	13,663,067	42,035,592
Indian special accounts	3,202	—	—	3,202
Miscellaneous federal/provincial projects	4,849,256	4,750,000	—	9,599,256
Less: securities held in trust.....	4,750,000	—	4,750,000	9,500,000
	99,256	4,750,000	4,750,000	99,256
Treaty Land Entitlement (Saskatchewan) Fund.....	—	772,914	772,914	—
	42,798,056	18,950,458	19,185,981	42,562,533

Table 6.33
Other specified purpose accounts—concluded

(in dollars)

	April 1, 2019	Receipts and other credits	Payments and other charges	March 31, 2020
Innovation, Science and Economic Development				
Department of Industry				
Income from securities in trust— <i>Bankruptcy and Insolvency Act</i>	52,031	—	—	52,031
Petro-Canada Enterprises Inc.—Unclaimed shares.....	686,867	—	—	686,867
Shared-cost projects	1,847,228	729,920	486,119	2,091,029
Unclaimed dividends and undistributed assets				
<i>Bankruptcy and Insolvency Act</i>	32,851,625	1,501,422	849,496	33,503,551
<i>Canada Business Corporations Act</i>	9,502,257	425,552	311,100	9,616,709
<i>Winding-up and Restructuring Act</i>	5,018,318	—	—	5,018,318
Atlantic Canada Opportunities Agency				
Federal/Provincial agreement—Advance account	1,004,627	3,344,571	3,085,455	1,263,743
Canadian Space Agency				
Solar Wind Magnetosphere Ionosphere Link Explorer				
Ultra-Violet Imager (SMILE-UVI)	—	4,973,000	4,557,458	415,542
Statistics Canada				
Project deposits	618,715	143,215,719	143,219,997	614,437
	51,581,668	154,190,184	152,509,625	53,262,227
Justice				
Courts Administration Service				
Special Account	6,781,027	1,093,932	2,444,272	5,430,687
National Defence				
Department of National Defence				
Joint research and development projects.....	2,377,465	447,215	671,976	2,152,704
Non-government agencies	2,372,240	1,573,040	1,441,828	2,503,452
	4,749,705	2,020,255	2,113,804	4,656,156
National Revenue				
Canada Revenue Agency				
Deposits/Disbursements—Workers' Compensation Board.....	3,023,873	300,661,305	303,604,266	80,912
Natural Resources				
Department of Natural Resources				
Market development incentive payments—Alberta	557,825	—	350,574	207,251
Newfoundland and Labrador Offshore Petroleum Revenue Account	—	345,728,449	345,728,449	—
Nova Scotia Offshore Revenue Account	—	4,339,115	4,339,115	—
Shared-cost agreements—Research.....	5,802,334	3,633,727	3,481,994	5,954,067
Shared-cost projects	1,453,685	659,093	1,735,909	376,869
	7,813,844	354,360,384	355,636,041	6,538,187
Office of the Governor General's Secretary				
Cost-sharing collaborate agreement	—	28,500	27,523	977
Privy Council				
Privy Council Office				
Shared-cost projects—Media travel expenses.....	791,260	215,099	15,491	990,868
Public Safety and Emergency Preparedness				
Royal Canadian Mounted Police				
Joint research and development projects.....	1,001,041	301,413	—	1,302,454
Public Services and Procurement				
Department of Public Works and Government Services				
Military purchases excess funds deposit.....	111,251,263	29,556,203	—	140,807,466
Less: securities held in trust	111,251,263	—	29,556,203	140,807,466
	—	29,556,203	29,556,203	—
Transport				
Department of Transport				
Shared-cost agreements—Security projects	2,659,095	—	408,037	2,251,058
Total	325,055,016	1,633,373,988	1,644,196,896	314,232,108
Less: consolidation adjustment ¹	56,587,467	30,517,116	30,130,372	56,974,211
Total—Other accounts	268,467,549	1,602,856,872	1,614,066,524	257,257,897
Total—Other specified purpose accounts.....	4,263,076,667	1,903,943,875	1,844,423,278	4,322,597,264

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, 2020, was 96 and the average age of the policyholders was 94.0 years. During the year, premiums of \$56 were received. Death benefits, settlement annuities and premium refunds of \$104,137 were paid during 2020.

According to the actuarial valuation and with the prescribed actuarial assumptions, the liabilities in respect of the benefits provided under the Act are estimated at \$1,102,071 as at March 31, 2020. The surplus as at March 31, 2020, is \$113,781. Pursuant to subsection 16(4) of the Civil Service Insurance Regulations, an amount of \$113,781 has therefore been debited from the account in 2020.

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)

	2020	2019
Opening balance	179,510,719	185,203,386
Receipts and other credits		
Employee contributions	19,094,611	19,030,607
Employer contributions		
Government		
General	2,346,881	1,969,319
Interest	6,656,375	6,976,670
Total receipts and other credits	28,097,867	27,976,596
Subtotal	207,608,586	213,179,982
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	35,385,687	33,669,263
Closing balance	172,222,899	179,510,719

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)

	2020	2019
Opening balance	3,799,864,724	3,714,705,845
Receipts and other credits		
Employee contributions		
Active members		
Public Service employees	80,877,905	76,189,811
Public Service corporations	6,136,047	5,959,531
Retired employees	27,473,405	26,950,643
Employer contributions		
Public Service corporations	1,615,620	1,569,400
Death benefit—general	12,482,150	12,016,107
Death benefit—single premium for \$10,000	3,193,021	3,131,353
Interest	140,761,844	144,845,552
Total receipts and other credits	272,539,992	270,662,397
Subtotal	4,072,404,716	3,985,368,242
Payments and other charges		
Benefit payments		
General	149,747,301	143,784,511
Life coverage for \$10,000	42,450,000	41,310,237
Other death benefit payments	38,499	408,770
Total payments and other charges	192,235,800	185,503,518
Closing balance	3,880,168,916	3,799,864,724

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, 2019, of \$1,780 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, 2019, of \$2,572 was credited to the account during the year and was charged to expenditures. The final date on which application for this insurance could have been received was October 31, 1968.

Contributory Pension Account—Locally engaged staff

This account was established to record benefits paid to locally engaged staff hired prior to March 1, 2009, at the Canadian High Commission in Guyana upon termination of their employment. The specified purpose account was established following the liquidation of CLICO Life and General Insurance Company (South America) Limited.

Royal Canadian Mounted Police (Dependants) Pension Fund

This fund, which pertains to Part IV of the *Royal Canadian Mounted Police Pension Continuation Act*, provides pension benefits to certain widows and other dependants of Constables of the Royal Canadian Mounted Police, who purchased pension benefits between October 1, 1934, and March 1, 1949. There are no longer any active members amongst the contributors.

AgriInvest Program

The AgriInvest Program is a savings account designed to help producers cover small margin declines.

The AgriInvest Program is cost-shared with provinces and territories on a 60/40 basis. The provinces and territories are invoiced for their share of the contributions, which are held in the specified purpose accounts until they are applied and transferred to the producer accounts. The funds in the producer's specified purpose accounts are then drawn down as the funds are transferred to a financial institution of the producer's choice.

AgriStability Program

The AgriStability Program is designed to cover larger margin declines caused by circumstances such as low prices, production losses, and rising input costs.

The AgriStability Program is cost-shared with provinces and territories on a 60/40 basis. Producers are charged a fee in order to participate in the program, which covers a portion of the program expenditure. The provinces and territories as well as producers are invoiced for their share of the contributions, which are held in the specified purpose accounts. These funds are drawn down as applications are processed and benefits are paid out.

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.

Foreign missions to advance Canadian agriculture

This account records deposits made by Canadian agri-food industry organizations towards the costs of hosting incoming government-to-government foreign missions that advance Canadian agri-food commercial interests, or for costs related to outgoing foreign missions in support of incremental agri-food market development activities, for which there is a collaborative agreement with the federal government. The costs incurred by the federal government to undertake these missions are charged to this account and any unspent deposits are returned to the relevant Canadian agri-food industry organizations at the completion of each mission.

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.

Miscellaneous projects deposits—Parks Canada Agency

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

Federal/provincial collaborative agreement

This account was established to record amounts received by the Department of Employment and Social Development from a province as funding under the provisions of a collaborative agreement with the province.

Federal/provincial shared-cost project—Department of Employment and Social Development

This account was established to record the deposit of advance payments made by provinces towards the costs of projects and programs for which there is a cost-sharing agreement with the federal government. Disbursements are made to pay the provinces' share of costs as per official agreements or to refund unused amounts.

Federal/provincial/territorial shared-cost project—Interprovincial Computerized Examination Management System

This account was established to record advance payments received from provinces and territories to pay for the development and annual operating costs of the Interprovincial Computerized Examination Management System (ICEMS). Advance payments are made pursuant to the Agreement on the Joint Project for the ongoing operations of the ICEMS. The costs incurred are charged to the account and any unexpended funds will be allocated according to the common will of the Parties and shall be in accordance with applicable legislation.

Labour Standards Suspend Account

This account was established under the authority of section 23 of the Canada Labour Standards Regulations to record wages received by the Minister of Labour from employers who cannot locate employees. Efforts are then made to locate employees. Wages are paid out when employees are located or when employees contact the department for payment.

Common school funds—Ontario and Quebec

This account was established under *12 Victoria 1849*, Chapter 200, to record the proceeds from the sale of lands set apart for the support and maintenance of common schools in Upper and Lower Canada, now Ontario and Quebec. Interest of \$133,889, apportioned on the basis of population, is paid directly to these provinces on a semi-annual basis, at the rate of 5% per annum, and is charged to interest on the public debt.

Foreign Claims Fund

This account was established by Vote 22a, *Appropriation Act No. 9, 1966*, to record: (a) such part of the money received from the Custodian of Enemy Property, proceeds of the sale of property and the earnings of property, and (b) all amounts received from governments of other countries pursuant to agreements entered into after April 1, 1966, relating to the settlement of Canadian claims, and also records payment of claims submitted, including payment of the expenses incurred in investigating and reporting on such claims.

Hibernia Dividend Backed Annuity Agreement

The government and the Province of Newfoundland and Labrador entered into the Hibernia Dividend Backed Annuity (HDBA) Agreement, which became effective April 1, 2019. Under the HDBA Agreement, both parties are obligated to make certain payments to one another through 2056.

Government of Canada's obligation

The Government of Canada is obligated under the HDBA Agreement to make scheduled annual payments of varying amounts between 2019 and 2056 to Newfoundland and Labrador totaling \$3.3 billion. This total includes the provincial income and capital taxes payable in respect of those years (provincial taxes) by Canada Hibernia Holding Corporation (CHHC) to Newfoundland and Labrador. CHHC is a single-purpose entity that holds, manages, administers and operates Canada's working interest in the Hibernia Project. The Hibernia Project comprises the original Hibernia Development Project area, where CHHC has an 8.5% working interest, and the Hibernia Southern Extension Unit, where as of December 31, 2019, CHHC has a 5.6% working interest. Canada indirectly owns all of the issued and outstanding shares of CHHC through the Canada Development Investment Corporation, a wholly owned federal Crown corporation.

The Government of Canada's obligation under the HDBA Agreement is to pay Newfoundland and Labrador each year the stated annual payment less the provincial taxes payable by CHHC in respect of that year (annuity payment).

Newfoundland and Labrador's obligation

The Province of Newfoundland and Labrador is obligated under the HDBA Agreement to pay the Government of Canada eight fixed annual payments of \$100 million each, starting in 2045 and ending in 2052.

War Claims Fund—World War II

This account was established by Vote 696, *Appropriation Act No. 4, 1952*, to record funds received from the Custodian of Enemy Property or from other sources, and payments: (a) to eligible claimants for compensation in respect of World War II; (b) of a supplementary award amounting to 50% of the original award (PC 1958-1467, October 23, 1958); and (c) of expenses incurred in investigating and reporting on claims.

A War Claims Commission was established to enquire into and report on claims made by Canadians arising out of World War II for which compensation may be paid from this or any other fund established for the purpose. The expenses of the Commission are chargeable hereto.

Federal/provincial cost-sharing agreements

This account was established to record the deposit of funds received from the provinces for cost-shared programs according to official signed agreements.

Miscellaneous projects deposits—Department of Fisheries and Oceans

This account was established to record contributions received from organizations and individuals for the advancement of research work.

Sales of seized assets

The account was established to record the proceeds of the sale of seized items by the Department of Fisheries and Oceans from a person contravening the *Fisheries Act*. Funds so received are held in the Consolidated Revenue Fund pending final resolution of the case by the Minister of Fisheries and Oceans or the courts.

Canada Foundation Account

This account was established by Vote 6g, *Appropriation Act No. 2, 1967*, to record funds received in connection with the Civilian Relief Agreement of 1950, and the Cultural Agreement of 1954 between Canada and Italy, and disbursements for the purposes of the said agreements.

Financial assistance to Canadians abroad

This account was established to record funds received from families or friends as prepayment for financial assistance to distressed Canadians abroad.

Funds from non-governmental organizations

This account was established to record funds received as prepayment for services to be performed by the Department of Foreign Affairs, Trade and Development on behalf of third parties.

Shared-cost projects—Department of Foreign Affairs, Trade and Development

This account was established to record funds received from organizations outside the Government of Canada reporting entity for shared-cost projects.

Shared-cost projects—Support to various programs

This account was established to record deposits received and payments made in accordance with authorities for shared-cost projects to support various development programs.

Collaborative research projects—Department of Health

This account was established to record funds received from client groups for cost-shared and joint project research agreements.

Miscellaneous federal/provincial projects—Department of Health

This account was established to record transactions relating to the provinces/territories share of costs incurred under federal/provincial cost-sharing agreements for joint federal/provincial/territorial projects which address health issues that are national in scope.

World Health Organization

This account was established to record funds received from the World Health Organization for scientific projects.

Shared-cost agreements—Canadian Food Inspection Agency

This account was established to record amounts deposited by external parties for shared-cost research projects. Funds are disbursed on behalf of depositors as specific projects are undertaken.

Collaborative research projects—Public Health Agency of Canada

This account was established to record funds received from client groups for cost-shared and joint project research agreements.

Miscellaneous federal/provincial projects—Public Health Agency of Canada

This account was established to record transactions relating to the provinces/territories share of costs incurred under federal/provincial cost-sharing agreements for joint federal/provincial/territorial projects which address health issues that are national in scope.

Immigrant Investor Program

This account was established to record the receipt and disbursement of amounts received under the Immigrant Investor Program in accordance with section 12(2) of the *Immigration and Refugee Protection Act* and section repealed 91(d) of the *Immigration and Refugee Protection Regulations*. This program allowed qualified immigrants to gain permanent residence in Canada by making an investment in the Canadian economy.

The *Economic Action Plan 2014 Act, No. 1* (Bill C-31) terminated the program and any application in the backlog for which a selection decision was not made before February 11, 2014. Although the program has been terminated, repayments to investors will end in May 2024.

Fines—Indian Act

Fines collected as defined in section 104 of the *Indian Act*, are credited to this account for the benefit of the bands or members of the bands. Expenditures may be made per the direction of the Governor in Council to cover certain costs in the administration or promotion of the purpose of the relative law. This account is non-interest bearing.

Indian band funds—Shares and certificates

This account was established under the *Indian Act*, to record the historical value of TransAlta Utilities Corporation shares received as compensation for a power line right-of-way on the Blood Indian reserve. These shares are held in the name of the Receiver General for Canada for the credit of the Blood Indian Band.

Indian Moneys Suspense Account

This account was established to hold moneys received for individual Indians and bands that cannot be disbursed to an Indian, or credited to an Indian Band Fund or Individual Trust Fund account, pending execution of the related lease, permit or licence, settlement of litigation, registration of the Indian or identification of the recipient.

Indian special accounts

Indian special accounts represent a number of non-interest bearing accounts which are maintained for specific purpose. These accounts include Quebec fur account which was established to record funds received from the sales of pelts trapped on reserves in the Abitibi District in Quebec, to defer charges for tallymen's wages, freight costs, etc. No activity was reported in the current year.

Miscellaneous federal/provincial projects—Department of Indigenous Services

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.

Treaty Land Entitlement (Saskatchewan) Fund

This account was established as per Article 5.08 (a) (ii) of the Saskatchewan Treaty Land Entitlement Framework Agreement to collect Provincial Mineral Revenues on behalf of the Province of Saskatchewan and remit the same in the manner as described in an agreement between the two parties.

Income from securities in trust—*Bankruptcy and Insolvency Act*

This account was established by sections 78, 84, 154 and 194 of the *Bankruptcy and Insolvency Act*, to record dividends paid on stocks originally held by a bankrupt stockbroker but subsequently sold to clients. As the stocks were not registered in the clients' names, the dividends must be paid to the last registered owner, in this case, the stockbroker. The dividends are forwarded to the Superintendent of Bankruptcy for safekeeping.

Petro-Canada Enterprises Inc.—Unclaimed shares

This account was established by Section 227 of the *Canada Business Corporations Act* to record the liability to shareholders who have not presented their shares for payment.

Shared-cost projects—Department of Industry

This account was established to record funds received from other governments and organizations in order to cover expenditures incurred under various shared-cost/joint project agreements.

Unclaimed dividends and undistributed assets—*Bankruptcy and Insolvency Act*

This account represents amounts credited to the Receiver General in accordance with the provisions of section 154 of the *Bankruptcy and Insolvency Act*, pending distribution to creditors.

Unclaimed dividends and undistributed assets—*Canada Business Corporations Act*

This account was established in accordance with sections 227 and 228 of the *Canada Business Corporations Act* for the purpose of recording liabilities to creditors and shareholders who have not been located. The account is charged when funds are paid to them.

Unclaimed dividends and undistributed assets—*Winding-up and Restructuring Act*

This account records amounts credited to the Receiver General, in accordance with sections 138 and 139 of the *Winding-up and Restructuring Act*, pending distribution.

Federal/provincial agreement—Advance Account

This account was established to record deposits from non-federal partners for their share of costs under various projects. Funds are disbursed on behalf of contributors as projects are undertaken. Unused funds are to be returned to contributors.

Solar Wind Magnetosphere Ionosphere Link Explorer Ultra-Violet Imager

This account was established to record funds received from The University of Calgary for the financing of the development of the Ultra-Violet Imager Infrastructure (SMILE-UVI).

Canada/Provinces Service Agreement

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

Project deposits—Statistics Canada

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

Special Account—Courts Administration Service

This account was established to maintain accounts on behalf of litigants before the Federal Court and Federal Court of Appeal. These accounts record the funds paid into the Federal Court and Federal Court of Appeal, pursuant to an order of the courts, rules of the courts or statutes, to be held pending payment of such funds, in accordance with an order/judgment of these courts.

Joint research and development projects—Department of National Defence

This account was established to record funds received from other governments and organizations through collaborative relationships where the work is shared between the Government of Canada and other laboratories.

Non-government agencies

This account was established to record funds received for expenditures made on behalf of non-government agencies, for which specific accounts have not been established.

Deposits/Disbursements—Workers' Compensation Board

This account was established under the authority of the *Canada Revenue Agency Act* and the *Workers' Compensation Act*, to enable the Canada Revenue Agency (CRA) to record and forward on daily basis, funds received from Nova Scotia employers to the Workers' Compensation Board of Nova Scotia (Board), as part of a partnership arrangement between the CRA and the Board.

Market development incentive payments—Alberta

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

In 2009–2010, a strategy for the expenditure of these funds was agreed upon. This strategy consists of expending the remaining funds in support of expanding the use of natural gas in transportation and combined heat and power applications across Canada. It is anticipated that all remaining funds will be spent by March 31, 2021.

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.

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.

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.

Graham Flack
Deputy Minister
Employment and Social Development Canada

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

Gatineau, Canada
October 2, 2020

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 2020, 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 2020 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
2 October 2020

Canada Pension Plan—continued**Consolidated statement of financial position
as at March 31**

(in millions of dollars)

	2020	2019
Financial assets		
Cash (Note 3)	473	251
Receivables (Note 4)	6,393	5,415
Investments (Note 6 and Note 18)	536,313	495,925
Pending trades receivable (Note 6)	7,025	4,692
Other	–	75
	550,204	506,358
Liabilities		
Payables and accrued liabilities (Note 8)	1,368	1,168
Investment liabilities (Note 6 and Note 18)	127,075	104,222
Pending trades payable (Note 6)	6,619	4,401
	135,062	109,791
Financial assets available for benefit payments	415,142	396,567
Non-financial assets		
Premises, equipment and others.....	495	449
Assets available for benefit payments	415,637	397,016

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:

Graham Flack

Deputy Minister

Employment and Social Development Canada

Mark Perlman, CPA, CMA

Chief Financial Officer

Employment and Social Development Canada

Canada Pension Plan—continued**Consolidated statement of operations
for the year ended March 31**

(in millions of dollars)

	Budget 2020 (Note 9)	Actual 2020	Actual 2019
Revenues			
Contributions.....	54,417	56,142	51,184
Net investment income			
Realized gains (Note 18).....	–	23,438	34,203
Unrealized losses (Note 18).....	–	(17,248)	(8,265)
Interest income (Note 18).....	–	5,312	4,362
Dividend income.....	–	5,598	6,358
Other income (Note 18).....	–	(23)	(262)
Investment management fees.....	–	(1,808)	(1,586)
Borrowing costs (Note 18).....	–	(1,523)	(1,163)
Transaction costs (Note 18).....	–	(390)	(429)
	18,611	13,356	33,218
	73,028	69,498	84,402
Expenses			
Pensions and benefits			
Retirement.....	39,142	38,333	36,286
Survivor.....	4,757	4,745	4,586
Disability.....	4,401	4,277	4,263
Disabled contributor's child.....	328	316	320
Death.....	428	408	377
Orphan.....	218	217	211
Post-retirement.....	–	683	553
Post-retirement disability.....	–	17	–
Net overpayments (Note 4).....	–	(95)	(54)
	49,274	48,901	46,542
Operating expenses (Note 11).....	1,824	1,976	1,841
	51,098	50,877	48,383
Net increase in assets available for benefit payments.....	21,930	18,621	36,019
Assets available for benefit payments, beginning of year.....	397,016	397,016	360,997
Assets available for benefit payments, end of year.....	418,946	415,637	397,016

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 2020 (Note 9)	Actual 2020	Actual 2019
Net increase in assets available for benefit payments.....	21,930	18,621	36,019
Changes in non-financial assets.....	–	(46)	(52)
Increase in financial assets available for benefit payments.....	21,930	18,575	35,967
Financial assets available for benefit payments, beginning of year.....	396,567	396,567	360,600
Financial assets available for benefit payments, end of year.....	418,497	415,142	396,567

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)

	2020	2019
Operating activities		
Cash receipts		
Contributions	55,182	51,151
Interest on investments (Note 18)	5,324	5,078
Dividends on investments (Note 18)	5,502	6,379
Cash payments		
Pensions and benefits	(48,859)	(46,549)
Operating expenses	(1,775)	(1,953)
Borrowing costs (Note 18)	(1,446)	(1,065)
Investment management fees	(805)	(1,001)
Transaction costs (Note 18)	(382)	(394)
Other investment expenses (Note 18)	(31)	(260)
Cash flows from operating activities	12,710	11,386
Capital activities		
Acquisition of premises and equipment	(32)	(59)
Cash flows used in capital activities	(32)	(59)
Financing activities		
Proceeds from debt financing liabilities (Note 6)	29,507	36,784
Repayments of debt financing liabilities (Note 6)	(24,830)	(30,929)
Cash flows from financing activities	4,677	5,855
Investing activities		
Purchases	(2,481,235)	(3,015,044)
Disposals (Note 18)	2,464,102	2,997,998
Cash flows used in investing activities	(17,133)	(17,046)
Net increase (decrease) in cash	222	136
Cash, beginning of year	251	115
Cash, end of year	473	251

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, 2020****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 his provincial counterparts are responsible for setting CPP contribution rates, pension and benefit levels and funding policy.

CPP Investment Board (CPPIB or CPP Investments), a federal Crown corporation, 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 and its subsidiaries are owned by Her Majesty the Queen in right of Canada or by a corporation whose shares are owned by Her Majesty the Queen in right of Canada, respectively.

CPPIB is designed to operate at arm's length from the government. It is required to be accountable to the public, Parliament (through the federal Minister of Finance) and the provinces. It provides regular reports of its activities and the results achieved. The financial statements of CPPIB are audited annually by an external firm and are included in its annual report.

As stated in the *Canada Pension Plan*, changes to the *CPPIB Act* and major changes to the *Canada Pension Plan* require the agreement of at least two-thirds of the provinces, representing at least two-thirds of the population of all the provinces.

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 will increase the amount of CPP contributions and the corresponding pensions and post-retirement benefits that will be paid on CPP contributions made after December 31, 2018.

The CPP now comprises 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 presented 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, 2020—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 2020 is \$1,175.83 (2019 – \$1,154.58).

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 2020 is \$29.40 (2019 – \$28.86).

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 2020 is \$1,387.66 (2019 – \$1,362.30).

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 flat rate monthly post-retirement disability benefit in 2020 is \$505.79 (2019 – \$496.36).

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 2020 is \$638.28 (2019 – \$626.63) and to a survivor 65 and over in 2020 is \$705.50 (2019 – \$692.75).

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 2020 is \$255.03 (2019 – \$250.27).

Death benefits – According to the provisions of the *Canada Pension Plan*, a death benefit is a one-time payment to, or on behalf of, the estate of a contributor who made sufficient contributions to the Plan. The death benefit is a flat-rate payment of \$2,500.00 in 2020 (2019 – a flat-rate payment of \$2,500.00).

Pensions and benefits indexation – As required by the *Canada Pension Plan*, pensions and benefits are indexed annually to the cost of living, as determined by the Consumer Price Index for Canada. The rate of indexation for 2020 is 1.9% (2019 – 2.3%).

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2020—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). 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

Since CPPIB's IFRS adoption in 2015, the CPP, through CPPIB, classifies its financial assets and financial liabilities, in accordance with IFRS 9, Financial Instruments, as follows:

Financial assets are either classified at fair value through profit or loss (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, real assets, derivatives, securities purchased under reverse repurchase agreements and cash collateral pledged on securities borrowed. Financial assets carried at amortized cost include 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 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 when (a) the contractual rights to receive the cash flows from the financial asset expire, (b) the 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, 2020—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 investments, dividend income and interest income. Realized and unrealized gains and losses on investments include foreign currency gains or losses arising from investments denominated in foreign currencies. Dividend income is recognized on the ex-dividend date, which is when the right to receive the dividend has been established. Interest income is recognized as earned.

(g) Borrowing costs

Borrowing costs include interest and other costs that are incurred when borrowing funds or securities including expenses from debt financing liabilities, securities sold under repurchase agreements, prime brokerage and other securities borrowing and lending transactions where cash is received. Gains and losses associated with certain interest rate derivatives used as part of financing activities are also included in borrowing costs. Borrowing costs are recognized as incurred and included in net investment income (loss).

(h) Investment management fees

Investment management fees include payments to external managers who invest and manage capital committed by CPP, through CPPIB, whether directly or through funds. They also include performance fees paid when CPP, through CPPIB, earns a return above a pre-determined hurdle. Investment management fees are expensed as incurred and included in net investment income (loss).

(i) Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition or disposal of an investment. These costs comprise a variety of non-recurring expenses, including due diligence on potential investments, legal and tax advisory fees required to support the acquisition and disposition of private market assets, or, in the case of public markets, commissions paid when trading securities. Transaction costs are expensed as incurred and included in net investment income (loss).

(j) 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 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 in net investment income (loss).

(k) 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.

(l) 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).

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2020—continued****(m) Net overpayments**

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

(n) Operating expenses

Operating expenses are recorded as incurred.

(o) 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.

(p) 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.

(q) 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. Uncertainty about these estimates, judgments and assumptions 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, allowance for doubtful accounts, contingent liabilities, 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, judgment 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.

COVID-19, the novel coronavirus, has created global economic disruption and uncertainty. Despite the uncertainty as to the outcome and ultimate effects of the pandemic, CPP, through CPPIB, has used extensive sources of available information in providing its best estimate of the impact that the COVID-19 pandemic has had on the valuations of its investments and investment liabilities as of the date of these financial statements. However, these estimates are sensitive to key assumptions and drivers that are subject to material changes. The key assumptions and drivers include, but not limited to, weakening business outlook and economic contraction, the oil price drop, discount rate assumptions, modelling assumptions and operating assumptions related to business performance of the specific investments. CPP, through CPPIB, is monitoring developments relating to the global spread of COVID-19 and continuing to assess the ongoing impact on its investments.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2020—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, 2020, the deposit with the Receiver General for Canada in the CPP Accounts is \$279 million (2019 – \$163 million) and CPPIB's cash is \$194 million (2019 – \$88 million) for a total of \$473 million (2019 – \$251 million).

4. Receivables

Receivables comprise the following:

(in millions of dollars)

	2020	2019
Contributions	6,124	5,164
Québec Pension Plan	138	130
Beneficiaries		
Balance of pensions and benefits overpayments	159	154
Allowance for doubtful accounts	(83)	(69)
Others	55	36
	6,393	5,415

Contributions receivable represent the estimated amount to be collected by the CRA and transferred to the CPP relating to contributions earned at year end and adjusted for tax returns not yet assessed. The amount includes an estimate that takes into consideration the number of contributors and the average contribution to be received, which is based on the average earning and the CPP contribution rate. On an annual basis, the model used to make the estimate is reviewed. The difference between the estimate and the actual amount has not been significant in the past.

The CPP has procedures to detect benefits overpayments. During the year, overpayments totalling \$122 million (2019 – \$91 million) were established and debts totalling \$28 million (2019 – \$37 million) were forgiven as per the remission provisions of the *Canada Pension Plan*. A further \$89 million (2019 – \$88 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 Framework, 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 Risk Policy approved by the Board of Directors at least once every fiscal year. This policy contains risk limits and risk management provisions that govern investment decisions. It has been designed to achieve the mandate of CPPIB, which is to invest its assets with a view to achieving a maximum rate of return, without undue risk of loss, having regard to the factors that may affect the funding of the CPP and the ability of the CPP to meet its financial obligations on any given business day.

Upper and lower absolute risk limits and the absolute risk operating range are included within the Risk Policy, and these govern the amount of total investment risk that CPPIB can take in the CPP Investment Portfolios. CPPIB monitors potential investment losses in CPP Investment Portfolios daily and reports to the Board of Directors on at least a quarterly basis.

In the fourth quarter of the fiscal year, the COVID-19 pandemic resulted in reduced economic activity, exceptional volatility in financial markets and a widespread impact on people around the world. Despite the significant market movements, CPP, through CPPIB, remains within all risk limits established by the Board of Directors of CPPIB, including limits related to market, credit, liquidity and leverage risks.

As part of the ongoing monitoring, CPP, through CPPIB, perform scenario analysis to quantify the impact of potential stress events, including how severe market or geopolitical events could affect its portfolios, which are run on a quarterly basis. CPP, through CPPIB, has developed a series of scenarios in an attempt to assess the potential economic and financial impacts on the investment portfolios arising from COVID-19, such as the impacts of lower CPP contributions due to increasing unemployment in Canada on CPP's liquidity, as well as impacts on investment losses. Initial results indicate potential severe-case losses similar in magnitude to the historical market-stress scenarios. However, these estimates are highly sensitive to the assumptions made regarding the length and severity of the pandemic. The actual impacts could differ materially from this estimate. CPP, through CPPIB, will continue to refine the views and assumptions underlying the assessment as the situation unfolds.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2020—continued**

- i. *Market risk:* Market risk (including equity risk, interest rate risk, spread risk and currency risk) is the risk that the fair value or future cash flows 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 or future cash flows will fluctuate because of changes in equity prices. It is a significant source of risk of the CPP Investment Portfolios.

The CPP, through CPPIB, invests in both publicly traded and private equities. With all other variables held constant, a 1% decrease/increase in the S&P 500 Index would result in a loss/profit of \$944 million (2019 – \$1,021 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 or future cash flows of an investment or investment-related liability will fluctuate because of changes in market interest rates.

Applicable to debt instruments and interest-sensitive derivatives, with all other variables held constant, a 25 basis points increase/decrease in nominal risk-free rates would result in a decrease/increase of \$2,462 million (2019 – \$2,068 million) in the value of investments directly impacted by interest rate changes.

Spread risk: 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. Spread risk is the risk that the fair value of these securities will fluctuate because of changes in spread.

With all other variables held constant, a 1 basis point widening of spread rates would result in a decrease in net assets by \$37 million (2019 – \$31 million).

Currency risk: The CPP, through CPPIB, is exposed to currency risk through holdings of investments or investment liabilities in various currencies. Their fair value will fluctuate in the relative value of foreign currencies against the Canadian dollar.

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

(in millions of dollars)

Currency	2020		2019	
	Net exposure	% of total	Net exposure	% of total
United States dollar	230,536	56	204,605	52
Euro	25,921	6	33,539	9
British pound sterling	15,438	4	18,219	5
Chinese renminbi	14,954	4	12,577	3
Australian dollar	12,669	3	13,587	3
Hong Kong dollar	11,526	3	10,376	3
Japanese yen	8,153	2	8,416	2
Indian rupee	7,897	2	6,509	2
Brazilian real	3,813	1	3,620	1
Swiss franc	3,286	1	2,623	1
Chilean peso	2,652	1	2,722	1
Mexican peso	1,948	–	1,782	–
Other	8,824	2	13,227	3
Total foreign exposure	347,617	85	331,802	85
Canadian dollar	62,027	15	60,192	15
	409,644	100	391,994	100

As at March 31, 2020, with all other variables and underlying values held constant, a 10% appreciation/depreciation of the Canadian dollar against all other currencies would result in an decrease/increase in net investments by \$34,762 million (March 31, 2019 – \$33,180 million).

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2020—continued

- ii. *Credit risk:* Credit risk is the risk of financial loss due to a counterparty failing to meet its contractual obligations, or a reduction in the value of the assets due to a decline in the credit quality of the underlying entity. The CPP's, through CPPIB, credit risk exposure arises primarily through its investment in debt securities, over-the-counter derivatives (as discussed in Note 6g) and guarantees. The carrying amounts of the investments are presented in Note 6 and guarantees are presented in Note 15c).
- 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 on-and-off balance sheet leverage accelerates the worsening of market and liquidity risk factors 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 associated liquidity risk, certain assets are segregated and managed separately by CPPIB. Liquidity risk is also managed by investing these assets in liquid money market instruments with the primary objective of ensuring that the CPP has the necessary liquidity to meet benefit payment obligations on any business day. Also, the CPP, through CPPIB, supplements its management of liquidity risk through its ability to raise funds through the issuance of commercial paper and term debt and transacting in securities sold under repurchase agreements (refer to Note 6 and Note 7).

CPPIB maintains \$6,482 million (2019 – \$6,176 million) of unsecured credit facilities to meet potential liquidity requirements. There were no credit facilities drawn as at March 31, 2020, and March 31, 2019. The ability to readily dispose of certain investments to meet liquidity needs is facilitated by maintaining a liquid portfolio of publicly traded equities, money market securities and marketable bonds.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2020—continued****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.

The total of net investments not actively traded as at March 31, 2020 is \$302,348 million (2019 – \$272,609 million).

The Consolidated Schedule of Investment Portfolio below provides information on CPPIB's investments and investment liabilities:

(in millions of dollars)

	2020	2019 ¹
Equities		
Public equities	118,241	141,189
Private equities	105,381	96,659
Total equities	223,622	237,848
Fixed income		
Bonds	103,658	85,604
Other debt	27,214	27,325
Money market securities.....	24,908	9,829
Total fixed income.....	155,780	122,758
Absolute return strategies	27,922	25,512
Real assets		
Real estate	43,718	45,846
Infrastructure	34,679	33,131
Power and renewables	8,711	5,075
Energy and resources.....	7,281	8,002
Total real assets.....	94,389	92,054
Investment receivables		
Securities purchased under reverse repurchase agreements and cash collateral pledged on securities borrowed (Note 18)	18,658	12,532
Derivative assets.....	9,730	3,192
Other	6,212	2,029
Total investment receivables	34,600	17,753
Total investments¹	536,313	495,925
Investment liabilities		
Securities sold under repurchase agreements and cash collateral received on securities lent.....	(52,347)	(39,491)
Debt financing liabilities	(38,395)	(30,861)
Securities sold short	(20,776)	(29,027)
Derivative liabilities	(10,023)	(2,330)
Short-term secured debt (Note 18).....	(1,430)	(1,358)
Other	(4,104)	(1,155)
Total investment liabilities¹	(127,075)	(104,222)
Pending trades receivable ¹	7,025	4,692
Pending trades payable ¹	(6,619)	(4,401)
Net investments	409,644	391,994

¹ Consists of all the financial assets and liabilities held by both CPPIB (including its wholly owned / consolidated subsidiaries that were created to provide investment-related services to support its operations) and its investment holding subsidiaries (which are subsidiaries that are managed by CPPIB to hold investments and are not consolidated in CPPIB's consolidated financial statements). In contrast, the CPPIB's Consolidated Balance Sheet presents all financial assets and liabilities held by investment holding subsidiaries at fair value as investments. This results in a difference of \$849 million (March 31, 2019 – \$476 million), \$13 million (March 31, 2019 – \$3 million), \$81 million (March 31, 2019 – \$225 million) and \$917 million (March 31, 2019 – \$698 million) as compared to investments, investment liabilities, pending trades receivable and pending trades payable, respectively, as presented in the CPPIB's Consolidated Balance Sheet. CPP's Consolidated Statement of Financial Position continues to present the investments, investment liabilities and pending trades receivable and pending trades payables held by both CPPIB and its investment holding subsidiaries on a consolidated basis, as presented in CPPIB's Consolidated Schedule of Investment Portfolio.

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2020—continued

(a) Equities

Equities consist of public and private investments.

- i. Public equities are made directly or through funds, including hedge funds. Fair value for publicly traded equities, including equity short positions, is based on quoted market prices. Fair value for fund investments is generally based on the net asset value reported by the external administrators or managers of the funds.
- ii. Private equities are generally made directly or through ownership in limited partnership funds. As at March 31, 2020, private equities included direct investments with a fair value of \$55,893 million (2019 – \$47,446 million). The fair value for investments held directly is primarily determined using accepted industry valuation methods such as earnings multiples of comparable publicly traded companies or discounted cash flows. Recent market transactions, where available, are also used. In the case of investments held through a limited partnership fund, fair value is generally based on relevant information reported by the general partner using similar accepted industry valuation methods.

(b) Fixed income

- i. Bonds include non-marketable and marketable bonds. Fair value for non-marketable Canadian provincial government bonds is calculated using discounted cash flows based on current market yields of instruments with similar characteristics. In the case of marketable bonds, including bond short positions, fair value is based on quoted prices or calculated using discounted cash flows.
- ii. Other debt includes investments in direct private debt, asset-backed securities, distressed mortgage funds, private debt funds, hedge funds and investments in royalty-related income streams. Fair value for direct investments in private debt and asset-backed securities is based on quoted market prices or broker quotes or recent market transactions, if available. Where the market price is not available, fair value is calculated using discounted cash flows.
- iii. Money market securities consist of cash, term deposits, treasury bills, commercial paper and floating rate notes. Cash equivalents consist of short-term deposits with a maturity of 90 days or less. Fair value is determined using cost, which, together with accrued interest income, approximates fair value due to the short-term or floating rate nature of these securities.

(c) Absolute return strategies

Absolute return strategies include investments in hedge funds whose objective is to generate positive returns regardless of market conditions, that is, returns with a low correlation to broad market indices. The underlying securities of the funds could include, but are not limited to, equities, fixed income securities and derivatives. Fair value for fund investments is generally based on the net asset value as reported by the external administrators or managers of the funds.

(d) Real assets

- i. 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, and 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 investment partner.

As at March 31, 2020, real estate investments include assets of \$43,718 million (2019 – \$45,846 million).

- ii. Infrastructure, power and renewables and energy and resources 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. 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, 2020, infrastructure, energy and resources, and power and renewables include direct investments with a fair value of \$50,641 million (2019 – \$46,157 million) and \$30 million in fund investments (2019 – \$51 million).

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2020—continued****(e) Securities purchased under reverse repurchase agreements and 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, CPP, through CPPIB, has the right to liquidate the collateral held.

Securities sold under repurchase agreements are accounted for as collateralized borrowing because they represent the sale of securities with a simultaneous agreement to buy them back at a specified price at a specified future date. The securities sold 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 borrowing costs.

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

The fair value of the securities purchased under reverse repurchase agreements, as at March 31, 2020, are all within 1 year from the reporting date, \$17,665 million (2019 – \$8,205 million).

The fair value of the securities sold under repurchase agreements, as at March 31, 2020, are all within 1 year from the reporting date, \$52,261 million (2019 – \$38,548 million).

(f) Securities borrowed and lent

Securities borrowing and lending agreements are transactions in which CPP, through CPPIB, borrows securities from or lends securities to third parties. Borrowed securities are not recognized on the consolidated statement of financial position. The lent securities remain on the consolidated statement of financial position as CPP, through CPPIB, retains substantially all of the risks and rewards of ownership of the transferred securities.

Collateral received or pledged is generally in the form of cash, equities or fixed income securities. Cash collateral received is accounted for as an investment liability while equities and fixed income securities received as collateral are not recognized on the consolidated statement of financial position. Cash collateral pledged is accounted for as an investment receivable, while securities collateral pledged by CPP, through CPPIB, in securities borrowing agreements remain on the consolidated statement of financial position. Costs relating to securities borrowing and lending are included in borrowing costs.

The fair value of the cash collateral pledged on securities borrowed as at March 31, 2020, are all within 1 year from the reporting date, \$993 million (2019 – \$4,327 million).

The fair value of the cash collateral pledged on securities lent as at March 31, 2020, are all within 1 year from the reporting date, \$158 million (2019 – \$1,116 million).

(g) Derivative assets and liabilities

A derivative is a financial contract, the value of which is derived from the value of underlying assets, indices, interest rates, currency exchange rates or other market-based factors. Derivatives are transacted through regulated exchanges or negotiated in over-the-counter markets. CPPIB uses different types of derivative instruments, which include futures and forwards, swaps, options and warrants.

Fair value for exchange-traded derivatives, which includes futures, options and warrants, is based on quoted market prices. Fair value for over-the-counter derivatives, which includes forwards, swaps, options and warrants, is determined based on valuation techniques such as option pricing models, discounted cash flows and consensus pricing from independent brokers and/or third-party vendors.

(h) Securities sold short

Securities sold short represent securities that are sold, but not owned, by the CPP, through CPPIB. The CPP, through CPPIB, has an obligation to cover these short positions, which are accounted for as an investment liability based on the fair value of the securities sold. Collateral is pledged to the counterparty, as required (refer to Note 7). Interest and dividends accrued on securities sold short are included in net investment income (loss).

As at March 31, 2020, securities sold short of \$20,776 million (2019 – \$29,027 million) are considered repayable within one year based on the earliest period in which the counterparty could request payment under certain conditions.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2020—continued****(i) Debt financing liabilities**

Debt financing liabilities consist of commercial paper payable and term debt. Commercial paper payable is recorded at the amount originally issued, which, together with accrued interest expense, approximates fair value due to the short-term nature of these liabilities. Fair value for term debt is based on quoted market prices. Interest expense and associated costs on debt financing liabilities are included in borrowing costs.

The fair value of the commercial paper payable as at March 31, 2020, are all within 1 year from the reporting date, \$5,775 million (2019 – \$4,378 million).

The fair value of the term debt as at March 31, 2020, are as follows: within 1 year, \$5,626 million (2019 – \$4,590 million), 1 year to 5 years, \$13,969 million (2019 – \$12,673 million), and 6 years to over 10 years, \$11,577 million (2019 – \$8,836 million).

The following table provides a reconciliation of debt financing liabilities arising from financing activities in the Consolidated Statement of Cash Flow:

(CAD millions)

	For the year ended March 31, 2020				As at March 31, 2020
	As at April 1, 2019	Proceeds from debt financing liabilities	Repayments of debt financing liabilities	Non-cash changes in fair value ¹	
Debt financing liabilities.....	30,861	29,507	(24,830)	2,857	38,395
Total	30,861	29,507	(24,830)	2,857	38,395

(CAD millions)

	For the year ended March 31, 2019				As at March 31, 2019
	As at April 1, 2018	Proceeds from debt financing liabilities	Repayments of debt financing liabilities	Non-cash changes in fair value ¹	
Debt financing liabilities.....	24,056	36,784	(30,929)	950	30,861
Total	24,056	36,784	(30,929)	950	30,861

¹ Includes foreign exchange losses of \$1,824 million (March 31, 2019 – \$377 million).

(j) 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 borrowing costs.

The terms to maturity of the undiscounted value of short-term secured debt as at March 31, 2020, are \$1,430 million (2019 – \$1,358 million).

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2020—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. The net fair value of collateral held and pledged as at March 31 was as follows:

(in millions of dollars)

	2020	2019
Third-party assets held as collateral on:¹		
Reverse repurchase agreements	17,606	8,207
Over-the-counter derivative transactions	3,709	965
Securities lent ²	613	1,627
Other debt	987	772
Own and third-party assets pledged as collateral on:		
Repurchase agreements	(52,072)	(38,383)
Securities borrowed ^{3, 6}	(23,265)	(34,090)
Short-term secured debt ⁴	(1,879)	(1,817)
Over-the-counter derivative transactions	(3,855)	(407)
Loans liability ⁵	(14,369)	(12,411)
	(72,525)	(75,537)

¹ The fair value of the collateral held that may be sold or repledged as at March 31, 2020 was \$19,012 million (2019 – \$9,557 million). The fair value of collateral sold or repledged as at March 31, 2020 was \$11,145 million (2019 – \$3,504 million).

² Includes cash collateral of \$158 million (2019 – \$1,116 million). The fair value of securities lent as at March 31, 2020 was \$675 million (2019 – \$1,602 million).

³ The fair value of securities borrowed as at March 31, 2020 was \$16,953 million (2019 – \$27,110 million) of which \$16,160 million was sold or repledged (2019 – \$26,631 million) for securities sold short.

⁴ Represents securities pledged as collateral on short-term cash borrowings from prime broker.

⁵ Represents investment assets pledged by CPPIB on loan liabilities. Comparative figure of \$12,411 million was previously presented as \$7,849 million of collateral relating to private equity investments and \$4,562 million of collateral relating to other debt investments.

⁶ As at March 31, 2019, the balance decreased by \$459 million due to the reclassification of securities collateral pledged on short-term secured debt of \$1,817 million, partially offset by the increase in cash collateral pledged on securities borrowed of \$1,358 million (Note 18).

8. Payables and accrued liabilities

Payables and accrued liabilities are comprised of the following:

(in millions of dollars)

	2020	2019
Operating expenses	816	657
Pensions and benefits payable	296	274
Tax deductions on benefits due to Canada Revenue Agency	256	237
	1,368	1,168

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 2019–2020 *Employment and Social Development Canada Departmental Plan*, tabled in Parliament in April 2019 and amounts forecasted by the Office of the Superintendent of Financial Institutions.

10. Estimated overpayments and underpayments of benefits

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

For benefits paid during the 12 months ended March 31, 2020, undetected overpayments and underpayments are estimated to be \$15.4 million and \$55.6 million respectively (\$14.5 million and \$54.7 million in 2019). These estimates are used by the CPP to assess the quality and accuracy of decisions and to continuously improve its systems and practices for processing CPP benefits.

The actual overpayments established during the year, as indicated in Note 4, were recorded as accounts receivable for recovery and are not directly linked to the above noted estimated overpayments and underpayments of benefits for the same period as these are an evaluation of potential overpayments and underpayments based on the extrapolation described above.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2020—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.

(in millions of dollars)

	2020			2019		
	GoC	CPPIB	Total	GoC	CPPIB	Total
Personnel related costs	332	837	1,169	300	802	1,102
Collection of contributions and investigation services	237	—	237	207	—	207
Information technology and data services	—	139	139	—	118	118
Program policy and delivery	129	—	129	110	—	110
Professional and consulting fees	—	93	93	—	107	107
Tax on international operations	—	32	32	—	35	35
Premises and equipment	—	22	22	—	40	40
Amortization of premises and equipment	—	50	50	—	20	20
Support services of the Social Security Tribunal	15	—	15	13	—	13
Cheque issue and computer services	6	—	6	5	—	5
Others	3	81	84	3	81	84
	722	1,254	1,976	638	1,203	1,841

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 benefits to remain 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.

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.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2020—continued**

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:

- i. are no lower than the lowest constant rates that can be maintained over the foreseeable future, and
- ii. that result in projected revenues (contributions and investment income) that are sufficient to fully pay the projected expenditures of the additional CPP over the long term.

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* includes the self-sustaining provisions that provide for actions to be taken if minimum additional 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 proposed *Additional Canada Pension Plan Sustainability Regulations* that are awaiting formal consent by provinces. Since the minimum additional contribution rates from the most recent actuarial report (30th CPP report) fall within the no action ranges there is no impact on the financial statements as at March 31, 2020.

Triennial actuarial report

The most recent triennial report prepared by the Chief Actuary, the *30th Actuarial Report on the CPP* as at December 31, 2018, was tabled in Parliament on December 10, 2019. The next triennial actuarial report as at December 31, 2021, is expected to be tabled by December 2022.

COVID-19

Please note that the *30th CPP Actuarial Report* as at December 2018 was prepared before the COVID-19 pandemic. As such, the projections and analysis included in that report did not reflect the potential effects of the COVID-19 pandemic.

At the time of preparing the current CPP Annual Report, it was too early to assess the effects of the evolving pandemic. The magnitude of near-term and long-term effects on the population and the economy was still unclear. Therefore, the potential effects of the pandemic on the Canada Pension Plan are not reflected in Note 12 and Note 13. The assessment of the implications will take time and will be provided in the next CPP triennial actuarial report as at December 31, 2021.

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2020—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 expert actuary's panel.

	(As at December 31, 2018) ¹		(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	Males	Females	Males	Females
at birth in 2019	86.9 years	89.9 years	87.0 years	89.9 years
at age 65 in 2019	21.4 years	23.9 years	21.5 years	23.9 years
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	4.0%	4.0%	
	Additional CPP assets	3.4%	3.6% ³	
Retirement rates for cohort age 60	Males	27.0% (2021+)	Males	34.0% (2016+)
	Females	29.5% (2021+)	Females	38.0% (2016+)
CPP disability incidence rates (per 1,000 eligible)	Males	2.95 (2019+)	Males	3.17 (2020+) ²
	Females	3.65 (2019+)	Females	3.72 (2020+) ²

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

² The ultimate disability incidence rates assumption of the 27th CPP Actuarial Report has been adjusted based on the 2018 eligible population in order to compare with the assumption for this 30th CPP 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.

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, was 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, 2020, the value of base CPP assets available for benefit payments is \$413.0 billion (2019 – \$396.5 billion). This amount represents approximately 7.5 times the 2021 planned expenditures of \$55.0 billion (2019 – 7.7 times the 2020 planned expenditures of \$51.5 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 current triennial review period of 2019–2021.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2020—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, 2020, the value of additional CPP assets available for benefit payments is \$2.6 billion (2019 – \$0.5 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 impact on the financial status 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							
with future improvements.....		Males	21.0	Males	23.3	Males	25.8
		Females	23.4	Females	25.6	Females	28.0
Real wage increase.....	Base CPP	1.7%		1.0%		0.3%	
	Additional CPP	0.3%		1.0%		1.7%	
Average real rate of return (2019–2093)	Base CPP	4.95%		3.95%		2.95%	
	Additional CPP	4.38%		3.38%		2.38%	

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	Base CPP Minimum contribution rate (%)	Additional CPP Minimum contribution rates (%)	
			First	Second
		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, 2020—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 above 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 above 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.

13. Actuarial obligation in respect of benefits

The 30th CPP Actuarial Report is a triennial report that measures the actuarial obligation 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 determination of the additional minimum contribution rates (namely the *Calculation of Contribution Rates Regulations, 2018*) 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.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2020—continued**

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 rate of return on the base CPP and additional CPP assets respectively.

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)

	As at December 31, 2018		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.

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, 2020—*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 notification for termination and require one year advanced notification. Therefore, as at March 31, 2020, the operating costs of \$673 million (2019 – \$645 million) are an estimation of the costs that will be charged to the CPP Accounts in the next fiscal year. Operating costs are expected to continue to be charged to the CPP Accounts in the upcoming fiscal years, but cannot be reasonably estimated at this time.

The CPP, through CPPIB, has entered into commitments related to the funding of investments. These commitments are generally payable on demand based on the funding needs of the investment subject to the terms and conditions of each agreement. As at March 31, 2020, the unfunded commitments totalled \$55,393 million (2019 – \$47,408 million).

15. Contingent liabilities

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

At March 31, 2020, there were 5,074 appeals (2019 – 4,669) relating to the payment of CPP disability pensions. These contingencies are reasonably estimated, using historical information, at an amount of \$37.7 million (2019 – \$31.5 million), and have been recorded as an accrued liability in these consolidated financial statements.

(b) Other claims and legal proceedings

In the normal course of operations, the CPP is involved in various claims and legal proceedings. The total amount claimed in these actions and their outcomes are not determinable at this time. The CPP records an allowance for claims and legal proceedings when it is likely that there will be a future payment and a reasonable estimate of the loss can be made. No such allowance was recognized in the consolidated financial statements for the 2020 and 2019 fiscal years for these claims and legal proceedings.

(c) Guarantees

As part of certain investment transactions, the CPP, through CPPIB, agreed to guarantee, as at March 31, 2020, up to \$5,095 million (2019 – \$4,437 million) to other counterparties in the event certain investee entities default under the terms of loan and other related agreements.

(d) Indemnifications

The CPP, through CPPIB, provides indemnifications to its officers, directors, certain others and, in certain circumstances, to various counterparties and other entities. CPPIB may be required to compensate these indemnified parties for costs incurred as a result of various contingencies such as changes in laws, regulations and litigation claims. The contingent nature of these indemnification agreements prevents CPPIB from making a reasonable estimate of the maximum potential payments CPPIB could be required to make. To date, CPPIB has not received any material claims nor made any material payments pursuant to such indemnifications.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2020—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:

(in millions of dollars)

	2020	2019
Employment and Social Development Canada		
Program policy and delivery.....	427	378
Canada Revenue Agency		
Collection of contributions and investigation services.....	237	207
Treasury Board Secretariat		
Health Insurance Plan.....	34	32
Administrative Tribunals Support Service of Canada		
Support services of the Social Security Tribunal.....	15	13
Public Services and Procurement Canada		
Cheque issue and computer services.....	6	5
Office of the Superintendent of Financial Institutions and Department of Finance		
Actuarial services.....	3	3
	<u>722</u>	<u>638</u>

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, 2020—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.

(in millions of dollars)

	2020					
	Base CPP			Additional CPP		
	GoC	CPPIB	Total	GoC	CPPIB	Total
Financial assets						
Cash	260	193	453	19	1	20
Receivables	6,075	47	6,122	271	–	271
Investments	–	533,563	533,563	–	2,750	2,750
Pending trades receivable	–	7,002	7,002	–	23	23
Other	–	–	–	–	–	–
Non-financial assets	–	482	482	–	13	13
Liabilities						
Payables and accrued liabilities	563	789	1,352	13	3	16
Investment liabilities	–	126,651	126,651	–	424	424
Pending trades payable	–	6,597	6,597	–	22	22
Assets available for benefit payments	5,772	407,250	413,022	277	2,338	2,615
Revenues						
Contributions	53,922	–	53,922	2,220	–	2,220
Net investment income						
Investment income	5	17,050	17,055	–	22	22
Investment management fees	–	(1,805)	(1,805)	–	(3)	(3)
Borrowing costs	–	(1,521)	(1,521)	–	(2)	(2)
Transaction costs	–	(390)	(390)	–	–	–
	53,927	13,334	67,261	2,220	17	2,237
Expenses						
Pensions and benefits	48,898	–	48,898	3	–	3
Operating expenses	571	1,250	1,821	151	4	155
	49,469	1,250	50,719	154	4	158
Net increase in assets available for benefit payments	4,458	12,084	16,542	2,066	13	2,079

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2020—continued**

(in millions of dollars)

	2019					
	Base CPP			Additional CPP		
	GoC	CPPIB	Total	GoC	CPPIB	Total
Financial assets						
Cash	152	87	239	11	1	12
Receivables	5,289	19	5,308	107	–	107
Investments (Note 18)	–	495,448	495,448	–	477	477
Pending trades receivable	–	4,689	4,689	–	3	3
Other	–	75	75	–	–	–
Non-financial assets	–	435	435	–	14	14
Liabilities						
Payables and accrued liabilities	518	644	1,162	5	1	6
Investment liabilities (Note 18)	–	104,160	104,160	–	62	62
Pending trades payable	–	4,392	4,392	–	9	9
Assets available for benefit payments	4,923	391,557	396,480	113	423	536
Revenues						
Contributions	50,627	–	50,627	557	–	557
Net investment income						
Investment income (Note 18)	5	36,380	36,385	–	11	11
Investment management fees	–	(1,586)	(1,586)	–	–	–
Borrowing costs (Note 18)	–	(1,163)	(1,163)	–	–	–
Transaction costs (Note 18)	–	(429)	(429)	–	–	–
	50,632	33,202	83,834	557	11	568
Expenses						
Pensions and benefits	46,542	–	46,542	–	–	–
Operating expenses	615	1,194	1,809	23	9	32
	47,157	1,194	48,351	23	9	32
Net increase in assets available for benefit payments	3,475	32,008	35,483	534	2	536

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.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2020—continued**

The accumulated transfers to/from CPPIB, since inception, are as follows:

(in millions of dollars)

	2020		
	Base CPP	Additional CPP	Total
Accumulated transfers to CPPIB, beginning of year	530,193	421	530,614
Transfers of funds to CPPIB	42,619	1,902	44,521
Accumulated transfers to CPPIB, end of year	572,812	2,323	575,135
Accumulated transfers from CPPIB, beginning of year	(386,258)	–	(386,258)
Transfers of funds from CPPIB	(39,010)	–	(39,010)
Accumulated transfers from CPPIB, end of year	(425,268)	–	(425,268)
Net accumulated transfers to CPPIB	147,544	2,323	149,867

(in millions of dollars)

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

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2020—continued****18. Comparative information****Borrowing costs**

Starting in fiscal year 2020, CPP, through CPPIB, began disclosing borrowing costs as part of its investment-related expenses in addition to investment management fees and transaction costs. CPP, through CPPIB, uses leverage as part of an integrated strategy in seeking to maximize the rate of return without undue risk of loss. Given the growing size and prominence of leverage in our investment strategy, CPPIB is providing additional disclosure regarding its borrowing costs. The related expenses were previously included in investment income.

As a result, the comparative figures in the Consolidated Statement of Operations and Consolidated Statement of Cash Flow have been updated as well. Refer to Table 2 and Table 3 below for a reconciliation of the Consolidated Statement of Operations and Consolidated Statement of Cash Flow between what has been previously presented and what has been reclassified in the current year presentation.

Short-term secured debt

Short-term secured debt, which consists of cash advances from prime broker that are fully collateralized by securities, was previously included in investment receivables, as part of the cash collateral pledged on securities borrowed (Note 6). To provide better presentation based on the nature of the asset, starting in fiscal year 2020, short-term secured debt is presented as a separate line item under investment liabilities in the Consolidated Schedule of Investment Portfolio in Note 6.

As a result, the investments and investment liabilities in the Consolidated Statement of Financial Position have been reclassified. Refer to Table 1 below for a reconciliation of the Consolidated Statement of Financial Position between what has been previously presented and what has been reclassified in the current year presentation.

Real estate investments

Starting in fiscal year 2020, the presentation of income and cash flows associated with real estate investments has been changed to be consistent with other investment asset classes. The change in fair value generated by real estate investments has been reclassified from other investment income to realized and unrealized gains or losses in the Consolidated Statement of Operations. The cash portion of realized gains is reclassified from other investment income to disposals, and distributions from real estate investments are reclassified as dividend income rather than disposals on the Consolidated Statement of Cash Flows.

As a result, comparative figures have been updated in the Consolidated Statement of Operations and the Consolidated Statement of Cash Flow. Refer to Table 2 and Table 3 below for a reconciliation of the Consolidated Statement of Operations and Consolidated Statement of Cash Flow between what has been previously presented and what has been reclassified in the current year presentation.

Table 1: Consolidated statement of financial position with comparative information

(in millions of dollars)

As at March 31	As previously presented 2019	Short-term secured debt	Reclassified 2019
Financial assets			
Cash	251		251
Receivables	5,415		5,415
Investments	494,567	1,358	495,925
Pending trades receivable	4,692		4,692
Other	75		75
	505,000		506,358
Liabilities			
Payables and accrued liabilities	1,168		1,168
Investment liabilities	102,864	1,358	104,222
Pending trades payable	4,401		4,401
	108,433		109,791
Financial assets available for benefit payments	396,567		396,567
Non-financial assets			
Premises, equipment and others	449		449
Assets available for benefit payments	397,016		397,016

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2020—continued

Table 2: Consolidated statement of operations with comparative information

(in millions of dollars)

For the year ended March 31	As previously presented 2019	Borrowing costs	Real estate investments	Reclassified 2019
Revenues				
Contributions.....	51,184			51,184
Net investment income				
Realized gains	33,046		1,157	34,203
Unrealized losses.....	(8,875)	14	596	(8,265)
Interest income	3,261	1,101		4,362
Dividend income	6,358			6,358
Other income.....	1,491		(1,753)	(262)
Investment management fees.....	(1,586)			(1,586)
Borrowing costs		(1,163)		(1,163)
Transaction costs	(477)	48		(429)
	33,218			33,218
	84,402			84,402
Expenses				
Pensions and benefits				
Retirement.....	36,286			36,286
Survivor	4,586			4,586
Disability.....	4,263			4,263
Disabled contributor's child	320			320
Death.....	377			377
Orphan	211			211
Post-retirement	553			553
Post-retirement disability.....	—			—
Net overpayments	(54)			(54)
	46,542			46,542
Operating expenses	1,841			1,841
	48,383			48,383
Net increase in assets available for benefit payments	36,019			36,019
Assets available for benefit payments, beginning of year	360,997			360,997
Assets available for benefit payments, end of year	397,016			397,016

Canada Pension Plan—concluded**Notes to consolidated financial statements for the year ended March 31, 2020—concluded****Table 3: Consolidated statement of cash flow with comparative information**

(in millions of dollars)

For the year ended March 31	As previously presented 2019	Borrowing costs	Real estate investments ¹	Reclassified 2019
Operating activities				
Cash receipts				
Contributions	51,151			51,151
Interest on investments	4,537	541		5,078
Dividends on investments	4,772		1,607	6,379
Other investment income	1,347		(1,347)	–
Cash payments				
Pensions and benefits	(46,549)			(46,549)
Operating expenses	(1,953)			(1,953)
Borrowing costs		(1,065)		(1,065)
Investment management fees	(1,001)			(1,001)
Transaction costs	(450)	56		(394)
Other investment expenses	(452)	452	(260)	(260)
Cash flows from operating activities	11,402			11,386
Capital activities				
Acquisition of premises and equipment	(59)			(59)
Cash flows used in capital activities	(59)			(59)
Financing activities				
Proceeds from debt financing liabilities	36,784			36,784
Repayments of debt financing liabilities	(30,929)			(30,929)
Cash flows from financing activities	5,855			5,855
Investing activities				
Purchases	(3,015,044)			(3,015,044)
Disposals	2,997,982	16		2,997,998
Cash flows used in investing activities	(17,062)			(17,046)
Net increase (decrease) in cash	136			136
Cash, beginning of year	115			115
Cash, end of year	251			251

¹ The reclassification of \$1,607 million from other investment income to disposals, for the cash portion of the realized gains in real estate investments, is offset by the reclassification of a similar amount from disposals to dividends on investments, for the distributions from real estate investments, producing an insignificant change on disposals. Furthermore, the reclassification of the \$1,607 million from other investment income to disposals would bring the other investment income to a negative balance of \$260 million in the cash receipts. Therefore, it is presented as other investment expenses in cash payments.

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.

Graham Flack
Deputy Minister
Employment and Social Development Canada

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

Gatineau, Canada
October 2, 2020

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 2020. The purpose of this valuation is to determine the actuarial liabilities and financial position of the Account as at 31 March 2020. 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 2020, 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 2020 provided by Employment and Social Development Canada (ESDC) and Service Canada;
- asset data provided by ESDC;
- prescribed mortality and interest rates:
 - mortality rates as per the *Government Annuities Regulations*, that is, the Annuity Table for 1983, for individual and group annuities, as modified by Projection Scale G published by the Society of Actuaries; and
 - a seven percent annual interest rate as per the *Government Annuities Regulations*.

For purposes of the Account’s financial statements, the alternative mortality and interest rates are as follows:

- best-estimate experience-adjusted mortality rates; and
- interest rate determined using the yield curve approach. The yield curve is determined by reference to market yields at the end of the reporting period on Government of Canada bonds and treasury bills.

The Account’s assets are notional and in the form of a deposit with the Receiver General for Canada. Therefore, actuarial liabilities equal the present value of future payments discounted at the prescribed or alternative interest rate. Since administrative expenses are paid by the government out of general funds, no provision for expenses is made in the valuation. This valuation contains no added margins for adverse deviation.

In our opinion, considering that the valuation is prepared pursuant to the *Government Annuities Act* and the *Government Annuities Improvement Act*:

- the data on which our valuation is based are sufficient and reliable for the purpose of the valuation;
- the assumptions used comply with legislative requirements;
- the alternative mortality and interest rates assumptions used for purposes of the Account’s financial statements are reasonable and appropriate;
- the methods employed are appropriate for the purposes of the valuation; and
- the actuarial valuation is appropriate, it conforms to statutory requirements and the financial statements fairly present its results.

Government Annuities Account—*continued*

Report of the Actuary—*concluded*

Our valuation has been prepared, and our opinion given, in accordance with accepted actuarial practice in Canada. As at 2 October 2020, we have not learned of any events that would have a material impact on the results as at 31 March 2020. The next valuation will be performed as at 31 March 2021.

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

Thierry Truong
Fellow 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

Office of the Superintendent of Financial Institutions Canada
Ottawa, Canada
2 October 2020

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 2020, 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 2020, 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
Heather McManaman, CPA, CA
Principal
for the Auditor General of Canada

Halifax, Canada
2 October 2020

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

(in thousands of Canadian dollars)

	2020	2019
Net assets available for benefits		
Accounts receivable	56	50
Pension obligations (Note 3)	114,761	122,943
Deficit to be financed by the Government of Canada (Note 4).....	114,705	122,893

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

Approved by:

Graham Flack
Deputy Minister
Employment and Social Development Canada

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

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

(in thousands of Canadian dollars)

	2020	2019
Received or Paid by the Government of Canada		
Annuity payments	15,749	17,469
Premium refunds and other (Note 4).....	14	33
	15,763	17,502
Amount paid through the Consolidated Revenue Fund.....	(15,763)	(17,502)
Administrative expenses		
Services received without charge (Note 5)	1,559	1,280
Services contributed by Employment and Social Development Canada (Note 5)	(1,559)	(1,280)
Change in accounts receivable and increase in net assets available for benefits.....	6	3
Net assets available for benefits at beginning of year.....	50	47
Net assets available for benefits at end of year.....	56	50

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)

	2020	2019
Pension obligations at beginning of year	122,943	134,646
Interest	1,966	2,626
Annuity payments and other items (Note 4)	(15,809)	(17,558)
Experience losses (gains) (Note 4)	(345)	236
Losses due to change in discount rate assumptions (Note 4).....	5,944	2,993
Losses due to change in mortality assumptions (Note 4)	62	—
Pension obligations at end of year (Note 3)	114,761	122,943

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, 2020

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, 2020 were authorized for issue by the signatories on October 2, 2020.

(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, 2020. The discount rates used to measure the present value are based on the Government of Canada's cost of borrowing derived from the yields on the actual zero-coupon yield curve for Government of Canada bonds which reflect the timing of the expected future cash flows.

(c) Services received without charge

Administrative services received without charge from ESDC are recorded in the statement of changes in net assets available for benefits at their estimated cost. A corresponding amount is credited directly to the statement of changes in net assets available for benefits.

(d) Measurement uncertainty

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amount of net assets available for benefits, pension obligations and interest at the date of the financial statements. The pension obligations depend on factors that are determined on an actuarial basis using assumptions such as mortality and discount rates. Any changes in these assumptions will impact the carrying amount of the pension obligations. The carrying amount of the pension obligations as at the end of the reporting fiscal years is presented in Note 3. Actual results may differ significantly from the estimates and assumptions; therefore, it is possible that the amounts for the pension obligations and related accounts could change materially in the near term. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Government Annuities Account—continued**Notes to the financial statements for the year ended March 31, 2020—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)

	2020	2019
Pension obligations:		
Deferred annuities	3,359	4,239
Mature annuities.....	111,402	118,704
	114,761	122,943

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

	2020	2019
Pension obligations	0.93%	1.72%
Interest.....	1.72%	2.10%

The average age of annuitants was estimated to be 86.0 years and the remaining duration of the Account was estimated at 39 years as at March 31, 2020.

The next actuarial valuation will be performed as at March 31, 2021.

Government Annuities Account—continued

Notes to the financial statements for the year ended March 31, 2020—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)

	2020	2019
Deficit to be financed by the Government of Canada at beginning of year.....	122,893	134,599
Interest	1,966	2,626
Reclaimed annuities	32	–
Unclaimed annuities	(84)	(59)
Annuity payments	(15,749)	(17,469)
Premium refunds and other.....	(14)	(33)
Experience losses (gains)	(345)	236
Losses due to change in discount rate assumptions.....	5,944	2,993
Losses due to change in mortality assumptions	62	–
	(8,188)	(11,706)
Deficit to be financed by the Government of Canada at end of year	114,705	122,893

Interest

Interest is recorded on an accrual basis and is calculated on the pension obligations using the equivalent flat discount rate at the end of the prior fiscal year.

Reclaimed annuities

Reclaimed annuities represent previously unclaimed amounts of annuitants that could not be located. If the annuitants are subsequently located, the actuarial present value of these annuities is paid.

Unclaimed annuities

Unclaimed annuities represent amounts of annuities that could not be paid because the annuitants could not be located.

Premium refunds

Premium refunds represent the full reimbursement of premiums upon the cancellation of an annuity contract at maturity.

Losses (gains) due to experience and changes in actuarial assumptions

At the end of any fiscal year, the amount of the pension obligations may be different than expected due to changes resulting from experience adjustment and the effects of changes in actuarial assumptions.

As there are no new contracts purchased under the *Government Annuities Act*, the main sources of experience gains or losses are mortality and retirements of existing members. Mortality gains and losses include changes in expected future payments due to death or survival of annuitants and the difference between actual and expected benefit payments during the year.

Management's best estimates of the pension obligations are based on mortality rates, used for the actuarial assessments of the Canada Pension Plan, and discount rates. The pension obligations as at March 31, 2020 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, 2020—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)

	2020	2019
Salaries	1,047	889
Operating costs	389	288
Actuarial services.....	123	103
Services received without charge	1,559	1,280

6. Pension obligations calculated as per the *Government Annuities Improvement Act* and *Government Annuities Regulations*

As per the *Government Annuities Improvement Act* and *Government Annuities Regulations*, expected future payments are to be discounted using an annual interest rate of seven percent. Future payments are to be estimated using the mortality rates from the 1983 mortality tables published by the Society of Actuaries, for individual and group annuities respectively, modified by Projection Scale G. Pension obligations are to be initially recorded through the Government Annuities Account established within the Public Accounts of Canada. Based on the Act and Regulations, the pension obligations are estimated at \$85.4 million (\$96.3 million in 2019).

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'Donoghue
Chief Financial Officer

August 17, 2020

Royal Canadian Mounted Police (Dependants) Pension Fund—continued

Independent Auditor's Report

To the Minister of Public Safety and Emergency Preparedness

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Royal Canadian Mounted Police (Dependants) Pension Fund (the Fund), which comprise the statement of financial position as at 31 March 2020, 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 2020, and the changes in its net assets available for benefits and changes in its pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Royal Canadian Mounted Police (Dependants) Pension Fund—continued

Independent Auditor’s Report—concluded

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

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

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

Report on Compliance with Specified Authorities

Opinion

In conjunction with the audit of the financial statements, we have audited transactions of the Royal Canadian Mounted Police (Dependants) Pension Fund coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the applicable provisions of the *Financial Administration Act* and regulations and the *Royal Canadian Mounted Police Pension Continuation Act* and regulations.

In our opinion, the transactions of the Royal Canadian Mounted Police (Dependants) Pension Fund that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above.

Responsibilities of Management for Compliance with Specified Authorities

Management is responsible for the Royal Canadian Mounted Police (Dependants) Pension Fund’s compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Royal Canadian Mounted Police (Dependants) Pension Fund to comply with the specified authorities.

Auditor’s Responsibilities for the Audit of Compliance with Specified Authorities

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.

Original signed by
Mélanie Cabana, CPA, CA
Principal
for the Auditor General of Canada

Ottawa, Canada
August 17, 2020

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

(in Canadian dollars)

	2020	2019
Liabilities		
Pension benefits payable (Note 3)	975,016	268,672
Net assets available for benefits	(975,016)	(268,672)
Pension obligations (Note 4)	9,196,307	11,456,528
Deficit to be financed by the Government of Canada (Note 5).....	(10,171,323)	(11,725,200)

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

Approved by:

Brenda Lucki
*Commissioner*Jen O'Donoghue
Chief Financial Officer

August 17, 2020

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

(in Canadian dollars)

	2020	2019
Net assets available for benefits, beginning of year.....	(268,672)	(75,901)
Increase in pension benefits payable	(706,344)	(192,771)
Net assets available for benefits, end of year	(975,016)	(268,672)

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

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

(in Canadian dollars)

	2020	2019
Pension obligations, beginning of year.....	11,456,528	12,726,596
Net interest accrued on benefits	378,463	473,309
Past service contributions from participants	1,510	1,771
Experience losses.....	247,887	281,003
Changes in actuarial Assumptions (Note 6)	135,552	—
Survivor benefit payments and transfers to pension benefits payable	(3,023,633)	(2,026,151)
Pension obligations, end of year	9,196,307	11,456,528

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, 2020

1. Description of the Fund

The following is a summary description of the Royal Canadian Mounted Police (Dependants) Pension Fund.

(a) General

The Royal Canadian Mounted Police (Dependants) Pension Fund (the Fund) was established in 1934 pursuant to the *Royal Canadian Mounted Police Act* and is currently operated under Part IV of the *Royal Canadian Mounted Police Pension Continuation Act* (the Act) (effective 1959) and the related regulations.

The Act provides for members of the Force, other than commissioned officers, appointed before March 1, 1949, the right to purchase certain survivorship benefits for their dependants by payment of specified contributions.

The Royal Canadian Mounted Police (RCMP) is responsible for the management of the Fund and Public Services and Procurement Canada (PSPC) provides the day-to-day administration of the Fund. The Office of the Chief Actuary (OCA) of the Office of the Superintendent of Financial Institutions (OSFI) performs periodic actuarial valuations of the Fund.

All monetary transactions of the Fund are made through a specified purpose account in the Consolidated Revenue Fund (CRF).

The Fund is accounted for using the standards applicable to a defined benefit pension plan as described in Note 2(a).

(b) Funding policy

All eligible members have now retired and, as such, there are no more active members contributing to the Fund; however, retired members may continue to make instalment payments in respect of previous elections made before their retirement.

The Act directs the Minister of Finance to have an actuarial valuation for funding purposes prepared at least every five years. If the actuarial valuation discloses a surplus, the Governor in Council may, by order, increase the benefit payments. If there is an actuarial deficiency, the Governor in Council may direct that there be amounts transferred to the Fund, out of any unappropriated moneys in the CRF, as may be required to re-establish the solvency of the Fund.

(c) Survivor benefit payments

The following benefits, as applicable, are payable on the death of a member who has made the scheduled contributions and has left them in the Fund.

i. Widow's pension benefit

The widow is entitled to the pension purchased by the member. In many cases the pension benefit equals approximately 1.5% of the member's final pension benefit payment multiplied by his years of credited service. The pension benefit is payable for life with a guarantee that the total payments shall be no less than the member's contributions.

ii. Lump sum benefits

If a member is not survived by a widow, a lump sum payment is made to the dependants and relatives of the member who are, in the opinion of the Minister, best entitled to share the benefit.

iii. Benefit limitations

Under certain circumstances, the basic death benefits payable to a surviving widow are reduced. This can occur when a member marries after age 60; in that case, the value of the pension to the widow cannot exceed the lump sum payable if he were not survived by a widow.

Royal Canadian Mounted Police (Dependants) Pension Fund—continued**Notes to the financial statements for the year ended March 31, 2020—continued****(d) Dividends on survivor benefit payments**

The *Act* provides that if the Fund is substantially in excess of the amount required to make adequate provision for the prospective payments, the Governor in Council may, by order, increase the benefits provided under Part IV of the *Act* in such manner as may appear equitable and expedient. The authority of the Governor in Council is delegated to the Treasury Board under section 7(2) of the *Financial Administration Act*.

To date, most of these benefit increases have taken the form of proportionate dividends applied to all basic death benefits, both accrued and prospective.

(e) Withdrawal of contributions

A retired member who did not elect to withdraw his contributions from the Fund upon retirement retains the right to do so at any time thereafter; however, all his rights under Part IV of the *Act* and those of his dependants shall cease upon such election. All returns of contributions are made without interest.

2. Significant accounting policies**(a) Basis of presentation**

These financial statements present information on the Fund as a separate financial reporting entity independent of the sponsor and Fund members, on a going concern basis. They are prepared to assist Fund members and others in reviewing the activities of the Fund for the year, but they are not meant to portray the funding requirements of the Fund.

These financial statements are prepared in Canadian dollars, the Fund's functional currency, in accordance with Canadian accounting standards for pension plans in Part IV of the Chartered Professional Accountants (CPA) Canada Handbook, Section 4600. Section 4600 provides specific accounting guidance on investments and pension obligations.

For accounting policies that do not relate to either investments or pension obligations, the Fund complies with International Financial Reporting Standards (IFRS) in Part I of the CPA Canada Handbook. To the extent that IFRS in Part I is inconsistent with Section 4600, Section 4600 takes precedence.

The financial statements for the year ended March 31, 2020, were authorized for issue by the signatories on August 17, 2020.

(b) Significant accounting policies

The significant accounting policies are as follows:

i. Survivor benefit payments

Benefits are recognized on an accrual basis as a reduction of pension obligations and net assets available for benefits upon the death of a member who has made the scheduled contributions and has left them in the Fund or upon the death of a widow.

ii. Pension obligations

The pension obligations are determined based on the most recent actuarial valuation for funding purposes prepared by the OCA. The valuation is updated annually based on data as at the financial statement date. The pension obligations are equal to the value of all future benefits payable, discounted in accordance with actuarial assumptions, which are based on management's best estimate assumptions.

iii. Services provided without charge and related party transactions

The Fund does not record the value of administrative services it receives without charge from various government departments and agencies as they are insignificant in the context of the financial statements taken as a whole. These services include the following:

- Financial management and other support services from the RCMP;
- Actuarial valuation and other services from the OCA;
- Office of the Auditor General of Canada audit costs.

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

Notes to the financial statements for the year ended March 31, 2020—*continued*

(c) Sources of estimation uncertainty

In preparing these financial statements, management uses estimates and assumptions that primarily affect the reported amounts of liabilities and related disclosures.

In making estimates and using assumptions, management relies on external information and observable conditions where possible. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ significantly from the estimates and assumptions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The pension obligations are the most significant item where estimates and assumptions are used. The pension obligations depend on a number of factors that are determined on an actuarial basis using a number of estimates and assumptions, such as discount rates (future interest rates used to credit the Fund), mortality rates, proportion of members married, and age of new widows. The Fund consults with external actuaries from the OCA regarding these estimates and assumptions annually. Any changes will impact the carrying amount of the pension obligations. Details of these estimates and assumptions have been disclosed in Note 4.

3. Pension benefits payable

Pension benefits payable represent the lump sum benefits that became payable upon the death of members or widows during the year but had not yet been paid at year end. At March 31, 2020, the pension benefits payable were \$975,016 (2019 – \$268,672).

4. Pension obligations

The pension obligations are determined based on the in-progress actuarial valuation being prepared for funding purposes as at March 31, 2019, and the actuarial update for the Fund as at March 31, 2020. 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, 2016, and tabled in Parliament on January 18, 2017. The actuarial valuation for funding purposes as of March 31, 2019, will be tabled in Parliament later in 2020.

The actuarial valuation for funding purposes as of March 31, 2016, disclosed an actuarial surplus of \$1,348,000. On April 13, 2017, an Order in Council approved that a portion of this surplus be distributed by annual effective increases in the pension amount of 1.9% as at April 1, 2017, 1.9% as at April 1, 2018, and of 1.9% as at April 1, 2019, and by increases to lump sum death benefits and residual payments.

The remaining balance of the actuarial surplus is intended to be used over the remaining life of the Fund for the payment of increases in the pension benefits. At March 31, 2020, the average age of members was estimated to be 95.6 years and the average age of widows was estimated to be 91.2 years. The remaining life of the Fund was estimated at 28 years based on the in-progress 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 in-progress 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, and are consistent with the in-progress actuarial valuation for funding purposes as at March 31, 2019. 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 in-progress actuarial valuation for funding purposes. The assumptions are evaluated for continued relevancy.

The valuation of pension obligations is updated annually for transactions occurring during the period, including experience gains due to changes in the Fund's member and widow population. The information in these financial statements is based on this annual updated valuation of pension obligations conducted as at March 31, 2020. At that date, the present value of pension obligations was \$9,196,307 (2019 – \$11,456,528).

The interest rate for the year ended March 31, 2020, is 3.7% (2019 – 4.0%) per annum. The interest rate is estimated to decline to 2.4% per annum by the year 2032 (2019 – 3.1% by the year 2031) and to rise to an ultimate level of 4.5% (2019 – 4.6%). Variations in any of these assumptions can result in a significantly higher, or lower, estimate of the liability.

During the year, no amendments were made to the Fund (2019 – nil).

Royal Canadian Mounted Police (Dependants) Pension Fund—concluded

Notes to the financial statements for the year ended March 31, 2020—concluded

5. Deficit to be financed by the Government of Canada

All transactions of the Fund are made through a specified purpose account in the CRF and are reported in the Public Accounts of Canada. This includes receiving contributions, recording interest earned on the Fund and paying survivor benefits.

The government has a statutory obligation to pay benefits relating to the Fund. This pension obligation is to the survivors of the participants who contributed to the Fund over the years. However, if the Fund is substantially in excess of the amount required to make adequate provision for the prospective payments, the Governor in Council may increase benefits in order to disburse the surplus to the survivors. As a result, the government has an obligation to the beneficiaries for the balance of the Fund as reported in the specified purpose account.

The following table illustrates these obligations as at March 31:

(in Canadian dollars)

	2020	2019
Opening balance, specified purpose account	12,777,676	14,055,572
Receipts and other credits	444,736	531,926
Payments and other charges	(2,317,287)	(1,809,822)
Closing balance, specified purpose account	10,905,125	12,777,676
Deficit to be financed by the Government of Canada	(10,171,323)	(11,725,200)
Excess owed to beneficiaries	733,802	1,052,476

6. Changes in actuarial assumptions

Changes in actuarial assumptions include changes to widow mortality, long term Fund yield and member mortality assumptions. At March 31, 2020, the pension obligations increased by \$135,552 (2019 – \$nil) as a result of the changes in actuarial assumptions.

7. Uncertainties related to COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread in Canada and around the world. It is important to note that the COVID-19 pandemic is a very fluid situation that will likely continue to evolve for some time. We have estimated the impacts on the Fund based on the information known at the time the financial statements were prepared. The final impacts of this health and economic crisis will likely generate some differences in the future.

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Section 7

Public Accounts of Canada
2019–2020

Cash and accounts receivable as at March 31

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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)

	2020	2019
Cash and cash equivalents, Table 7.2	37,242,425,375	37,635,452,363
Taxes receivable, Table 7.3	121,098,145,465	127,561,145,852
Other accounts receivable, Table 7.5	15,374,487,292	11,844,736,234
Total cash and accounts receivable	173,715,058,132	177,041,334,449

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)

	2020	2019
Cash in bank		
Canadian currency ¹	30,438,068,251	23,526,364,074
Foreign currencies ²	841,539,942	794,639,918
Special deposits ³	75,000,000	75,000,000
Total cash in bank	31,354,608,193	24,396,003,992
Cash in transit		
Cash in hands of collectors and in transit	6,418,087,547	8,560,450,710
Other cash—Consolidated Crown corporations and other entities ⁴	1,208,059,000	984,028,000
Total cash in transit	7,626,146,547	9,544,478,710
Less: Outstanding cheques and warrants		
Outstanding cheques ⁵	5,088,360,084	4,750,061,543
Imprest account cheques ⁶	5,281	4,796
Total outstanding cheques and warrants	5,088,365,365	4,750,066,339
Total cash	33,892,389,375	29,190,416,363
Cash equivalents	3,350,036,000	8,445,036,000
Total cash and cash equivalents	37,242,425,375	37,635,452,363

¹ Included in Canadian currency is \$20 billion (\$20 billion in 2019) with respect to the Prudential Liquidity Fund.

² These balances denominated in US dollars include cash and cash equivalents which have been translated into Canadian dollars at March 31.

³ These are balances in the hands of financial institutions for the reimbursement of GST refund payments issued by the ministère du Revenu du Québec on behalf of the government.

⁴ These funds are not public moneys to the credit of the Receiver General for Canada but are for the exclusive use of consolidated Crown corporations and other entities.

⁵ Receiver General cheques issued in Canadian dollars, and outstanding are recorded in this account. Cheques outstanding for 10 years are transferred to other revenues. During the year, an amount of \$70,300,062 (\$65,086,396 in 2019) 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)

	2020			2019		
	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	67,818,595,915	8,264,901,856	59,553,694,059	70,465,757,148	7,560,795,187	62,904,961,961
Employers.....	20,848,406,922	1,191,585,487	19,656,821,435	21,993,133,398	1,152,431,878	20,840,701,520
Corporations	19,597,523,028	2,834,220,756	16,763,302,272	20,296,700,593	2,976,231,550	17,320,469,043
Non-residents.....	2,135,586,916	130,261,556	2,005,325,360	2,027,133,502	96,756,886	1,930,376,616
Goods and services taxes receivable	24,147,888,754	2,950,739,582	21,197,149,172	24,594,850,908	2,491,668,152	22,103,182,756
Customs import duties receivable.....	646,869,344	94,981,789	551,887,555	809,485,262	80,114,671	729,370,591
Other excise taxes and duties receivable.....	1,561,019,448	191,053,836	1,369,965,612	1,933,206,812	201,123,447	1,732,083,365
Total	136,755,890,327	15,657,744,862	121,098,145,465	142,120,267,623	14,559,121,771	127,561,145,852

Table 7.4
Aging of taxes receivable

(in dollars)

	2020	2019
Taxes receivable		
Less than one year	82,880,807,553	92,967,829,675
1 to 2	10,045,430,309	7,813,139,743
2 to 3	6,110,969,526	5,855,837,635
3 to 4	5,326,623,950	5,899,196,411
4 to 5	5,755,789,452	4,743,307,764
Over 5 years	26,636,269,537	24,840,956,395
Total	136,755,890,327	142,120,267,623

Tax receivables based on estimates of unassessed taxes at year end are included in current receivables.

Other accounts receivable

Other accounts receivable represent billed but uncollected amounts or accrued financial claims arising from amounts owed to the government for use of its assets or from the proceeds for provision of services, and cash collateral pledged to counterparties, as of March 31.

Amounts receivable written off or forgiven are included in Section 2 of Volume III, (Debts, obligations and claims written off or forgiven).

Table 7.5

Other accounts receivable as at March 31

(in dollars)

	2020			2019		
	Gross receivables	Allowance for doubtful accounts	Net receivables	Gross receivables	Allowance for doubtful accounts	Net receivables
Other receivables	6,953,802,627	1,526,746,827	5,427,055,800	6,139,960,212	1,454,055,724	4,685,904,488
Cash collateral pledged to counterparties ¹	9,974,647,492	–	9,974,647,492	7,162,663,746	–	7,162,663,746
Less: Consolidation adjustment	27,216,000	–	27,216,000	3,832,000	–	3,832,000
Total	16,901,234,119	1,526,746,827	15,374,487,292	13,298,791,958	1,454,055,724	11,844,736,234

¹ 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)

	2020	2019
Other receivables		
Not past due	3,858,866,653	3,113,549,704
Number of days past due		
1 to 30	160,524,709	200,663,839
31 to 60	83,248,738	73,894,847
61 to 90	62,416,050	62,024,009
91 to 365	305,043,929	353,760,672
Over 365	956,955,721	882,011,417
Sub-total	5,427,055,800	4,685,904,488
Cash collateral pledged to counterparties	9,974,647,492	7,162,663,746
Less: Consolidation adjustment	27,216,000	3,832,000
Total	15,374,487,292	11,844,736,234

Section 8

Public Accounts of Canada
2019–2020

Foreign exchange accounts as at March 31

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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 \$15,941 million as at March 31, 2020 (\$16,011 million as at March 31, 2019); 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, 2019	Payments and other charges	Receipts and other credits	March 31, 2020
International reserves held in the Exchange Fund Account, Table 8.2.....	107,199,618,096	36,998,430,570	32,181,520,503	112,016,528,163
International Monetary Fund—Subscriptions.....	20,449,334,500	728,679,800	—	21,178,014,300
International Monetary Fund—Loans	545,741,000	11,780,841	189,054,861	368,466,980
	<i>128,194,693,596</i>	<i>37,738,891,211</i>	<i>32,370,575,364</i>	<i>133,563,009,443</i>
Less:				
International Monetary Fund—Notes payable	17,398,419,500	823,380,998	581,563,442	17,156,601,944
Special drawing rights allocations	11,107,889,140	—	395,812,100	11,503,701,240
	<i>28,506,308,640</i>	<i>823,380,998</i>	<i>977,375,542</i>	<i>28,660,303,184</i>
Total	99,688,384,956	38,562,272,209	33,347,950,906	104,902,706,259

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, 2020, are found at the end of this section.

In 2020, payments and other charges consisted of advances to the Exchange Fund Account in the amount of \$29,477 million, a net valuation adjustment of \$5,238 million and an adjustment of \$2,283 million to recognize the net income of the Exchange Fund Account for the period April 1, 2019, to March 31, 2020. Receipts and other credits consisted of repayments of advances of \$32,182 million.

Table 8.2
International reserves held in the Exchange Fund Account

(in millions of dollars)

	2020	2019
US dollar cash and cash equivalents	6,014	4,904
US dollar short-term deposits	–	268
US dollar marketable securities	62,636	59,234
Euro cash and cash equivalents	488	250
Euro marketable securities	17,538	17,646
British pound sterling cash and cash equivalents	168	450
British pound sterling marketable securities	8,045	9,775
Japanese yen cash and cash equivalents	14	6
Japanese yen marketable securities	5,266	3,678
Special drawing rights	11,848	10,989
Total	112,017	107,200
Advances by the Consolidated Revenue Fund were denominated as follows:		
US dollar	74,116	68,165
Euro	17,666	17,288
British pound sterling	7,840	10,062
Japanese yen	5,266	3,640
Special drawing rights (2020, SDR 3,435 million; 2019, SDR 3,435 million)	6,599	6,372
Canadian dollar	(1,753)	191
Total advances from the Consolidated Revenue Fund	109,734	105,718
Total net revenue for the year	2,283	1,482
Total	112,017	107,200

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 2020, payments and other charges consisted of a valuation adjustment of \$729 million.

Loans

This account records the value of interest-bearing loans made under Canada's multilateral and bilateral lending arrangements with the IMF. The purpose of these arrangements is to provide temporary resources to the IMF which works to promote economic growth and safeguard the stability of the international monetary system.

There are two outstanding lending arrangements with the IMF outside of the quota system: the New Arrangements to Borrow (NAB) and the temporary bilateral borrowing agreement.

Canada's current participation in the NAB is governed by the November 2012 NAB Decision which incorporated technical amendments made as a result of the IMF's 14th General Review of Quotas. The maximum lending by Canada to the IMF under these arrangements is SDR 3,874 million. As at March 31, 2020, SDR 192 million or \$368 million (SDR 294 million or \$546 million in 2019) in lending has been provided by Canada to the IMF under the NAB. In November 2016, Canada's participation in the NAB was renewed through November 2022.

In early 2017, Canada extended a temporary bilateral credit line to the IMF in the amount of SDR 8,200 million for a maximum period of four years, as part of a collective effort with 34 other nations to foster global economic and financial stability.

Collectively, pursuant to the *Bretton Woods and Related Agreements Act*, the outstanding loans under multilateral and bilateral arrangements with the IMF cannot exceed SDR 12,074 million, or any other amount that may be fixed by the Governor in Council, at any given time. Commitments under the NAB and bilateral borrowing agreement fall within this limit.

At March 31, 2020, a total of SDR 192 million or \$368 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 2020, notes payable to the IMF decreased by \$242 million.

Special drawing rights allocations

This account records the value of SDRs allocated to Canada by the IMF. The SDR is an international currency created by the IMF, and allocated to countries participating in its Special Drawing Rights Department. It represents a liability of Canada, as circumstances could arise whereby Canada could be called upon to repay these allocations, in part or in total.

As an asset, SDRs represent rights to purchase currencies of other countries participating in the IMF's Special Drawing Rights Department, as well as to make payments to the IMF itself. All SDRs allocated to Canada by the IMF have either been used to settle subscriptions in the IMF, or have been advanced to the Exchange Fund Account.

There was no allocation of SDRs by the IMF to Canada during the year. In 2020, receipts and other credits consisted of a valuation adjustment of \$396 million.

Supplementary statement

Exchange Fund Account

Statement of financial position (unaudited) as at March 31

(in millions of Canadian dollars)

	2020	2019
Financial assets		
Cash and cash equivalents (Note 2, Note 3).....	6,684	5,878
Investments (Note 2, Note 3)		
Marketable securities	93,485	90,333
Special drawing rights	11,848	10,989
Total investments	105,333	101,322
Total financial assets	112,017	107,200
Liabilities		
Due to the Consolidated Revenue Fund (Note 4).....	112,017	107,200

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

Paul Rochon
Deputy Minister
Department of Finance

Darlene Bess, CPA, CA
Chief Financial Officer
Department of Finance

Statement of operations (unaudited) for the year ended March 31

(in millions of Canadian dollars)

	2020	2019
Net revenue from investments		
Marketable securities		
Interest	1,458	1,492
Net gains (losses) on sale of marketable securities	702	(22)
Transaction costs and other	(2)	(2)
Interest on cash and cash equivalents	99	84
Interest on special drawing rights	96	106
Total net revenue from investments	2,353	1,658
Other		
Net foreign exchange loss	(70)	(176)
Net revenue for the year (Note 2)	2,283	1,482

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

Exchange Fund Account—continued

Notes to the financial statements for the year ended March 31, 2020 (unaudited)

1. Authority and objectives

The Exchange Fund Account (the Account) is governed by Part II of the *Currency Act*. The Account is in the name of the Minister of Finance and is administered by the Bank of Canada as fiscal agent. The *Financial Administration Act* does not apply to the Account.

The legislative objectives of the Account are to aid in the control and protection of the external value of the Canadian dollar and to provide a source of liquidity for the government, if required. The Minister of Finance empowers the Account to acquire, borrow, sell or lend assets deemed appropriate for this purpose, in accordance with the Account's *Statement of Investment Policy*.

Assets held in the Account are managed to provide liquidity to the government and to promote orderly conditions for the Canadian dollar in foreign exchange markets, if required. Canada's current policy is to intervene in foreign exchange markets on a discretionary, rather than a systematic basis and only in the most exceptional of circumstances. Since September 1998, no transactions have been aimed at moderating movements in the value of the Canadian dollar.

In accordance with the *Currency Act*, the net revenue for the year is paid to or charged to the Consolidated Revenue Fund (CRF) of the Government of Canada within three months after the end of the fiscal year. The Minister of Finance reports to Parliament on the operations of the Account within the first 60 days on which Parliament is sitting after the end of the fiscal year. These statements have been prepared by the Department of Finance.

2. Significant accounting policies

As stipulated in the *Currency Act*, the financial statements of the Account are prepared in a manner consistent with the accounting policies used by the Government of Canada to prepare its financial statements.

(a) Revenue recognition

Revenue from investments is recognized on an accrual basis and includes interest earned (including the amortization of premiums and discounts), gains or losses on sales of securities, and revenues from securities-lending activities. Interest is accrued on short-term deposits, deposits held under repurchase agreements, marketable securities, and special drawing rights (SDRs).

(b) Expense recognition

The Account's administrative, custodial, and fiscal agency services are provided and paid for by the bank and the Department of Finance. These costs have not been recognized in the statements.

In addition, the notional cost of the funding of the Account's assets and advances from the CRF is not recognized in the statements.

(c) Financial assets

Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and short-term deposits. Short-term deposits are measured at cost and are generally held to maturity. The resulting revenue is included in Interest on cash and cash equivalents.

Deposits held under repurchase agreements

Deposits held under repurchase agreements are measured at cost. The resulting revenue is included in Net revenue from investments. As at March 31, 2020, the Account did not hold any deposits held under repurchase agreements (\$nil at March 31, 2019).

Marketable securities

Purchases and sales of securities are recognized at the settlement dates. Marketable securities are measured at cost and are adjusted for amortization of purchase discounts and premiums on a straight-line basis over the term to maturity of the security. The carrying value of marketable securities includes accrued interest.

On derecognition of a security, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in Net revenue from investments.

Exchange Fund Account—continued**Notes to the financial statements for the year ended March 31, 2020 (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 (SDRs)

The SDR serves as the unit of account for the International Monetary Fund (IMF) and its value is based on a “basket” of five major currencies: the Euro, the US dollar, the British pound sterling, the Japanese yen, and the Chinese renminbi.

SDRs are initially recognized at cost and are subsequently re-measured at each reporting date into Canadian dollars at market exchange rates.

Translation of foreign currencies and SDRs

Assets denominated in foreign currencies and SDRs are translated into Canadian-dollar equivalents at the rates prevailing as of March 31, which were as follows:

	2020	2019
US dollars	1.4076	1.3362
Euros	1.5522	1.4989
Japanese yen	0.0131	0.0121
British pound sterling.....	1.7485	1.7400
SDRs	1.9211	1.8550

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) and are included in the Statement of operations.

Investment revenue in foreign currencies and SDRs is translated into Canadian dollars at the foreign exchange rates prevailing on the date the revenue is earned.

(d) Use of estimates and measurement uncertainty

The preparation of the statements requires the Bank’s management to make estimates and assumptions based on information available as of the date of the statements. Significant 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 financial statements for the year ended March 31, 2020 (unaudited)—continued

3. Financial instruments**Fair value of financial assets**

(in millions of Canadian dollars)

	March 31, 2020		March 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents				
US dollar	6,014	6,014	4,904	4,904
Euro	488	488	250	250
Japanese yen	14	14	6	6
British pound sterling	168	168	450	450
Short-term deposits	—	—	268	268
Total cash and cash equivalents	6,684	6,684	5,878	5,878
Investments				
Marketable securities				
US dollar	62,636	67,021	59,234	59,328
Euro	17,538	17,655	17,646	17,872
Japanese yen	5,266	5,259	3,678	3,692
British pound sterling	8,045	8,403	9,775	10,159
Total marketable securities	93,485	98,338	90,333	91,051
SDRs	11,848	11,848	10,989	10,989
Total investments	105,333	110,186	101,322	102,040
Total financial assets	112,017	116,870	107,200	107,918

The estimated fair value of Cash and cash equivalents approximates their carrying value, given their short term to maturity.

The estimated fair values of Marketable securities are based on quoted market prices and include accrued interest. If such prices are not available, the fair value is determined by discounting future cash flows using an appropriate yield curve.

Since SDRs are translated into Canadian-dollar equivalents at the rates prevailing at the statements' date, the carrying value approximates fair value on the reporting date.

There were no impairments recognized in 2020 (\$nil in 2019).

Exchange Fund Account—continued**Notes to the financial statements for the year ended March 31, 2020 (unaudited)—continued****Credit risk**

Credit risk is the risk that a counterparty to a financial contract will cause a loss to the Account by failing to discharge its obligations in accordance with agreed upon terms.

To ensure that the Account's asset portfolio is prudently diversified with respect to credit risk, the *Statement of Investment Policy* prescribed by the Minister of Finance specifies limits on holdings by class of issuer (sovereign, agency, supranational, corporation or commercial financial institution), by any one issuer or counterparty, and by type of instruments.

The *Statement of Investment Policy* also specifies the treatment of holdings that do not meet eligibility criteria or limits due to exceptional circumstances such as ratings downgrades.

With respect to the *Statement of Investment Policy*, the Account may hold fixed income securities of highly rated sovereigns, central banks, government-supported entities and supranational organizations. To be eligible for investment, an entity must have an acceptable credit rating 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 a list of approved counterparties. Each borrower must enter into a Securities Loan Agreement with at least one of the agents. Borrowers are also required to provide collateral for securities borrowed according to a specific list approved by the government, 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 of Canada, through the asset-liability management policy. This policy utilizes a strategy of matching the duration structure and the currency of the Account's assets with the foreign currency borrowings of the Government of Canada that notionally finance the Account's assets. 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 of Canada's foreign liabilities that needs to be renewed within a one-year period. In addition, liquidity risk is mitigated by holding short-term investments that are matched to the Government of Canada's maturing liabilities in foreign currencies.

Securities lending

As at March 31, 2020, there were no loaned securities in the EFA's investments (\$nil at March 31, 2019).

Exchange Fund Account—concluded

Notes to the financial statements for the year ended March 31, 2020 (unaudited)—concluded

4. Due to the Consolidated Revenue Fund (CRF)

The Account is funded by the Government of Canada through interest-free advances from the CRF. Advances to the Account from the CRF are authorized by the Minister of Finance under the terms and conditions prescribed by the Minister of Finance. Pursuant to Section 19 of the *Currency Act*, these advances are limited to US \$150 billion by order of the Minister of Finance effective March 26, 2015.

The CRF advances the proceeds of the Government of Canada's borrowings in foreign currencies and allocations of SDRs by 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 of Canada, causes reductions in the level of outstanding Canadian-dollar advances and can result in overall net deposits of Canadian-dollars by the Account with the CRF.

At March 31, advances from the CRF were composed of the following currencies:

Currency composition of advances from the CRF

(in millions of Canadian dollars)

	2020	2019
US dollars	74,116	68,165
Euros	17,666	17,288
British pound sterling.....	7,840	10,062
Japanese yen	5,266	3,640
SDRs	6,599	6,372
Subtotal—Foreign currencies.....	111,487	105,527
Canadian dollars	(1,753)	191
Net revenue.....	2,283	1,482
Total	112,017	107,200

Section 9

Public Accounts of Canada 2019–2020

Loans, investments and advances as at March 31

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Loans, investments and advances

Loans, investments and advances is a category of financial claims represented by debt instruments and ownership interests acquired through the use of parliamentary appropriations, except for the portion of the investment balances representing adjustments for the equity of enterprise Crown corporations and other government business enterprises. Some of these appropriations permit repayments to be used for further loans and advances. Details of the use of non-budgetary appropriations, for loans, investments and advances, can be found in the ministerial sections of Volume II.

The investment in enterprise Crown corporations and other government business enterprises is accounted for under the modified equity method and is carried at cost which is adjusted for the annual profits or losses of the enterprises and reduced by any dividends paid by the corporations to the government. Under the modified equity method, the accounting policies of the enterprise Crown corporations and other government business enterprises are not adjusted to conform to the government's accounting policies. The government also reports any amounts receivable from or payable to these corporations and where the government has advanced funds to the corporations to support their direct lending activities, the amounts are recorded as loans and advances by the government.

Other loans, investments and advances are initially recorded at cost and are subject to annual valuation to reflect reductions from the recorded value to the approximate net recoverable value. Foreign currency transactions are translated and recorded in Canadian dollar equivalents at the exchange rates prevailing at the transaction dates. Balances of loans, investments and advances resulting from foreign currency transactions are reported at year-end closing rates of exchange; net gains and losses related to these sovereign loans are presented with the return on investments from these loans under other program revenues.

The allowance established to reflect reductions from the recorded value to the approximate net recoverable value of financial claims held by the government has been authorized by the Minister of Finance and the President of the Treasury Board, under subsection 63(2) of the *Financial Administration Act*.

Revenues received during the year on loans, investments and advances, are credited to other revenues. Details 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, 2019	Payments and other charges	Receipts and other credits	March 31, 2020
Enterprise Crown corporations and other government business enterprises, Table 9.2	108,169,210,200	61,607,485,847	44,669,001,194	125,107,694,853
Portfolio investments, Table 9.10	68,427,254	—	2,545	68,424,709
National governments including developing countries, Table 9.11	881,876,462	72,370,369	504,100,163	450,146,668
International organizations, Table 9.12	23,741,309,479	1,205,841,539	22,917,118	24,924,233,900
Provincial and territorial governments, Table 9.13	406,651,073	—	60,202,168	346,448,905
Other loans, investments and advances, Table 9.14	30,048,543,172	7,034,571,551	5,739,625,702	31,343,489,021
	163,316,017,640	69,920,269,306	50,995,848,890	182,240,438,056
Less: allowance for valuation	29,404,277,075	1,706,577,513	1,371,746,006	29,739,108,582
Total	133,911,740,565	68,213,691,793	49,624,102,884	152,501,329,474

Enterprise Crown corporations and other government business enterprises

Loans and advances to, and investments in, enterprise Crown corporations and other government business enterprises represent the balance of financial claims held by the government against corporations and enterprises for working capital, capital expenditures and other purposes, investments in the capital stock of corporations, and loans and advances to corporations and enterprises for re-lending.

A Crown corporation means a parent Crown corporation or a wholly-owned subsidiary; a parent Crown corporation is wholly-owned directly by the Crown; a wholly-owned subsidiary is wholly-owned by one or more parent Crown corporations directly or indirectly through any number of subsidiaries.

Enterprise Crown corporations are a type of government business enterprise and are defined as those Crown corporations which are not dependent on parliamentary appropriations and whose principal activity and source of revenue is the sale of goods and services to outside parties. These include select Crown corporations listed in Part I, all the Crown corporations listed in Part II of Schedule III of the *Financial Administration Act* and the Bank of Canada. Although a Crown corporation, the Canada Pension Plan Investment Board is not part of the government reporting entity since its mandate is to manage an investment portfolio on behalf of the Canada Pension Plan which is itself excluded from the reporting entity.

There are also a number of self-sustaining government business enterprises that are not considered Crown corporations, but which are controlled by the government and in most cases accountable to Parliament through a Minister of the Crown for the conduct of their affairs. These are referred to as “other government business enterprises” and include the various Canada Port Authorities.

Most of the enterprise Crown corporations and other government business enterprises are agents of Her Majesty for the conduct of all or part of their activities. This status is granted in one of the following ways:

- designation by Parliament, through a special act of incorporation;
- statutory authorization; or
- proclamation by the *Government Corporations Operation Act*.

Further information on the business and activities of all parent Crown corporations and information on all Crown corporations and other corporate interests of Canada is provided in the annual report entitled *Inventory of Federal Organizations and Interests*. Audited financial statements of parent Crown corporations are made available and published on their respective websites.

Table 9.2
Enterprise Crown corporations and other government business enterprises

(in dollars)

	April 1, 2019	Payments and other charges	Receipts and other credits	March 31, 2020
Investments				
Investments and accumulated profits/losses, Table 9.4	45,661,157,950	7,069,823,000	1,992,242,000	50,738,738,950
Loans and advances¹				
Families, Children and Social Development				
Canada Mortgage and Housing Corporation				
Housing	1,352,490,631	—	217,532,141	1,134,958,490
Joint projects	387,619,479	—	22,777,484	364,841,995
Real estate	8,463,595	—	740,727	7,722,868
Sewage treatment projects	9,914,402	—	4,763,388	5,151,014
Student housing projects	26,477,621	—	10,695,619	15,782,002
	1,784,965,728	—	256,509,359	1,528,456,369
Finance				
Department of Finance				
Business Development Bank of Canada	22,235,000,000	26,945,000,000	25,775,000,000	23,405,000,000
Canada Lands Company Limited	454,030,000	1,760,000	23,920,000	431,870,000
Canada Mortgage and Housing Corporation	6,310,302,293	11,667,082,000	5,128,947,763	12,848,436,530
Farm Credit Canada	29,861,500,000	14,255,000,000	11,463,000,000	32,653,500,000
	58,860,832,293	52,868,842,000	42,390,867,763	69,338,806,530
Global Affairs				
Export Development Canada				
Canada Development Investment Corporation	4,790,000,000	1,465,000,000	—	6,255,000,000
Total—Loans and advances	65,435,798,021	54,333,842,000	42,647,377,122	77,122,262,899
Less:				
Loans expected to be repaid from future appropriations	2,884,653,957	166,154,799	—	2,718,499,158
Unamortized discounts and premiums	43,091,814	37,666,048	29,382,072	34,807,838
	2,927,745,771	203,820,847	29,382,072	2,753,306,996
Total	108,169,210,200	61,607,485,847	44,669,001,194	125,107,694,853

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 7.02% to 17.96% per annum, and are repayable over 1 to 50 years, with the final instalment due on June 30, 2038.

Real estate

Advances made for the acquisition and development of real estate bear interest at rates from 10.07% to 15% per annum, and are repayable over 50 years, with the final instalment due on June 30, 2036.

Sewage treatment projects

Advances made to assist in the establishment or expansion of sewage treatment projects and the construction of trunk storm sewers bear interest at rates from 7.27% to 7.45% per annum, and are repayable over 20 to 50 years, with the final instalment due on March 31, 2023.

Student housing projects

Advances made for student housing projects bear interest at rates from 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 0.22% to 2.45% per annum.

Canada Lands Company Limited

Canada Lands Company Limited (originally Public Works Lands Company Limited) was incorporated under the *Companies Act* in 1956 and was continued under the *Canada Business Corporations Act*. The Corporation is a Crown corporation named in Part I of Schedule III of the *Financial Administration Act*. The Corporation conducts its business through Canada Lands Company CLC Limited (CLC) and Parc Downsview Park (PDP), its principal wholly-owned subsidiaries. CLC and PDP's objective is to carry out a commercially oriented and orderly disposal program of certain government real properties and the management of certain select properties. In undertaking this objective, CLC and PDP may manage, develop and dispose of real properties, either in the capacity of owner or as agent of the government.

CLC and PDP have acquired an interest in a number of real properties from the government in consideration for the issuance of promissory notes, which bear no interest and are repayable from the proceeds of the sale of the properties in respect of which they were issued. The notes are discounted using the Consolidated Revenue Fund lending rate applicable to Crown corporations and recorded at their discounted value.

During the year, an amount of \$23.9 million was repaid and an amount of \$5.2 million was amortized to income. The balance in the account represents the notes receivable net of the corresponding unamortized discount.

Canada Mortgage and Housing Corporation

Pursuant to Section 21(1) of the *Canada Mortgage and Housing Corporation Act*, the federal government, at the request of the Corporation, may, out of the Consolidated Revenue Fund, lend money to the Corporation on any terms and conditions that the Minister of Finance may fix.

Loans outstanding at year end bear interest at rates from 0.40% 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 0.22% to 3.77% 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, 2020 and 2019 is as follows:

(in millions of dollars)

	2020	2019
Business Development Bank of Canada.....	371.5	299.3
Canada Development Investment Corporation.....	261.4	144.2
Canada Mortgage and Housing Corporation	303.0	323.5
Farm Credit Canada	512.9	414.1
Total	1,448.8	1,181.1

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, 2020**

(in thousands of dollars)

	Assets			
	Financial			Total assets
	Third parties	Government, Crown corporations and other entities	Non-financial	
Enterprise Crown corporations and other government business enterprises ¹				
Atlantic Pilotage Authority	10,546	—	12,935	23,481
Bank of Canada	89,501,000	105,356,553	773,040	195,630,593
Business Development Bank of Canada.....	32,899,210	4,844	249,304	33,153,358
Canada Deposit Insurance Corporation.....	1,554,613	4,180,205	20,129	5,754,947
Canada Development Investment Corporation.....	624,976	114,177	7,825,332	8,564,485
Canada Lands Company Limited.....	599,232	62,345	560,335	1,221,912
Canada Mortgage and Housing Corporation	270,951,168	11,970,759	789,368	283,711,295
Canada Post Corporation	3,977,164	1,327,381	4,584,973	9,889,518
Export Development Canada	76,276,279	5,786	364,134	76,646,199
Farm Credit Canada	41,077,063	—	347,152	41,424,215
Freshwater Fish Marketing Corporation.....	13,188	—	51,170	64,358
Great Lakes Pilotage Authority	2,318	—	1,070	3,388
Halifax Port Authority ²	9,451	619	235,722	245,792
Hamilton-Oshawa Port Authority ^{2,4}	25,210	—	145,648	170,858
Laurentian Pilotage Authority.....	23,789	417	18,849	43,055
Montreal Port Authority ²	92,685	4,215	477,302	574,202
Pacific Pilotage Authority.....	14,967	837	13,203	29,007
Prince Rupert Port Authority ²	113,029	—	210,976	324,005
Quebec Port Authority ²	28,463	1,137	179,300	208,900
Ridley Terminals Inc. ³	—	—	—	—
Royal Canadian Mint	118,881	43,784	237,295	399,960
Saint John Port Authority ²	41,007	—	80,966	121,973
Sept-Iles Port Authority ²	37,259	8	291,140	328,407
Toronto Port Authority ²	109,015	—	236,612	345,627
Vancouver Fraser Port Authority ²	349,788	2,742	1,892,925	2,245,455
Other Canada Port Authorities ^{2,5}	105,036	10,293	261,733	377,062
Total	518,555,337	123,086,102	19,860,613	661,502,052
Elimination adjustments.....		(694,966)	(265,928)	(960,894)
Total	518,555,337	122,391,136	19,594,685	660,541,158

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 The Government of Canada sold 90% its Ridley Terminals Inc. shares to a company in the private sector and transferred the remaining 10% shares to the First Nations.

⁴ In 2020, the Hamilton Port Authority and Oshawa Port Authority merged to become the Hamilton-Oshawa Port Authority.

⁵ 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		Government, Crown corporations and other entities	Total liabilities	Accumulated profits (losses)	Contributed surplus	Capital stock	Equity of Canada	Total liabilities and equity
Borrowings	Other							
4,779	5,139	–	9,918	13,563	–	–	13,563	23,481
–	163,852,669	31,195,335	195,048,004	552,589	25,000	5,000	582,589	195,630,593
141,621	690,664	23,429,413	24,261,698	4,854,982	27,778	4,008,900	8,891,660	33,153,358
–	2,271,629	3,627	2,275,256	3,479,691	–	–	3,479,691	5,754,947
–	1,569,584	6,640,612	8,210,196	(249,006)	603,294	1	354,289	8,564,485
37,500	79,896	418,670	536,066	504,676	181,170	–	685,846	1,221,912
244,642,588	8,970,718	14,667,702	268,281,008	15,405,277	25,010	–	15,430,287	283,711,295
997,339	6,603,471	84,147	7,684,957	1,049,390	1,155,171	–	2,204,561	9,889,518
63,249,217	4,674,557	764	67,924,538	7,388,461	–	1,333,200	8,721,661	76,646,199
833,152	610,326	32,728,268	34,171,746	6,752,469	500,000	–	7,252,469	41,424,215
35,964	28,394	–	64,358	–	–	–	–	64,358
–	6,352	285	6,637	(3,249)	–	–	(3,249)	3,388
21,624	17,594	877	40,095	154,840	50,857	–	205,697	245,792
–	19,060	–	19,060	128,758	23,040	–	151,798	170,858
–	14,865	–	14,865	28,190	–	–	28,190	43,055
13,158	141,146	5,897	160,201	179,884	234,117	–	414,001	574,202
1,317	13,862	1	15,180	13,827	–	–	13,827	29,007
–	56,569	–	56,569	231,223	36,213	–	267,436	324,005
11,986	33,225	46,616	91,827	59,811	57,262	–	117,073	208,900
–	–	–	–	–	–	–	–	–
8,995	236,700	2,508	248,203	111,757	–	40,000	151,757	399,960
–	13,828	–	13,828	46,486	61,659	–	108,145	121,973
38,379	171,207	–	209,586	107,114	11,707	–	118,821	328,407
32,463	88,221	–	120,684	224,943	–	–	224,943	345,627
103,034	167,853	11,192	282,079	1,813,117	150,259	–	1,963,376	2,245,455
38,843	39,774	5,508	84,125	149,867	143,070	–	292,937	377,062
310,211,959	190,377,303	109,241,422	609,830,684	42,998,660	3,285,607	5,387,101	51,671,368	661,502,052
		(28,264)	(28,264)	(932,630)			(932,630)	(960,894)
310,211,959	190,377,303	109,213,158	609,802,420	42,066,030	3,285,607	5,387,101	50,738,738	660,541,158

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, 2020**

(in thousands of dollars)

Enterprise Crown corporations and other government business enterprises	Revenues			Expenses		
	Third parties	Government, Crown corporations and other entities ¹	Total	Third parties	Government, Crown corporations and other entities	Total
Atlantic Pilotage Authority	30,297	–	30,297	28,787	9	28,796
Bank of Canada	229,985	2,083,521	2,313,506	620,030	377,337	997,367
Business Development Bank of Canada	1,377,058	–	1,377,058	1,195,699	374,377	1,570,076
Canada Deposit Insurance Corporation	697,773	56,083	753,856	246,952	12,717	259,669
Canada Development Investment Corporation	674,717	12,896	687,613	477,158	155,237	632,395
Canada Lands Company Limited	314,200	–	314,200	220,054	16,928	236,982
Canada Mortgage and Housing Corporation	7,821,279	2,344,952	10,166,231	7,908,758	809,248	8,718,006
Canada Post Corporation	8,713,931	264,645	8,978,576	8,958,516	110,375	9,068,891
Export Development Canada	2,772,175	–	2,772,175	3,288,676	(5,855)	3,282,821
Farm Credit Canada	1,760,283	–	1,760,283	606,221	521,463	1,127,684
Freshwater Fish Marketing Corporation	73,953	–	73,953	75,109	–	75,109
Great Lakes Pilotage Authority	40,470	11	40,481	40,575	1,305	41,880
Halifax Port Authority	45,904	–	45,904	32,886	2,155	35,041
Hamilton-Oshawa Port Authority	31,590	–	31,590	24,951	–	24,951
Laurentian Pilotage Authority	107,826	–	107,826	107,905	–	107,905
Montreal Port Authority	131,104	728	131,832	96,250	4,888	101,138
Pacific Pilotage Authority	96,880	–	96,880	94,629	138	94,767
Prince Rupert Port Authority	69,114	–	69,114	36,457	3,364	39,821
Quebec Port Authority	44,098	3,030	47,128	35,360	2,274	37,634
Ridley Terminals Inc. ²	81,088	–	81,088	61,587	–	61,587
Royal Canadian Mint	1,510,391	96,806	1,607,197	1,540,952	37,440	1,578,392
Saint John Port Authority	25,920	–	25,920	20,320	854	21,174
Sept-Îles Port Authority	34,228	–	34,228	17,941	737	18,678
Toronto Port Authority	59,912	–	59,912	57,149	–	57,149
Vancouver Fraser Port Authority	421,882	1,232	423,114	162,848	7,891	170,739
Other Canada Port Authorities	51,792	807	52,599	43,442	539	43,981
Total	27,217,850	4,864,711	32,082,561	25,999,212	2,433,421	28,432,633
Elimination adjustments						
Total net results	27,217,850	4,864,711	32,082,561	25,999,212	2,433,421	28,432,633
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".

² The Government of Canada sold 90% of its Ridley Terminals Inc. shares to a company in the private sector and transferred the remaining 10% shares to First Nations.

Net income (loss)	Equity beginning of year	Equity adjustments and other	Other comprehensive income (loss)	Equity transactions with the government		Equity end of year
				Dividends	Capital	
1,501	12,111	26	(75)	—	—	13,563
1,316,139	527,112	—	61,901	(1,322,563)	—	582,589
(193,018)	7,714,125	—	92,953	(128,400)	1,406,000	8,891,660
494,187	2,985,326	—	178	—	—	3,479,691
55,218	320,095	77,040	26,565	(124,629)	—	354,289
77,218	638,628	—	—	(30,000)	—	685,846
1,448,225	14,952,021	—	545,041	(1,515,000)	—	15,430,287
(90,315)	(972,581)	—	3,267,457	—	—	2,204,561
(510,646)	9,448,932	17	(216,642)	—	—	8,721,661
632,599	6,428,874	1	85,795	(394,800)	500,000	7,252,469
(1,156)	—	1,156	—	—	—	—
(1,399)	(1,850)	—	—	—	—	(3,249)
10,863	195,742	—	(908)	—	—	205,697
6,639	142,078	4,111	(1,030)	—	—	151,798
(79)	28,269	—	—	—	—	28,190
30,694	379,597	3,118	592	—	—	414,001
2,113	11,477	284	(47)	—	—	13,827
29,293	239,549	—	(1,406)	—	—	267,436
9,494	108,150	—	(571)	—	—	117,073
19,501	403,278	(200,796)	(2,998)	(128,985)	(90,000)	—
28,805	164,061	—	(1,109)	(40,000)	—	151,757
4,746	102,311	—	1,088	—	—	108,145
15,550	103,717	—	(446)	—	—	118,821
2,763	223,489	—	(1,309)	—	—	224,943
252,375	1,715,798	598	(5,395)	—	—	1,963,376
8,618	288,720	(4,008)	(393)	—	—	292,937
3,649,928	46,159,029	(118,453)	3,849,241	(3,684,377)	1,816,000	51,671,368
	(497,872)	(133,759)	(367,628)	66,629		(932,630)
3,649,928	45,661,157	(252,212)	3,481,613	(3,617,748)	1,816,000	50,738,738
(61,718)		61,718				—
3,588,210	45,661,157	(190,494)	3,481,613	(3,617,748)	1,816,000	50,738,738

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, 2019	Borrowings and other credits	Repayments and other charges	March 31, 2020
Agent enterprise Crown corporations				
Business Development Bank of Canada	137,157	7	(4,457)	141,621
Canada Mortgage and Housing Corporation.....	237,516,123	43,748,713	36,622,248	244,642,588
Canada Post Corporation	997,157	182	–	997,339
Export Development Canada	55,216,700	62,559,262	54,526,745	63,249,217
Farm Credit Canada	817,565	5,349,693	5,334,106	833,152
Freshwater Fish Marketing Corporation	36,919	35,964	36,919	35,964
Royal Canadian Mint.....	11,990	–	2,995	8,995
Total—Agent enterprise Crown corporations	294,733,611	111,693,821	96,518,556	309,908,876
Non-agent enterprise Crown corporations and other government business enterprises				
Atlantic Pilotage Authority.....	5,442	–	663	4,779
Canada Lands Company Limited ¹	15,100	22,400	–	37,500
Halifax Port Authority ²	13,420	10,134	1,930	21,624
Montreal Port Authority ²	14,599	–	1,441	13,158
Pacific Pilotage Authority	1,715	–	398	1,317
Quebec Port Authority ²	–	11,986	–	11,986
Ridley Terminals Inc.	3,867	–	3,867	–
Sept-Îles Port Authority ²	44,300	–	5,921	38,379
Toronto Port Authority ²	34,694	–	2,231	32,463
Vancouver Fraser Port Authority ²	103,034	4,755	4,755	103,034
Other Canada Port Authorities ²	43,336	1,545	6,038	38,843
Total—Non-agent enterprise Crown corporations and other government business enterprises	279,507	50,820	27,244	303,083
Total	295,013,118	111,744,641	96,545,800	310,211,959
Borrowings expected to be repaid by enterprise Crown corporations and other government business enterprises	295,013,118	–	–	310,211,959
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
2020.....	59,576,596	189,953	59,766,549
2021.....	54,613,425	21,397	54,634,822
2022.....	51,655,757	11,815	51,667,572
2023.....	43,965,835	10,894	43,976,729
2024.....	47,623,245	10,151	47,633,396
Subsequent years	52,474,018	58,873	52,532,891
Total	309,908,876	303,083	310,211,959 ¹

¹ The borrowings are composed in Canadian dollar equivalent of 40,762,941 USD, 10,551,658 GBP, 3,447 JPY, 2,802,303 AUD, 5,471,956 EUR, 1,277,654 NZD, 436,539 NOK, 148,497 HKD, 14,530 CLP, 247,453,646 CAD and 1,288,788 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)

	2020
Loan guarantees	3,640,612
Letters of credit.....	207,920
Performance guarantees and callable shares.....	85,529
Pending and threatened litigation and other claims	4,628
Total	3,938,689

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, 2020

(in thousands of dollars)

	Transfer payment agreements	Loans	Capital expenditures	Operating leases and other	Total
Bank of Canada	—	—	15,372	102,763	118,135
Business Development Bank of Canada.....	—	4,334,930	—	196,190	4,531,120
Canada Deposit Insurance Corporation.....	—	—	515	9,211	9,726
Canada Development Investment Corporation.....	—	—	139,083	48,140	187,223
Canada Lands Company Limited.....	—	—	63,100	5,666	68,766
Canada Mortgage and Housing Corporation	9,765,000	2,910,703	—	212,000	12,887,703
Canada Post Corporation	—	—	—	3,000	3,000
Export Development Canada	—	19,178,351	—	440,000	19,618,351
Farm Credit Canada.....	—	7,994,300	—	138,706	8,133,006
Great Lakes Pilotage Authority	—	—	—	1,664,259	1,664,259
Halifax Port Authority	—	—	7,887	—	7,887
Pacific Pilotage Authority	—	5,300	5,598	—	10,898
Prince Rupert Port Authority	—	—	15,123	—	15,123
Royal Canadian Mint	—	—	1,622	70,764	72,386
Vancouver Fraser Port Authority	—	—	448,149	12,507	460,656
Total	9,765,000	34,423,584	696,449	2,903,206	47,788,239

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, 2020

(in thousands of dollars)

	Financial assistance
Canada Mortgage and Housing Corporation	2,215,672
Canada Post Corporation	22,210
Total	2,237,882

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, 2019	Payments and other charges ¹	Receipts and other credits	March 31, 2020
Environment and Climate Change				
Parks Canada Agency				
Co-operative Housing Project.....	337,106	—	—	337,106
Finance				
Department of Finance				
Canada Pension Plan Investment Board.....	100	—	—	100
Global Affairs				
Department of Foreign Affairs, Trade and Development				
Canada Investment Fund for Africa	46,529,888	—	—	46,529,888
Innovation, Science and Economic Development				
Atlantic Canada Opportunities Agency				
Equity investment	6,810,056	—	2,545	6,807,511
Department of Western Economic Diversification				
North Portage Development Corporation.....	1	—	—	1
National Research Council of Canada				
Equity ownership	3	—	—	3
	6,810,060	—	2,545	6,807,515
Natural Resources				
Department of Natural Resources				
Lower Churchill Development Corporation Limited.....	14,750,000	—	—	14,750,000
Treasury Board				
Treasury Board Secretariat				
Public Sector Pension Investment Board.....	100	—	—	100
Total	68,427,254	—	2,545	68,424,709

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.

Equity investment

In order to help fulfill its mandate to promote economic development in the Cape Breton Region of Nova Scotia, Enterprise Cape Breton Corporation (ECBC) had taken equity interests in several companies to help the organizations expand or innovate.

Upon ECBC's dissolution on June 19, 2014, all of ECBC assets and obligations, except real property, were transferred to Atlantic Canada Opportunities Agency (ACOA). ACOA has been given the authority to hold or exercise, or surrender, sell, assign or otherwise dispose of, a stock option, share or other similar financial instruments that it acquired from ECBC or any of its subsidiaries.

North Portage Development Corporation

The Corporation was incorporated under *The Corporations Act* of Manitoba, to foster the social and economic development of the North Portage area in the core area of Winnipeg. The objective of the government's participation is to stimulate economic recovery in Canada and Manitoba.

The government's holding of common shares represents 33.3% of the shares outstanding. The Corporation is owned equally by the City of Winnipeg, the Province of Manitoba and the Government of Canada. There are 3 common shares issued, having a par value of \$1 each.

Equity ownership

In order to help fulfill its mandate to promote industrial innovation in Canada, the National Research Council of Canada (NRC) has taken equity interests in several new firms based on NRC technology. NRC provides financial assistance at better than market conditions to firms through access to equipment, intellectual property and incubation space in laboratories and in the organization's Industry Partnership Facilities.

Since these companies often cannot afford to pay the full cost of the assistance received from the NRC, the NRC takes an equity position in a company in order to help the firms survive the critical development stage. In turn, it allows NRC to earn a return that somewhat reflects the risk taken should the company become successful.

This investment in equity is authorized under subsection 92(1)(b) of the *Financial Administration Act* which allows for the acquisition or the sale or other disposal of shares or assets in the ordinary course of a business of providing financial assistance to publicly and privately held companies and are recorded at cost.

The government's holdings of shares represent a minority interest in two publicly traded companies and one privately held company.

Lower Churchill Development Corporation Limited

The Lower Churchill Development Corporation (LCDC) was incorporated in 1978 under the *Companies Act* of Newfoundland, with the objective of developing all or part of the hydroelectric potential of the Lower Churchill Basin. It is owned 51% by Newfoundland and Labrador Hydro, the designate for the Government of Newfoundland and Labrador, and 49% by Canada. LCDC is not an active operating company.

Canada owns 1,475 class A shares, which it purchased for \$10,000 per share in the initial years of the corporation. Funds were used to finance feasibility studies for proposed Lower Churchill projects. The corporation's only asset was an Option Right to purchase the Gull Island Production Company's assets and acquire hydroelectric development rights on the Lower Churchill River, granted by the Government of Newfoundland and Labrador in exchange for its initial ownership stake, valued at \$5,200,000.

The option expired on November 24, 2006, and has not been extended by the province, resulting in an investment write-down for LCDC.

Public Sector Pension Investment Board

The Public Sector Pension Investment Board (PSPIB) is a Canadian Crown corporation established pursuant to the *Public Sector Pension Investment Board Act*. Its statutory objective is to manage, in the best interests of the contributors and beneficiaries, the funds transferred to it by the Government of Canada since April 1, 2000. These funds represent contributions less benefits payments and other charges related to the public service, Canadian Forces—Regular Force and Royal Canadian Mounted Police pension plans, and since 2007 for the Canadian Forces—Reserve Force pension plan, that fall within the *Income Tax Act* limits. The goal of the PSPIB is to maximize returns on investments without undue risk of loss, while having regard to funding, policies and requirements and financial obligations of each of the pension plans.

The government holds 100% of the share capital of the PSPIB that consists of 10 shares having a par value of \$10 each issued as per legislation. The assets managed by the PSPIB are recorded against the pension obligations since April 1, 2000.

National governments including developing countries

Loans to national governments consist mainly of loans for financial assistance, international development assistance to developing countries, and loans for development of export trade (administered by Export Development Canada).

Table 9.11
National governments including developing countries

(in dollars)

	April 1, 2019	Payments and other charges	Receipts and other credits	March 31, 2020
Finance				
Department of Finance				
Financial assistance—Ukraine	400,000,000	–	400,000,000	–
Global Affairs				
Department of Foreign Affairs, Trade and Development				
International development assistance—Developing countries	84,713,401	13,276,741	27,280,230	70,709,912
Export Development Canada				
Development of export trade—National governments	397,159,530	59,093,628	76,816,402	379,436,756
	481,872,931	72,370,369	104,096,632	450,146,668
National Defence				
Department of National Defence				
Damage claims recoverable—North Atlantic Treaty Organization	3,531	–	3,531	–
Total	881,876,462	72,370,369	504,100,163	450,146,668

Financial assistance—Ukraine

Pursuant to Section 8.3 of the *Bretton Woods and Related Agreements Act*, the Minister of Finance, by order of the Governor in Council, is authorized to extend certain forms of financial assistance to a foreign state. The provision of such financial assistance is contingent upon that state having an arrangement with the International Monetary Fund and upon the satisfactory participation of other countries with Canada in the provision of financial assistance.

Funding for such transactions is provided by the Minister of Finance out of the Consolidated Revenue Fund. The maximum amount of financial assistance that can be provided under legislation is \$2.5 billion USD in respect of any particular foreign state and \$5 billion USD in respect of all foreign states.

The loan was reimbursed in full during the year.

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, 2019	Payments and other charges	Receipts and other credits ¹	March 31, 2020
(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	35,736,670	—	4,035,685	31,700,985
(b) 50 year term, 10 year grace period, non-interest bearing, with final repayments between March 2015 and September 2035:				
Algeria	2,091,460	—	604,025	1,487,435
Bolivia	127,185	—	42,380	84,805
Dominican Republic	1,145,346	—	236,046	909,300
Ecuador	903,296	—	273,808	629,488
Guatemala	781,250	—	100,000	681,250
Indonesia	73,962,963	—	9,836,389	64,126,574
Malaysia	795,422	—	53,028	742,394
Malta	124,980	—	25,000	99,980
Morocco	2,261,871	—	462,001	1,799,870
Pakistan	20,162,020	—	—	20,162,020
Philippines	577,516	—	145,739	431,777
Sri Lanka	36,913,109	—	4,105,457	32,807,652
Thailand	7,019,919	—	674,621	6,345,298
Tunisia	17,307,417	—	4,818,414	12,489,003
	164,173,754	—	21,376,908	142,796,846
(c) 50 year term, 13 year grace period, non-interest bearing, with final repayment in March 2023:				
Algeria	5,602,911	—	1,867,637	3,735,274
Subtotal	205,513,335	—	27,280,230	178,233,105
Less: portion expensed due to concessionary terms	120,799,934	—	13,276,741	107,523,193
Total	84,713,401	—	14,003,489	70,709,912

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)

in dollars)						
		Payments and other charges		Receipts and other credits		
	April 1, 2019	Payments or other charges ¹	Revaluation	Receipts or other credits ²	Revaluation	March 31, 2020
Non-budgetary loans³						
(a) 1 to 5 year term, 3.0% to 9.0% interest per annum, with final repayments in May 2019:						
Argentina	64,913,690	—	832,309	29,659,197	—	36,086,802
(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	102,708,860	—	4,829,607	11,363,250	—	96,175,217
(c) 11 to 15 year term, interest based on LIBOR, plus a range of rates from 0.5% to 1.0% per annum, with final repayments between December 2019 and June 2020:						
Kenya	488,593	—	10,170	274,973	—	223,790
(d) 16 to 20 year term, interest based on LIBOR, plus a range of rates from 0.5% to 0.63% per annum, with final repayments between October 2018 and June 2021:						
Indonesia	233,935	—	7,484	86,538	—	154,881
Venezuela	2,613,152	—	139,635	—	—	2,752,787
	2,847,087	—	147,119	86,538	—	2,907,668
(e) 21 to 25 year term, 9.0% to 10.0% interest per annum, with final repayments in September 2000:						
Sudan	5,160,415	—	275,747	—	—	5,436,162
(f) 21 to 25 year term, interest based on LIBOR, plus 0.55% per annum, with final repayments in November 2024:						
Pakistan	6,028,629	—	283,889	659,922	—	5,652,596
(g) 21 to 25 year term, based on 6 month LIBOR, plus 0.55% interest per annum, assumed from CWB, with final repayments in November 2024:						
Pakistan	13,266,708	—	620,342	1,527,973	—	12,359,077
Total—Non-budgetary loans	195,413,982	—	6,999,183	43,571,853	—	158,841,312

(in dollars)

	Payments and other charges			Receipts and other credits		
		Payments or other charges ¹	Revaluation	Receipts or other credits ²	Revaluation	March 31, 2020
April 1, 2019						
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	370,567,996	—	18,450,577	23,303,787	—	365,714,786
Egypt	6,596,658	—	113,902	350,766	—	6,359,794
Gabon	7,127,832	—	361,649	330,014	—	7,159,467
India	42,128,133	—	2,152,205	1,706,534	—	42,573,804
Jamaica	4,767,675	—	240,650	243,450	—	4,764,875
Morocco	67,542,164	—	3,411,182	3,414,939	—	67,538,407
Turkey	85,646,945	—	4,366,208	3,628,952	—	86,384,201
	584,377,403	—	29,096,373	32,978,442	—	580,495,334
(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	4,008,757	—	198,784	266,107	—	3,941,434
Total—Budgetary loans	588,386,160	—	29,295,157	33,244,549	—	584,436,768
Subtotal.....	783,800,142	—	36,294,340	76,816,402	—	743,278,080
Less: portion expensed due to concessionary terms	386,640,612	—	—	—	22,799,288	363,841,324
Total	397,159,530	—	36,294,340	76,816,402	(22,799,288)	379,436,756

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/\$1.4076 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 \$150,375,319 (\$195,955,069 in 2019) are reported in Table 5.3 in Section 5 of this volume.

Table 9.12
International organizations

(in dollars)

	April 1, 2019	Payments and other charges		Receipts and other credits		March 31, 2020
		Participation or other charges	Revaluation	Reimburse- ments or other credits	Revaluation	
Capital subscriptions¹						
Finance						
Department of Finance						
Asian Infrastructure Investment Bank	257,200,158	—	—	—	—	257,200,158
European Bank for Reconstruction and Development ..	278,549,076	—	—	—	—	278,549,076
International Bank for Reconstruction and Development	805,062,415	—	—	—	—	805,062,415
International Development Association ²	12,497,398,061	441,620,000	—	—	—	12,939,018,061
International Finance Corporation	104,801,033	—	—	—	—	104,801,033
Multilateral Investment Guarantee Agency	13,827,431	—	—	—	—	13,827,431
	13,956,838,174	441,620,000	—	—	—	14,398,458,174
Global Affairs						
Department of Foreign Affairs, Trade and Development						
African Development Bank	318,126,020	—	13,625,260	—	—	331,751,280
Asian Development Bank	384,801,825	—	9,122,386	—	—	393,924,211
Caribbean Development Bank	52,102,269	—	2,450,586	—	—	54,552,855
Inter-American Development Bank	330,517,020	—	17,483,895	—	—	348,000,915
Inter-American Investment Corporation	55,499,645	15,336,772	4,116,508	—	—	74,952,925
	1,141,046,779	15,336,772	46,798,635	—	—	1,203,182,186
Total—Capital subscriptions	15,097,884,953	456,956,772	46,798,635	—	—	15,601,640,360

Table 9.12
International Organizations—concluded

(in dollars)

	April 1, 2019	Payments and other charges		Receipts and other credits		March 31, 2020
		Participation or other charges	Revaluation	Reimburse- ments or other credits	Revaluation	
Loans and advances						
Finance						
Department of Finance						
Global Environment Facility ²	10,000,000	—	—	—	—	10,000,000
International Finance Corporation						
Catalyst Fund	75,000,000	—	—	—	—	75,000,000
International Monetary Fund						
Poverty Reduction and Growth Trust ¹	268,215,000	397,165,589	31,000,986	10,820,142	—	685,561,433
	353,215,000	397,165,589	31,000,986	10,820,142	—	770,561,433
Global Affairs						
Department of Foreign Affairs, Trade and Development						
International Finance Corporation						
Financial Mechanisms for Climate Change Facility	207,018,555	—	—	7,364,922	—	199,653,633
Global Agriculture and Food Security Program	28,048,665	—	—	4,609,020	—	23,439,645
	235,067,220	—	—	11,973,942	—	223,093,278
International financial institutions ²						
African Development Bank	218,895	—	—	125,000	—	93,895
African Development Fund	3,093,002,541	108,533,333	5,354,996	—	—	3,206,890,870
Andean Development Corporation	562,500	—	—	562,500	—	—
Asian Development Bank—Special	27,027,000	—	—	—	—	27,027,000
Asian Development Fund	2,419,489,092	32,956,918	—	—	—	2,452,446,010
Caribbean Development Bank						
Agricultural Development Fund	2,000,000	—	—	—	—	2,000,000
Commonwealth Caribbean Regional	5,344,800	—	285,600	—	—	5,630,400
Special	390,734,685	17,585,000	896,070	—	—	409,215,755
Global Environment Facility Trust Fund	1,000,070,000	54,750,000	—	—	—	1,054,820,000
Inter-American Development Bank						
Fund for Special Operations	403,993,694	554,082	12,900,421	—	—	417,448,197
International Bank for Reconstruction and						
Development	26,724,000	—	1,428,000	—	—	28,152,000
International Fund for Agriculture Development ...	479,383,396	25,000,000	—	—	—	504,383,396
International Monetary Fund	14,657,356	—	783,217	—	—	15,440,573
Montreal Protocol Multilateral Fund	133,565,446	7,854,071	1,905,270	—	—	143,324,787
Multilateral Investment Fund	52,440,967	3,132,579	—	—	—	55,573,546
	8,049,214,372	250,365,983	23,553,574	687,500	—	8,322,446,429
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	8,644,082,771	647,531,572	54,554,560	23,481,584	—	9,322,687,319
Subtotal	23,741,967,724	1,104,488,344	101,353,195	23,481,584	—	24,924,327,679
Less: portion expensed due to concessionary terms	658,245	—	—	564,466	—	93,779
Total	23,741,309,479	1,104,488,344	101,353,195	22,917,118	—	24,924,233,900

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, 2020, Canada has subscribed to 9,954 shares (9,954 in 2019). The total value of these shares is \$995.4 million USD (\$995.4 million USD in 2019), of which \$199.1 million USD (\$199.1 million USD in 2019) is paid-in and the remaining portion is callable. The paid-in capital is paid in equal instalments over five years with an initial payment of \$39.8 million USD in March 2018.

European Bank for Reconstruction and Development

This account records Canada's subscriptions to the capital of the European Bank for Reconstruction and Development (EBRD), as authorized by the *European Bank for Reconstruction and Development Agreement Act*, and various appropriation acts.

At year end, Canada has subscribed to 102,049 shares of the EBRD's authorized capital valued at 1,020,490,000 EUR.

Only 212,850,000 EUR or about 21% of Canada's share subscription is considered "paid-in". The balance is callable meaning the institution can request the resources in the unlikely event that it requires them to meet its financial obligations to bondholders. Payments for the share subscription are authorized by the Act. Each payment to the EBRD is comprised of cash and a promissory note.

Canada's contingent liability for the callable portion of its shares was 807,640,000 EUR.

Up to and including March 31, 2020, Canada's total cash contributions into the "paid-in" capital of the EBRD total \$216,197,668 USD.

International Bank for Reconstruction and Development

This account records Canada's subscriptions to the capital of the International Bank for Reconstruction and Development (World Bank), as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts.

As at March 31, 2020, 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

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, 2020, Canada's total participation in IDA amounted to \$12,939,018,061 CAD.

International Finance Corporation

This account records Canada's subscriptions to the capital of the International Finance Corporation, which is part of the World Bank Group, as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts.

As at March 31, 2020, Canada has subscribed to 81,342 shares. These shares have a total value of \$81,342,000 USD, all of which has been paid-in.

Multilateral Investment Guarantee Agency

This account records Canada's subscriptions to the capital of the Multilateral Investment Guarantee Agency, as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts.

As at March 31, 2020, Canada has subscribed to 5,225 shares. The total value of these shares is \$56,534,500 USD, of which \$10,732,250 USD is paid-in and the remaining portion is callable.

The callable portion is subject to call by the Multilateral Investment Guarantee Agency under certain circumstances. Canada's contingent liability for the callable portion of its shares is \$45,802,250 USD.

African Development Bank

This account records Canada's subscriptions to the capital of the African Development Bank, as authorized by the *International Development (Financial Institutions) Assistance Act*, and various appropriation acts.

At year end, authority had been granted for subscriptions of 18,146 paid-in shares and 232,814 callable shares. Paid-in shares are purchased using direct payments.

As at March 31, 2020, Canada's participation to the paid-in capital is \$331,751,280 CAD for 18,146 paid-in shares and of these paid-in shares, 13,618 were issued in US dollars.

The callable shares are subject to call by the African Development Bank under certain circumstances. Canada's contingent liability for callable shares has a current value of \$984,917,646 CAD and \$2,557,186,890 USD for a total value of \$4,584,413,912 CAD.

Asian Development Bank

This account records Canada's subscriptions to the capital of the Asian Development Bank, as authorized by the *International Development (Financial Institutions) Assistance Act*, and various appropriation acts.

At year end, authority had been granted for subscriptions of 27,768 paid-in shares and 527,490 callable shares. Paid-in shares are purchased using direct payments.

As at March 31, 2020, Canada's participation to the paid-in capital is \$393,924,211 CAD for 27,768 paid-in shares. Of these paid-in shares, 25,398 were issued in US dollars.

The callable shares are subject to call by the Asian Development Bank under certain circumstances. Canada's contingent liability for callable shares has a current value of \$6,363,375,615 USD for a total value of \$8,957,087,516 CAD.

Caribbean Development Bank

This account records Canada's subscriptions to the capital of the Caribbean Development Bank, as authorized by the *International Development (Financial Institutions) Assistance Act*, and various appropriation acts.

At year end, authority had been granted for subscriptions of 5,710 paid-in shares and 20,294 callable shares. Paid-in shares are purchased using direct payments.

As at March 31, 2020, Canada's participation to the paid-in capital is \$54,552,855 CAD for 5,710 paid-in shares. These shares were issued in US dollars.

The callable shares are subject to call by the Caribbean Development Bank under certain circumstances. Canada's contingent liability for callable shares has a current value of \$122,408,132 USD for a total value of \$172,301,686 CAD.

Inter-American Development Bank

This account records Canada's subscriptions to the capital of the Inter-American Development Bank, as authorized by the *International Development (Financial Institutions) Assistance Act*, and various appropriation acts.

At year end, authority had been granted for subscriptions of 20,034 paid-in shares and 547,005 callable shares. Paid-in shares are purchased using direct payments.

As at March 31, 2020, Canada's participation to the paid-in capital is \$348,000,915 CAD for 20,034 paid-in shares. These shares were issued in US dollars.

The callable shares are subject to call by the Inter-American Development Bank under certain circumstances. Canada's contingent liability for callable shares has a current value of \$6,598,757,829 USD for a total value of \$9,288,411,520 CAD.

Inter-American Investment Corporation

This account records Canada's subscriptions to the capital of the Inter-American Investment Corporation, as authorized by the *International Development (Financial Institutions) Assistance Act*, and various appropriation acts.

At year end, authority had been granted for subscriptions of 4,117 paid-in shares. Paid-in shares are purchased using direct payments.

As at March 31, 2020, Canada's participation to the paid-in capital is \$74,952,925 CAD for 3,347 paid-in shares. These shares were issued in US dollars.

Global Environment Facility

This account records the funding of a facility for environmental funding in developing countries in the areas of ozone, climate change biodiversity and international waters as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts. Advances to the Global Environment Facility are made in non-negotiable, non-interest bearing demand notes that are later encashed.

As at March 31, 2020, 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, 2020, 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 1 billion special drawing rights (SDR) or such greater amount as may be fixed by the Governor in Council.

As at March 31, 2020, Canada has lent a total of SDR 1,082,734,285 to the Poverty Reduction and Growth Trust. Of this amount, SDR 725,875,500 has been repaid.

The outstanding balance of SDR 356,858,785 was translated into Canadian dollars at the year-end closing rate of exchange (1 SDR /\$1.9211 CAD). During the year, transactions included repayments and an exchange valuation adjustment.

Separately, Canada has also made budgetary contributions towards an interest subsidy amounting to SDR 215,157,946, which do not appear in Table 9.12.

International Finance Corporation—Financial Mechanisms for Climate Change Facility

This account records Canada's financial support of the International Finance Corporation's—Financial Mechanisms for Climate Change Facility (FMCC) as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts. The FMCC supports private sector engagement in climate change mitigation and adaptation activities through the provision of concessional and commercial financing arrangements.

In accordance with Section 178 (1) of the *Budget Implementation Act 2017, No. 2*, the responsibility for the FMCC program has been transferred, by order in council, to the Minister of Foreign Affairs.

As at March 31, 2020, advances to the FMCC amounted to \$199,653,633 CAD.

International Finance Corporation—Global Agriculture and Food Security Program

This account records Canada's financial assistance to the International Finance Corporation for participation in the G8 Food Security Initiative (FSI) as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts.

In accordance with Section 178 (1) of the *Budget Implementation Act 2017, No. 2*, the responsibility for the program has been transferred, by order in council, to the Minister of Foreign Affairs.

As at March 31, 2020, advances to the Global Agriculture Food and Security Program amounted to \$23,439,645 CAD.

International financial institutions

This account records loans and advances for assistance to international financial institutions, as authorized by the *International Development (Financial Institutions) Assistance Act*, and various appropriation acts (including the Department of Foreign Affairs, Trade and Development Votes 20b and L25b).

Loans and advances are made using direct payments. During the year, transactions included loans and advances made through direct payments and revaluations for foreign currency fluctuations.

International organizations and associations

These items represent the value of payments established in 2006 made by the Canadian government to working capital funds maintained by international organizations of which Canada is a member. Participation in the financing of these working capital funds, on the basis of the scale of assessments, is prescribed by financial regulations for membership in the organizations. Payments into the funds are not subject to interest or repayment schedules, but are recorded by the organizations as credits from member states. Payments by Canada were authorized by appropriation acts.

Provincial and territorial governments

This category records loans to provinces and territories made under relief acts and other legislation.

Loans made on a long-term, low-interest or interest-free basis are recorded in part as expenses when the economic value of these loans is reduced due to their concessionary terms.

Table 9.13
Provincial and territorial governments

(in dollars)

	April 1, 2019	Payments and other charges	Receipts and other credits	March 31, 2020
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	45,109,472	—	15,036,504	30,072,968
Prince Edward Island				
Federal-provincial fiscal arrangements	326,616	—	108,912	217,704
Winter capital projects Fund	63,079	—	—	63,079
	389,695	—	108,912	280,783
Quebec				
Federal-provincial fiscal arrangements	37,672,500	—	37,672,500	—
Saskatchewan				
Federal-provincial fiscal arrangements	93,022,832	—	13,288,992	79,733,840
Subtotal	446,015,183	—	66,106,908	379,908,275
Less: portion expensed due to concessionary terms	39,364,110	—	5,904,740	33,459,370
Total	406,651,073	—	60,202,168	346,448,905

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, 2019	Payments and other charges	Receipts and other credits	March 31, 2020
Unconditionally repayable contributions				
Agriculture and Agri-Food				
Department of Agriculture and Agri-Food	140,070,745	32,947,790	20,706,649	152,311,886
Fisheries, Oceans and the Canadian Coast Guard				
Department of Fisheries and Oceans	1,849,623	2,475,208	–	4,324,831
Global Affairs				
Department of Foreign Affairs, Trade and Development	1,241,207,815	326,000,000	18,096,096	1,549,111,719
Innovation, Science and Economic Development				
Department of Industry	1,367,268,455	143,700,793	29,863,250	1,481,105,998
Atlantic Canada Opportunities Agency	384,047,309	83,080,347	61,314,589	405,813,067
Canadian Northern Economic Development Agency	–	3,248,000	–	3,248,000
Department of Western Economic Diversification	109,524,692	67,560,511	11,971,558	165,113,645
Economic Development Agency of Canada for the Regions of Quebec	564,560,289	113,381,552	95,276,103	582,665,738
Federal Economic Development Agency for Southern Ontario	351,243,462	86,494,469	39,598,625	398,139,306
	<i>2,776,644,207</i>	<i>497,465,672</i>	<i>238,024,125</i>	<i>3,036,085,754</i>
Subtotal	4,159,772,390	858,888,670	276,826,870	4,741,834,190
Less: portion expensed due to concessionary terms	427,500,458	119,265,381	40,020,604	506,745,235
Total—Unconditionally repayable contributions	3,732,271,932	739,623,289	236,806,266	4,235,088,955
Loans and accountable advances				
Global Affairs				
Department of Foreign Affairs, Trade and Development				
Missions abroad	42,952,673	103,497,352	97,105,699	49,344,326
Personnel posted abroad	25,316,124	10,613,569	15,415,406	20,514,287
	<i>68,268,797</i>	<i>114,110,921</i>	<i>112,521,105</i>	<i>69,858,613</i>
National Defence				
Department of National Defence				
Working Capital Fund	49,517,978	499,547,800	498,307,434	50,758,344
Miscellaneous accountable advances	68,337,253	29,944,196	31,853,763	66,427,686
Miscellaneous accountable imprest funds and standing advances	26,530,950	5,808,051	590,851	31,748,150
	<i>94,868,203</i>	<i>35,752,247</i>	<i>32,444,614</i>	<i>98,175,836</i>
Total—Loans and accountable advances	212,654,978	649,410,968	643,273,153	218,792,793

Table 9.14
Other loans, investments and advances—continued

(in dollars)

	April 1, 2019	Payments and other charges	Receipts and other credits	March 31, 2020
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	58,020,188	—	12,549,657	45,470,531
National Marketing Programs	204,199,076	57,053,794	35,596,665	225,656,205
	262,254,857	57,053,794	48,146,322	271,162,329
Crown-Indigenous Relations and Northern Affairs				
Department of Crown-Indigenous Relations and Northern Affairs				
Council of Yukon First Nations—Elders ¹	576,747	—	—	576,747
First Nations in British Columbia ¹	547,307,499	—	547,307,499	—
Inuit Loan Fund ¹	71,457	—	—	71,457
Indigenous Claimants ¹	475,997,197	220,226,814	587,834,154	108,389,857
Stoney Band Perpetual Loan ¹	389,615	—	—	389,615
	1,024,342,515	220,226,814	1,135,141,653	109,427,676
Families, Children and Social Development				
Department of Employment and Social Development				
Canada apprentice loans	237,256,150	54,823,292	21,303,006	270,776,436
Canada Student Loans Program	21,163,874,068	4,117,081,826	3,200,129,594	22,080,826,300
Provincial workers' compensation boards	16,092,001	—	—	16,092,001
	21,417,222,219	4,171,905,118	3,221,432,600	22,367,694,737
Finance				
Department of Finance				
Canadian Commercial Bank	42,202,293	—	—	42,202,293
Financial Consumer Agency of Canada—Advances	—	11,000,000	11,000,000	—
Investments Fund from PPP Canada Inc.	484,737,000	—	242,800,000	241,937,000
	526,939,293	11,000,000	253,800,000	284,139,293
Fisheries, Oceans and the Canadian Coast Guard				
Department of Fisheries and Oceans				
Canadian producers of frozen groundfish	128,315	—	—	128,315
Haddock fishermen	1,343,337	—	—	1,343,337
	1,471,652	—	—	1,471,652
Global Affairs				
Export Development Canada				
Support and development of trade	445,612,611	675,566,647	92,947,214	1,028,232,044
Immigration, Refugees and Citizenship				
Department of Citizenship and Immigration				
Immigration loans	68,443,227	30,707,378	13,741,285	85,409,320
Indigenous Services				
Department of Indigenous Services				
Indian Economic Development Guarantee Loans Program	303,820	—	—	303,820
Reserve Housing Guarantee Loans Program	1,002,585	—	221,981	780,604
	1,306,405	—	221,981	1,084,424
Innovation, Science and Economic Development				
Department of Industry				
Other business loans	48,891,090	54,686,824	42,133,745	61,444,169
Economic Development Agency of Canada for the Regions of Quebec				
Advances for the working capital fund of entrepreneurs' assistance centers	456,903	1,658,837	1,543,582	572,158
National Research Council of Canada				
H.L. Holmes Fund	5,313,432	153,078	—	5,466,510
	54,661,425	56,498,739	43,677,327	67,482,837
Public Services and Procurement				
Department of Public Works and Government Services				
Seized Property Working Capital Account	(9,474,091)	30,582,908	27,867,486	(6,758,669)

Table 9.14
Other loans, investments and advances—concluded

(in dollars)

	April 1, 2019	Payments and other charges	Receipts and other credits	March 31, 2020
Transport				
Department of Transport				
Greater Victoria Harbour Authority	1,980,389	—	42,720	1,937,669
St. Lawrence Seaway Management Corporation	173,698	—	—	173,698
	2,154,087	—	42,720	2,111,367
Treasury Board				
Treasury Board Secretariat				
Federal Public Service Health Care Administration Authority	619,715	2,657,703	2,422,166	855,252
Joint Learning Program	247,357	2,244,000	2,448,975	42,382
	867,072	4,901,703	4,871,141	897,634
Veterans Affairs				
Department of Veterans Affairs				
Commonwealth War Graves Commission	52,200	255	—	52,455
Miscellaneous loans, investments and advances	253,511	1,969,047	1,871,177	351,381
Transition payments—Pay in arrears	596,871,774	73,891	27,417,005	569,528,660
	597,125,285	2,042,938	29,288,182	569,880,041
Subtotal—Other	24,392,978,757	5,260,486,294	4,871,177,911	24,782,287,140
Less: portion expensed due to concessionary terms and other discounts	44,886,495	—	11,631,628	33,254,867
	24,348,092,262	5,260,486,294	4,859,546,283	24,749,032,273
Add: consolidation adjustment ²	1,755,524,000	385,051,000	—	2,140,575,000
Total—Other	26,103,616,262	5,645,537,294	4,859,546,283	26,889,607,273
Total	30,048,543,172	7,034,571,551	5,739,625,702	31,343,489,021

¹ This account has been transferred from the Department of Indian Affairs and Northern Development.

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

Unconditionally repayable contributions

Unconditionally repayable contributions are in substance loans, and are generally made to businesses pursuant to various acts of Parliament, with various amounts outstanding.

These loans are aimed at stimulating economic development or for assistance. They bear various interest rates, some of which have concessional terms, and are repayable at various due dates with final instalments generally due within up to 10 years of initial disbursement.

Loans made on a long-term, low-interest or interest-free basis are recorded in part as expenses when the economic value of the loans is reduced due to their concessionary terms.

Missions abroad

Non-interest bearing advances have been made for interim financing of expenses at missions abroad, pending distribution to appropriations of the Department of Foreign Affairs, Trade and Development and other departments and agencies.

The total amount authorized to be outstanding at any time is \$50,000,000.

Personnel posted abroad

A working capital advance account was established to finance loans and advances to employees posted abroad, including employees of other government departments and agencies, as well as medical advances to locally-engaged staff.

The total amount authorized to be outstanding at any time is \$38,200,000, as last amended by Foreign Affairs and International Trade Vote L12c, *Appropriation Act No. 5, 2009–2010*.

The closing balance consists of loans to employees, \$14,233,743; advances for medical expenses, \$898,703; advances for workmen's compensation, \$10,241; security and other deposits under Foreign Service Directives, \$2,546,216 and, school and club debentures, \$2,825,384.

The loans to employees bear interest at rates from 1% to 2% per annum. These rates are established by the Department of Finance and are repayable within 4 years, with final instalments between April 1, 2019, and March 31, 2023.

Working Capital Fund

A Working Capital Fund was established to finance temporary advances to departmental personnel within Canada and abroad for: (a) salary and benefits; (b) standing advances; and (c) travel and miscellaneous claims. The name of the account was modified in order to reflect the use of the account by National Defence.

The authorized ceiling is \$120,000,000, as last amended by the Department of National Defence Vote L11b, *Appropriation Act No. 4, 2001–2002*.

Miscellaneous accountable advances

The closing balance reflects amounts outstanding in the hands of departments, agencies and individuals, at year end, to be expended in the following year.

Miscellaneous accountable imprest funds and standing advances

This account is operated to provide imprest funds, accountable advances and recoverable advances to departments and agencies.

The total amount authorized to be outstanding at any time is \$22,000,000.

Construction of multi-purpose exhibition buildings

The remaining loan has been made to finance the construction of a multi-purpose exhibition building.

Hog Industry Loan Loss Reserve Program

Loans made by financial institutions under the Hog Industry Loan Loss Reserve Program are partially guaranteed by the Crown. Where the producers have defaulted and the lenders have carried out regular collection activities, the Crown becomes subrogated to the lender's rights against the producer in default, to the extent of an amount equal to the withdrawal from the Reserve Fund.

National Marketing Programs

Loans made by financial institutions under the *Canadian Agricultural Loans Act* and advances made by producer organizations under the *Agricultural Marketing Programs Act* are guaranteed by the Crown. Where the guarantee is honoured, the Crown becomes subrogated to the financial institution's or producer organization's rights to outstanding principal, interest and costs.

Council of Yukon First Nations—Elders

Loans 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.

Following the Budget 2019 announcement to forgive outstanding comprehensive land claim negotiation loan debt, a Treasury Board submission to forgive the accumulated interest charged on the loans to the Council Yukon First Nations—Elders, was approved on June 17, 2019.

These interest charges were removed from the departmental books at the end of fiscal year 2020 after the funding approval via a voted Act of Parliament.

The Council of Yukon First Nations—Elders principal amount was not eligible to be forgiven under the Budget 2019 announcement. This amount is still outstanding and remains an amount owing to the Crown.

First Nations in British Columbia

Until March 31, 2018, loans were issued to First Nations in British Columbia to support their participation in the British Columbia Treaty process related to the research, development and negotiation of treaties.

Following the Budget 2019 announcement to forgive outstanding comprehensive land claim negotiation loan debt, a Treasury Board submission to forgive the comprehensive land claim negotiation loans issued to First Nations under the Loans to First Nations in British Columbia program, including applicable interests, was approved on June 17, 2019.

These loans were removed from the departmental books at the end of fiscal year 2020 after the funding approval via a voted Act of Parliament.

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.

Indigenous claimants

Until March 31, 2018, loans were issued to Indigenous groups to support the costs associated with their participation in comprehensive land claim negotiations.

Following the Budget 2019 announcement to forgive outstanding comprehensive land claim negotiation loan debt, a Treasury Board submission to forgive the comprehensive land claim negotiation loans issued to Indigenous groups under the Indigenous claimants program, including applicable interests, was approved on June 17, 2019.

These loans were removed from the departmental books at the end of fiscal year 2020 after the funding approval via a voted Act of Parliament.

Stoney Band Perpetual Loan

In 1946, loans were made to Stoney Band of Alberta (Band) for land acquisition beyond their treaty entitlement.

A loan not exceeding \$500,000 was made to purchase additional land. Under the terms of the agreement, as stated in Treasury Board Minutes, P.C. 2/1437 dated April 11, 1946, the Band assigned monies accruing to them, from the rental of their water resources, to provide interest payments at the rate of 3.00% annually on the amount of the loan that had actually been expended. In the same agreement, the Band resolved that the department allots \$200,000 to the Pekisko Group, and \$300,000 for the additions to Morley Reserve.

Canada apprentice loans

Canada apprentice loans are administrated under the authority of Section 4 of the *Apprentice Loans Act* which came into effect on January 2, 2015. The Minister of Employment, Workforce Development and Disability Inclusion is authorized to enter into a loan agreement directly with any eligible apprentice. Until October 31st, 2019, the loans bear interest at either a variable rate (prime rate plus 2.5%) or a fixed rate (prime rate plus 5.0%). Following budget 2019 announcements, interest rates were changed so that as of November 1st, 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 1st, 2019. 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, 2020, amounts to \$270,776,436 (\$237,256,170 as at March 31, 2019). During the year, no loans were written off (nil as at March 31, 2019).

Canada Student Loans Program

Since August 1, 2000, Canada Student Loans are issued under the Direct Loan Regime. Before this date, the loans were issued under the Guaranteed Loan Regime (1964–1995) or under the Risk-Shared Loan Regime (1995–2000). Under these three different regimes, no security is received from the students and until October 31st, 2019, the loans bear interest at either a variable rate (prime rate plus 2.5%) or a fixed rate (prime rate plus 5.0%). Following budget 2019 announcements, interest rates were changed so that as of November 1st, 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 1st, 2019. 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 totalling \$179,127,425 (\$162,154,347 as at March 31, 2019) were written off by the Department of Employment and Social Development Vote 90b from the *Appropriation Act No. 4, 2019–2020* and \$25,927,956 (\$22,767,767 as at March 31, 2019) were written off pursuant to Section 25(1) of the *Financial Administration Act*. In addition, loans and interest receivable on these loans totalling \$371,074,479 (\$391,261,840 as at March 31, 2019) were forgiven as per the *Canada Student Financial Assistance Act* and \$2,041,103 (\$2,856,342 as at March 31, 2019) 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, 2020, amounts to \$21,985,612,395 (\$21,051,645,035 as at March 31, 2019).

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, 2020, amounts to \$38,103,832 (\$45,409,223 as at March 31, 2019) for loans owned by the Department of Employment and Social Development and \$753,080,322 (\$770,429,806 as at March 31, 2019) for loans under the current ownership of the financial institutions.

Guaranteed student loans

Loans issued prior to August 1, 1995, are amounts related to student loans subrogated to the Crown under the authority of the *Canada Student Loans Act*. The total amount of loans outstanding as at March 31, 2020, amounts to \$57,110,074 (\$66,819,810 as at March 31, 2019) for loans owned by the Department of Employment and Social Development and \$1,280,357 (\$1,797,936 as at March 31, 2019) for loans under the current ownership of the financial institutions.

Provincial workers' compensation boards

This account is operated under the authority of subsection 4(6)(b) and (e) of the *Government Employees Compensation Act*, to provide funds to enable provincial workers' compensation boards to administer claims on behalf of the Crown, and provide compensation benefits to Canadian government employees injured or ill in the course of their employment.

The total amount of advances that is authorized to be made for each provincial workers' compensation board is not to exceed three months' disbursements for compensation.

The advances are subject to the terms and conditions of agreements with provincial workers' compensation boards and are to be repaid on termination of those agreements.

Canadian Commercial Bank

Advances have been made to the Canadian Commercial Bank representing the government's participation in the support group as authorized by the *Canadian Commercial Bank Financial Assistance Act*. These funds represent the government's participation in the loan portfolio that was acquired from the Bank and the purchase of outstanding debentures from existing holders.

Financial Consumer Agency of Canada—Advances

Interest-bearing advances have been made to defray the cost of operation of the Agency pursuant to Section 13(1) of the *Financial Consumer Agency of Canada Act*.

Investments Fund from PPP Canada Inc.

Investments held by PPP Canada Inc. were assumed by the Government of Canada, following the dissolution of PPP Canada Inc. in 2018, pursuant to subsection 209.1(3) of the *Jobs, Growth and Long-term Prosperity Act*.

These investments include guaranteed investment certificates maturing in 2021.

The investments earned interest at rates from 1.65% to 2.06% per annum.

Canadian producers of frozen groundfish

Loans have been made to Canadian producers of frozen groundfish, canned and frozen crabmeat, and canned and frozen lobster meat, to assist in the financing of inventories.

The loans bore interest at the rate of 13% per annum, and were repayable in equal annual instalments over 7 years, with the final instalment in December 1987. These loans are deemed unrecoverable and parliamentary authority is required to write off the balance.

Haddock fishermen

Loans have been made to Nova Scotia haddock fishermen whose fishery was closed from February 1 to May 31, 1975, pursuant to an agreement under the International Agreement for the Northwest Atlantic Fisheries. The total loan authority is \$1,650,000.

The loans bore interest at the rate of 8% per annum, and were repayable in equal annual instalments over 4 years, with the final instalment in 1979. These loans are deemed unrecoverable and parliamentary authority is required to write off the balance.

Support and development of trade

Pursuant to Section 23 of the *Export Development Act*, the Minister for International Trade, with the concurrence of the Minister of Finance, may authorize Export Development Canada (EDC) to enter into certain transactions or class of transactions where the Minister is of the opinion it is in the national interest and where EDC has advised the Minister that it will not enter into such transactions without such authorization. Funding for such transactions is provided by the Minister of Finance out of the Consolidated Revenue Fund and the transactions are administered by EDC on behalf of the Government of Canada. Collectively these transactions are known as the Canada Account. The Act allows the Canada Account to have outstanding loans and commitments to borrowers and arrangements giving rise to contingent liabilities under contracts of insurance and other agreements up to a maximum of \$20 billion.

EDC's mandate is to support and develop, directly or indirectly, Canada's export trade, and Canadian capacity to engage in that trade and respond to international business opportunities. In 2014, new regulations came into force which clarify the circumstances in which EDC can provide support within Canada in fulfillment of its mandate. During the year, no Canada Account transactions were entered into in the support and development of domestic trade.

Loan transactions with longer repayment terms or low or zero interest rates are recorded in part as expenses when the economic value is reduced due to such concessionary terms.

Tables 11.4 and Table 11.6 of Section 11 of this volume present additional information on contractual obligations and guarantees that are disclosed in the notes to the audited consolidated financial statements of Section 2 of this volume.

(in dollars)

	April 1, 2019	Payments and other charges		Receipts and other credits		March 31, 2020
		Payments or other charges ¹	Revaluation	Receipts or other credits ²	Revaluation	
Export trade						
(a) 1 to 5 year term, comprised of a loan with 2.0% interest per annum, with final repayments in September 2020:						
Canada.....	–	650,000,000	–	–	–	650,000,000
(b) 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.....	–	7,593,256	–	–	–	7,593,256
(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.....	232,296,424	–	7,421,211	86,119,636	–	153,597,999
(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.....	204,943,909	–	10,552,180	6,881,835	–	208,614,254
Subtotal.....	447,240,333	657,593,256	17,973,391	93,001,471	–	1,029,805,509
Less: portion expensed due to concessionary terms	1,627,722	–	–	–	54,257	1,573,465
Total—Export trade	445,612,611	657,593,256	17,973,391	93,001,471	(54,257)	1,028,232,044

Final repayment dates may change if loan amounts are rescheduled or restructured.

¹ Payments or other charges may include transactions such as loans, adjustments, etc.

² Receipts or other credits may include transactions such as repayments, forgiveness, etc.

Immigration loans

Section 88 of the *Immigration and Refugee Protection Act* authorizes the making of loans for the purpose of the Act.

The total amount authorized to be outstanding at any time is \$126,600,000.

The terms and conditions of the loans are as follows:

- (a) repayable by monthly instalments over 1 to 6 years with a possible deferment of 2 years, which were bearing interest at rates from 0.76% to 9.06% per annum up until February 21, 2018;
- (b) repayable by monthly instalments over 3 to 8 years with a possible deferment of 2 years, non-interest bearing, for accounts created after February 21, 2018.

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 of Indigenous Services 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 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.

The total amount authorized to be outstanding at any time is \$2.2 billion.

If a loan made under the Minister's guarantee goes into default, the lender has recourse to the Minister for reimbursement. In 1987, a reserve for losses of \$2 million per annum was established within the department's reference levels to cover all Guarantee Loan Programs administered by the department. Such payments remain a debt of the First Nation to the Crown and interest is accrued and capitalized on these debts at the contract interest rate applicable at the time the loan was assigned to the Minister. Recovery of the debt is made to the extent possible, from the security used as collateral, such as land claim funds, or through repayment agreements.

Other business loans

This account records money owed to the government by borrowers upon default of loans that are subject to statutory authorities, pursuant to the *Canada Small Business Financing Act*. This authority provide for the payment of claims or the sharing of loan losses between lenders and the government.

Advances for the Working Capital Fund of entrepreneurs' assistance centers

Advances have been made to support the Working Capital Fund of entrepreneurs' assistance centers providing services to start-up companies, future entrepreneurs and small and medium-sized enterprises.

H.L. Holmes Fund

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

Seized Property Working Capital Account

This account was established by Section 12 of the *Seized Property Management Act*. Expenses incurred, and advances made, to maintain and manage any seized or restrained property and other properties subject to a management order or forfeited to Her Majesty, are charged to this account. This account is credited when expenses and advances to third parties are repaid or recovered and when revenues from these properties or proceeds of their disposal are received and credited with seized cash upon forfeiture.

The total amount authorized to be outstanding at any time is \$50,000,000.

Any shortfall between the proceeds from the disposition of any property forfeited to Her Majesty and the amounts that were charged to this account and that are still outstanding, is charged to a Seized Property Proceeds Account and credited to this account.

Greater Victoria Harbour Authority

The Victoria Harbour loan receivable relates to the sale of a parcel of Victoria Harbour land. A discount of \$7,469 is recorded to reflect the concessionary nature of the loan.

The loan bears interest at the rate of 4.9% per annum, and is repayable over 15 years, with the final instalment on May 9, 2020.

St. Lawrence Seaway Management Corporation

This account was established by subsection 80(1) of the *Canada Marine Act*. Loans previously managed by the St. Lawrence Seaway Authority are now managed by the St. Lawrence Seaway Management Corporation in accordance with an agreement between the Department of Transport and the Corporation. The repayments of these loans are recorded in this account.

The loan bore interest at a rate of prime plus 2.0% per annum. The final instalment of the existing terms was anticipated for March 2013.

As of March 31, 2020, the remaining amount of this loan is deemed unrecoverable and parliamentary authority is required to write-off the balance.

Federal Public Service Health Care Administration Authority

The Federal Public Service Health Care Plan Administration Authority (referred to as the Administration Authority) was incorporated, without share capital, under subsection 7.2(1) of the *Financial Administration Act* effective May 1, 2007. Effective May 31, 2007, the assets and liabilities of the Public Service Health Care Plan (PSHCP) were transferred to the Government of Canada and to the Administration Authority as directed by the President of the Treasury Board of Canada and consistent with the Trust Agreement, which terminated May 31, 2007.

The Administration Authority is charged with the administration of the PSHCP. Its objective is to ensure that benefits and services to plan members and their covered dependants, as defined in the PSHCP documentation, are delivered in a manner that ensures the effective and efficient administration of the PSHCP. Payments are made to the Administration Authority under Vote 20 and are authorized under the terms of reference of the funding agreement between the President of the Treasury Board and the Administration Authority. The funding agreement allows for the transfer of funds from the Treasury Board of Canada Secretariat to the Administration Authority in four quarterly instalments upon approval of the operating budget by the Secretary of the Treasury Board of Canada. These quarterly instalments are made in advance and actual expenses are recorded upon approval of the *Administration Authority's Quarterly Financial Report*.

Joint Learning Program

Advances have been made to the Public Service Alliance of Canada (PSAC) for the Joint Learning Program (JLP). Following the collective bargaining rounds of 2004, 2008, 2010 and subsequently of 2014, a Memorandum of Understanding between the Treasury Board and PSAC was included in the collective bargaining agreements to provide funding for a JLP. The JLP is a negotiated partnership between PSAC and the Treasury Board of Canada Secretariat (TBS). The objective of the JLP is to improve labour relations in the Public Service. It is intended to provide joint union-management learning opportunities in areas where both parties have roles and responsibilities, and for which the employer does not already have a legal obligation to provide training.

Payments are made to PSAC under Vote 20 and are authorized under the terms of reference of the Program. The terms of reference include the program costs, funding conditions, payment conditions, timelines, as well as a schedule of payments. The schedule of payments provides for a 3-month advance from TBS to PSAC to provide for program delivery costs. When actual expenses are reported every three months, the advance is reversed and the expense is recorded.

Commonwealth War Graves Commission

Advances have been made to the Working Capital Fund of the Commonwealth War Graves Commission, to maintain graves and cemeteries.

At year end, the balance of the advances was 30,000 British pound sterling. This balance was converted to Canadian dollars, using the year-end rate of exchange. The advances are non-interest bearing and have no fixed terms of repayments.

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.

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.

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Section 10

Public Accounts of Canada
2019–2020

Non-financial assets as at March 31

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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)

	2020	2019
Net tangible capital assets, Table 10.2		
Land	2,120,738	2,100,162
Buildings	17,819,649	17,441,724
Works and infrastructure	12,155,553	8,965,406
Machinery and equipment	11,997,787	11,745,752
Vehicles, Table 10.3	15,291,790	14,825,253
Leasehold improvements	1,450,730	1,137,882
Assets under construction	20,131,134	20,188,311
Assets under capital leases, Table 10.4	2,714,268	2,537,865
	<i>83,681,649</i>	<i>78,942,355</i>
Inventories	6,171,108	6,600,924
Prepaid expenses and other	1,678,405	1,131,142
Total	<u>91,531,161</u>	<u>86,674,421</u>

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	407,988	2,287,619	908,574	1,638,540
Digital Government	—	156,389	1,310	2,518,456
Environment and Climate Change	235,642	1,238,580	4,565,145	984,096
Fisheries, Oceans and the Canadian Coast Guard	22,739	911,493	3,150,788	592,049
Global Affairs	560,917	1,871,653	10,059	251,071
Infrastructure and Communities	193,152	—	3,679,480	16,455
Innovation, Science and Economic Development	14,971	1,110,271	69,329	2,720,059
National Defence	87,199	12,030,188	2,838,837	21,729,889
Natural Resources	9,965	841,785	147,340	763,902
Public Safety and Emergency Preparedness	90,752	5,247,292	925,354	2,261,570
Public Services and Procurement	239,794	7,781,190	1,800,143	898,229
Transport	237,991	1,473,131	4,322,280	1,636,145
Other ministries	19,628	1,497,944	47,986	3,777,623
Gross total capital assets	2,120,738	36,447,535	22,466,625	39,788,084
Accumulated amortization				
Canadian Heritage	—	1,059,069	528,068	1,248,774
Digital Government	—	7,520	281	1,819,543
Environment and Climate Change	—	808,922	2,130,539	687,410
Fisheries, Oceans and the Canadian Coast Guard	—	555,234	1,575,119	402,592
Global Affairs	—	1,118,066	1,931	191,539
Infrastructure and Communities	—	—	337,676	11,237
Innovation, Science and Economic Development	—	722,944	36,172	2,215,947
National Defence	—	5,413,270	1,723,563	14,327,918
Natural Resources	—	399,645	47,573	506,767
Public Safety and Emergency Preparedness	—	2,663,262	563,209	1,836,241
Public Services and Procurement	—	3,957,714	808,967	624,957
Transport	—	865,843	2,532,939	1,005,578
Other ministries	—	1,056,397	25,035	2,911,794
Total accumulated amortization	—	18,627,886	10,311,072	27,790,297
Total net capital assets				
Canadian Heritage	407,988	1,228,550	380,506	389,766
Digital Government	—	148,869	1,029	698,913
Environment and Climate Change	235,642	429,658	2,434,606	296,686
Fisheries, Oceans and the Canadian Coast Guard	22,739	356,259	1,575,669	189,457
Global Affairs	560,917	753,587	8,128	59,532
Infrastructure and Communities	193,152	—	3,341,804	5,218
Innovation, Science and Economic Development	14,971	387,327	33,157	504,112
National Defence	87,199	6,616,918	1,115,274	7,401,971
Natural Resources	9,965	442,140	99,767	257,135
Public Safety and Emergency Preparedness	90,752	2,584,030	362,145	425,329
Public Services and Procurement	239,794	3,823,476	991,176	273,272
Transport	237,991	607,288	1,789,341	630,567
Other ministries	19,628	441,547	22,951	865,829
Total net capital assets	2,120,738	17,819,649	12,155,553	11,997,787

¹ Details can be found in Table 10.3.

² Details can be found in Table 10.4.

Vehicles ¹	Leasehold improvements	Assets under construction	Assets under capital leases ²	Total 2020	Total 2019
33,225	318,214	224,225	252,556	6,070,941	5,688,042
2,860	67,060	178,746	312,217	3,237,038	2,936,771
185,716	53,372	1,370,490	37,404	8,670,445	7,892,249
3,420,810	574,645	1,813,580	5,182	10,491,286	9,825,066
66,532	306,046	255,351	–	3,321,629	3,220,511
111	10,018	1,388,753	152,540	5,440,509	4,531,076
37,689	69,144	1,502,897	64,483	5,588,843	5,442,836
37,047,573	124,213	9,123,750	835,907	83,817,556	81,166,784
20,952	98,246	156,733	95,993	2,134,916	2,042,420
819,252	255,677	1,535,013	30,316	11,165,226	10,699,102
10,692	1,227,802	1,342,217	2,288,995	15,589,062	14,719,350
2,162,893	181,984	508,159	818,820	11,341,403	11,144,983
132,140	665,405	731,220	444	6,872,391	6,564,794
43,940,445	3,951,826	20,131,134	4,894,857	173,741,245	165,873,984
25,627	118,466	–	28,240	3,008,244	2,918,574
749	35,568	–	136,543	2,000,204	1,675,421
122,466	47,095	–	22,011	3,818,443	3,657,993
1,724,110	385,436	–	280	4,642,771	4,435,642
41,778	216,754	–	–	1,570,068	1,472,407
79	5,651	–	–	354,643	284,277
26,566	39,168	–	38,760	3,079,557	2,985,164
24,679,567	55,231	–	770,100	46,969,649	45,949,562
13,354	47,599	–	34,852	1,049,790	989,983
484,964	161,468	–	8,846	5,717,990	5,361,355
7,042	737,050	–	953,788	7,089,518	6,786,719
1,432,356	116,277	–	186,964	6,139,957	6,078,111
89,997	535,333	–	205	4,618,762	4,336,420
28,648,655	2,501,096	–	2,180,589	90,059,596	86,931,629
7,598	199,748	224,225	224,316	3,062,697	2,769,468
2,111	31,492	178,746	175,674	1,236,834	1,261,350
63,250	6,277	1,370,490	15,393	4,852,002	4,234,256
1,696,700	189,209	1,813,580	4,902	5,848,515	5,389,424
24,754	89,292	255,351	–	1,751,561	1,748,104
32	4,367	1,388,753	152,540	5,085,866	4,246,799
11,123	29,976	1,502,897	25,723	2,509,286	2,457,672
12,368,006	68,982	9,123,750	65,807	36,847,907	35,217,222
7,598	50,647	156,733	61,141	1,085,126	1,052,437
334,288	94,209	1,535,013	21,470	5,447,236	5,337,747
3,650	490,752	1,342,217	1,335,207	8,499,544	7,932,631
730,537	65,707	508,159	631,856	5,201,446	5,066,872
42,143	130,072	731,220	239	2,253,629	2,228,373
15,291,790	1,450,730	20,131,134	2,714,268	83,681,649	78,942,355

Vehicles

Table 10.3
Vehicles by sub-category

(in thousands of dollars)

	Cost	Accumulated amortization	2020	2019
Ships and boats	16,557,160	11,593,985	4,963,175	5,175,026
Aircraft	21,073,466	13,023,691	8,049,775	7,819,780
Motor vehicles (Non-military)	2,559,019	1,682,281	876,738	854,671
Military vehicles	2,231,681	1,389,171	842,509	355,112
Other vehicles	1,519,120	959,528	559,593	620,664
Total	43,940,445	28,648,655	15,291,790	14,825,253

Assets under capital leases

Table 10.4
Assets under capital leases by main category

(in thousands of dollars)

	Cost	Accumulated amortization	2020	2019
Land.....	184,741	—	184,741	90,237
Buildings	2,874,976	1,185,848	1,689,128	1,512,393
Works and infrastructure.....	826,640	189,971	636,669	645,458
Machinery and equipment.....	317,214	137,924	179,290	231,802
Vehicles	691,286	666,846	24,440	57,975
Total	4,894,857	2,180,589	2,714,268	2,537,865

Section 11

*Public Accounts of Canada
2019–2020*

Contractual obligations, contractual rights and contingent liabilities as at March 31

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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	117,895	53,252	3,999	–	175,146
International contractual obligations, Table 11.4	–	–	–	4,273	4,273
Total	117,895	53,252	3,999	4,273	179,419

Table 11.2 summarizes the information presented in Table 11.1 to indicate the minimum amounts required to satisfy contractual obligations each year from 2021 to 2025 inclusively, and a total for amounts due in the year 2026 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
2021	34,270	15,215	468	1,590	51,543
2022	23,691	10,279	438	691	35,099
2023	18,470	5,497	394	493	24,854
2024	12,662	3,998	328	177	17,165
2025	9,428	2,979	301	123	12,831
2026 and subsequent years	19,374	15,284	2,070	1,199	37,927
Total	117,895	53,252	3,999	4,273	179,419

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, 2020

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31						2026 and subsequent years
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2021	2022	2023	2024	2025		
Transfer payment agreements											
Agriculture and Agri-Food											
Department of Agriculture and Agri-Food											
AgriAssurance Program											
Aggregate.....	41	41	13	28	12	10	6	—	—	—	
AgriInnovate Program											
Aggregate.....	61	61	48	13	12	1	—	—	—	—	
AgriMarketing Program											
Aggregate.....	68	68	45	23	23	—	—	—	—	—	
AgriScience Program											
Aggregate.....	172	172	66	106	42	37	27	—	—	—	
Canadian Agricultural Partnership Contribution Agreement											
Government of Alberta.....	212	212	76	136	42	47	47	—	—	—	
Government of British Columbia	63	63	24	39	12	13	14	—	—	—	
Government of Manitoba	92	92	33	59	18	20	21	—	—	—	
Government of New Brunswick	19	19	7	12	4	4	4	—	—	—	
Government of Newfoundland and Labrador ..	19	19	7	12	4	4	4	—	—	—	
Government of Nova Scotia	21	21	8	13	4	4	5	—	—	—	
Government of Ontario	235	235	83	152	47	52	53	—	—	—	
Government of Prince Edward Island.....	20	20	7	13	4	4	5	—	—	—	
Government of Quebec	151	151	53	98	30	34	34	—	—	—	
Government of Saskatchewan	210	210	80	130	40	45	45	—	—	—	
Dairy Farm Investment Program											
Aggregate.....	216	216	143	73	37	36	—	—	—	—	
	1,600	1,600	693	907	331	311	265	—	—	—	
Canadian Heritage											
Department of Canadian Heritage											
Building Communities through Arts and Heritage											
Aggregate.....	16	16	2	14	13	1	—	—	—	—	
Canada Arts Presentation Fund											
Aggregate.....	70	70	24	46	29	12	4	1	—	—	
Canada Arts Training Fund											
Aggregate.....	39	39	19	20	16	4	—	—	—	—	
Canada's National Ballet School.....	11	11	—	11	6	5	—	—	—	—	
Canada Cultural Spaces Fund											
Aggregate.....	87	87	41	46	25	13	8	—	—	—	
The Canadian Canoe Museum.....	10	10	—	10	3	6	1	—	—	—	
The Thunder Bay National Exhibition Centre and Centre for Indian Art.....	12	12	—	12	8	4	—	—	—	—	

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued**

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31						
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2021	2022	2023	2024	2025	2026 and subsequent years	
Development of Official Languages											
Communities Program											
Aggregate.....	160	160	50	110	54	38	17	1	—	—	
Community life, aggregate	20	20	6	14	7	7	—	—	—	—	
Government of New Brunswick	97	97	25	72	24	25	23	—	—	—	
Government of Ontario	63	63	3	60	21	16	17	6	—	—	
Government of Saskatchewan	31	31	7	24	9	8	7	—	—	—	
Enhancement of Official Languages Program											
Aggregate.....	36	36	8	28	13	11	4	—	—	—	
Exchanges Canada Program											
Aggregate.....	29	29	14	15	10	5	—	—	—	—	
YMCA of Greater Toronto	24	24	8	16	8	8	—	—	—	—	
Hosting Program											
Aggregate.....	26	26	10	16	12	4	—	—	—	—	
Local Journalism Initiative											
Aggregate.....	20	20	10	10	10	—	—	—	—	—	
Museum Assistance Program, Young Canada Works											
Canada Museums Association.....	26	26	—	26	7	6	7	6	—	—	
Sport Support Program											
Aggregate.....	121	121	—	121	114	7	—	—	—	—	
Sport Participation Bilateral	16	16	5	11	5	6	—	—	—	—	
Canada Council for the Arts											
Grants	542	542	290	252	106	75	71	—	—	—	
	1,456	1,456	522	934	500	261	159	14	—	—	
Crown-Indigenous Relations and Northern Affairs											
Department of Crown-Indigenous Relations and Northern Affairs											
Aboriginal recipient funding agreement (First Nations and Tribal Councils)											
Canadian Roots Exchange.....	15	15	5	10	5	5	—	—	—	—	
Aboriginal recipient funding agreement (Other)											
Arctic Co-Operatives Ltd	48	48	—	48	16	16	16	—	—	—	
Fédération des coopératives du Nouveau Québec.....	32	32	22	10	10	—	—	—	—	—	
Joint Secretariat.....	36	36	11	25	4	3	4	3	4	7	
Mackenzie Valley Environmental Impact Review Board	36	36	11	25	4	3	4	3	4	7	
Nunavut Wildlife Management Board.....	106	106	94	12	12	—	—	—	—	—	
Parsons Inc.....	132	132	107	25	25	—	—	—	—	—	
Qikiqtani Inuit Association.....	18	18	3	15	4	4	4	3	—	—	
Sahtu Secretariat Incorporated.....	17	17	5	12	2	2	1	2	2	3	
The North West Company.....	128	128	88	40	40	—	—	—	—	—	
Wek'Eezhii Land and Water Board	21	21	7	14	2	2	2	2	2	4	
Yukon Environmental Socio-Economic Assessment Board.....	53	53	29	24	6	6	6	6	—	—	
Funding agreements for provincial governments and territories											
Government of Nunavut	52	52	37	15	5	5	5	—	—	—	
Grant											
Government of the Northwest Territories											
Department of Infrastructure.....	18	18	6	12	6	6	—	—	—	—	
Health and Social Services.....	165	165	32	133	33	33	33	34	—	—	
Government of Nunavut											
Department of Health	126	126	25	101	25	25	25	26	—	—	
Nunavut Tunngavik Inc.....	15	15	3	12	3	3	3	3	—	—	

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31						
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2021	2022	2023	2024	2025	2026 and subsequent years	
Indian Self-Government											
Carcross/Tagish First Nation	20	20	—	20	4	4	4	4	4	—	
Champagne and Aishihik First Nations	21	21	—	21	13	2	2	2	2	—	
Cree Nation Government.....	1,039	1,039	—	1,039	130	130	130	130	130	389	
Deline Got'Ine Government.....	26	26	—	26	6	7	6	7	—	—	
Gwich'in Tribal Council	15	15	—	15	3	3	3	3	3	—	
Huu-Ay-Aht First Nations	24	24	—	24	6	6	6	6	—	—	
Ka:'Yu:'K'T'H'/Che:'K:'Tles7Et'H'											
First Nations	22	22	—	22	5	6	5	6	—	—	
Kinoomaadziwin Education Body Inc.	40	40	—	40	40	—	—	—	—	—	
Kluane First Nation	13	13	—	13	3	3	2	3	2	—	
Kwanlin Dun First Nation	37	37	—	37	19	5	4	5	4	—	
Little Salmon/Carmacks First Nation	20	20	—	20	12	2	2	2	2	—	
Makivik Corporation	15	15	—	15	3	3	3	3	3	—	
Manitoba Metis Federation Inc.....	13	13	—	13	4	4	5	—	—	—	
Mi'Kmaq Kina'Matnewey.....	250	250	—	250	31	31	32	31	31	94	
Nisga'a Nation.....	286	286	—	286	68	67	68	67	16	—	
Nunatsiavut Government.....	234	234	—	234	55	55	56	55	13	—	
Nunavut Tunngavik Inc.....	56	56	—	56	11	11	12	11	11	—	
Sahtu Secretariat Incorporated.....	18	18	—	18	4	3	4	3	4	—	
Sechelt Indian Band	28	28	—	28	7	7	7	7	—	—	
Selkirk First Nation	11	11	—	11	2	2	2	2	3	—	
Sioux Valley Dakota Nation.....	57	57	—	57	14	14	15	14	—	—	
Ta'An Kwach'An Council.....	14	14	—	14	3	3	2	3	3	—	
Teslin Tlingit Council	10	10	—	10	10	—	—	—	—	—	
Tla'Amin Nation.....	36	36	—	36	9	9	9	9	—	—	
Tlcho Government	88	88	—	88	20	21	20	21	6	—	
Toquaht Indian Band	17	17	—	17	4	4	4	5	—	—	
Tr'Ondëk Hwëch'In	25	25	—	25	13	3	3	3	3	—	
Tsawwassen First Nation.....	38	38	—	38	10	10	9	9	—	—	
Uchucklesaht Tribe	14	14	—	14	3	4	3	4	—	—	
Ucluelet First Nation	20	20	—	20	5	5	5	5	—	—	
Vuntut Gwitchin First Nation.....	10	10	—	10	10	—	—	—	—	—	
Westbank First Nation.....	102	102	37	65	22	22	10	11	—	—	
Aggregate of various transfer payment agreements under \$10 million											
Aggregate.....	757	757	457	300	178	45	30	21	15	11	
	4,394	4,394	979	3,415	929	604	566	534	267	515	
Environment and Climate Change											
Department of the Environment											
Canada Nature Fund											
Aggregate.....	199	199	71	128	69	35	24	—	—	—	
Government of British Columbia	16	16	—	16	8	4	4	—	—	—	
Government of Nova Scotia	14	14	2	12	5	4	3	—	—	—	
Nature Conservancy of Canada	100	100	25	75	25	25	25	—	—	—	
Conserving Nature											
Aggregate.....	43	43	19	24	14	9	1	—	—	—	
Low Carbon Economy											
Aggregate.....	344	344	102	242	201	35	2	4	—	—	
Best Buy Canada Ltd.....	15	15	5	10	10	—	—	—	—	—	
Canadian Natural Upgrading Limited.....	22	22	—	22	5	17	—	—	—	—	
Enwave Energy Corporation	10	10	—	10	7	3	—	—	—	—	
Government of Alberta.....	148	148	38	110	101	9	—	—	—	—	
Government of British Columbia	162	162	61	101	54	47	—	—	—	—	
Government of Manitoba	67	67	—	67	65	2	—	—	—	—	
Government of New Brunswick	51	51	11	40	24	16	—	—	—	—	
Government of Newfoundland and Labrador ..	45	45	3	42	12	30	—	—	—	—	
Government of the Northwest Territories	31	31	5	26	17	9	—	—	—	—	
Government of Nova Scotia	56	56	23	33	14	19	—	—	—	—	
Government of Nunavut.....	31	31	—	31	9	22	—	—	—	—	
Government of Prince Edward Island.....	34	34	13	21	6	15	—	—	—	—	
Government of Quebec	261	261	84	177	129	48	—	—	—	—	

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2026 and subsequent years
					2021	2022	2023	2024	2025		
Government of Yukon.....	31	31	3	28	18	10	—	—	—	—	
Loblaw Companies Limited	12	12	1	11	7	4	—	—	—	—	
Lowe's Companies Canada ULC	15	15	—	15	15	—	—	—	—	—	
Preventing and Managing Pollution											
Aggregate.....	33	33	18	15	10	4	1	—	—	—	
Taking Action on Clean Growth and Climate Change											
Aggregate.....	30	30	14	16	11	4	1	—	—	—	
Canadian Institute for Clean Growth and Climate Change.....	20	20	3	17	5	4	5	3	—	—	
	1,790	1,790	501	1,289	841	375	66	7	—	—	
Families, Children and Social Development											
Department of Employment and Social Development											
Adult Learning, Literacy and Essential Skills											
Aggregate.....	101	101	54	47	24	13	7	3	—	—	
Canada Service Corps											
Aggregate.....	122	122	71	51	51	—	—	—	—	—	
Enabling Fund for Official Language Minority Communities											
Aggregate.....	58	58	18	40	14	13	13	—	—	—	
Foreign Credential Recognition Program											
Aggregate.....	62	62	28	34	17	13	4	—	—	—	
Future Skills											
Ryerson University.....	360	360	69	291	73	73	73	72	—	—	
Indigenous Early Learning and Child Care											
Aggregate.....	173	173	97	76	65	11	—	—	—	—	
Manitoba Metis Federation Inc.....	29	29	10	19	10	9	—	—	—	—	
Metis Nation of Alberta.....	28	28	10	18	9	9	—	—	—	—	
Métis Nation - Saskatchewan Secretariat Incorporated.....	29	29	10	19	10	9	—	—	—	—	
Indigenous Skills and Employment Training Program											
Aggregate.....	202	202	36	166	28	24	21	21	14	58	
Aboriginal Community Career Employment Services Society.....	50	50	5	45	5	5	5	5	5	20	
Aboriginal Labour Force Development Circle.	108	108	10	98	11	11	11	11	11	43	
Akaiicho Territory Government	20	20	2	18	2	2	2	2	2	8	
Akwesasne Area Management Board	36	36	3	33	4	4	3	4	3	15	
Anishinabek Employment & Training Services	17	17	2	15	1	2	1	2	2	7	
Atikameksheng Anishnawbek	19	19	1	18	2	2	2	2	2	8	
Bigstone Cree Nation	15	15	1	14	2	2	1	2	1	6	
Cariboo Chilcotin Aboriginal Training Employment Centre	22	22	2	20	2	2	3	2	2	9	
Centre for Aboriginal Human Resource Development Inc.....	71	71	7	64	7	7	7	7	7	29	
Coast Salish Employment & Training Society.	50	50	5	45	5	5	5	5	5	20	
Commission de développement des ressources humaines	219	219	22	197	22	22	22	22	22	87	
Community Futures Treaty Seven	89	89	9	80	9	9	9	9	9	35	
Congress of Aboriginal Peoples	30	30	3	27	3	3	3	3	3	12	
Dehcho First Nations	13	13	1	12	1	1	2	1	1	6	
First Peoples Development Inc	152	152	16	136	15	15	15	15	15	61	
Gabriel Dumont Institute Training and Employment Inc	139	139	13	126	14	14	14	14	14	56	
Grand River Employment & Training Inc.	59	59	6	53	6	6	6	6	6	23	

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31						
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2021	2022	2023	2024	2025	2026 and subsequent years	
Inuvialuit Regional Corporation	25	25	3	22	2	3	2	3	2	10	
Island Lake Tribal Council	30	30	3	27	3	3	3	3	3	12	
Kativak Association	65	65	7	58	6	7	6	7	6	26	
Kativik Regional Government	154	154	36	118	2	15	14	15	14	58	
Kee Tas Kee Now Tribal Council	12	12	1	11	1	1	2	1	1	5	
Kiikenomaga Kikenjigewen Employment and Training Services	22	22	2	20	2	2	3	2	2	9	
Kitikmeot Inuit Association	26	26	2	24	2	3	3	3	3	10	
Kivalliq Inuit Association	38	38	4	34	4	4	3	4	4	15	
Lesser Slave Lake Indian Regional Council	16	16	1	15	1	2	2	2	2	6	
Lil'wat Nation	11	11	1	10	1	1	1	1	1	5	
Mamaweswen, The North Shore Tribal Council	21	21	2	19	2	2	2	2	2	9	
Manitoba Keewatinow Okimakanak Inc.	118	118	12	106	12	12	11	12	12	47	
Manitoba Métis Federation Inc.	157	157	15	142	15	16	16	16	16	63	
Mawiw Council Corporate	23	23	2	21	2	2	3	2	2	10	
Métis Nation of Ontario	84	84	8	76	8	8	9	8	9	34	
Métis Provincial Council of British Columbia	81	81	8	73	8	8	8	8	8	33	
Métis Settlements Strategic Training Initiatives Society	19	19	2	17	2	2	2	2	2	7	
Mi'kmaq Employment/Training Secretariat	56	56	5	51	6	5	6	5	6	23	
Moose Cree Training & Employment Unit Inc	12	12	1	11	1	1	1	1	2	5	
Mushkegowuk Council	27	27	2	25	3	3	2	3	3	11	
Musqueam Squamish Tsleil-Waututh Employment & Training Society	25	25	3	22	2	3	2	3	2	10	
Native Council of Nova Scotia	18	18	1	17	2	2	2	2	2	7	
Native Women's Association of Canada	31	31	3	28	3	3	4	3	3	12	
North East Native Advancing Society	26	26	3	23	3	2	3	2	3	10	
North Peace Tribal Council	14	14	1	13	1	2	1	2	1	6	
North Vancouver Island Aboriginal Training Society	24	24	2	22	2	3	2	3	2	10	
Northwest Territory Métis Nation	16	16	2	14	2	1	2	1	2	6	
Nunatsiavut Government	11	11	1	10	1	1	1	1	1	5	
NunatuKavut Community Council Inc	16	16	2	14	2	1	2	1	2	6	
Nuu-chah-nulth Tribal Council	16	16	2	14	2	1	2	1	2	6	
Okanagan Training & Development Council...	20	20	2	18	2	2	2	2	2	8	
Oneida Nation of the Thames	13	13	1	12	1	2	1	2	1	5	
Ontario Federation of Indigenous Friendship Centres	96	96	9	87	9	10	9	10	10	39	
Oteenow Employment and Training Society ...	40	40	4	36	4	4	4	4	4	16	
Prince George Nechako Aboriginal Employment & Training Association	38	38	4	34	4	4	3	4	4	15	
Qalipu Mi'kmaq First Nation Band	15	15	1	14	2	1	2	1	2	6	
Rupert'sland Institute	170	170	17	153	17	17	17	17	17	68	
Saskatchewan Indian Training Assessment Group Inc.	303	303	30	273	30	30	30	31	30	122	
Shooniyaa Wa-Biitong	47	47	5	42	5	4	5	4	5	19	
Shuswap Nation Tribal Council Society	42	42	4	38	4	4	4	4	5	17	
Sioux Lookout Area Aboriginal Management Board	59	59	6	53	6	6	6	6	6	23	
Skanehionkwaioteh Incorporated	29	29	3	26	3	3	3	3	3	11	
Southeast Resource Development Council Corporation	18	18	1	17	2	2	2	2	2	7	
Southern First Nations Secretariat	21	21	2	19	2	2	2	2	2	9	
Stó:Lo Nation	43	43	4	39	4	4	5	4	4	18	
The Cree Nation Government	18	18	2	16	2	2	1	2	2	7	
Tlcho Government	13	13	1	12	1	1	2	1	1	6	
Tribal Chiefs Employment & Training Services Association	26	26	2	24	3	2	3	2	3	11	
Tribal Resources Investment Corporation	58	58	6	52	6	6	5	6	6	23	
Union of Ontario Indians	39	39	3	36	4	4	4	4	4	16	
Wikwemikong Unceded Indian Reserve	21	21	2	19	2	2	2	2	2	9	
Wolastoqey Tribal Council Inc.	14	14	1	13	1	2	1	2	1	6	

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2026 and subsequent years
					2021	2022	2023	2024	2025	
Labour Market Development										
Agreements										
Aggregate.....	24	24	11	13	13	—	—	—	—	—
Government of Alberta.....	366	366	174	192	192	—	—	—	—	—
Government of British Columbia	650	650	321	329	329	—	—	—	—	—
Government of Manitoba	119	119	57	62	62	—	—	—	—	—
Government of New Brunswick	220	220	109	111	111	—	—	—	—	—
Government of Newfoundland and Labrador ..	297	297	147	150	150	—	—	—	—	—
Government of Nova Scotia	201	201	100	101	101	—	—	—	—	—
Government of Ontario	1,464	1,464	723	741	741	—	—	—	—	—
Government of Prince Edward Island.....	60	60	30	30	30	—	—	—	—	—
Government of Quebec	1,503	1,503	797	706	706	—	—	—	—	—
Government of Saskatchewan	105	105	51	54	54	—	—	—	—	—
New Horizons for Seniors Program										
Aggregate.....	58	58	6	52	13	13	12	10	4	—
Opportunities Fund for Persons with										
Disabilities										
Aggregate.....	110	110	54	56	37	19	—	—	—	—
Reaching Home										
Aggregate.....	312	312	82	230	83	51	48	48	—	—
Affordable Housing Association of										
Nova Scotia	17	17	3	14	3	4	3	4	—	—
Calgary Homeless Foundation.....	53	53	12	41	9	11	10	11	—	—
City of Hamilton	30	30	6	24	6	6	6	6	—	—
City of Ottawa.....	43	43	9	34	8	9	8	9	—	—
City of Toronto.....	127	127	26	101	23	26	26	26	—	—
End Homelessness Winnipeg Inc.	49	49	9	40	10	10	10	10	—	—
Homeward Trust Foundation.....	48	48	11	37	10	9	9	9	—	—
Lu'ma Native BCH Housing Society	79	79	7	72	16	19	18	19	—	—
Ontario Federation of Indigenous										
Friendship Centres	17	17	3	14	4	3	4	3	—	—
Provincial Metis Housing Corporation	14	14	2	12	3	3	3	3	—	—
Sectoral Initiatives Program										
Aggregate.....	74	74	48	26	21	5	—	—	—	—
Skilled Trades Awareness and Readiness										
Program										
Aggregate.....	26	26	8	18	9	7	1	1	—	—
Skills and Partnership Fund										
Aggregate.....	225	225	175	50	49	—	1	—	—	—
Social Development Partnerships										
Program										
Aggregate.....	89	89	49	40	21	13	5	1	—	—
Social Innovation and Social Finance										
Aggregate.....	23	23	12	11	11	—	—	—	—	—
Community Foundations of Canada	23	23	12	11	11	—	—	—	—	—
Student Work Placement Program										
Aggregate.....	49	49	28	21	14	7	—	—	—	—
BioTalent Canada.....	30	30	10	20	10	10	—	—	—	—
Environmental Careers Organization										
of Canada.....	35	35	13	22	11	11	—	—	—	—
Information and Communications										
Technology Council.....	82	82	16	66	31	35	—	—	—	—
Information Technology Association										
of Canada.....	86	86	16	70	33	37	—	—	—	—
Ryerson University.....	51	51	19	32	20	12	—	—	—	—
Venture for Canada	17	17	4	13	6	7	—	—	—	—
Union Training and Innovation										
Program										
Aggregate.....	78	78	51	27	15	6	4	2	—	—
Workforce Development										
Agreements										
Aggregate.....	45	45	20	25	8	8	9	—	—	—
Government of Alberta.....	518	518	198	320	107	106	107	—	—	—
Government of British Columbia	605	605	234	371	124	123	124	—	—	—

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31						
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2021	2022	2023	2024	2025	2026 and subsequent years	
Government of Manitoba	164	164	64	100	33	34	33	—	—	—	
Government of New Brunswick	96	96	39	57	19	19	19	—	—	—	
Government of Newfoundland and Labrador ..	66	66	28	38	13	12	13	—	—	—	
Government of Nova Scotia	120	120	49	71	24	23	24	—	—	—	
Government of Ontario	1,721	1,721	655	1,066	355	355	356	—	—	—	
Government of Prince Edward Island	20	20	8	12	4	4	4	—	—	—	
Government of Quebec	897	897	276	621	207	207	207	—	—	—	
Government of Saskatchewan	145	145	59	86	29	28	29	—	—	—	
Youth Employment and Skills Strategy											
Aggregate	343	343	255	88	59	17	11	1	—	—	
Choices for Youth Inc	12	12	—	12	4	4	4	—	—	—	
Ministère du Travail, de l'Emploi et de la Solidarité Sociale, Quebec	137	137	—	137	34	35	34	17	17	—	
Skills Canada	23	23	10	13	5	5	3	—	—	—	
Tamarack Institute for Community Engagement	21	21	4	17	5	4	5	3	—	—	
	16,397	16,397	5,868	10,529	4,635	1,836	1,612	625	381	1,440	
Global Affairs											
Department of Foreign Affairs, Trade and Development											
Development, Peace and Security Programming											
Aggregate	1,014	1,014	671	343	187	93	39	15	5	4	
Action Canada for Sexual Health and Rights	11	11	1	10	2	3	2	2	1	—	
Aga Khan Foundation Canada	187	187	76	111	28	26	29	21	7	—	
Agriteam Canada	144	144	49	95	28	28	21	14	4	—	
Canadian Audit and Accountability Foundation	103	103	42	61	18	14	10	10	9	—	
Canadian Executive Service Organization	76	76	16	60	7	9	10	11	9	14	
Canadian Foodgrains Bank Association	100	100	75	25	25	—	—	—	—	—	
Canadian Lutheran World Relief	16	16	5	11	5	2	2	1	1	—	
Canadian Red Cross	73	73	23	50	18	13	11	8	—	—	
CARE Canada	131	131	69	62	31	18	10	3	—	—	
Centre de coopération internationale en santé et développement	61	61	30	31	7	8	7	6	3	—	
Centre for International Studies and Cooperation	114	114	15	99	18	24	21	12	9	15	
Christian Children's Fund of Canada	21	21	10	11	6	3	2	—	—	—	
Colleges and Institutes Canada	76	76	42	34	13	13	8	—	—	—	
Consortium CCISD-CHUM Center for international Cooperation in Health and Development	20	20	9	11	3	4	3	1	—	—	
Co-Operative Development Foundation of Canada	39	39	11	28	7	6	6	4	2	3	
CowaterSogema International Inc	232	232	111	121	42	37	21	14	7	—	
Cuso International	78	78	66	12	8	3	1	—	—	—	
Développement international Desjardins	63	63	35	28	10	9	5	4	—	—	
Digital Opportunity Trust	27	27	9	18	5	6	5	2	—	—	
Equitas - International Centre for Human Rights Education	21	21	5	16	4	4	4	3	1	—	
Federation of Canadian Municipalities	54	54	32	22	10	6	3	3	—	—	
Fondation Paul Gérin-Lajoie	23	23	9	14	3	4	5	2	—	—	
Forum of Federations	30	30	10	20	5	8	6	1	—	—	
Grand Challenges Canada	150	150	95	55	28	16	11	—	—	—	
Handicap International Canada	21	21	7	14	9	2	2	1	—	—	
Journalists for Human Rights	15	15	4	11	3	3	3	2	—	—	
Lawyers Without Borders	42	42	22	20	6	6	5	3	—	—	
Manitoba Council for International Cooperation	19	19	5	14	4	8	2	—	—	—	
Mennonite Economic Development Associates	134	134	65	69	25	29	14	1	—	—	

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2026 and subsequent years
					2021	2022	2023	2024	2025	
Nutrition International.....	280	280	30	250	50	50	50	50	50	—
Oxfam Canada	87	87	26	61	19	22	14	6	—	—
Oxfam-Québec	115	115	56	59	20	16	13	9	1	—
Partners In Health Canada	13	13	1	12	2	3	3	4	—	—
Plan International Canada Inc.....	227	227	124	103	41	33	25	3	1	—
Right To Play International	47	47	18	29	7	10	9	3	—	—
Save the Children Canada	92	92	52	40	23	11	5	1	—	—
Société de coopération pour le développement international	93	93	31	62	11	18	16	10	6	1
Toronto Centre	20	20	8	12	4	4	4	—	—	—
Toronto Foundation.....	300	300	105	195	195	—	—	—	—	—
Trade Facilitation Office Canada.....	14	14	2	12	3	3	3	2	1	—
UPA Développement international.....	12	12	—	12	1	2	2	2	2	3
World University Service of Canada	171	171	46	125	23	31	28	20	8	15
Youth Challenge International.....	19	19	1	18	3	3	2	2	3	5
	4,585	4,585	2,119	2,466	967	611	442	256	130	60
Health										
Department of Health										
<i>Canadian Thalidomide Survivors Support Program</i>										
Epiq Class Action Services Canada Inc.....	65	65	4	61	12	12	12	13	12	—
<i>Contribution agreements</i>										
Brain Canada Foundation	45	45	—	45	25	20	—	—	—	—
Canada Health Infoway	299	299	142	157	77	80	—	—	—	—
Canadian Agency for Drugs and Technologies in Health	124	124	43	81	26	29	26	—	—	—
Canadian Foundation for Healthcare Improvement	87	87	70	17	17	—	—	—	—	—
Canadian Institute for Health Information	365	365	175	190	93	97	—	—	—	—
Canadian Partnership Against Cancer.....	237	237	133	104	51	53	—	—	—	—
Mental Health Commission of Canada	57	57	43	14	14	—	—	—	—	—
<i>Health Care Policy and Strategies Program</i>										
Aggregate	65	65	22	43	17	14	8	4	—	—
<i>Home and Community Care and Mental Health and Addictions Services Funding Agreement</i>										
Aggregate	16	16	6	10	4	5	1	—	—	—
Government of Alberta.....	548	548	227	321	146	175	—	—	—	—
Government of British Columbia	624	624	263	361	164	197	—	—	—	—
Government of Manitoba	171	171	71	100	45	55	—	—	—	—
Government of New Brunswick	97	97	40	57	26	31	—	—	—	—
Government of Newfoundland and Labrador ..	67	67	27	40	18	22	—	—	—	—
Government of Nova Scotia	122	122	51	71	32	39	—	—	—	—
Government of Ontario	1,818	1,818	755	1,063	483	580	—	—	—	—
Government of Prince Edward Island.....	19	19	8	11	5	6	—	—	—	—
Government of Quebec	1,070	1,070	441	629	286	343	—	—	—	—
Government of Saskatchewan	148	148	61	87	40	47	—	—	—	—
<i>Official Languages Health Program</i>										
Aggregate	78	78	31	47	16	16	15	—	—	—
Community Health and Social Services Network.....	30	30	12	18	6	6	6	—	—	—
McGill University	20	20	8	12	4	4	4	—	—	—
Société Santé en français inc.	35	35	15	20	7	6	7	—	—	—
University of Ottawa	25	25	10	15	5	5	5	—	—	—
<i>Organs, Tissues, and Blood Program</i>										
Canadian Blood Services.....	29	29	12	17	7	5	5	—	—	—
<i>Substance Use and Addictions Program</i>										
Aggregate	188	188	63	125	55	37	22	11	—	—
Government of Quebec	31	31	11	20	7	7	6	—	—	—

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2026 and subsequent years
					2021	2022	2023	2024	2025	
<i>Territorial Health Investment Fund</i>										
Aggregate.....	54	54	40	14	14	—	—	—	—	—
Government of Nunavut.....	54	54	40	14	14	—	—	—	—	—
<i>Canadian Institutes of Health Research</i>										
<i>Canada 150 Research Chairs</i>										
Aggregate.....	19	19	5	14	3	2	3	2	3	1
<i>Canada Excellence Research Chairs</i>										
Aggregate.....	50	50	24	26	6	5	4	5	3	3
<i>Canada First Research Excellence Fund</i>										
Aggregate.....	280	280	164	116	44	44	28	—	—	—
<i>Canada Graduate Scholarships</i>										
Aggregate.....	27	27	12	15	9	6	—	—	—	—
<i>Centres of Excellence for Commercialization and Research</i>										
Aggregate.....	39	39	21	18	7	7	4	—	—	—
<i>Grants for research projects and personnel support</i>										
Aggregate.....	870	870	412	458	152	118	89	63	36	—
Baycrest Centre for Geriatric Care.....	39	39	11	28	7	7	7	7	—	—
Centre for Addiction and Mental Health.....	48	48	24	24	9	8	4	2	1	—
Centre hospitalier de l'Université de Montréal.....	57	57	28	29	11	8	5	3	2	—
Centre hospitalier universitaire Sainte-Justine.....	42	42	20	22	8	6	4	3	1	—
Children's Hospital of Eastern Ontario										
Research Institute.....	24	24	8	16	5	3	2	3	2	1
Dalhousie University.....	60	60	28	32	13	9	5	3	2	—
Douglas Hospital Research Centre.....	44	44	22	22	8	7	4	2	1	—
Hôpital Maisonneuve-Rosemont.....	23	23	9	14	4	4	3	2	1	—
Hospital for Sick Children.....	221	221	107	114	36	29	22	16	8	3
Institut de recherches cliniques de Montréal.....	53	53	28	25	8	7	5	4	1	—
Jewish General Hospital.....	83	83	48	35	17	9	5	3	1	—
McGill University.....	245	245	126	119	42	34	23	13	6	1
McMaster University.....	277	277	167	110	47	28	19	10	5	1
Memorial University of Newfoundland.....	18	18	7	11	4	3	3	1	—	—
Montreal Heart Institute.....	18	18	7	11	4	3	2	1	1	—
Ottawa Hospital Research Institute.....	103	103	54	49	17	14	11	5	2	—
Queen's University.....	58	58	30	28	10	8	5	3	1	1
Research Institute of the McGill University										
Health Centre.....	151	151	82	69	26	20	13	7	3	—
Simon Fraser University.....	40	40	20	20	8	6	4	1	1	—
Sinai Health System.....	107	107	71	36	13	9	6	4	2	2
Sunnybrook Research Institute.....	81	81	42	39	14	10	7	5	2	1
Unity Health Toronto.....	117	117	47	70	24	17	11	9	4	5
Université de Montréal.....	85	85	45	40	14	11	7	4	3	1
Université de Sherbrooke.....	60	60	29	31	12	9	5	4	1	—
Université Laval.....	181	181	90	91	33	24	16	10	6	2
University Health Network.....	188	188	93	95	35	26	18	12	4	—
University of Alberta.....	186	186	75	111	36	29	22	15	8	1
University of British Columbia.....	509	509	241	268	93	69	50	34	18	4
University of Calgary.....	218	218	105	113	40	32	22	12	6	1
University of Guelph.....	18	18	8	10	4	3	2	1	—	—
University of Manitoba.....	87	87	42	45	17	13	9	5	1	—
University of Ottawa.....	67	67	33	34	14	9	6	3	1	1
University of Saskatchewan.....	70	70	40	30	13	7	6	3	1	—
University of Toronto.....	293	293	158	135	52	36	23	16	7	1
University of Victoria.....	21	21	10	11	4	3	2	1	1	—
University of Waterloo.....	32	32	14	18	7	5	4	2	—	—
University of Western Ontario.....	114	114	56	58	20	15	10	7	5	1
Women's College Hospital.....	20	20	9	11	5	3	2	1	—	—
<i>Institute support grants</i>										
Aggregate.....	68	68	38	30	13	10	5	2	—	—

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31						
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2021	2022	2023	2024	2025	2026 and subsequent years	
<i>Networks of Centres of Excellence</i>											
Aggregate.....	68	68	26	42	19	18	5	–	–	–	
<i>Vanier Canada Graduate Scholarships</i>											
Aggregate.....	23	23	7	16	7	6	3	–	–	–	
Public Health Agency of Canada											
<i>Chronic Disease Prevention</i>											
Aggregate.....	87	87	47	40	19	10	8	3	–	–	
ParticipACTION	26	26	13	13	5	4	4	–	–	–	
<i>Communicable Disease and Infection Control</i>											
Aggregate.....	158	158	91	67	33	28	1	1	1	3	
<i>Evidence for Health Promotion, and Chronic Disease and Injury Prevention</i>											
Aggregate.....	69	69	30	39	10	7	6	4	3	9	
<i>Foodborne and Zoonotic Diseases</i>											
Aggregate.....	18	18	8	10	2	2	1	1	1	3	
<i>Health Promotion</i>											
Aggregate.....	873	873	396	477	138	125	121	75	18	–	
	13,321	13,321	6,152	7,169	2,917	2,826	773	421	186	46	
Immigration, Refugees and Citizenship											
Department of Citizenship and Immigration											
<i>Resettlement Assistance Program</i>											
Aggregate.....	100	100	3	97	24	18	18	19	18	–	
COSTI Immigrant Services	12	12	–	12	2	3	2	3	2	–	
Immigrant Services Society of BC	11	11	–	11	2	2	2	2	3	–	
<i>Settlement Program</i>											
Aggregate.....	1,770	1,770	78	1,692	373	345	338	316	320	–	
Action for Healthy Communities Society of Edmonton.....	13	13	–	13	3	3	3	2	2	–	
Afghan Women's Counselling and Integration Community Support Organization	13	13	–	13	3	3	3	2	2	–	
Archway Community Services	17	17	–	17	3	4	3	4	3	–	
Association for New Canadians.....	11	11	–	11	2	2	2	3	2	–	
Aurora Family Therapy Centre.....	10	10	–	10	2	2	2	2	2	–	
Board of Education School District # 36	14	14	–	14	3	2	3	3	3	–	
Board of Education School District # 39	12	12	–	12	3	2	3	2	2	–	
Board of Education School District # 41	12	12	–	12	2	2	3	2	3	–	
Board of Education School District # 43	11	11	–	11	2	2	2	2	3	–	
Board of Governors of Red River College.....	27	27	–	27	5	6	5	5	6	–	
Bow Valley College	33	33	–	33	7	7	6	7	6	–	
Brampton Multicultural Community Centre	18	18	–	18	4	3	4	3	4	–	
Calgary Bridge Foundation for Youth	20	20	–	20	4	4	4	4	4	–	
Calgary Catholic Immigration Society	39	39	–	39	8	7	8	8	8	–	
Calgary Immigrant Educational Society	22	22	–	22	5	4	4	5	4	–	
Calgary Immigrant Women's Association	32	32	–	32	7	6	6	6	7	–	
Catholic Community Services of York Region	26	26	–	26	5	5	6	5	5	–	
Catholic Crosscultural Services.....	49	49	–	49	9	10	10	10	10	–	
Catholic Social Services	27	27	–	27	6	5	5	6	5	–	
Central Alberta Refugee Effort Committee	17	17	–	17	4	3	3	4	3	–	
Centre for Education & Training	35	35	–	35	7	7	7	7	7	–	
Centre for Immigrant & Community Services of Ontario	41	41	–	41	8	8	8	8	9	–	
Centre for Newcomers.....	39	39	–	39	8	7	8	8	8	–	
Collège Boréal	20	20	–	20	4	4	4	4	4	–	
Colleges and Institutes Canada	18	18	5	13	4	4	5	–	–	–	
Colleges Ontario	16	16	–	16	3	3	3	3	4	–	
Community Development Council	15	15	–	15	3	3	3	3	3	–	
Conestoga College Institute of Technology & Advanced Learning	22	22	–	22	4	4	5	4	5	–	
COSTI Immigrant Services	25	25	–	25	4	5	5	6	5	–	
CultureLink	17	17	–	17	3	3	4	3	4	–	

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued**

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31						
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2021	2022	2023	2024	2025	2026 and subsequent years	
DIVERSEcity Community Resources Society.	26	26	—	26	5	5	5	5	6	—	
Dixie Bloor Neighbourhood Centre.....	32	32	—	32	6	6	6	7	7	—	
Durham Continuing Education - Durham											
District School Board	10	10	—	10	2	2	2	2	2	—	
Edmonton Catholic Schools	24	24	—	24	5	5	4	5	5	—	
Edmonton Immigrant Services	17	17	—	17	3	3	3	4	4	—	
Edmonton Mennonite Centre for											
Newcomers	46	46	—	46	10	9	9	9	9	—	
Folk Arts Council of St Catharines.....	13	13	—	13	3	2	3	3	2	—	
Global Gathering Place	15	15	—	15	3	3	3	3	3	—	
Halton Catholic District School Board	16	16	—	16	3	3	3	3	4	—	
Halton District School Board	21	21	—	21	3	4	4	5	5	—	
Halton Multicultural Council.....	17	17	—	17	3	3	4	3	4	—	
Holland College	16	16	—	16	3	3	4	3	3	—	
Immigrant Services Association of											
Nova Scotia	53	53	—	53	10	10	11	11	11	—	
Immigrant Services Calgary	28	28	—	28	6	6	5	5	6	—	
Immigrant Services Society of BC	54	54	—	54	10	11	11	11	11	—	
Immigrants Working Centre	21	21	—	21	4	4	4	4	5	—	
India Rainbow Community Services	17	17	—	17	3	3	3	4	4	—	
Inter-cultural Association of Greater Victoria..	21	21	—	21	4	4	4	4	5	—	
International Women of Saskatoon.....	16	16	—	16	3	3	3	3	4	—	
Job Skills.....	10	10	—	10	2	2	2	2	2	—	
Lethbridge Family Services.....	12	12	—	12	3	2	2	3	2	—	
London Cross Cultural Learner Centre	21	21	—	21	4	4	4	4	5	—	
Mosaic Newcomer Family Resource											
Network.....	14	14	—	14	3	3	3	3	2	—	
Multilingual Orientation Service Association											
for Immigrant Communities.....	40	40	—	40	8	8	8	8	8	—	
Muslim Community Services	13	13	—	13	3	2	3	2	3	—	
New Canadians' Centre of Excellence Inc	39	39	—	39	7	8	8	8	8	—	
Newcomer Centre of Peel.....	49	49	—	49	9	10	10	10	10	—	
Newcomers Employment and Education											
Development Services Inc	15	15	—	15	3	3	3	3	3	—	
NorQuest College.....	37	37	—	37	8	7	7	8	7	—	
North Shore Multicultural Society.....	16	16	—	16	3	3	3	3	4	—	
North York Community House	22	22	—	22	4	4	5	4	5	—	
Options Community Services Society	11	11	—	11	2	2	2	2	3	—	
Ottawa-Carleton District School Board	12	12	—	12	2	2	3	2	3	—	
Peel District School Board	11	11	—	11	2	2	3	2	2	—	
Peel Multicultural Council	14	14	—	14	3	2	3	3	3	—	
Polycultural Immigrant & Community											
Services	37	37	—	37	7	7	7	8	8	—	
Regina Open Door Society Inc	32	32	—	32	6	7	6	7	6	—	
Regional Connections	11	11	—	11	2	2	2	2	3	—	
Rexdale Women's Centre	14	14	—	14	2	3	3	3	3	—	
Saskatchewan Polytechnic.....	21	21	—	21	5	4	4	4	4	—	
Saskatoon Open Door Society	35	35	—	35	8	7	7	7	6	—	
Settlement Assistance and Family											
Support Services	15	15	—	15	3	3	3	3	3	—	
Social Enterprise for Canada	15	15	—	15	3	3	3	3	3	—	
Social Research and Demonstration											
Corporation.....	15	15	4	11	7	4	—	—	—	—	
Success.....	85	85	6	79	17	18	18	13	13	—	
Thames Valley District School Board	18	18	—	18	3	4	4	4	3	—	
TNO - The Neighbourhood Organization	17	17	—	17	3	3	4	3	4	—	
Toronto Catholic District School Board	18	18	—	18	3	4	3	4	4	—	
Toronto District School Board.....	100	100	—	100	19	20	20	20	21	—	
Vancouver Community College	20	20	—	20	4	4	4	4	4	—	
Westman Immigrant Services.....	12	12	—	12	3	2	2	3	2	—	
Windsor Women Working with Immigrant											
Women	12	12	—	12	2	2	2	3	3	—	

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31						
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2021	2022	2023	2024	2025	2026 and subsequent years	
Winnipeg School Division	17	17	—	17	4	3	3	4	3	—	
Woodgreen Community Services	19	19	—	19	4	4	3	4	4	—	
Working Women Community Centre	10	10	—	10	2	2	2	2	2	—	
YMCA Canada	91	91	—	91	17	18	18	19	19	—	
<i>Canada-Quebec Accord—Provincial agreement on immigration matters and on the selection of foreign nationals wishing to settle in Canada</i>											
Government of Quebec	4,141	4,141	591	3,550	592	591	592	592	591	592	
	8,118	8,118	687	7,431	1,407	1,366	1,367	1,344	1,355	592	
Indigenous Services											
Department of Indigenous Services											
<i>Aboriginal recipient funding agreement (First Nations and Tribal Councils)</i>											
Aqam	22	22	3	19	3	2	2	2	2	8	
Acadia Band Council	24	24	3	21	3	2	2	3	2	9	
Ahousaht Indian Band	199	199	40	159	34	33	33	8	9	42	
Ahtahkakoop Band	137	137	18	119	17	13	13	13	12	51	
Albany	59	59	—	59	12	12	12	12	11	—	
Alexander Band	73	73	54	19	10	9	—	—	—	—	
Alexis Nakota Sioux Nation	65	65	44	21	21	—	—	—	—	—	
Algonquins of Barriere Lake	20	20	—	20	7	3	3	3	4	—	
Animakee Wa Zhing #37	38	38	14	24	4	3	2	3	2	10	
Anishnaabeg of Naongashiing	14	14	—	14	3	3	2	3	3	—	
Annapolis Valley Band Council	12	12	2	10	1	1	1	1	1	5	
Aroland First Nation	22	22	—	22	4	5	4	5	4	—	
Athabasca Health Authority Inc	64	64	—	64	14	13	12	13	12	—	
Atikamekw Sipi - Conseil de la Nation Atikamekw	93	93	30	63	25	10	9	10	9	—	
Attawapiskat First Nation	79	79	—	79	16	16	15	16	16	—	
Bande de la Nation Innu Matimekush-Lac John	60	60	—	60	16	11	11	11	11	—	
Bande des Innus de Ekuanitshit	23	23	—	23	8	4	4	4	3	—	
Bande des Innus de Pessamit	102	102	—	102	39	26	12	12	13	—	
Barren Lands Band	13	13	—	13	6	2	2	2	1	—	
Battlefords Agency Tribal Chiefs Inc	95	95	62	33	33	—	—	—	—	—	
Beardy's & Okemasis Band	56	56	30	26	13	13	—	—	—	—	
Bearskin Lake First Nation	29	29	19	10	5	5	—	—	—	—	
Beausoleil First Nation	45	45	6	39	6	5	4	4	4	16	
Berens River Band	46	46	14	32	8	8	8	8	—	—	
Big Grassy First Nation	23	23	—	23	5	4	5	4	5	—	
Big Island Lake Cree Nation	72	72	47	25	22	1	1	1	—	—	
Big River Band	96	96	75	21	21	—	—	—	—	—	
Bigstone Cree Nation	93	93	67	26	26	—	—	—	—	—	
Black Lake Band	101	101	59	42	19	8	7	8	—	—	
Black River First Nation	83	83	11	72	9	8	8	8	8	31	
Blood Band	763	763	658	105	105	—	—	—	—	—	
Bunibonibee Cree Nation	252	252	137	115	104	3	3	3	2	—	
Canoe Lake Band	35	35	22	13	13	—	—	—	—	—	
Canupawakpa Dakota First Nation	18	18	6	12	3	3	3	3	—	—	
Cape Mudge Indian Band	21	21	—	21	4	4	5	4	4	—	
Carry the Kettle Band	104	104	25	79	12	8	9	8	8	34	
Chawathil Indian Band	18	18	—	18	4	3	4	3	4	—	
Chemawawin Cree Nation	108	108	61	47	38	2	2	2	3	—	
Chippewas of Kettle and Stony Point	34	34	—	34	7	7	7	7	6	—	
Chippewas of Nawash	28	28	—	28	6	5	6	5	6	—	
Chippewas of the Thames First Nation	78	78	12	66	8	8	7	7	7	29	
Clearwater River Dene Band	84	84	57	27	23	1	1	1	1	—	
Coldwater Indian Band	17	17	—	17	3	4	3	4	3	—	
Conseil de la Première Nation Abitibiwinini ...	17	17	—	17	9	2	2	2	2	—	
Conseil des Atikamekw de Wemotaci	108	108	22	86	17	8	9	8	9	35	
Conseil des Atikamekw D'Opitciwan	126	126	—	126	38	24	24	24	16	—	

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2026 and subsequent years
					2021	2022	2023	2024	2025	
Constance Lake First Nation	40	40	—	40	8	8	8	8	8	—
Cote First Nation 366	72	72	24	48	18	8	7	8	7	—
Cowessess Band	57	57	12	45	11	11	11	12	—	—
Cowichan	244	244	34	210	32	22	22	23	22	89
Cross Lake First Nation	514	514	210	304	108	49	49	49	49	—
Cumberland House Cree Nation Band	94	94	43	51	20	8	8	8	7	—
Curve Lake First Nation	24	24	14	10	7	3	—	—	—	—
Dene Tha' Band	105	105	83	22	22	—	—	—	—	—
Dokis First Nation	13	13	—	13	3	2	3	2	3	—
Douglas Indian Band	12	12	—	12	1	2	1	1	1	6
Driftpile Cree Nation	71	71	38	33	16	9	8	—	—	—
Eabametoong First Nation	68	68	—	68	14	13	14	13	14	—
Ebb and Flow Band	97	97	59	38	13	12	13	—	—	—
Ebb and Flow First Nation Health Authority Inc.	13	13	—	13	3	2	3	2	3	—
Elsipogtog First Nation	180	180	88	92	69	23	—	—	—	—
English River First Nation Band	74	74	20	54	22	8	8	8	8	—
Enoch Cree Nation #440	168	168	27	141	19	16	15	15	15	61
Ermineskin Tribe	194	194	149	45	15	15	15	—	—	—
Esgenoopetitj First Nation	136	136	37	99	35	16	16	16	16	—
Eskasoni Band Council	171	171	111	60	43	17	—	—	—	—
Esk'eteme	16	16	—	16	3	3	4	3	3	—
Fisher River Band	242	242	33	209	26	23	23	23	23	91
Fishing Lake First Nation Band	78	78	26	52	22	14	14	1	1	—
Flying Dust First Nation	127	127	37	90	25	7	7	7	8	36
Fond du Lac Band	76	76	41	35	18	6	6	5	—	—
Fort Alexander Band	469	469	103	366	85	31	31	31	32	156
Fort Nelson First Nation	40	40	5	35	5	4	4	4	3	15
Fort Severn First Nation	22	22	11	11	7	1	1	2	—	—
Fort William First Nation	17	17	—	17	6	5	6	—	—	—
Frog Lake Band	97	97	32	65	16	16	17	16	—	—
Gamblers Band	18	18	4	14	2	2	1	2	1	6
Garden Hill First Nation	255	255	77	178	70	27	27	27	27	—
George Gordon First Nation	39	39	—	39	8	8	7	8	8	—
Ginoogaming First Nation	15	15	—	15	3	3	3	3	3	—
Gitksan Local Services Society	119	119	48	71	24	23	24	—	—	—
Gitsegukla Indian Band	50	50	19	31	11	11	3	3	3	—
Gitwangak Indian Band	15	15	—	15	3	3	3	3	3	—
Gitxaala Nation	58	58	7	51	6	6	5	6	5	23
God's Lake First Nation	180	180	96	84	75	2	2	2	3	—
Grand Conseil de la Nation Waban-Aki Inc. ...	39	39	15	24	16	2	2	2	2	—
Grassy Narrows First Nation	29	29	—	29	6	6	5	6	6	—
Gwa'Sala-Nakwaxda'Xw Indian Band	52	52	23	29	11	11	2	3	2	—
Haisla Nation	51	51	35	16	6	5	5	—	—	—
Halfway River First Nation	10	10	—	10	1	1	1	1	1	5
Hatchet Lake Band	54	54	32	22	7	7	8	—	—	—
Heiltsuk Indian Band	123	123	14	109	13	12	12	12	12	48
Hollow Water Band	26	26	13	13	8	2	2	1	—	—
Homalco Indian Band	11	11	—	11	2	2	3	2	2	—
Innu Takuaikan Uashat Mak Mani-Utenam	202	202	96	106	49	28	29	—	—	—
Interlake Reserves Tribal Council Inc.	21	21	—	21	4	4	5	4	4	—
Iskatewizaagegan #39 Independent Nation	22	22	—	22	4	5	4	5	4	—
James Smith Band	127	127	43	84	29	14	14	13	14	—
Kasabonika Lake First Nation	61	61	51	10	10	—	—	—	—	—
Kashechewan First Nation	82	82	—	82	16	17	16	17	16	—
Kebaowek First Nation	48	48	11	37	12	11	11	2	1	—
Kee Tas Kee Now Tribal Council	207	207	91	116	54	21	21	20	—	—
Keeseekooseland Band	12	12	—	12	7	1	1	1	2	—
Keeseekoowenin Band	14	14	—	14	3	3	2	3	3	—
Keewatin Tribal Council Inc.	97	97	79	18	18	—	—	—	—	—
Kehewin Cree Nation	115	115	67	48	16	16	16	—	—	—
Kingfisher Lake First Nation	34	34	—	34	7	7	7	7	6	—
Kingsclear Band Council	59	59	—	59	12	5	5	5	6	26

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2026 and subsequent years
					2021	2022	2023	2024	2025	
Kinistin Saulteaux Nation.....	22	22	10	12	4	4	4	—	—	—
Kitchenuhmaykoosib Inninuwug.....	41	41	—	41	14	13	14	—	—	—
Kitigan Zibi Anishinabeg.....	157	157	98	59	37	6	5	6	5	—
Kitiganwacheeng Health Services Inc.....	25	25	—	25	6	5	5	5	4	—
Kitsumkalum Indian Band.....	34	34	11	23	8	8	2	3	2	—
Kwadacha Indian Band.....	19	19	—	19	4	4	3	4	4	—
Lac la Croix First Nation.....	12	12	—	12	2	3	2	3	2	—
Lac la Ronge Band.....	694	694	93	601	76	66	65	66	65	263
Lac la Ronge Indian Band Health Services Inc.	95	95	17	78	17	12	8	9	8	24
Lac Seul First Nation.....	56	56	27	29	10	9	10	—	—	—
Lake Babine Nation.....	109	109	16	93	11	10	10	10	11	41
Lake Manitoba Band.....	74	74	—	74	9	7	7	7	7	37
Lake St. Martin Band.....	66	66	53	13	4	5	4	—	—	—
Lax Kw'alaams Indian Band.....	117	117	—	117	12	12	11	12	12	58
Lennox Island Band.....	15	15	—	15	5	2	3	2	3	—
Leq' A: Mel First Nation.....	14	14	2	12	2	1	1	2	1	5
Les Atikamekw de Manawan.....	56	56	—	56	27	7	7	7	8	—
Lesser Slave Lake Indian Regional Council....	23	23	—	23	10	3	3	4	3	—
Lhoosk'Uz Dene Nation.....	13	13	—	13	2	1	1	1	2	6
Liard First Nation.....	66	66	21	45	18	7	7	7	6	—
Lil'wat Nation.....	127	127	50	77	22	22	11	11	11	—
Listuguj Mi'gmaq Government.....	124	124	—	124	25	25	25	25	24	—
Little Grand Rapids Band.....	100	100	42	58	30	7	7	7	7	—
Little Pine Band.....	38	38	16	22	7	7	8	—	—	—
Little Red River Cree Nation.....	214	214	151	63	63	—	—	—	—	—
Little Saskatchewan Band.....	53	53	41	12	4	4	4	—	—	—
Little Shuswap Lake Indian Band.....	21	21	3	18	2	2	2	2	2	8
Long Plain Band.....	186	186	27	159	21	17	18	17	17	69
Long Point First Nation.....	52	52	—	52	8	5	5	5	5	24
Lower Nicola Indian Band.....	56	56	7	49	6	5	6	5	6	21
Lower Similkameen Band.....	26	26	4	22	3	2	3	2	2	10
Lytton Indian Band.....	65	65	7	58	7	6	7	6	7	25
Makwa Sahgaiehan First Nation Band.....	78	78	51	27	—	—	—	—	—	—
Manto Sipi Cree Nation.....	135	135	81	54	49	1	1	1	2	—
Mathias Colomb Band.....	169	169	64	105	41	16	16	16	16	—
Matigami First Nation.....	14	14	—	14	3	3	2	3	3	—
M'Chigeeng First Nation.....	43	43	—	43	10	9	10	7	7	—
Membertou Band Council.....	78	78	10	68	9	7	8	7	8	29
Metepenagiag Mi'kmaq Nation.....	44	44	—	44	6	6	4	4	4	20
Metlakatla First Nation.....	29	29	4	25	4	3	2	3	3	10
Miawpukek Band.....	16	16	5	11	3	3	3	2	—	—
Micmacs of Gesgapegiag.....	40	40	12	28	10	6	6	6	—	—
Mikisew Cree First Nation Band.....	43	43	32	11	11	—	—	—	—	—
Millbrook Band Council.....	103	103	12	91	11	10	10	10	10	40
Mishkeegogamang First Nation.....	27	27	—	27	5	6	5	6	5	—
Misipawistik Cree Nation.....	18	18	6	12	5	2	2	2	1	—
Mississaugas of the Credit.....	41	41	25	16	8	4	4	—	—	—
Mltc Program Services Inc.	113	113	30	83	21	21	21	20	—	—
Mohawk Council of Akwesasne.....	606	606	71	535	65	59	59	59	58	235
Mohawks of Kahnawá:Ke Band.....	363	363	311	52	52	—	—	—	—	—
Mohawks of Kanesatake.....	26	26	—	26	9	4	4	4	5	—
Mohawks of the Bay of Quinte.....	56	56	46	10	10	—	—	—	—	—
Montagnais de Unamen Shipu.....	56	56	—	56	20	9	9	9	9	—
Montana Band.....	32	32	—	32	6	7	6	7	6	—
Montreal Lake Band.....	115	115	53	62	42	5	5	5	5	—
Moose Cree First Nation.....	68	68	54	14	14	—	—	—	—	—
Moosomin Band.....	70	70	10	60	8	7	6	7	6	26
Mosakahiken Cree Nation.....	11	11	—	11	6	2	1	1	1	—
Mosquito-Grizzly Bear's Head Band.....	100	100	12	88	15	14	14	6	7	32
Muscowpetung Band.....	21	21	9	12	4	4	4	—	—	—
Mushuau Innu First Nation.....	23	23	—	23	9	4	3	4	3	—
Muskat Dam Lake First Nation.....	21	21	—	21	4	4	5	4	4	—

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2026 and subsequent years
					2021	2022	2023	2024	2025	
Namgis First Nation	48	48	6	42	6	4	5	4	5	18
Naothamegwanning	15	15	—	15	8	2	2	2	1	—
Nation Anishnabe du Lac Simon	85	85	44	41	20	11	10	—	—	—
Nation Huronne Wendat	120	120	78	42	18	12	12	—	—	—
Neskantaga First Nation	42	42	—	42	8	9	8	9	8	—
Neskonlith Indian Band	11	11	—	11	2	2	2	2	3	—
Nipissing First Nation	49	49	8	41	7	4	5	4	4	17
Nisichawayasihk Cree Nation	150	150	98	52	38	3	4	3	4	—
North Peace Tribal Council	27	27	17	10	8	1	1	—	—	—
Northlands Band	100	100	57	43	35	2	2	2	2	—
Norway House Cree Nation	686	686	79	607	75	66	67	66	67	266
Nunavik Regional Board of Health and Social Services	82	82	18	64	8	8	7	7	7	27
Nuu-Chah-Nulth Tribal Council	183	183	73	110	37	36	37	—	—	—
Nuxalk Nation Band	127	127	58	69	23	22	8	8	8	—
Ocean Man Band	16	16	3	13	3	3	3	4	—	—
O-Chi-Chak-Ko-Sipi First Nation	30	30	17	13	4	4	5	—	—	—
O'Chiese Band	49	49	24	25	8	9	8	—	—	—
Ojibways of Onigaming First Nation	27	27	—	27	5	6	5	6	5	—
Okanagan Indian Band	111	111	51	60	18	18	8	8	8	—
Old Massett Village Council Band	75	75	34	41	13	13	5	5	5	—
Onion Lake Cree Nation	261	261	227	34	34	—	—	—	—	—
Opaskwayak Cree Nation	419	419	57	362	45	40	40	39	40	158
O-Pipon-Na-Piwin Cree Nation	23	23	—	23	5	4	5	4	5	—
Osoyoos Indian Band	35	35	5	30	4	3	3	3	4	13
Padc Management Company Ltd.	83	83	70	13	6	7	—	—	—	—
Paqtnkek Mi'kmaw Nation	38	38	5	33	4	4	4	4	3	14
Paungass First Nation	55	55	27	28	15	3	3	3	4	—
Paul Band	33	33	—	33	11	11	11	—	—	—
Pauquachin Indian Band	14	14	2	12	2	1	1	1	2	5
Peepeekisis Cree Nation No.81	71	71	14	57	7	6	6	7	6	25
Peguis Band	480	480	207	273	98	44	44	44	43	—
Pelican Lake Band	71	71	43	28	24	1	1	1	1	—
Penticton Indian Band	64	64	9	55	8	6	6	6	6	23
Peter Ballantyne Cree Nation	355	355	196	159	91	23	23	22	—	—
Pheasant Rump Nakota Band	21	21	4	17	2	2	2	2	2	7
Piapot Band	62	62	33	29	26	1	1	1	—	—
Pictou Landing Band Council	43	43	6	37	5	4	4	4	4	16
Piikani Nation	50	50	—	50	10	10	10	10	10	—
Pikangikum First Nation	121	121	69	52	26	26	—	—	—	—
Pinaymootang First Nation	65	65	32	33	16	4	4	4	5	—
Pine Creek Band	31	31	19	12	4	4	4	—	—	—
Poplar River First Nation	151	151	31	120	15	13	13	13	13	53
Potlotek First Nation	18	18	2	16	4	4	4	4	—	—
Première Nation des Innus de Nutashkuan	49	49	—	49	14	9	9	9	8	—
Première Nation des Pekuakamiulnuatsh	261	261	38	223	34	24	23	24	23	95
Pwi-Di-Goo-Zing Ne-Yaa-Zhing Advisory Services	18	18	4	14	4	3	4	3	—	—
Qalipu First Nation Band	92	92	11	81	10	9	10	9	9	34
Rainy River First Nation	14	14	—	14	4	3	3	2	2	—
Red Earth Band	78	78	52	26	26	—	—	—	—	—
Red Pheasant Band	71	71	10	61	8	7	7	7	6	26
Red Sucker Lake Band	112	112	47	65	28	9	9	9	10	—
Regroupement Mamit Innuat Inc.	108	108	25	83	28	14	14	14	13	—
Roseau River Anishnabe First Nation Government	23	23	13	10	3	4	3	—	—	—
Ross River First Nation	20	20	—	20	4	4	4	4	4	—
Saddle Lake Cree Nation	192	192	98	94	42	26	26	—	—	—
Sagamok Anishnawbek First Nation	57	57	—	57	12	11	11	11	12	—
Saint Mary's Band Council	61	61	32	29	16	6	7	—	—	—
Samson Band	131	131	114	17	17	—	—	—	—	—
Sandy Bay Band	225	225	82	143	58	21	21	21	22	—
Sandy Lake First Nation	102	102	—	102	20	21	20	21	20	—

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2026 and subsequent years
					2021	2022	2023	2024	2025	
Sapotaweyak Cree Nation	92	92	35	57	25	8	8	8	8	—
Saugeen First Nation	66	66	8	58	7	7	6	7	6	25
Saulteau First Nations	26	26	4	22	3	2	2	3	2	10
Saulteaux Band	27	27	11	16	5	5	6	—	—	—
Sayisi Dene First Nation.....	20	20	—	20	4	4	4	4	4	—
Seabird Island Indian Band	96	96	13	83	10	9	9	9	9	37
Shamattawa First Nation	107	107	62	45	36	2	2	3	2	—
Shawanaga First Nation Ojibway Territory	25	25	4	21	3	2	2	3	2	9
Sheshatshiu Innu First Nation.....	34	34	6	28	9	6	6	7	—	—
Shxw'ow'hamel First Nation.....	12	12	2	10	2	1	1	1	1	4
Siksika Nation Band.....	204	204	118	86	51	35	—	—	—	—
Simpew First Nation.....	28	28	3	25	3	3	2	3	3	11
Sipekne'Katik	97	97	12	85	10	9	10	9	9	38
Six Nations of the Grand River	105	105	82	23	23	—	—	—	—	—
Skidegate Indian Band.....	72	72	8	64	8	7	7	7	7	28
Skownan First Nation.....	52	52	32	20	16	1	1	1	1	—
Snuneymuxw First Nation.....	69	69	11	58	7	6	6	7	6	26
Songhees Nation	30	30	4	26	4	3	3	3	2	11
Southeast Resource Development										
Council Corp.	39	39	12	27	7	7	7	6	—	—
Southern First Nations Secretariat	36	36	—	36	7	7	7	7	8	—
Squamish Indian Band.....	67	67	54	13	13	—	—	—	—	—
St. Theresa Point Band	331	331	137	194	76	29	30	29	30	—
Stanley Mission Health Services Inc.	47	47	6	41	6	5	5	5	4	16
Stellat'En First Nation	20	20	3	17	2	2	2	2	2	7
Sto:Lo Service Agency Society	20	20	—	20	4	4	4	4	4	—
Stoney Band	33	33	—	33	33	—	—	—	—	—
Sts'ailes Band	57	57	8	49	6	5	6	5	6	21
Sturgeon Lake First Nation	87	87	42	45	33	3	3	3	3	—
Sucker Creek Band.....	40	40	—	40	9	8	8	8	7	—
Sunchild First Nation Band	82	82	—	82	16	17	16	17	16	—
Swan Lake Band	32	32	—	32	7	6	6	7	6	—
Swan River First Nation Band	38	38	28	10	6	4	—	—	—	—
Sweetgrass Band	16	16	1	15	4	4	4	3	—	—
Taku River Tlingit First Nation	10	10	—	10	2	2	2	2	2	—
Tallcree Tribal Government	41	41	29	12	12	—	—	—	—	—
Tataskweyak Cree Nation.....	128	128	88	40	28	3	3	3	3	—
Taykwa Tagamou Nation	17	17	4	13	2	1	2	1	1	6
Thunderchild First Nation	66	66	35	31	23	2	2	2	2	—
Timiskaming First Nation.....	35	35	—	35	10	6	6	6	7	—
T'i't'q'et.....	20	20	3	17	3	2	2	1	2	7
Tl'azt'en Nation	32	32	18	14	5	5	4	—	—	—
Tl'Etinqox Government	80	80	23	57	11	10	5	4	5	22
Tobique Band Council.....	73	73	36	37	27	10	—	—	—	—
Tootinaowaziibeeng Treaty Reserve.....	24	24	—	24	5	5	4	5	5	—
Tribal Chiefs Ventures Incorporated	145	145	79	66	25	10	10	10	11	—
Tsal'Alh.....	11	11	—	11	2	2	3	2	2	—
Tsartlip Indian Band.....	105	105	18	87	12	9	9	10	9	38
Tsawout First Nation.....	15	15	—	15	3	3	3	3	3	—
Tsay Keh Dene Band.....	32	32	—	32	4	3	3	3	3	16
Ts'kw'aylaxw First Nation	21	21	3	18	3	2	2	2	2	7
Tsleil-Waututh Nation	24	24	3	21	4	2	2	2	2	9
Tsuut'Ina Nation.....	155	155	120	35	22	13	—	—	—	—
Ulkatcho Indian Band.....	16	16	—	16	3	3	3	3	4	—
Upper Nicola Indian Band.....	38	38	5	33	4	4	3	4	4	14
Wabaseemoong Independent Nation	37	37	—	37	7	8	7	8	7	—
Wabun Tribal Council.....	13	13	—	13	3	3	2	3	2	—
Wagmatcook Band Council.....	22	22	10	12	4	4	4	—	—	—
Wahgoshig First Nation.....	23	23	4	19	2	2	2	2	2	9
Wahpeton Dakota Nation Band	16	16	—	16	3	3	3	3	4	—
Walpole Island First Nation.....	54	54	—	54	11	11	11	11	10	—
Wasagamack First Nation.....	95	95	68	27	18	3	3	3	—	—
Wasauksing First Nation	23	23	—	23	3	2	2	3	2	11

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2026 and subsequent years
					2021	2022	2023	2024	2025	
Waterhen Lake Band	30	30	19	11	11	—	—	—	—	—
Waywayseecappo First Nation										
Treaty Four - 1874	104	104	62	42	34	2	2	2	2	—
We'koqma'q First Nation	27	27	9	18	7	6	5	—	—	—
Western Cree Tribal Council	122	122	56	66	30	18	18	—	—	—
Whitecap Dakota First Nation Band	66	66	14	52	7	6	6	5	6	22
Whitefish Lake # 128	58	58	48	10	10	—	—	—	—	—
Whitesand	10	10	—	10	3	4	3	—	—	—
Wikwemikong Unceded Indian Reserve	148	148	—	148	32	29	29	29	29	—
Williams Lake First Nation	29	29	5	24	3	3	2	3	3	10
Willow Cree Health Services Corporation	14	14	—	14	3	3	3	3	2	—
Witchehan Lake Band	25	25	14	11	5	6	—	—	—	—
Witset First Nation	66	66	8	58	8	6	6	7	6	25
Wunnumin Lake First Nation	33	33	—	33	11	11	11	—	—	—
Wuskwi Sipihk First Nation	44	44	26	18	18	—	—	—	—	—
Xaxli'P Indian Band	11	11	—	11	2	2	2	2	3	—
Yellowhead Tribal Development Foundation ..	27	27	7	20	5	5	5	5	—	—
Yorkton Tribal Administration Inc.	14	14	—	14	4	3	2	3	2	—
Aboriginal recipient funding agreement										
(Other)										
340109 B.C. Ltd. T / A. H.G. Smith										
and Associates	14	14	—	14	7	7	—	—	—	—
Aboriginal Savings Corporation of Canada	28	28	6	22	6	5	6	5	—	—
Agency Chiefs Child & Family										
Services Corp.	17	17	—	17	3	4	3	4	3	—
Ahtahkakoop Child and Family Services										
Incorporated	21	21	6	15	4	4	4	3	—	—
Anishinaabe Child and Family Services	38	38	18	20	7	6	7	—	—	—
Assembly of First Nations	128	128	59	69	20	18	17	2	2	10
Athabasca Dene Education Corp.	106	106	—	106	21	21	21	21	22	—
Awasis Agency of Northern Manitoba	139	139	62	77	26	25	26	—	—	—
Awasisak Nikan Child and Family										
Services Inc.	13	13	2	11	3	3	3	2	—	—
Canadian Red Cross Society	21	21	8	13	6	7	—	—	—	—
Conseil en Éducation des Premières Nations...	189	189	163	26	26	—	—	—	—	—
Council for the Advancement of										
Native Development	34	34	20	14	5	5	4	—	—	—
Cree Nation Child and Family Caring Agency	71	71	30	41	14	13	14	—	—	—
Cree Nation Government	37	37	15	22	11	11	—	—	—	—
Dakota Ojibway Child and Family Services	78	78	39	39	13	13	13	—	—	—
East Central First Nations Education										
Authority Incorporated	13	13	—	13	3	2	3	2	3	—
Federation of Saskatchewan Indians, Inc.	15	15	—	15	4	4	3	4	—	—
First Nations Confederacy of Cultural										
Education Centre	27	27	16	11	5	6	—	—	—	—
First Nations' Emergency Services Society										
of British Columbia	16	16	—	16	3	3	3	3	4	—
First Nations Financial Management Board	31	31	14	17	12	5	—	—	—	—
First Nations of Quebec and Labrador										
Health and Social Services										
Commission	23	23	—	23	7	4	4	4	4	—
Fraser Valley Aboriginal Children and										
Family Services Society	26	26	—	26	5	5	6	5	5	—
Frontier School Division #48	139	139	81	58	19	20	19	—	—	—
Gitksan Child and Family Services Society	14	14	—	14	3	3	3	3	2	—
Gwich'in Tribal Council	13	13	2	11	2	1	2	1	2	3
Intertribal Child and Family Services	20	20	9	11	4	3	4	—	—	—
Inuit Tapiriit Kanatami	30	30	14	16	2	2	1	2	2	7
Island Lake First Nations Family Services	80	80	35	45	15	15	15	—	—	—
Kanaweyimik Child & Family Services Inc. ...	36	36	9	27	7	7	7	6	—	—
Kanesatake Health Center	17	17	—	17	3	4	3	4	3	—
Kasohkewew Child and Wellness										
Society (2012)	29	29	—	29	29	—	—	—	—	—

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2026 and subsequent years
					2021	2022	2023	2024	2025	
Keyanow Child and Family Centre Inc.....	22	22	6	16	4	4	4	4	—	—
Kina Gbezhgomi Child and Family Services...	15	15	4	11	4	3	4	—	—	—
Kinosao Sipi Minisowin Agency.....	56	56	25	31	10	10	11	—	—	—
Ktc Child & Family Services.....	38	38	—	38	8	7	8	7	8	—
Ktunaxa/Kinbasket Child and Family Service Society	10	10	—	10	2	2	2	2	2	—
Lac la Ronge Indian Band Child and Family Services Agency Inc.	49	49	11	38	9	10	9	10	—	—
Leading Thunderbird Lodge Inc.	15	15	3	12	3	3	3	3	—	—
Manitoba First Nations Education Resource Centre Inc.....	236	236	—	236	47	47	47	47	48	—
Manitoba Keewatinow Okimakanak Inc.....	18	18	—	18	9	6	1	1	1	—
Manitoba Metis Federation Inc.....	145	145	33	112	37	37	38	—	—	—
Maskwacis Education Schools Commission....	520	520	104	416	52	52	52	52	52	156
Metis Nation of Alberta Association	120	120	33	87	37	37	7	6	—	—
Metis Nation of Ontario	63	63	18	45	19	19	4	3	—	—
Metis Nation of Saskatchewan	119	119	31	88	37	37	7	7	—	—
Metis National Council	29	29	10	19	5	5	5	4	—	—
Metis Provincial Council of British Columbia.	64	64	19	45	19	19	3	4	—	—
Mikaamng Mino Pimatiziwin Healing Lodge.	11	11	—	11	2	2	2	2	3	—
Mi'kmaw Family & Children's Services of Nova Scotia	22	22	—	22	22	—	—	—	—	—
Mistahi Sipiy Child and Family Services Inc...	30	30	—	30	6	6	6	6	6	—
Mltc Child & Family Services Inc.	60	60	16	44	11	11	11	11	—	—
Montreal Lake Child and Family Agency Inc..	36	36	12	24	6	6	6	6	—	—
Natawiwewak Medical Clinic Inc.....	13	13	3	10	3	2	3	2	—	—
National Aboriginal Capital Corporations Association	136	136	68	68	34	34	—	—	—	—
National Association Friendship Centres.....	111	111	59	52	28	24	—	—	—	—
Nechapanuk Centre Child and Family Services Inc.	31	31	10	21	5	5	5	6	—	—
Nezul Be Hunuyeh Child and Family Services Society.....	24	24	—	24	5	5	5	5	4	—
Nikan Awasisak Agency	37	37	17	20	7	6	7	—	—	—
Nil/Tuo Child and Family Services Society....	21	21	—	21	4	4	5	4	4	—
Nisichawayasihk Cree Nation Family and Community Services.....	52	52	25	27	9	9	9	—	—	—
Nlha7 Kapmx Child and Family Services Society.....	13	13	—	13	3	2	3	2	3	—
Nog-Da-Win-Da-Min Family and Community Services.....	113	113	28	85	21	21	21	22	—	—
Northern Nishnawbe Education Council	71	71	22	49	12	12	12	13	—	—
Onion Lake Family Services Inc.	35	35	17	18	9	9	—	—	—	—
Ontario Federation of Indigenous Friendship Centres.....	35	35	19	16	8	8	—	—	—	—
Opaskwayak Cree Nation Child and Family Services Agency	27	27	12	15	5	5	5	—	—	—
Peguis Child and Family Services	32	32	16	16	5	6	5	—	—	—
Peter Ballantyne Child & Family Services Inc.	103	103	45	58	15	14	15	14	—	—
Peter Ballantyne Cree Nation Education Authority Inc	188	188	—	188	38	37	38	37	38	—
Qbow Child and Family Services Inc.	32	32	14	18	4	5	4	5	—	—
Sagkeeng Child and Family Services	42	42	15	27	9	9	9	—	—	—
Sandy Bay Child and Family Services.....	30	30	13	17	6	5	6	—	—	—
Shawano Consulting Services Ltd	93	93	19	74	19	18	19	18	—	—
Southeast Child and Family Services	220	220	96	124	41	41	42	—	—	—
Stoney Nakoda Child and Family Services Society	14	14	—	14	14	—	—	—	—	—
Sturgeon Lake Child and Family Services Inc.	20	20	5	15	4	4	4	3	—	—
The Corporation of the City of Timmins	24	24	8	16	8	8	—	—	—	—
The First Nations Information Governance Centre	95	95	8	87	8	11	9	10	10	39
Tikinagan Child and Family Services.....	88	88	37	51	17	17	17	—	—	—

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued**

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31						
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2021	2022	2023	2024	2025	2026 and subsequent years	
Touchwood Child and Family Services Inc.	40	40	19	21	5	5	5	6	—	—	
Wahkotowin Child and Family Services Inc....	14	14	3	11	3	3	3	2	—	—	
West Region Child and Family Services	82	82	41	41	14	13	14	—	—	—	
Whiskyjack Treatment Ctr. Inc.....	17	17	—	17	3	4	3	4	3	—	
Yorkton Tribal Council Child and Family Services Incorporated	64	64	25	39	10	10	10	9	—	—	
Yuthe Dene Sekwi Chu L A Koe Betsedi Inc. .	38	38	12	26	6	7	6	7	—	—	
Canada Common Funding Agreement for First Nations and Tribal Councils											
Athabasca Health Authority Inc	71	71	57	14	14	—	—	—	—	—	
Battle River Treaty 6 Health Centre Inc.	67	67	56	11	11	—	—	—	—	—	
Bigstone Health Commission	216	216	149	67	23	22	22	—	—	—	
Blood Band	144	144	82	62	15	14	11	11	11	—	
Cross Lake First Nation.....	58	58	41	17	17	—	—	—	—	—	
Dilico Anishinabek Family Care	35	35	23	12	6	6	—	—	—	—	
Eskasoni Band Council	29	29	19	10	6	4	—	—	—	—	
File Hills Qu'Appelle Tribal Council Inc.	50	50	37	13	13	—	—	—	—	—	
First Nations Health Authority	4,678	4,678	2,958	1,720	545	573	602	—	—	—	
Kahnawake Shakotiaa Takehnhas Community Services.....	92	92	74	18	9	9	—	—	—	—	
Maskwacis Health Services	70	70	41	29	16	13	—	—	—	—	
Meadow Lake Tribal Council.....	227	227	90	137	25	21	19	18	18	36	
Nunee Health Board Society	33	33	16	17	6	6	5	—	—	—	
Onion Lake Cree Nation.....	67	67	45	22	10	6	6	—	—	—	
Padc Management Company Ltd.....	97	97	48	49	22	14	13	—	—	—	
Peter Ballantyne Cree Nation Health Services.	163	163	99	64	19	17	14	14	—	—	
Six Nations of the Grand River	62	62	50	12	12	—	—	—	—	—	
Southeast Resource Development Council Corp.	40	40	29	11	7	4	—	—	—	—	
Stoney.....	30	30	16	14	6	4	4	—	—	—	
Weeneebayko Area Health Authority.....	49	49	35	14	14	—	—	—	—	—	
First Nations and Inuit Health Funding Contribution Agreement—Project Based Funding Arrangement											
Federation of Saskatchewan Indians, Inc.....	37	37	21	16	4	3	3	3	3	—	
First Nations Health Authority	218	218	193	25	16	6	3	—	—	—	
First Nations Health Consortium Ltd.....	40	40	18	22	11	11	—	—	—	—	
First Nations Technical Services Advisory Group Inc.	23	23	10	13	5	4	4	—	—	—	
Norway House Cree Nation Health Centre of Excellence Ltd	106	106	40	66	26	25	15	—	—	—	
Weeneebayko Area Health Authority.....	66	66	54	12	12	—	—	—	—	—	
Funding agreement for projects											
STC Health & Family Services Inc	45	45	19	26	9	9	8	—	—	—	
Funding agreement for provincial governments and territories											
Government of the Northwest Territories	130	130	45	85	26	26	25	8	—	—	
Government of Nunavut	223	223	72	151	24	23	21	21	21	41	
Government of Yukon.....	97	97	71	26	13	13	—	—	—	—	
Minister of Finance, Alberta.....	672	672	281	391	128	127	128	4	4	—	
Ministry of Children and Family Development, British Columbia.....	373	373	129	244	41	41	40	41	40	41	
Ministry of Children, Community and Social Services, Ontario.....	908	908	303	605	303	302	—	—	—	—	
Ministry of Education of British Columbia	382	382	134	248	41	41	42	41	41	42	
Ministry of Forests, Lands, Natural Resource Operations and Rural Development, British Columbia.....	17	17	4	13	2	2	2	2	2	3	

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2026 and subsequent years
					2021	2022	2023	2024	2025	
Ministry of the Solicitor General, Ontario.....	14	14	3	11	1	2	1	2	1	4
Ministry of Transportation and Infrastructure, British Columbia	32	32	10	22	4	3	4	3	4	4
Grant										
Miawpukek Band	58	58	23	35	12	12	11	—	—	—
Aggregate of various transfer payment agreements under \$10 million										
Aggregate	10,665	10,665	7,114	3,551	2,287	578	313	180	144	49
	50,771	50,771	23,117	27,654	9,802	5,352	4,249	2,596	2,169	3,486
Infrastructure and Communities										
Office of Infrastructure of Canada										
Border Infrastructure Fund										
Government of Quebec										
Highways 35, 55, 73 and 173, Phase I and II	147	147	134	13	13	—	—	—	—	—
Building Canada Fund—Communities Component										
Government of Quebec	201	201	167	34	21	13	—	—	—	—
Building Canada Fund—Large Urban Centres Component										
Government of Quebec	200	200	140	60	21	16	16	7	—	—
Building Canada Fund—Major Infrastructure Component										
Aggregate	472	472	373	99	67	20	4	8	—	—
Capital Regional District										
McLoughlin Wastewater Treatment Plant..	120	120	103	17	5	12	—	—	—	—
City of Ottawa										
Ottawa Light Rail Transit Project	600	600	540	60	60	—	—	—	—	—
City of Toronto										
Union Station revitalization	133	133	117	16	3	13	—	—	—	—
Government of Ontario										
Highway 11/17 - 4 Lane Expansion	37	37	—	37	11	11	6	9	—	—
Highway 11/17 expansion	27	27	—	27	6	11	9	1	—	—
Highway 401 widening	96	96	—	96	35	18	5	38	—	—
Highway 417 expansion	48	48	26	22	19	3	—	—	—	—
Government of Quebec										
Ministry of Culture and Communications										
Montréal's Museum of Contemporary Arts	19	19	—	19	6	13	—	—	—	—
Ministry of Municipal Affairs and Housing										
Ice Centre of the City of Québec	23	23	—	23	6	11	6	—	—	—
Jean R. Marcotte Wastewater Treatment Facility upgrade	64	64	5	59	31	15	13	—	—	—
Montréal's Combined Sewer Overflow Project	49	49	—	49	13	13	10	13	—	—
Redevelopment of Saint Joseph's Oratory of Montréal	22	22	—	22	5	11	6	—	—	—
Shawinigan Water Treatment System upgrades	24	24	6	18	18	—	—	—	—	—
Ministry of Transport										
Montréal Metro Phase 3 Systems Reno	150	150	110	40	40	—	—	—	—	—
Metrolinx										
GO Transit Improvement Program	250	250	225	25	25	—	—	—	—	—
Regional Municipality of Waterloo										
Waterloo Rapid Transit	265	265	252	13	5	—	8	—	—	—

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31						
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2021	2022	2023	2024	2025	2026 and subsequent years	
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	372	13	1	—	—	—	12	—	
Clean Water and Wastewater Fund											
Aggregate.....	298	298	270	28	20	8	—	—	—	—	
Government of Alberta.....	197	197	159	38	30	—	8	—	—	—	
Government of British Columbia	225	225	185	40	15	14	5	6	—	—	
Government of Manitoba	95	95	82	13	3	10	—	—	—	—	
Government of New Brunswick	79	79	67	12	11	1	—	—	—	—	
Government of the Northwest Territories	52	52	38	14	9	5	—	—	—	—	
Government of Nunavut.....	51	51	22	29	9	—	20	—	—	—	
Government of Ontario	570	570	427	143	31	3	1	—	108	—	
Government of Prince Edward Island.....	56	56	38	18	3	15	—	—	—	—	
Government of Quebec	364	364	166	198	150	—	—	48	—	—	
Disaster Mitigation and Adaptation Fund											
Aggregate.....	35	35	2	33	10	9	5	3	2	4	
City of Edmonton.....	54	54	—	54	9	12	9	7	7	10	
City of Hamilton	13	13	—	13	5	3	2	1	—	2	
City of Kelowna	22	22	—	22	1	2	4	4	5	6	
City of Kingston.....	10	10	—	10	1	—	3	1	5	—	
City of Kitchener.....	50	50	—	50	6	6	6	6	6	20	
City of Richmond.....	14	14	—	14	1	4	4	2	2	1	
City of Saint John.....	12	12	—	12	5	5	—	—	—	2	
City of Sarnia	10	10	—	10	1	—	1	1	2	5	
City of Saskatoon.....	22	22	—	22	2	4	4	3	3	6	
City of Surrey.....	77	77	1	76	5	9	11	13	16	22	
City of Toronto.....	110	110	—	110	5	16	19	22	24	24	
City of Vaughan.....	17	17	—	17	1	2	1	3	2	8	
City of Windsor.....	32	32	—	32	5	6	7	5	4	5	
Corporation of the City of Thunder Bay	13	13	—	13	4	3	1	—	1	4	
Corporation of the City of Victoria.....	15	15	—	15	2	1	2	2	2	6	
Government of the Northwest Territories	16	16	—	16	8	6	2	—	—	—	
Regional Municipality of York and Regional Municipality of Durham	58	58	8	50	12	9	12	1	2	14	
Town of Canmore	14	14	—	14	4	2	3	—	2	3	
Green Infrastructure Fund											
City of Hamilton											
Woodward Avenue Wastewater Treatment Plant.....	100	100	39	61	31	30	—	—	—	—	
Government of Quebec											
Biomethanation in the Couronne sud	27	27	9	18	9	1	8	—	—	—	
Biomethanation in Laval.....	31	31	—	31	9	9	13	—	—	—	
Biomethanation in Montréal	67	67	—	67	14	—	33	6	6	8	
Biomethanation in Québec City	17	17	—	17	5	—	12	—	—	—	
Investing in Canada Infrastructure Program											
Government of Alberta.....	3,647	3,647	9	3,638	421	576	718	678	617	628	
Government of British Columbia	3,917	3,917	68	3,849	351	648	812	666	526	846	
Government of Manitoba	1,172	1,172	3	1,169	129	114	129	199	130	468	
Government of New Brunswick	673	673	12	661	35	10	6	1	1	608	
Government of Newfoundland and Labrador ..	556	556	7	549	57	69	64	76	86	197	
Government of the Northwest Territories	571	571	6	565	110	106	90	67	58	134	
Government of Nova Scotia	828	828	14	814	63	66	61	69	75	480	
Government of Nunavut.....	567	567	2	565	32	74	152	84	84	139	
Government of Ontario	12,258	12,258	2	12,256	444	1,831	2,067	1,613	1,076	5,225	

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2026 and subsequent years
					2021	2022	2023	2024	2025	
Government of Prince Edward Island.....	367	367	19	348	55	45	36	37	36	139
Government of Quebec	7,536	7,536	7	7,529	639	638	878	1,061	1,130	3,183
Government of Saskatchewan	896	896	7	889	117	126	177	129	111	229
Government of Yukon.....	446	446	6	440	27	66	55	57	67	168
Municipal Asset Management Program										
Federation of Canadian Municipalities	110	110	84	26	—	26	—	—	—	—
Municipalities for Climate Innovation Program										
Federation of Canadian Municipalities	75	75	47	28	26	2	—	—	—	—
New Building Canada Fund—National Infrastructure Component										
City of Edmonton										
Yellowhead Trail Freeway Conversion Project.....	242	242	4	238	16	24	27	42	43	86
Fort McMurray Airport Authority										
Fort McMurray International Airport expansion	25	25	1	24	—	8	6	10	—	—
Government of Alberta										
Southwest Calgary Ring Road Project.....	334	334	237	97	50	34	13	—	—	—
Government of British Columbia										
Highway 91 to Highway 17 and Deltaport Way Corridor Improvement Project.....	82	82	18	64	28	32	—	4	—	—
Kicking Horse Canyon Project Phase 4.....	215	215	6	209	59	104	35	—	11	—
Government of Quebec										
Highway A-85/185	390	390	21	369	96	68	70	55	54	26
Montreal Port Authority										
Optimization of port capacity.....	44	44	21	23	7	16	—	—	—	—
Saint John Port Authority										
Port Saint John West Side Terminals Modernization Project	68	68	4	64	38	16	9	1	—	—
New Building Canada Fund—Provincial- Territorial Infrastructure Component— National and Regional Projects										
Aggregate	585	585	377	208	132	50	7	16	—	3
British Columbia Ferry Services Inc										
British Columbia Ferries Umbrella Agreement	91	91	21	70	17	6	2	45	—	—
Calgary Exhibition and Stampede Limited										
BMO Convention and Trade Centre Expansion Project	167	167	10	157	33	48	40	22	14	—
Cape Breton Regional Municipality										
National Regional Projects in Cape Breton Regional Municipality Umbrella Agreement	19	19	—	19	4	5	4	5	1	—
City of Edmonton										
Edmonton Valley Line (Stage 1) Southeast Light Rail Transit.....	150	150	122	28	15	—	—	13	—	—
Fort Edmonton Park Expansion	47	47	13	34	29	5	—	—	—	—
Stormwater management, Mill Woods Area Project	30	30	—	30	10	2	4	14	—	—
City of Kingston										
City of Kingston Third Crossing Bridge Project.....	60	60	11	49	25	12	9	3	—	—
City of Lloydminster										
New Mechanical Wastewater Treatment Facility	12	12	—	12	—	4	7	1	—	—
City of Ottawa										
Combined Sewage Storage Tunnel.....	62	62	50	12	12	—	—	—	—	—
Ottawa Light Rail Transit Stage 2	1,091	1,091	247	844	283	316	99	22	12	112

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2026 and subsequent years
					2021	2022	2023	2024	2025	
<i>City of Regina</i>										
City of Regina Umbrella Agreement.....	31	31	9	22	3	10	5	2	—	2
<i>City of Saskatoon</i>										
City of Saskatoon Umbrella Agreement....	35	35	9	26	5	5	11	5	—	—
<i>City of Winnipeg</i>										
Accelerated Regional Street Renewal Project.....	100	100	8	92	25	26	24	13	—	4
<i>Government of British Columbia</i>										
British Columbia Highways Umbrella Agreement.....	658	658	167	491	159	125	97	38	7	65
Kootenay Lake Ferry Service Improvements Project	17	17	—	17	5	6	5	1	—	—
<i>Government of Manitoba</i>										
Manitoba Projects Umbrella Agreement.....	180	180	8	172	49	48	35	6	34	—
<i>Government of New Brunswick</i>										
National Regional Projects in New Brunswick Umbrella Agreement..	213	213	75	138	27	24	25	51	1	10
<i>Government of Newfoundland and Labrador</i>										
Newfoundland and Labrador Umbrella Agreement.....	128	128	49	79	28	8	1	42	—	—
<i>Government of Nova Scotia</i>										
National Regional Projects in Nova Scotia Umbrella Agreement	298	298	41	257	63	46	42	24	—	82
New Art Gallery of Nova Scotia.....	30	30	—	30	5	9	8	5	3	—
<i>Government of Nunavut</i>										
Nunavut Marine Infrastructure Umbrella Agreement.....	94	94	50	44	29	15	—	—	—	—
<i>Government of Ontario</i>										
Ontario Highways Umbrella Agreement.....	107	107	—	107	41	7	—	2	57	—
<i>Government of Prince Edward Island</i>										
Prince Edward Island Umbrella Agreement.....	155	155	32	123	28	23	24	48	—	—
<i>Government of Quebec</i>										
<i>Ministry of Energy and Natural Resources</i>										
Rehabilitation of the James Bay Road..	108	108	—	108	69	32	7	—	—	—
<i>Ministry of Transport</i>										
Umbrella Agreement for Transport Projects in Quebec	362	362	33	329	150	82	46	35	13	3
<i>Government of Saskatchewan</i>										
National Regional Highway Projects in Saskatchewan Umbrella Agreement	146	146	86	60	25	7	9	19	—	—
<i>Greater Vancouver Sewerage and Drainage District</i>										
Lions Gate Secondary Wastewater Treatment Project.....	212	212	40	172	114	37	—	21	—	—
<i>Island Ferry Services Limited</i>										
Fast Ferry Project in Nanaimo and Vancouver, British Columbia.....	13	13	—	13	13	—	—	—	—	—
<i>Memorial University of Newfoundland</i>										
Core science facility	100	100	63	37	25	10	—	2	—	—
<i>St. Francis Xavier University</i>										
The Xaverian Commons.....	30	30	18	12	4	6	—	2	—	—
<i>The Corporation of Massey Hall and Roy Thomson Hall</i>										
Massey Hall Revitalization Project	30	30	15	15	11	3	—	1	—	—
<i>Town of Canmore</i>										
Cougar Creek Long Term Flood Mitigation	14	14	1	13	6	4	—	3	—	—

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

	Outstanding obligations to be disbursed by March 31									
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2021	2022	2023	2024	2025	2026 and subsequent years
New Building Canada Fund—Provincial- Territorial Infrastructure Component— Small Communities Fund										
Aggregate.....	86	86	72	14	7	4	1	2	—	—
Government of Alberta.....	94	94	60	34	17	10	—	7	—	—
Government of British Columbia	109	109	82	27	15	6	6	—	—	—
Government of Newfoundland and Labrador ..	35	35	24	11	8	—	—	3	—	—
Government of the Northwest Territories	186	186	73	113	46	27	20	20	—	—
Government of Nova Scotia	43	43	23	20	6	2	2	10	—	—
Government of Nunavut	226	226	40	186	37	54	50	45	—	—
Government of Ontario	244	244	120	124	24	39	28	33	—	—
Government of Prince Edward Island.....	28	28	3	25	3	2	—	20	—	—
Government of Quebec	177	177	33	144	47	31	27	39	—	—
Government of Saskatchewan	44	44	23	21	13	2	—	6	—	—
Government of Yukon.....	257	257	92	165	41	41	41	42	—	—
P3 Canada Fund										
Capital Regional District										
Biosolids Waste Energy Centre	41	41	—	41	41	—	—	—	—	—
City of Edmonton										
Edmonton Light Rail Transit System.....	239	239	—	239	239	—	—	—	—	—
City of Hamilton										
Hamilton Biosolids Facility	23	23	—	23	23	—	—	—	—	—
Government of the Northwest Territories										
Tlicho All Season Road Project	53	53	—	53	—	—	53	—	—	—
Metropolitan Transportation Agency										
Pointe-Saint-Charles Maintenance Facility in Montréal	44	44	—	44	44	—	—	—	—	—
Provincial-Territorial Infrastructure Base Funding Program										
Government of Alberta.....	175	175	162	13	13	—	—	—	—	—
Public Transit Infrastructure Fund										
Government of Alberta.....	347	347	283	64	44	—	20	—	—	—
Government of British Columbia	460	460	356	104	53	51	—	—	—	—
Government of Manitoba	83	83	61	22	7	15	—	—	—	—
Government of Ontario	1,487	1,487	976	511	252	109	150	—	—	—
Government of Quebec	924	924	388	536	347	2	—	187	—	—
Smart Cities Challenge										
Aggregate.....	15	15	3	12	3	3	2	2	2	—
Toronto Waterfront Revitalization Corporation										
Port Lands Flood Protection and Enabling Infrastructure Project	384	384	103	281	94	51	81	55	—	—
	52,742	52,742	9,598	43,144	6,526	6,504	6,676	5,991	4,460	12,987
Innovation, Science and Economic Development										
Department of Industry										
Automotive Innovation Fund										
Ford Motor Company of Canada Limited.....	102	102	66	36	36	—	—	—	—	—
Business/Higher Education Round Table										
Support Canada's business and post-secondary education sectors	16	16	1	15	10	5	—	—	—	—
Canadian Institute for Advanced Research										
Support core activities	35	35	22	13	7	6	—	—	—	—
CANARIE Inc										
Operation of ultra-high speed research and education network	137	137	—	137	38	38	31	30	—	—
CanCode										
Aggregate.....	57	57	28	29	29	—	—	—	—	—

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued**

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31						
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2021	2022	2023	2024	2025	2026 and subsequent years	
Centre for Drug Research and Development											
Support research and development in drug technology	48	48	16	32	16	16	—	—	—	—	
Community Futures Program											
Aggregate	39	39	16	23	7	6	5	4	1	—	
Computer for Schools Program											
Aggregate	28	28	9	19	4	5	5	5	—	—	
Connect to Innovate Program											
Aggregate	195	195	95	100	93	6	1	—	—	—	
Bell Canada	42	42	28	14	14	—	—	—	—	—	
Government of Yukon	30	30	1	29	15	14	—	—	—	—	
Kativik Regional Government	63	63	7	56	56	—	—	—	—	—	
Matawa First Nations Management	37	37	7	30	30	—	—	—	—	—	
Shaw Cablesystems GP	11	11	1	10	10	—	—	—	—	—	
Strathcona Regional District	15	15	—	15	15	—	—	—	—	—	
Digital Literacy Exchange Program											
Aggregate	24	24	9	15	7	8	—	—	—	—	
Digital Research Infrastructure Strategy											
Royal Institution for the Advancement of Learning	16	16	—	16	16	—	—	—	—	—	
Futurpreneur Canada											
Support to provide loans, mentoring and support to young entrepreneurs	38	38	7	31	8	8	8	7	—	—	
Genome Canada											
Support research for genomic science and technology	338	338	144	194	70	48	43	24	9	—	
Innovation Superclusters Initiative											
10793574 Canada Association	153	153	37	116	60	31	25	—	—	—	
Canada's Ocean Supercluster	153	153	6	147	40	73	34	—	—	—	
Next Generation Manufacturing Canada	230	230	37	193	53	87	53	—	—	—	
Protein Industries Canada Inc	153	153	13	140	47	66	27	—	—	—	
Scale AI	230	230	11	219	60	96	63	—	—	—	
Mitacs Inc											
Delivery of industrial research and development internships	356	356	198	158	78	80	—	—	—	—	
Northern Ontario Development Program											
Aggregate	103	103	50	53	31	12	9	1	—	—	
Perimeter Institute for Theoretical Physics											
Research, training and education in theoretical physics	50	50	30	20	10	10	—	—	—	—	
Post-Secondary Institutions Strategic Investment Fund											
Government of Manitoba	79	79	52	27	27	—	—	—	—	—	
Government of Quebec	390	390	378	12	12	—	—	—	—	—	
Regional Economic Growth through Innovation											
Aggregate	38	38	10	28	12	10	6	—	—	—	
Stem Cell Network											
Support research, training and outreach activities in the the area of stem cell research	18	18	6	12	6	6	—	—	—	—	
Strategic Aerospace and Defence Initiative											
Aggregate	77	77	57	20	12	7	1	—	—	—	
Héroux-Devtek Inc	49	49	37	12	4	4	4	—	—	—	
Wescam Inc	75	75	55	20	19	1	—	—	—	—	

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31						
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2021	2022	2023	2024	2025	2026 and subsequent years	
Strategic Innovation Fund											
Aggregate.....	272	272	190	82	51	26	4	1	—	—	
Algoma Steel Inc.....	16	16	5	11	11	—	—	—	—	—	
ArcelorMittal Canada Inc.....	12	12	—	12	6	6	—	—	—	—	
BioVectra Inc.....	38	38	10	28	17	11	—	—	—	—	
CAE Inc.....	150	150	83	67	40	23	4	—	—	—	
Canada Kuwait Petrochemical Corporation.....	49	49	5	44	25	15	4	—	—	—	
Carbon Engineering Ltd.....	25	25	5	20	11	7	2	—	—	—	
CBN Nano Technologies Inc.....	40	40	6	34	9	13	12	—	—	—	
Domtar Inc.....	29	29	5	24	9	12	3	—	—	—	
Elysis Limited Partnership.....	60	60	31	29	29	—	—	—	—	—	
General Fusion Inc.....	49	49	3	46	15	17	14	—	—	—	
Gerdau Ameristeel Corporation.....	20	20	7	13	13	—	—	—	—	—	
Heico Canada Holding Company.....	18	18	—	18	18	—	—	—	—	—	
Innovation ENCQOR.....	67	67	23	44	22	22	—	—	—	—	
Inter Pipeline Ltd.....	49	49	24	25	20	5	—	—	—	—	
LNG Canada Development Inc.....	220	220	75	145	94	14	37	—	—	—	
Maple Leaf Foods Inc.....	20	20	2	18	8	7	3	—	—	—	
Mastercard Technologies Canada ULC.....	49	49	5	44	7	9	12	13	3	—	
MindBridge Analytics Inc.....	15	15	1	14	2	2	2	2	3	3	
Nokia.....	40	40	7	33	8	9	9	7	—	—	
North Inc.....	24	24	9	15	15	—	—	—	—	—	
Nova Tube Inc.....	14	14	4	10	10	—	—	—	—	—	
Origin Materials Canada Holding Ltd.....	23	23	7	16	5	11	—	—	—	—	
QNX Software Systems Limited.....	40	40	15	25	6	7	12	—	—	—	
Ranovus Inc.....	20	20	10	10	10	—	—	—	—	—	
Siemens Canada Limited.....	36	36	4	32	20	9	3	—	—	—	
Stelco Inc.....	50	50	12	38	38	—	—	—	—	—	
STEMCELL Technologies Canada Inc.....	23	23	13	10	7	3	—	—	—	—	
TEKNA Plasma Systems Inc.....	20	20	5	15	4	5	6	—	—	—	
Telesat Canada.....	85	85	6	79	29	34	16	—	—	—	
The Governing Council of the University of Toronto.....	25	25	4	21	5	6	10	—	—	—	
Woodbridge Foam Corporation.....	20	20	2	18	6	3	2	3	4	—	
Technology Demonstration Program											
Bell Helicopter Textron Canada Ltd.....	50	50	23	27	11	10	6	—	—	—	
Bombardier Inc.....	54	54	42	12	12	—	—	—	—	—	
University Of Waterloo											
Institute for Quantum Computing.....	15	15	5	10	5	5	—	—	—	—	
Youth Employment Strategy, Computers for Schools Program											
Aggregate.....	23	23	7	16	3	5	4	4	—	—	
Canada Foundation for Innovation											
Grants.....	8,301	8,019	7,323	696	251	160	132	63	90	—	
Economic Development Agency of Canada for the Regions of Quebec											
Community Futures Program											
Capital Réseau des SADC (Sociétés d'aide au développement des collectivités) and CAE (Centres d'aide aux entreprises).....	90	90	4	86	75	4	4	3	—	—	
57 Community Futures Development Corporations (CFDCs) and 10 Community Business Development Corporations (CBDs).....	148	148	30	118	30	29	30	29	—	—	
Economic Development of Quebec Program											
Montréal International.....	68	68	27	41	5	6	6	4	4	16	
Small and medium-sized enterprises (SME), SME groups and associations and non-profit organizations.....	117	117	43	74	45	22	5	2	—	—	
Société du Parc Jean-Drapeau.....	96	96	27	69	6	6	7	7	7	36	

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31						
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2021	2022	2023	2024	2025	2026 and subsequent years	
Regional Economic Growth through Innovation											
National Optics Institute.....	50	50	40	10	10	—	—	—	—	—	
Small and medium-sized enterprises (SME), SME groups and associations and non-profit organizations.....	300	300	147	153	100	34	15	4	—	—	
Federal Economic Development Agency for Southern Ontario											
Economic Growth through Innovation Program											
Aggregate.....	309	309	102	207	88	67	39	13	—	—	
Communtech Corporation	18	18	4	14	4	4	3	3	—	—	
Invest Ottawa (2013)	17	17	2	15	4	4	4	3	—	—	
MaRS Discovery District	18	18	3	15	4	4	4	3	—	—	
Ministry of Natural Resources and Forestry, Ontario.....	15	15	—	15	—	—	15	—	—	—	
Quantum Valley Ideas Laboratories	20	20	4	16	4	6	6	—	—	—	
The Niagara College of Applied Arts and Technology	14	14	2	12	2	3	3	4	—	—	
Southern Ontario Prosperity Initiatives											
Aggregate.....	115	115	64	51	38	10	3	—	—	—	
Algoma Steel Inc.....	60	60	49	11	11	—	—	—	—	—	
Bioindustrial Innovation Center	15	15	—	15	4	4	4	3	—	—	
National Research Council of Canada											
Canadian International Innovation Program											
Aggregate.....	19	19	—	19	18	1	—	—	—	—	
Collaborative Science, Technology and Innovation Program											
Aggregate.....	13	13	—	13	9	3	1	—	—	—	
Industrial Research Assistance Program											
Aggregate.....	180	180	—	180	147	31	2	—	—	—	
Triumph											
Joint venture by a consortium of universities to manage the TRIUMF Facility in British Columbia.....	300	300	271	29	29	—	—	—	—	—	
Natural Sciences and Engineering Research Council											
Funding Natural Sciences and Engineering Research and Training											
Aggregate.....	4,313	4,313	1,647	2,666	940	747	503	299	148	29	
Canada First Research Excellence Fund											
Dalhousie University	75	75	39	36	12	11	13	—	—	—	
École Polytechnique de Montréal	23	23	12	11	3	4	4	—	—	—	
Laurentian University	49	49	26	23	8	7	8	—	—	—	
Queen's University.....	64	64	34	30	10	9	11	—	—	—	
Université de Montréal	56	56	29	27	9	8	10	—	—	—	
Université de Sherbrooke.....	34	34	22	12	6	6	—	—	—	—	
Université Laval	59	59	36	23	11	12	—	—	—	—	
University of Alberta	71	71	36	35	11	11	13	—	—	—	
University of British Columbia.....	66	66	40	26	13	13	—	—	—	—	
University of Calgary	56	56	28	28	9	9	10	—	—	—	
University of Guelph	61	61	30	31	10	10	11	—	—	—	
University of Saskatchewan.....	76	76	46	30	11	12	7	—	—	—	
University of Waterloo	76	76	40	36	12	11	13	—	—	—	
York University	22	22	12	10	3	3	4	—	—	—	

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2026 and subsequent years
					2021	2022	2023	2024	2025	
Social Sciences and Humanities Research Council										
<i>Funding Social Sciences and Humanities Research and Training—Canada First Research Excellence Fund</i>										
Aggregate	1,564	1,564	649	915	352	264	163	75	39	22
University of Saskatchewan	23	23	12	11	4	3	4			
Western Economic Diversification										
<i>Community Futures Program</i>										
Aggregate	26	26	—	26	26	—	—	—	—	—
<i>Growth through Regional Innovation Program</i>										
Aggregate	143	143	—	143	72	58	11	2	—	—
<i>Western Diversification Program</i>										
Aggregate	76	76	—	76	52	22	2	—	—	—
Arctic Gateway Group Limited Partnership.....	39	39	5	34	4	4	4	5	17	—
District of Kitimat	55	55	2	53	26	27	—	—	—	—
Praxis Spinal Cord Institute	18	18	7	11	6	5	—	—	—	—
University of Saskatchewan	12	12	—	12	6	6	—	—	—	—
	22,525	22,243	12,983	9,260	4,053	2,599	1,554	623	325	106
Justice										
Department of Justice										
<i>Access to Justice in Both Official Languages Support Fund</i>										
Aggregate	23	23	9	14	7	4	3	—	—	—
<i>Access to Justice Services to the Territories</i>										
Aggregate	22	22	7	15	8	7	—	—	—	—
<i>Canadian Family Justice Fund</i>										
Aggregate	47	47	16	31	16	15	—	—	—	—
<i>Indigenous Courtwork Program</i>										
Aggregate	29	29	8	21	7	7	7	—	—	—
<i>Indigenous Justice Program Fund</i>										
Aggregate	32	32	13	19	12	7	—	—	—	—
<i>Intensive Rehabilitation Custody and Supervision Program</i>										
Aggregate	55	55	22	33	11	11	11	—	—	—
<i>Justice Partnership and Innovation Program</i>										
Aggregate	33	33	9	24	9	7	4	4	—	—
<i>Official languages requirements under the Contraventions Act</i>										
Aggregate	24	24	5	19	6	7	6	—	—	—
<i>Operation of Criminal Legal Aid</i>										
Aggregate	29	29	9	20	10	10	—	—	—	—
Government of Alberta	45	45	14	31	15	16	—	—	—	—
Government of British Columbia	53	53	17	36	18	18	—	—	—	—
Government of Manitoba	22	22	7	15	8	7	—	—	—	—
Government of Ontario	153	153	49	104	52	52	—	—	—	—
Government of Quebec	81	81	26	55	28	27	—	—	—	—
Government of Saskatchewan	20	20	6	14	7	7	—	—	—	—
<i>Victims Fund</i>										
Aggregate	51	51	28	23	16	4	3	—	—	—
<i>Youth Justice Services Funding Program</i>										
Aggregate	25	25	6	19	6	6	7	—	—	—
Government of Alberta	54	54	13	41	14	13	14	—	—	—
Government of British Columbia	71	71	18	53	18	18	17	—	—	—

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31									
					Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2021	2022	2023	2024	2025	2026 and subsequent years
Government of Manitoba					20	20	5	15	5	5	5	—	—	—
Government of New Brunswick					15	15	3	12	4	4	4	—	—	—
Government of Newfoundland and Labrador ..					16	16	4	12	4	4	4	—	—	—
Government of Nova Scotia					20	20	5	15	5	5	5	—	—	—
Government of Ontario					204	204	51	153	51	51	51	—	—	—
Government of Quebec					117	117	29	88	29	29	30	—	—	—
Government of Saskatchewan					24	24	6	18	6	6	6	—	—	—
					1,285	1,285	385	900	372	347	177	4	—	—
Natural Resources														
Department of Natural Resources														
Clean Energy for Rural and Remote Communities														
Aggregate					79	79	33	46	27	14	5	—	—	—
Clean Growth in Natural Resource Sectors														
Innovation Program														
Aggregate					82	82	42	40	40	—	—	—	—	—
Clean Technology Challenges														
Aggregate					35	35	15	20	20	—	—	—	—	—
EcoENERGY for Renewable Power Program—Increase renewable power														
Aggregate					555	555	479	76	76	—	—	—	—	—
Electric Vehicle and Alternative Fuel Infrastructure														
Aggregate					36	36	17	19	16	3	—	—	—	—
Emerging Renewable Power Program														
Aggregate					33	33	18	15	14	1	—	—	—	—
Halagonia Tidal Energy Ltd					30	30	12	18	10	6	2	—	—	—
No. 1 Geothermal Limited Partnership					25	25	2	23	8	13	2	—	—	—
Spicer Marine Energy Inc.....					29	29	11	18	10	8	—	—	—	—
Energy Efficiency														
Aggregate					29	29	11	18	12	5	1	—	—	—
Energy Innovation Program														
Aggregate					68	68	42	26	21	4	1	—	—	—
Expanding Market Opportunities Program														
Aggregate					12	12	—	12	12	—	—	—	—	—
Forest Innovation Program														
FPIinnovations					19	19	—	19	19	—	—	—	—	—
Government of Saskatchewan														
Clean-up of the Gunnar uranium mining facilities					12	12	1	11	10	—	1	—	—	—
Green Construction through Wood Program														
Aggregate					28	28	6	22	9	11	2	—	—	—
Smart Grids Programs														
Aggregate					89	89	43	46	21	25	—	—	—	—
					1,161	1,161	732	429	325	90	14	—	—	—
Public Safety and Emergency Preparedness														
Department of Public Safety and Emergency Preparedness														
Contribution Program to Combat Child Sexual Exploitation and Human Trafficking														
Canadian Centre for Child Protection.....					14	14	3	11	3	3	3	2	—	—
Contribution Program to Combat Serious and Organized Crime														
Aggregate					96	96	37	59	24	20	15	—	—	—
First Nations Policing Program														
Aggregate					233	233	108	125	38	25	24	8	8	22
Anishinabek Police Governing Authority					34	34	8	26	8	9	9	—	—	—
Conseil des Atikamekw d'Opitciwan					17	17	3	14	2	1	2	2	2	5

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31						2026 and subsequent years
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2021	2022	2023	2024	2025		
Cree Nation Government.....	118	118	21	97	11	11	12	12	12	39	
File Hills Board of Police	12	12	2	10	1	1	1	1	1	5	
Kativik Regional Government	60	60	25	35	11	12	12	—	—	—	
Ministry of Government and Consumer Services, Ontario	29	29	7	22	7	7	8	—	—	—	
Mohawk Council of Kahnawake	30	30	2	28	3	3	3	3	3	13	
Nishnawbe-Aski Police Service Board	48	48	30	18	18	—	—	—	—	—	
Stlatimx Tribal Police Board.....	16	16	—	16	1	2	1	2	2	8	
Treaty Three Police Service Board.....	43	43	16	27	9	9	9	—	—	—	
Gun and Gang Violence Action Fund											
Aggregate.....	28	28	5	23	6	8	9	—	—	—	
Government of Alberta.....	30	30	5	25	6	8	11	—	—	—	
Government of British Columbia	30	30	5	25	6	8	11	—	—	—	
Government of Manitoba	13	13	2	11	3	4	4	—	—	—	
Government of Ontario	65	65	11	54	14	18	22	—	—	—	
Government of Québec	47	47	8	39	10	13	16	—	—	—	
National Crime Prevention Strategy											
Aggregate.....	193	193	84	109	40	30	19	14	6	—	
Royal Canadian Mounted Police Canadian Firearms Program											
Aggregate.....	100	100	86	14	14	—	—	—	—	—	
	1,256	1,256	468	788	235	192	191	44	34	92	
Transport											
Department of Transport											
Airport Capital Assistance Program											
Aggregate.....	19	19	1	18	8	7	3	—	—	—	
Ministry of Highways and Infrastructure, Saskatchewan	12	12	—	12	2	10	—	—	—	—	
City of Rouyn-Noranda	11	11	—	11	11	—	—	—	—	—	
Asia-Pacific Gateway Corridor Transportation and Infrastructure Fund											
Prince Rupert Port Authority	15	15	2	13	11	2	—	—	—	—	
Ferry and Coastal Passenger and Freight Services											
Bay Ferries Limited.....	28	28	—	28	16	12	—	—	—	—	
C.T.M.A. Traversier Ltée	50	50	—	50	25	25	—	—	—	—	
Northumberland Ferries Limited	25	25	—	25	13	12	—	—	—	—	
Gateways and Border Crossings Fund											
Government of Ontario	764	764	752	12	—	12	—	—	—	—	
National Trade Corridors Fund											
Belledune Port Authority.....	17	17	—	17	8	6	3	—	—	—	
City of Calgary.....	50	50	10	40	22	16	2	—	—	—	
CN Railway.....	23	23	1	22	3	15	4	—	—	—	
First Air Operations.....	13	13	—	13	—	13	—	—	—	—	
Government of New Brunswick	22	22	2	20	2	3	4	4	7	—	
Government of the Northwest Territories	133	133	2	131	25	58	34	14	—	—	
Government of Nova Scotia	90	90	—	90	—	—	90	—	—	—	
Government of Nunavut	22	22	—	22	2	14	6	—	—	—	
Government of Saskatchewan	53	53	2	51	25	9	8	9	—	—	
Government of Yukon.....	118	118	—	118	9	13	33	29	34	—	
Halifax Regional Municipality	23	23	—	23	1	1	2	11	8	—	
Halifax Stanfield International Airport	18	18	5	13	11	2	—	—	—	—	
Hamilton Port Authority.....	18	18	7	11	11	—	—	—	—	—	
Kitikmeot Inuit Association.....	22	22	—	22	6	9	7	—	—	—	
Metlakatla Development Corporation.....	43	43	1	42	19	12	11	—	—	—	
Montréal Port Authority	37	37	2	35	3	21	6	5	—	—	
Société ferroviaire et portuaire de Pointe-Noire S.E.C	50	50	—	50	22	22	6	—	—	—	

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

	Outstanding obligations to be disbursed by March 31									
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2021	2022	2023	2024	2025	2026 and subsequent years
TradePort International Corporation.....	19	19	3	16	9	—	1	6	—	—
Vancouver Fraser Port Authority.....	288	288	15	273	65	35	58	74	31	10
Winnipeg Airports Authority.....	30	30	—	30	1	8	11	6	3	1
Outaouais Roads										
Agreement										
Ministère des Transports, de la Mobilité durable et de l'Électrification des transports, Quebec	167	167	144	23	5	2	5	2	2	7
Provision of Ferry, Coastal Freight and Passenger Services in British Columbia										
British Columbia Ministry of Transportation and Infrastructure	771	771	579	192	32	32	32	32	32	32
Safety Equipment and Basic Marine Infrastructure for Northern Communities Initiative										
Government of the Northwest Territories	19	19	5	14	8	5	1	—	—	—
	2,970	2,970	1,533	1,437	375	376	327	192	117	50
Women and Gender Equality										
Department for Women and Gender Equality										
Gender-based Violence Funding Program										
Aggregate.....	49	49	14	35	10	10	9	5	1	—
Women's Program										
Aggregate.....	170	170	62	108	45	31	23	6	3	—
	219	219	76	143	55	41	32	11	4	—
Total—Transfer payment agreements.....	184,590	184,308	66,413	117,895	34,270	23,691	18,470	12,662	9,428	19,374

Capital assets and purchases

Capital assets

Digital Government

Shared Services Canada

IBM Canada Ltd

Supercomputer renewal,

Dorval, Quebec.....

Environment and Climate Change

Department of the Environment

Leonardo GmbH

Replacement of radars at multiple

Canadian sites.....

Parks Canada Agency

Trail Construction project, Pacific Rim

National Park Reserve,

British Columbia

Aggregate

Campgroup reconstruction,

Jasper National Park, Alberta

Aggregate

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31						
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2021	2022	2023	2024	2025	2026 and subsequent years	
Fisheries, Oceans and the Canadian Coast Guard											
Department of Fisheries and Oceans											
CAE Inc											
Full flight simulator.....	23	23	11	12	5	7	—	—	—	—	
Chantier Davie Canada Inc											
Acquisition and conversion of three medium icebreakers	784	784	708	76	76	—	—	—	—	—	
Procurement of five Canadian Coast Guard Search and Rescue Lifeboats											
Chantier Naval Forillon Inc	74	74	41	33	10	16	7	—	—	—	
Hike Metal Products Ltd	70	70	39	31	12	11	7	1	—	—	
Irving Shipbuilding Inc											
Engineering design review	50	50	7	43	25	18	—	—	—	—	
Vancouver Shipyards Co. Ltd											
Offshore Fisheries Science Vessels shipbuilding	581	581	562	19	7	12	—	—	—	—	
Offshore Oceanographic Science Vessel construction engineering	202	193	126	67	65	2	—	—	—	—	
Offshore Oceanographic Science Vessel long lead items.....	131	79	9	70	23	47	—	—	—	—	
	1,915	1,854	1,503	351	223	113	14	1	—	—	
Infrastructure and Communities											
Windsor-Detroit Bridge Authority											
Gordie Howe International Bridge project											
Bridging North America.....	2,230	2,230	—	2,230	450	658	607	246	269	—	
Michigan Department of Transportation.....	340	340	—	340	96	43	42	40	40	79	
Other contracts to support bridge construction	63	63	—	63	31	13	12	6	1	—	
	2,633	2,633	—	2,633	577	714	661	292	310	79	
Innovation, Science and Economic Development											
Canadian Space Agency											
COM DEV Ltd											
Quantum Encryption and Science Satellite Demonstration Mission.....	30	30	7	23	14	8	1	—	—	—	
RADARSAT Constellation Mission											
Aggregate.....	11	11	6	5	5	—	—	—	—	—	
MacDonald, Dettwiler and Associates Ltd	985	985	978	7	7	—	—	—	—	—	
	1,026	1,026	991	35	26	8	1	—	—	—	
National Defence											
Department of National Defence											
Airbus Defence and Space SA, Madrid, Spain											
Purchase of 16 Fixed Wing Search and Rescue Aircraft	2,391	2,391	768	1,623	572	330	295	35	85	306	
General Dynamics Canada Ltd											
CP-140 Aurora Aircraft Data Management System Project.....	767	766	710	56	47	8	1	—	—	—	
Light Armoured Vehicles III Upgrade Implementation Contract	1,719	1,638	1,490	148	5	143	—	—	—	—	
Light Armoured Vehicle: Reconnaissance Surveillance Suite	327	327	68	259	120	139	—	—	—	—	
General Dynamics Land Systems - Canada											
Armoured combat support vehicle.....	1,775	1,775	29	1,746	151	333	389	481	392	—	
General Dynamics Mission Systems Canada Ltd											
Acquisition of 67 Strategic Deployable Terminals and in-service support	31	31	9	22	10	3	9	—	—	—	
Government of Australia											
Acquisition of F/A-18 Fighter Aircraft, spares and equipment.....	99	99	5	94	35	30	29	—	—	—	

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2026 and subsequent years
					2021	2022	2023	2024	2025		
Groupe Geyser Inc											
Construct gym, Laval, Quebec	29	29	16	13	11	1	1	–	–	–	
Irving Shipbuilding Inc											
Arctic Offshore Patrol Ship Build											
Contract	2,894	2,894	2,044	850	348	291	171	40	–	–	
Canadian Surface Combatant Definition											
Contract	506	506	220	286	275	11	–	–	–	–	
Knappett Industries (2006) Ltd											
Construction works, Nanaimo, British Columbia	50	41	7	34	14	18	2	–	–	–	
L3Harris Technologies Inc, New York											
Acquisition of PRC-163 hand held radios	16	16	–	16	16	–	–	–	–	–	
Mack Defense LLC, Pennsylvania											
Standard Military Pattern Vehicle	734	734	701	33	33	–	–	–	–	–	
MDA Systems Limited											
Delivery of components of the Radar Satellite											
Constellation Mission Capability	70	62	27	35	21	12	2	–	–	–	
PCL Constructors Canada Inc											
Construction works, Ottawa, Ontario	317	292	174	118	89	24	4	1	–	–	
Construction works, Dartmouth, Nova Scotia	87	73	7	66	20	32	14	–	–	–	
Pomerleau Inc											
Construction works, Ottawa, Ontario	40	38	20	18	18	–	–	–	–	–	
Construction works, Surrey, British Columbia	257	238	25	213	71	75	64	3	–	–	
Rheinmetall Canada											
Satellite Communications on the											
Move	45	45	14	31	31	–	–	–	–	–	
Saab Microwave Canada Ltd											
SG180 Antenna replacement	98	36	11	25	6	6	6	7	–	–	
Sikorsky International Operations Inc											
Stratford, Connecticut											
Acquisition of 28 maritime helicopters	1,936	1,706	1,440	266	155	111	–	–	–	–	
Stantec Consulting Ltd											
Construction works, Vancouver, British Columbia	32	32	21	11	3	2	3	2	1	–	
United States Department of the Army											
Acquisition of simple key loaders and cryptographic fill cables	15	15	1	14	13	1	–	–	–	–	
United States Department of the Navy											
Acquisition of Naval Aircrew Common Ejection Seats, modification kits	13	13	–	13	4	4	5	–	–	–	
Acquisition of VINSON/Advanced Narrowband Digital Voice Terminal Cryptographic Modernization Devices	21	21	6	15	12	1	2	–	–	–	
Combined Interrogator Transponder Equipment	37	37	2	35	3	14	13	5	–	–	
Multifunctional Information Distribution System equipment	52	52	1	51	14	21	7	4	5	–	
Naval Program support	14	14	–	14	2	4	5	3	–	–	
Protected Military Satellite Communications	109	109	80	29	1	3	4	4	4	13	
Van Horne Construction Limited											
Construction works, Vaughan, Ontario	11	10	–	10	8	2	–	–	–	–	
Vancouver Shipyards Co. Ltd											
Joint support ship, design production and engineering contract	349	349	288	61	56	5	–	–	–	–	
Joint support ship, early block construction contract	139	139	102	37	37	–	–	–	–	–	
Joint support ship, long lead items	632	632	278	354	201	59	38	31	5	20	
	15,612	15,160	8,564	6,596	2,402	1,683	1,064	616	492	339	

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2026 and subsequent years
					2021	2022	2023	2024	2025		
Public Safety and Emergency Preparedness											
Canada Border Services Agency											
<i>CBSA Assessment and Revenue Management project (CARM)</i>											
Aggregate.....	64	64	—	64	37	27	—	—	—	—	
Royal Canadian Mounted Police											
<i>EllisDon Corporation</i>											
Construction of a new detachment, Fort St James, British Columbia	12	12	—	12	3	9	—	—	—	—	
Construction of new detachments, various locations	13	13	—	13	5	7	1	—	—	—	
<i>Hipperson Construction</i>											
Construction of a new detachment and housing, Pelican Narrows, Saskatchewan	13	13	2	11	5	6	—	—	—	—	
<i>PCL Construction Management Inc</i>											
Construction of integrated training centre at Depot, Regina, Saskatchewan	30	30	5	25	4	21	—	—	—	—	
<i>RCMP Fleet Vehicles</i>											
Aggregate.....	99	99	83	16	16	—	—	—	—	—	
	231	231	90	141	70	70	1	—	—	—	
Public Services and Procurement											
Department of Public Works and Government Services											
<i>Center Block Program, Ottawa, Ontario</i>											
Aggregate.....	193	193	155	38	38	—	—	—	—	—	
PCL Constructors Canada Inc, EllisDon Corporation, in joint venture	381	381	108	273	143	130	—	—	—	—	
WSP Canada Inc	187	187	128	59	59	—	—	—	—	—	
<i>East Block Program, Ottawa, Ontario</i>											
Aggregate.....	28	28	2	26	20	6	—	—	—	—	
Pomerleau Inc	53	53	34	19	19	—	—	—	—	—	
<i>Federal Buildings Initiative, Energy efficiency improvements in existing buildings</i>											
Aggregate.....	66	66	5	61	61	—	—	—	—	—	
<i>Federal Science and Technology Infrastructure Initiative, Laboratories Canada</i>											
Aggregate.....	3	3	1	2	1	1	—	—	—	—	
Pomerleau Inc	26	26	—	26	3	11	10	2	—	—	
<i>IBM Canada Ltd</i>											
Design, building, implementation and support of the Government of Canada Pay System	194	187	161	26	26	—	—	—	—	—	
<i>Innovate Energy (paid through ESAP Project Co Limited Partnership)</i>											
Energy Services Modernization.....	1,064	1,064	—	1,064	10	10	243	240	2	559	
<i>PCL Constructors Eastern Inc</i>											
Envelope rehabilitation at Les Terrasses de la Chaudière Complex	189	189	1	188	1	107	42	38	—	—	
<i>West Memorial Building Rehabilitation Project</i>											
Aggregate.....	26	26	17	9	2	3	2	2	—	—	
EllisDon Corporation	211	211	17	194	44	67	63	20	—	—	
	2,621	2,614	629	1,985	427	335	360	302	2	559	

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

	Outstanding obligations to be disbursed by March 31									
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2021	2022	2023	2024	2025	2026 and subsequent years
Transport										
Department of Transport										
PMG Technologies Inc										
Management of capital acquisitions required for the operation of the Motor Vehicle Test Centre	90	80	57	23	9	6	8	—	—	—
Canadian Air Transport Security Authority										
Vancouver International Airport Authority	120	120	104	16	2	14	—	—	—	—
VIA Rail Canada Inc.										
CAD Railways										
Modernization HEP I	52	52	15	37	30	7	—	—	—	—
Bombardier										
Modernization HEP III	50	50	12	38	5	13	18	2	—	—
Rail GD										
Modernization HEP I	17	17	7	10	8	2	—	—	—	—
Siemens										
Fleet renewal	989	989	185	804	142	179	249	234	—	—
	1,318	1,308	380	928	196	221	275	236	—	—
Total—Capital assets	25,641	25,079	12,301	12,778	3,997	3,164	2,389	1,447	804	977
Purchases										
Canadian Heritage										
Canada Council for the Arts										
Committed capital for investments	25	25	14	11	6	5	—	—	—	—
Canadian Broadcasting Corporation										
Programming rights										
CARAS	15	15	4	11	4	3	4	—	—	—
ITV Global Entertainment	33	33	20	13	10	3	—	—	—	—
International Olympic Committee (2022-24)	84	84	—	84	29	24	12	16	3	—
Allied Properties Data Centre Limited Partnership	25	25	—	25	1	1	2	2	3	16
Brookfield Global Integrated Solutions (BGIS)	85	85	—	85	11	11	10	11	10	32
Media Buy	35	35	4	31	5	5	5	5	5	6
Operative	16	16	4	12	4	4	4	—	—	—
Rogers Communications Partnership	35	35	10	25	7	7	6	5	—	—
SAP Canada Inc.	14	14	2	12	1	1	1	1	1	7
Workday	14	14	—	14	2	2	3	2	2	3
National Arts Centre Corporation										
Artistic performances and building maintenance	19	19	—	19	9	8	1	1	—	—
National Capital Commission										
Services récréatifs Demsis Inc										
Management and maintenance of land	20	20	—	20	4	4	4	4	4	—
	420	420	58	362	93	78	52	47	28	64
Digital Government										
Shared Services Canada										
Bell Canada										
Cisco products	15	15	—	15	15	—	—	—	—	—
Data centre co-location services	71	71	30	41	8	8	8	4	4	9
Government cabling services	149	149	134	15	15	—	—	—	—	—
Government of Canada Network wide area network international services, stream 3	117	117	17	100	28	18	18	18	18	—
Local access service	674	674	445	229	229	—	—	—	—	—
Bell Mobility										
Government cellular services	322	322	105	217	56	59	61	41	—	—

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2026 and subsequent years
					2021	2022	2023	2024	2025		
BMC Software Canada Inc											
License and maintenance fees for operating system and utility software	15	15	5	10	5	5	—	—	—	—	
Defence Construction Canada											
Public private partnership, Enterprise Data Centre Borden	83	83	8	75	3	4	3	4	3	58	
IBM Canada Ltd											
Data centre co-location services	44	44	12	32	6	5	5	5	4	7	
Hosted contact centre services	66	66	9	57	10	10	10	10	10	7	
IBM mainframe	324	324	220	104	69	35	—	—	—	—	
Supercomputer renewal, Dorval, Quebec	106	106	36	70	20	20	13	10	7	—	
Inmarsat Solutions Canada Inc											
Inmarsat satellite services	115	115	90	25	25	—	—	—	—	—	
Microsoft Canada Inc.											
Microsoft Enterprise agreement	1,315	1,315	127	1,188	118	214	214	214	214	214	
Rogers Communications Canada Inc											
Communications and network services	78	78	67	11	11	—	—	—	—	—	
Toll-free network services	46	46	13	33	5	6	5	6	5	6	
Telesat Canada											
Communications and network services	36	36	1	35	4	3	4	3	4	17	
Telus Communications Company											
GC Net and WCS project migration	349	349	334	15	15	—	—	—	—	—	
Government Enterprise Network Services	164	164	149	15	15	—	—	—	—	—	
Unisoft International											
License and maintenance fees for operating system and utility software	13	13	—	13	2	3	2	3	3	—	
	4,102	4,102	1,802	2,300	659	390	343	318	272	318	
Families, Children and Social Development											
Department of Employment and Social Development											
DH Corporation											
Students loans management services	307	307	34	273	43	44	45	46	47	48	
Quantum Management Services Ltd											
Provide and manage a team of information centre specialists to support the delivery of Government of Canada general enquiry services	112	112	101	11	11	—	—	—	—	—	
	419	419	135	284	54	44	45	46	47	48	
Fisheries, Oceans and the Canadian Coast Guard											
Department of Fisheries and Oceans											
PAL Aerospace Limited											
Air surveillance services	312	312	170	142	29	26	25	26	25	11	
Global Affairs											
Department of Foreign Affairs, Trade and Development											
Export Development Canada											
Purchase and subscription of shares	1,667	1,667	—	1,667	1,667	—	—	—	—	—	
Health											
Public Health Agency of Canada											
Laboratory supplies											
ESBE Scientific Industries Inc	40	40	—	40	40	—	—	—	—	—	
Medical equipment											
Spartan BioScience Inc	75	75	10	65	65	—	—	—	—	—	
Medical supplies											
Campbell Drug Stores Ltd	146	146	73	73	73	—	—	—	—	—	
GE HealthCare Canada	12	12	—	12	12	—	—	—	—	—	
primED Medical Products Inc	42	42	5	37	37	—	—	—	—	—	

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31						
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2021	2022	2023	2024	2025	2026 and subsequent years	
Surgo Surgical Supply.....	19	19	1	18	18	—	—	—	—	—	
Tango Communication Marketing Inc.....	84	84	63	21	21	—	—	—	—	—	
ThornHill Medical.....	103	103	—	103	103	—	—	—	—	—	
Pharmaceutical and other medicinal products											
Seqirus Canada Inc.....	20	20	7	13	6	7	—	—	—	—	
	541	541	159	382	375	7	—	—	—	—	
Immigration, Refugees and Citizenship											
Department of Citizenship and Immigration											
Canadian Bank Note											
Company Ltd											
Purchase of passport materials	752	752	256	496	48	26	22	38	45	317	
VF Worldwide Holdings Ltd											
Global Network of Visa Application Centres including Biometric collection functions.....	25	25	10	15	15	—	—	—	—	—	
	777	777	266	511	63	26	22	38	45	317	
Indigenous Services											
Department of Indigenous Services											
Nursing Services											
Canadian Health Care Agency Inc.....	45	45	20	25	20	5	—	—	—	—	
Venture Health Care Inc.....	43	43	16	27	22	5	—	—	—	—	
	88	88	36	52	42	10	—	—	—	—	
Infrastructure and Communities											
Office of Infrastructure of Canada											
Signature on the St. Lawrence Group											
Professional services for the New Bridge for the St. Lawrence Corridor Project.....	1,422	1,422	25	1,397	14	92	37	38	38	1,178	
The Jacques Cartier and Champlain Bridges Inc.											
Stellaire Construction Inc	30	30	11	19	15	4	—	—	—	—	
Windsor-Detroit Bridge Authority											
Gordie Howe International Bridge project											
Bridging North America.....	1,887	1,887	—	1,887	106	154	142	60	77	1,348	
Other contracts	7	7	—	7	3	1	1	1	1	—	
	3,346	3,346	36	3,310	138	251	180	99	116	2,526	
Innovation, Science and Economic Development											
Department of Industry											
LS Telecom Ltd											
Software maintenance support.....	20	20	9	11	4	4	3	—	—	—	
Canadian Space Agency											
MacDonald, Dettwiler and Associates Ltd											
Logistics and Sustaining Engineering Support for the International Space Station Mobile Servicing System.....	488	488	292	196	42	44	43	40	27	—	
Canadian Tourism Commission											
Cossette Communications Inc.....	52	52	36	16	16	—	—	—	—	—	
Interpublic Group of Companies Canada	188	188	144	44	44	—	—	—	—	—	
National Research Council of Canada											
ATCO Structures & Logistics Ltd											
Building maintenance.....	34	34	13	21	7	7	7	—	—	—	
	782	782	494	288	113	55	53	40	27	—	
National Defence											
Department of National Defence											
10647802 Canada Limited											
Facilities maintenance, Vaughan, Ontario	49	47	7	40	9	10	9	10	2	—	
ADGA Group Consultants Inc											
Land Command Support System Weapon System Management	250	250	209	41	41	—	—	—	—	—	
AirBoss Engineered Products Inc											
Joint chemical, biological, radiological and nuclear general service respirator.....	27	27	16	11	11	—	—	—	—	—	

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2026 and subsequent years
					2021	2022	2023	2024	2025	
Alliant Techsystems Operations LLC, Arizona										
Wheeled Light Armoured Vehicles 25mm Cannon repair and overhaul	40	31	12	19	4	4	4	4	3	—
Allied Wings Limited Partnership										
Primary rotary wing and multi-engine pilot training, Portage la Prairie, Manitoba	1,828	1,755	1,100	655	85	84	87	88	89	222
Ameresco Canada Inc										
Energy performance contract.....	21	21	7	14	1	—	13	—	—	—
ATCO Group										
Facilities maintenance, Calgary, Alberta	78	75	25	50	—	16	33	1	—	—
Babcock Canada Inc										
HMCS Cornerbrook extended docking work period	610	561	494	67	67	—	—	—	—	—
Victoria Class in-service support contract.....	1,520	1,238	1,045	193	119	74	—	—	—	—
Bell Helicopter Textron Canada Limited										
Optimized Weapon System Support, CH-146 Griffon	969	969	739	230	115	115	—	—	—	—
Black & McDonald Limited										
Facilities maintenance, Ottawa, Ontario	57	36	23	13	13	—	—	—	—	—
BMT Canada Ltd										
Engineering, logistics and management support services	270	68	7	61	15	15	15	16	—	—
Boeing, Pennsylvania										
In-service support for the CH-147F Chinooks	2,705	2,203	1,922	281	88	91	102	—	—	—
Bronswerk Marine Inc										
Repair and overhaul, components and systems fitted on the Halifax class naval vessels	14	14	—	14	2	2	3	2	2	3
CAE Inc										
Aircrew operational training services in support of the CC-130J Hercules and CH-147F Chinook aircrafts	617	610	391	219	18	14	15	14	15	143
CAE Military Aviation Training Inc										
NATO flying training in Canada, Moose Jaw and Cold Lake	2,583	2,226	1,873	353	125	127	101	—	—	—
Calian Ltd										
Managing and recruiting health care providers.....	486	349	171	178	89	89	—	—	—	—
Canadian Base Operators Meaford										
Base and logistical services, Collingwood, Ontario	200	200	183	17	17	—	—	—	—	—
Cascade Aerospace Inc										
CC-130 Hercules PAV Optimized Weapon System Management.....	921	921	826	95	47	48	—	—	—	—
Chantier Davie Canada Inc										
In-service support for Halifax Class Frigates.....	575	575	4	571	92	106	85	100	52	136
Corporation Fort Saint-Jean										
Support to Royal Military College St-Jean	392	392	243	149	26	27	27	28	29	12
Cubic Defense Applications Incorporated, California										
Weapons effects simulation.....	409	405	383	22	13	9	—	—	—	—
Federal Fleet Services Inc										
Provision of services	540	540	302	238	—	—	107	72	59	—
GDI Services Canada LP										
Facilities maintenance, Etobicoke, Ontario	14	14	3	11	4	4	3	—	—	—
General Dynamics Canada Ltd										
Combat Net Radio Vehicle Interface Unit upgrade.....	169	169	153	16	16	—	—	—	—	—

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2026 and subsequent years
					2021	2022	2023	2024	2025		
Wheeled Light Armoured Vehicles											
Optimized Weapon Systems											
Support, phase 2	1,210	969	913	56	15	15	14	12	—	—	
General Dynamics Land Systems											
Canada Corporation											
Buffalo and Cougar repair and overhaul.....	12	12	—	12	2	2	2	2	2	2	
Engineering and integration	325	95	50	45	16	9	10	10	—	—	
Transition software support											
contract.....	175	45	23	22	8	5	5	4	—	—	
Underwater warfare suite											
upgrade.....	93	93	16	77	9	22	6	12	16	12	
General Dynamics Ordnance and Tactical											
Systems Canada											
Ammunition	271	260	131	129	111	14	3	1	—	—	
Hawboldt Industries (1989) Limited; Hermanos											
Toimil Garcia SL in joint venture											
Single articulated cranes.....	29	16	2	14	5	4	5	—	—	—	
IBM Canada Limited											
In-service support for the Defence											
Resource Management Information											
System.....	325	177	109	68	23	22	23	—	—	—	
IMP Group Ltd, Aerospace Division											
CH-149 Cormorant Helicopter in Service											
Support Contract.....	1,726	1,726	1,576	150	110	40	—	—	—	—	
Industries Ocean Inc											
Naval large tug.....	88	88	2	86	20	14	25	25	2	—	
Irving Shipbuilding Inc											
Halifax Class modernization	1,126	1,076	906	170	74	96	—	—	—	—	
In-service support for Halifax Class											
Frigates.....	575	575	—	575	4	17	112	150	94	198	
Johnson Controls Canada LP											
Energy performance contract.....	34	34	6	28	12	2	2	2	—	10	
Krauss-Maffei Wegmann GmbH & Co KG,											
Munich, Germany											
Leopard 2 engineering services	50	35	18	17	9	8	—	—	—	—	
L-3 Technologies MAS Inc											
CC-150 Fleet in-service support.....	456	456	315	141	48	46	45	2	—	—	
CF-18 Hornet Aircraft System											
Engineering Support	1,654	1,654	1,393	261	127	134	—	—	—	—	
CP-140 Aurora Aircraft Avionics,											
Optimized Weapon											
System Support.....	488	488	473	15	15	—	—	—	—	—	
Lloyd's Register Canada Limited											
Classification Society Support for											
Combatants.....	78	48	8	40	8	8	8	8	8	—	
Lockheed Martin Canada Inc											
Combat Systems Integration.....	495	495	281	214	60	60	60	34	—	—	
Repair and overhaul of the											
Reprogrammable Advanced											
Electronic Countermeasure											
Multimode Shipborne System.....	83	74	39	35	15	11	1	2	2	4	
Lockheed Martin Corporation, Georgia											
In-service support for the CC130J Hercules											
fleet	4,837	4,837	3,897	940	205	212	198	189	136	—	
Lockheed Martin Overseas Services											
Corporation, Manassas, Virginia											
Victoria Class CCS876 Submarine Fire											
Control System	44	44	34	10	10	—	—	—	—	—	
Logistik Unicorp Inc											
Consolidated Clothing Contract	850	850	779	71	71	—	—	—	—	—	
Mack Defense LLC, Allentown, Pennsylvania											
In-service support of the Standard Military											
Pattern Vehicle	43	43	21	22	22	—	—	—	—	—	

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31						
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2021	2022	2023	2024	2025	2026 and subsequent years	
Magellan Aerospace Services Limited											
Repair and overhaul of engines	43	43	31	12	5	7	—	—	—	—	
MCW Custom Energy Solutions Ltd											
Energy performance contract.....	20	20	5	15	1	1	1	11	1	—	
Montfort Health Services											
Provide medical and dental facility and professional services.....	129	129	111	18	11	7	—	—	—	—	
Northrop Grumman International Trading Inc, Charlottesville, Virginia											
Navigation systems in service support.....	353	44	9	35	9	10	10	6	—	—	
NP Aerospace (Canada) Limited											
CM735 Ballistic Helmet.....	29	29	16	13	5	5	3	—	—	—	
Orenda Aerospace Corporation											
F404 Propulsion Group interim support.....	174	154	99	55	25	10	10	10	—	—	
Palantir Technologies Canada Inc											
Intelligence Processing Tool	63	63	—	63	2	3	3	3	3	49	
Peraton Canada Corp											
CF-18 Hornet Avionics Optimized Weapon System Support.....	447	330	259	71	43	28	—	—	—	—	
Raytheon Canada Limited											
North Warning System operation and maintenance	365	365	280	85	42	43	—	—	—	—	
Repair and overhaul of the Phalanx Close-in Weapon System.....	671	330	77	253	36	24	20	20	23	130	
Saab Canada, Inc											
SG150, SG180 and CEROS	50	25	11	14	6	6	2	—	—	—	
Serco Facilities Management Inc											
Provision of services at Goose Bay, Newfoundland and Labrador	211	170	129	41	41	—	—	—	—	—	
Sikorsky International Operations Inc, Stratford, Connecticut											
In-service support for maritime helicopters	5,797	5,746	1,034	4,712	177	131	255	165	161	3,823	
SNC Lavalin Defence Programs Inc											
In-service support for Maritime Coastal Defence Vessel	798	627	563	64	32	32	—	—	—	—	
Southwest Research Institute, Texas											
Repair and overhaul of the radio direction finder set.....	31	24	14	10	4	2	2	2	—	—	
Standard Aero Limited											
Repair and overhaul of CC-130 Hercules and CP-140 Aurora T56 engines.....	132	117	77	40	10	10	10	10	—	—	
Textron Systems Canada Inc											
In-service support contract for Tactical Armoured Patrol Vehicle	110	110	82	28	10	9	9	—	—	—	
Thales Canada Inc											
Arctic Offshore Patrol Ship and Joint Support Ship in-service support.....	5,182	800	40	760	45	86	115	186	169	159	
Repair and overhaul of Periscopes.....	23	23	1	22	9	10	3	—	—	—	
SMART-S Mk2 3D Radar System spares.....	40	40	25	15	7	8	—	—	—	—	
Top Aces Inc											
Combat Support Services for Operational Training and Readiness Requirements	418	418	26	392	46	47	48	49	50	152	

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2026 and subsequent years
					2021	2022	2023	2024	2025		
United States Department of Defense											
Iridium secure communication equipment and service.....	43	43	33	10	10	—	—	—	—	—	
Operations and support of Advanced Extremely High Frequency Military Satellite Communications System.....	96	96	64	32	8	8	8	8	—	—	
United States Department of the Air Force											
F117 engine sustainment support	67	67	7	60	20	20	20	—	—	—	
In-service support for the CC-177 Globemaster III fleet.....	1,004	1,004	767	237	124	38	38	37	—	—	
Install Joint Mission Planning Software	16	16	2	14	1	1	12	—	—	—	
Wideband Global Satellite Communications System	430	430	406	24	1	1	2	2	2	16	
United States Department of the Army											
Engineering Support for C4ISR Systems.....	15	14	—	14	1	3	4	4	2	—	
United States Department of the Navy											
Aircraft components support	18	18	1	17	3	3	3	3	3	2	
AMRAAM Missiles	425	425	18	407	68	68	67	68	68	68	
CF-18 Automatic Test Equipment Systems	15	15	—	15	4	4	4	3	—	—	
CF-18 Electronic warfare systems.....	13	13	1	12	3	3	3	3	—	—	
Geosynchronous Project.....	26	26	7	19	8	10	1	—	—	—	
Heavy weight torpedo upgrade.....	222	222	166	56	20	25	11	—	—	—	
Lightweight torpedoes.....	45	40	5	35	8	11	1	15	—	—	
Lightweight torpedoes upgrade	534	509	—	509	9	2	5	6	83	404	
Naval multiband terminal international partner variant in-service support.....	21	21	1	20	5	5	5	5	—	—	
Rental of ranges services and related equipment.....	21	21	2	19	6	6	7	—	—	—	
Repair and overhaul MK-48 torpedo	83	83	68	15	7	8	—	—	—	—	
Repair and overhaul sonar systems.....	64	64	31	33	6	18	9	—	—	—	
Royal Canadian Navy ship support.....	14	14	1	13	3	3	3	4	—	—	
Sonar bow domes	20	20	8	12	4	7	1	—	—	—	
United States Government											
Services and equipment relating to the large aircraft infrared countermeasures	25	25	3	22	7	7	8	—	—	—	
Victoria Shipbuilding Limited											
Halifax Class modernization	755	750	579	171	88	83	—	—	—	—	
In-service support for Halifax Class Frigates.....	560	560	—	560	4	14	126	141	113	162	
Weatherhaven Global Resources Inc											
Headquarters shelter systems.....	183	180	78	102	76	26	—	—	—	—	
Weir Canada Inc											
Maritime systems and engineering	657	490	388	102	51	51	—	—	—	—	
Communications Security Establishment											
Plenary Properties											
Public-private partnership arrangement to design, build, finance and maintain (35 years), Ottawa, Ontario.....	3,203	3,203	691	2,512	110	111	109	120	114	1,948	
	54,072	45,862	27,346	18,516	3,237	2,591	2,061	1,669	1,303	7,655	
Natural Resources											
Atomic Energy of Canada Limited											
Purchase orders	689	689	378	311	311	—	—	—	—	—	

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2026 and subsequent years
					2021	2022	2023	2024	2025		
Public Safety and Emergency Preparedness											
Canada Border Services Agency											
<i>CBSA Assessment and Revenue Management project (CARM)</i>											
Aggregate.....	17	17	—	17	—	17	—	—	—	—	
<i>Corbel Management Corporation</i>											
Detention facility management services	88	88	13	75	6	7	6	7	6	43	
Correctional Service of Canada											
<i>Cistel Technology</i>											
Informatics professional services	42	42	30	12	12	—	—	—	—	—	
<i>Community residential facilities</i>											
Aggregate.....	303	303	166	137	133	4	—	—	—	—	
<i>Logistik</i>											
Correctional Services Canada Uniform Program.....	35	35	6	29	29	—	—	—	—	—	
Royal Canadian Mounted Police											
<i>Radio services</i>											
Aggregate.....	121	121	13	108	13	10	10	10	10	55	
<i>Services of guards and matrons</i>											
Aggregate.....	38	38	—	38	38	—	—	—	—	—	
	644	644	228	416	231	38	16	17	16	98	
Privy Council											
Office of the Chief Electoral Officer											
<i>Bell Canada</i>											
Telecommunications services.....	21	21	9	12	3	1	—	8	—	—	
<i>IBM Canada Limited</i>											
Corporate and events hosting and operations management	79	79	34	45	9	13	13	10	—	—	
	100	100	43	57	12	14	13	18	—	—	
Public Services and Procurement											
Department of Public Works and Government Services											
<i>Boless Inc</i>											
National Printing Bureau fit-up, Gatineau, Quebec	44	44	31	13	13	—	—	—	—	—	
<i>BGIS Global Integrated Solutions Canada LP</i>											
Building maintenance services	9,673	9,673	4,045	5,628	2,980	2,648	—	—	—	—	
<i>Dragage Océan DS Inc</i>											
Maintenance dredging, St Lawrence Seaway	32	32	6	26	5	5	5	3	4	4	
<i>Electronic Procurement Solution—Modernize the Government of Canada procurement function</i>											
Aggregate.....	7	7	5	2	2	—	—	—	—	—	
Infosys Public Services Inc	70	70	31	39	23	15	1	—	—	—	
<i>ESIT Canada Enterprise Services Co, previously Hewlett-Packard (Canada) Company</i>											
Pension modernization	376	368	355	13	13	—	—	—	—	—	
<i>Federal Buildings Initiative, Energy efficiency improvements in existing buildings</i>											
Aggregate.....	22	22	—	22	22	—	—	—	—	—	
<i>Innovate Energy (paid through ESAP Project Co Limited Partnership)</i>											
Energy Services Acquisition Program, maintenance and repair services.....	1,546	1,546	—	1,546	35	36	45	37	38	1,355	

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2026 and subsequent years
					2021	2022	2023	2024	2025	
Green Timbers Limited Partnership (paid through Computershare Investor Services Inc)										
Public-Private Partnership Relocation Project—RCMP "E" Division relocation, Surrey, British Columbia	773	773	218	555	30	30	30	29	12	424
RCMP Forensic Laboratories, Surrey, British Columbia	25	25	—	25	1	1	1	1	1	20
Hamel Construction Inc										
Reconstruction of Wharfs 93 and 94, Quai de la Reine, Quebec	43	43	10	33	14	11	8	—	—	—
IBM Canada Ltd										
Design, building, implementation and support of the Government of Canada pay system	207	200	149	51	51	—	—	—	—	—
Joneljim Concrete Construction (1994) Limited										
Mechanical and sprinkler system upgrades	48	48	14	34	14	10	10	—	—	—
Maple Reinders Constructors Ltd										
Construction and rehabilitation of Port Severn and Northern area dams	41	41	24	17	15	2	—	—	—	—
Maple Reinders Constructors Ltd, Construction Demathieu et Bard Inc (joint venture)										
Rehabilitation and reconstruction of dams, dykes and locks of the Trent Severn Waterway Infrastructure, Ontario	382	382	186	196	107	77	12	—	—	—
Moneris Solutions Corporation										
Card acceptance services	185	185	128	57	57	—	—	—	—	—
Nuna East Ltd										
Runway and tarmac rehabilitation and construction of new tarmac, Eureka, Nunavut	56	56	33	23	15	8	—	—	—	—
Open Text Corporation										
Licence agreement	43	43	14	29	14	15	—	—	—	—
Parsons Canada Ltd										
Giant Mine Remediation	85	85	38	47	17	30	—	—	—	—
PCL Constructors Canada Inc										
Construction management services, Province House Conservation	27	27	12	15	15	—	—	—	—	—
Penn-Co Construction Canada (2003) Ltd										
NRC Advanced Manufacturing Development Facility, Winnipeg, Manitoba	36	36	14	22	22	—	—	—	—	—
Pennecon Heavy Civil Limited										
Reconstruction of Dam at Lock 38, Trent-Severn Waterway, Ontario	26	26	13	13	13	—	—	—	—	—
Peter Kiewit Sons ULC										
Improvement of the fish passage in the Fraser River, British Columbia	41	41	27	14	14	—	—	—	—	—
Peter's Bros Construction Ltd										
Paving and miscellaneous work along the Alaska Highway	16	16	6	10	10	—	—	—	—	—
Ricoh Canada Inc										
Print insert and mail workflow service	15	15	—	15	3	3	3	3	3	—
St-Denis Thompson Inc										
Masonry repair of Dominique-Ducharme Building, Montréal, Quebec	21	21	7	14	7	7	—	—	—	—
Tisseur Inc										
Construction of a CBSA Immigration Holding Center, Laval, Quebec	44	44	12	32	22	10	—	—	—	—

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued**

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31						
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2021	2022	2023	2024	2025	2026 and subsequent years	
<i>Titanium Construction Lee</i>											
New wharf 413 and ramp 502, Lamèque, New Brunswick.....	12	12	—	12	6	6	—	—	—	—	
<i>White Bear Industries Ltd</i>											
North Alaska Highway maintenance and repair services, British Columbia	80	80	35	45	16	16	13	—	—	—	
<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.....	123	123	80	43	7	6	7	6	7	10	
<i>2237800 Ontario Ltd</i>											
395 Terminal Avenue, Ottawa, Ontario	48	48	23	25	3	3	3	3	4	9	
<i>6149626 Canada Inc</i>											
Place Vincent Massey, 351 Saint-Joseph Boulevard, Gatineau, Quebec	140	140	39	101	6	6	6	6	6	71	
<i>8424934 Canada Inc</i>											
2 Victoria Street, Miramichi, New Brunswick.....	40	40	3	37	2	1	2	2	2	28	
<i>Broccolini Construction</i>											
455 de la Carrière Boulevard, Gatineau, Quebec	121	121	39	82	4	5	4	5	4	60	
<i>Computershare Trust Company of Canada</i>											
Canada Place Building, 9700 Jasper Avenue, Edmonton, Alberta	421	421	161	260	19	19	20	20	20	162	
Harry Hays Building, 220 - 4th Avenue, Calgary, Alberta.....	223	223	95	128	9	9	10	10	10	80	
Joseph Shepard Building, 4900 Yonge Street, Toronto, Ontario	269	269	124	145	11	11	10	11	11	91	
RCMP Building, 4225 Dorchester Boulevard West, Westmount, Quebec	117	117	47	70	5	5	5	5	6	44	
Revenue Canada Building, 305 René-Lévesque Boulevard West, Montréal, Quebec.....	156	156	54	102	8	8	7	8	8	63	
Skyline Complex, 1400 Merivale Road, Ottawa, Ontario.....	422	422	185	237	17	18	18	18	18	148	
Thomas D'Arcy McGee Building, 90 Sparks Street, Ottawa, Ontario	275	275	113	162	12	12	12	12	13	101	
<i>Consortium GM Développement, OGESCO Construction, Pierre Martin & Associés, Design & Architecture</i>											
1550 d'Estimauville Avenue, Québec, Quebec	60	60	25	35	3	3	3	3	3	20	
<i>Minto Commercial Properties Inc</i>											
Mercury Centre, 3000 Merivale Road, Ottawa, Ontario	258	258	112	146	12	12	12	12	12	86	
<i>Morguard Corporation and 3683249 Canada Inc</i>											
181 Queen Street, Ottawa, Ontario	61	61	49	12	3	3	3	3	—	—	
<i>Pomerleau, Kevlar and Québec Inc</i>											
2575 Ste-Anne Boulevard, Québec, Quebec	37	37	9	28	2	1	2	2	2	19	
<i>Société d'habitation et de développement de Montréal</i>											
1501 De Bleury Street, Montréal, Quebec .	48	48	1	47	2	2	3	2	3	35	
<i>Société en commandite Montcalm</i>											
Montcalm Place, Phase II, 200 Montcalm Street, Gatineau, Quebec	21	21	11	10	1	2	1	2	1	3	

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31						
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2021	2022	2023	2024	2025	2026 and subsequent years	
<i>The Canada Life Assurance Company</i>											
Judicial Complex, 180 Queen Street West, Toronto, Ontario	84	84	58	26	4	4	4	5	4	5	
<i>The Great-West Life Assurance Company</i>											
James Michael Flaherty Building, 90 Elgin Street, Ottawa, Ontario	302	302	64	238	11	11	11	12	12	181	
	17,202	17,187	6,705	10,482	3,697	3,071	271	220	204	3,019	
Transport											
Canadian Air Transport Security Authority											
Garda Security Screening Inc—Central	1,504	1,504	1,212	292	135	157	—	—	—	—	
Garda Security Screening Inc—Prairies	1,049	1,049	855	194	92	102	—	—	—	—	
G4S Secure Solutions (Canada) Ltd	943	943	776	167	76	91	—	—	—	—	
L3 Communications	75	75	61	14	7	7	—	—	—	—	
Logistik Unicorp Inc	35	35	22	13	5	7	1	—	—	—	
Securitas Transport Aviation Security Ltd	1,129	1,129	891	238	114	124	—	—	—	—	
Smiths Detection Montreal Inc.	251	251	210	41	14	16	11	—	—	—	
VIA Rail Canada Inc.											
<i>Siemens</i>											
Technical services	356	356	—	356	—	1	5	7	92	251	
	5,342	5,342	4,027	1,315	443	505	17	7	92	251	
Treasury Board											
Treasury Board Secretariat											
<i>Sun Life Assurance Company of Canada</i>											
Pensioners' Dental Services Plan (Administrative services)	93	93	57	36	11	9	10	6	—	—	
Public Service Health Care Plan (Administrative services)	328	328	285	43	43	—	—	—	—	—	
	421	421	342	79	54	9	10	6	—	—	
Total—Purchases	90,924	82,699	42,225	40,474	11,218	7,115	3,108	2,551	2,175	14,307	
Total—Capital assets and purchases	116,565	107,778	54,526	53,252	15,215	10,279	5,497	3,998	2,979	15,284	
Operating leases											
Canadian Heritage											
Canada Council for the Arts											
Office accommodation, 150 Elgin Street, Ottawa, Ontario	64	64	4	60	4	4	4	4	4	40	
Canadian Broadcasting Corporation											
Cominar REIT	18	18	8	10	1	1	—	1	1	6	
Morguard	144	144	115	29	7	7	8	7	—	—	
Regina	13	13	—	13	1	—	—	1	1	10	
Société en commandite La Nouvelle Maison	659	659	2	657	22	22	22	22	22	547	
Canadian Museum of Immigration at Pier 21											
1055 Marginal Road, Halifax, Nova Scotia	69	69	12	57	2	1	2	1	2	49	
National Capital Commission											
Chambers Building, Ottawa, Ontario	132	132	20	112	5	5	5	5	5	87	
	1,099	1,099	161	938	42	40	41	41	35	739	
Environment and Climate Change											
Department of the Environment											
<i>Capilano Indian Reserve No. 5, Squamish First Nation, Vancouver, British Columbia</i>											
Lease of land—Pacific Environmental Center	567	567	237	330	13	13	13	13	14	264	

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31						
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2021	2022	2023	2024	2025	2026 and subsequent years	
Fisheries, Oceans and the Canadian Coast Guard											
Department of Fisheries and Oceans											
<i>Atlantic Towing Limited</i>											
Leasing of two Emergency Towing											
Vessels	58	58	26	32	19	13	—	—	—	—	
Global Affairs											
Department of Foreign Affairs, Trade and Development											
<i>237 Park Owner LLC.</i>											
Chancery, New York, United States.....	176	176	15	161	8	8	8	9	9	119	
<i>AG Insurance S.A.</i>											
Chancery, Brussels, Belgium	15	15	4	11	1	1	1	1	1	6	
<i>Fifteen-O-One Fourth Ave Ltd</i>											
Chancery, Seattle, United States.....	15	15	4	11	1	1	2	1	1	5	
<i>Main Business Administration for Services to the Diplomatic Corps (GlavUpDK)</i>											
Chancery, Moscow, Russia	60	60	31	29	3	3	3	4	3	13	
Canadian Commercial Corporation											
Office space	23	23	5	18	1	2	1	2	2	10	
International Development Research Centre											
Head office, 150 Kent Street, Ottawa, Ontario.....	21	21	6	15	6	6	3	—	—	—	
	310	310	65	245	20	21	18	17	16	153	
Public Safety and Emergency Preparedness											
Royal Canadian Mounted Police											
<i>Government of Alberta</i>											
Alberta First Responders Radio											
Communications System	385	385	96	289	24	24	24	24	24	169	
Public Services and Procurement											
Department of Public Works and Government Services											
<i>0957333 BC Ltd</i>											
3991 Gladys Avenue, Abbotsford, British Columbia	24	24	12	12	2	1	2	1	2	4	
<i>10768634 Canada Inc Greystone Real Estate LP Fund</i>											
250 Albert Street, Ottawa, Ontario	30	18	5	13	4	4	4	1	—	—	
<i>121 King Street West Ltd</i>											
121 King Street West, Toronto, Ontario	111	71	1	70	7	7	7	7	6	36	
<i>1301986 Ontario Inc</i>											
405 Terminal Avenue, Ottawa, Ontario.....	50	44	—	44	4	5	5	5	5	20	
<i>160 Elgin Portfolio Inc and 160 Elgin Leaseholds Inc</i>											
Place Bell Canada, 160 Elgin Street, Ottawa, Ontario	25	25	9	16	4	3	4	4	1	—	
<i>1823175 Ontario Inc</i>											
Pinecrest Office Park, 2745 Iris Street, Ottawa, Ontario	26	26	11	15	2	2	3	2	2	4	
<i>3352200 Canada Inc</i>											
840 Howe Street, Vancouver, British Columbia	67	67	4	63	7	6	7	6	7	30	
<i>389288 BC Limited</i>											
1188 West Georgia Street, Vancouver, British Columbia	20	20	6	14	2	2	3	2	2	3	
<i>519719 Ontario Inc</i>											
Star Top Building, 1600 Star Top Road, Ottawa, Ontario	29	17	4	13	6	6	1	—	—	—	
<i>800 Burrard Limited Partnership</i>											
800 Burrard Street, Vancouver, British Columbia	95	66	16	50	9	9	10	9	10	3	

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

					Outstanding obligations to be disbursed by March 31						
	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	2021	2022	2023	2024	2025	2026 and subsequent years	
927094 Alberta Ltd											
9240 - 49th Street, Edmonton, Alberta	105	50	22	28	3	3	4	3	4	11	
Aspen Properties GP Inc											
Bell Tower, 10104 - 103rd Avenue North West, Edmonton, Alberta.....	24	15	–	15	2	1	2	1	2	7	
Bona Building & Management Company Ltd											
1625 Vanier Parkway, Ottawa, Ontario.....	115	59	1	58	6	6	6	6	7	27	
222 Nepean Street, Ottawa, Ontario	31	31	–	31	2	3	3	3	3	17	
BPO (Ontario Core) Ltd, Ontario Holdings Ltd and CREHOY Inc											
Place de Ville - Towers A, B and C, 320 Queen Street, Ottawa, Ontario	478	409	248	161	35	15	16	16	16	63	
Brookfield Office Properties Management Limited											
Exchange Tower Building, 130 King Street West, Toronto, Ontario	21	14	2	12	2	2	2	2	2	2	
Capital City Shopping Centre Limited											
Billings Bridge Office Tower, 2323 Riverside Drive, Ottawa, Ontario	25	25	8	17	2	3	2	3	2	5	
Centrale de l'enseignement du Québec											
320 St-Joseph Street East, Québec, Quebec	14	14	–	14	–	1	1	1	1	10	
Chambers Building (Ottawa) Inc, c/o Allied Properties											
Chambers Building, 40 Elgin Street, Ottawa, Ontario	25	18	1	17	1	2	2	2	3	7	
Cominar Real Estate Investment Trust											
3400 Jean-Béraud Avenue, Laval, Quebec	40	40	26	14	4	4	4	2	–	–	
Dream Office LP											
74 Victoria Street, Toronto, Ontario	31	31	11	20	8	8	4	–	–	–	
Dream Office Management (Sask) Corp											
T & T Towers, 340 - 3rd Avenue North, Saskatoon, Saskatchewan	14	10	–	10	1	2	2	2	2	1	
Export Development Canada											
Export Development Canada Building, 150 Slater Street, Ottawa, Ontario	18	18	4	14	1	2	1	2	1	7	
HOOPP Realty Inc											
ATB Place, North Tower, 10025 Jasper Avenue, Edmonton, Alberta	28	23	–	23	–	1	2	2	3	15	
Kidinks Holdings Inc and Outcore Equities Inc											
234 Laurier Avenue West, Ottawa, Ontario.....	22	22	5	17	3	3	3	3	3	2	
KS 400 Cumberland Street Inc											
Cumberland Building, 400 Cumberland Street, Ottawa, Ontario	22	22	8	14	5	5	4	–	–	–	
Larco Investments Limited											
1 Front Street, Toronto, Ontario	101	71	46	25	14	11	–	–	–	–	
LCPF Realty Inc and Southland Park Inc, c/o Lasalle Investment Management (Canada)											
Southland Park 1, 10201 Southport Road South West, Calgary, Alberta	21	17	–	17	–	1	2	2	2	10	
Leima Holdings Limited											
Leima Building, 410 Laurier Avenue West, Ottawa, Ontario	26	26	2	24	2	3	2	3	3	11	
London Life Insurance Company											
219 Laurier Avenue West, Ottawa, Ontario.....	78	78	11	67	5	5	5	5	6	41	
London Life Insurance Company and The Great-West Life Assurance Company											
269 Laurier Avenue West, Ottawa, Ontario.....	36	20	–	20	–	4	4	5	5	2	

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2026 and subsequent years
					2021	2022	2023	2024	2025	
Lord Realty (Quebec) Limited Partnership										
Immigration and Refugee Board of Canada and Canada Economic Development, 800 René-Lévesque Boulevard West, Montréal, Quebec	39	39	3	36	3	4	4	4	4	17
Lord Realty Holdings Limited and Privest Properties Ltd										
555 West Hastings Street, Vancouver, British Columbia	29	29	13	16	3	3	3	3	3	1
Manulife Ontario Property Portfolio Inc										
5343 Dundas Street West, Toronto, Ontario	28	18	5	13	2	2	3	2	3	1
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	158	119	81	38	12	13	13	—	—	—
MJ (5001 Yonge) Limited Partnership										
5001 Yonge Street, Toronto, Ontario	26	26	—	26	7	9	9	1	—	—
Morguard Camelot Limited, as nominee for and on behalf of Morguard Corporation										
59 Camelot Drive, Ottawa, Ontario	28	28	11	17	2	3	3	3	3	3
Morguard Investments Limited in trust										
Standard Life Centre, 280 Slater Street, Ottawa, Ontario	63	63	40	23	6	7	7	3	—	—
Morguard Investments Ltd										
10044 - 108 Street, Edmonton, Alberta	17	11	1	10	1	2	1	2	2	2
Heritage Place Building, 155 Queen Street, Ottawa, Ontario	44	44	7	37	4	3	4	4	4	18
Morguard (Jean Edmonds) Limited and 10938629 Canada Inc										
Jean Edmonds Building, North Tower, 300 Slater Street, Ottawa, Ontario	98	98	40	58	10	10	10	10	10	8
Jean Edmonds Building, South Tower, 365 Laurier Avenue West, Ottawa, Ontario	93	64	38	26	9	10	7	—	—	—
Morguard Real Estate Investment Trust										
7575 - 8th Street North-East, Calgary, Alberta	45	45	18	27	3	3	3	3	3	12
Morguard Realty Holdings Inc and HOOPP Realty Inc										
333 Laurier Avenue West, Ottawa, Ontario.....	24	18	5	13	3	3	3	1	1	2
Nadfam Holdings Inc										
360 Lisgar Avenue, Ottawa, Ontario	18	18	4	14	1	2	1	2	1	7
Newvest Realty Corporation										
105 Hôtel-de-Ville Street, Gatineau, Quebec...	32	32	12	20	5	5	5	5	—	—
Omers Realty Corporation and CPP Investment Board Real Estate Holdings Inc										
Constitution Square, 350-360 Albert Street, Ottawa, Ontario	90	90	74	16	10	6	—	—	—	—
OMNI Property Management Inc										
1611 Main Street, Vancouver, British Columbia	93	68	26	42	5	4	5	5	4	19
OPB (Centre 10) Inc										
517 - 10th Avenue South West, Calgary, Alberta	174	70	46	24	7	7	7	3	—	—
Outcore Equities Inc and Slate Asset Management GP Inc										
Sir Richard Scott Building, 191 Laurier Avenue West, Ottawa, Ontario	58	31	18	13	6	6	1	—	—	—

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2026 and subsequent years
					2021	2022	2023	2024	2025	
Oxford Properties Group Inc and OREC (RAC) Holdings Inc										
120 Adelaide Street West and 101 Richmond Street West, Toronto, Ontario	168	82	15	67	8	8	8	8	8	27
Pensionfund Realty Limited										
99 Metcalfe Street, Ottawa, Ontario	25	11	1	10	4	2	4	—	—	—
Place Bonaventure Property Management Inc										
Place Bonaventure, 800 de la Gauchetière Street West, Montréal, Quebec	20	20	4	16	2	2	2	2	2	6
Place Montcalm (Phase III) S E N C										
Place Montcalm, phase III, 70 Crémazie Street, Gatineau, Quebec	42	36	10	26	8	8	7	3	—	—
Rize Alliance (Terminal Building) Inc										
Canada Revenue Agency Tax Services Office, 468 Terminal Avenue, Vancouver, British Columbia	78	78	15	63	5	5	5	5	5	38
Roscourt Investments Inc										
30 McGill Street, Montréal, Quebec	30	30	3	27	3	4	4	4	4	8
Sixty Queen Limited										
60 Queen Street, Ottawa, Ontario	17	17	4	13	2	2	2	2	2	3
Station Lands Ltd										
Epcor Tower, 10423 - 101st Street, Edmonton, Alberta	141	77	65	12	8	4	—	—	—	—
Summit (1980 Matheson Boulevard East) Ltd										
1980 Matheson Boulevard East, Mississauga, Ontario	18	18	7	11	3	3	3	2	—	—
Sun Life Assurance Company of Canada and Ontario Holdings Limited										
99 Bank Street, Ottawa, Ontario	14	14	2	12	1	1	2	1	2	5
Sun Life Financial Centre, 50 O'Connor Street, Ottawa, Ontario	138	120	33	87	12	12	12	13	13	25
Surrey CC Properties Inc										
13450 - 102nd Avenue, Surrey, British Columbia	31	31	12	19	3	3	3	3	3	4
The Cadillac Fairview Corporation Limited										
IBM Tower, 701 West Georgia Street, Vancouver, British Columbia	33	33	1	32	4	4	3	4	3	14
The Great-West Life Assurance Company										
Centennial Towers, 200 Kent Street, Ottawa, Ontario	233	181	90	91	15	16	16	16	17	11
The Typhon Group (Richmond Hill) Ltd										
5 Via Renzo Drive, Richmond Hill, Ontario	18	14	2	12	1	1	2	1	2	5
West Corr Holdings Ltd										
3427 Faithfull Avenue, Saskatoon, Saskatchewan	24	24	9	15	2	2	1	2	1	7
Westfield Grain Exchange Ltd										
Grain Exchange Building, 167 Lombard Avenue, Winnipeg, Manitoba	11	11	—	11	1	2	2	2	3	1
Willingdon Park Master LP										
4321 Still Creek Drive, Burnaby, British Columbia	16	16	5	11	2	1	2	2	1	3
Winnipeg Square Leasco Inc										
Commodity Exchange and Winnipeg Square, 360 Main Street, Winnipeg, Manitoba	41	41	—	41	1	4	4	4	4	24
	4,007	3,156	1,183	1,973	327	316	288	225	208	609

Table 11.3**Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2020—concluded**

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31						2026 and subsequent years
					2021	2022	2023	2024	2025		
Transport											
Canadian Air Transport Security Authority											
Sun Life Assurance Company of Canada	49	49	37	12	5	4	3	—	—	—	
Marine Atlantic Inc.											
MV Atlantic Vision	82	82	71	11	11	—	—	—	—	—	
VIA Rail Canada Inc.											
<i>City of Toronto</i>											
Union Station	211	211	55	156	4	4	4	4	4	136	
<i>SITQ</i>											
Place Ville Marie, Montréal, Quebec	32	32	19	13	3	3	3	4	—	—	
	374	374	182	192	23	11	10	8	4	136	
Total—Operating leases	6,800	5,949	1,950	3,999	468	438	394	328	301	2,070	
Grand total	307,955	298,035	122,889	175,146	49,953	34,408	24,361	16,988	12,708	36,728	

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, 2020.

Table 11.4 presents information that is summarized in Note 19 to the consolidated financial statements in Section 2 of this volume.

Table 11.4
International contractual obligations

(in millions of dollars)¹

	Transfer payments	Undisbursed loans and advances	Future paid-in share capital	Total
Non-budgetary share capital and loans				
Global Affairs				
Department of Foreign Affairs, Trade and Development				
Inter-American Investment Corporation	—	—	17	17
Budgetary transfer payments, loans and advances				
Environment and Climate Change				
Department of the Environment				
United Nations Environment Programme	14	—	—	14
Finance				
Department of Finance				
Multilateral Debt Relief Initiative				
African Development Fund	465	—	—	465
International Development Association	904	—	—	904
	1,369	—	—	1,369
Global Affairs				
Department of Foreign Affairs, Trade and Development				
Development, peace and security programming	1,769	—	—	1,769
African Development Bank	—	355	—	355
Asian Development Fund	—	33	—	33
Caribbean Development Bank—Special Development Fund	—	18	—	18
Global Environment Facility Trust Fund	—	132	—	132
International Fund for Agricultural Development	—	25	—	25
International Development Research Centre				
African Institute for Mathematical Sciences	12	—	—	12
	1,781	563	—	2,344
Health				
Canadian Institutes of Health Research				
Grants for research projects and personnel support	10	—	—	10
Immigration, Refugees and Citizenship				
Department of Citizenship and Immigration				
International Organization for Migration	29	—	—	29
Innovation, Science and Economic Development				
Department of Industry				
International Telecommunication Union	29	—	—	29
Canadian Space Agency				
European Space Agency	255	—	—	255
National Research Council of Canada				
Canada-France-Hawaii Telescope Corporation	25	—	—	25
The National Science Foundation	13	—	—	13
TMT International Observatory LLC	168	—	—	168
	490	—	—	490
	3,693	563	—	4,256
Total	3,693	563	17	4,273

¹ Foreign currencies were translated into Canadian dollars using the closing rates of exchange at March 31, 2020 (\$1 USD = \$1.4076 CAD; 1 SDR = \$1.9211 CAD; 1 EUR = \$1.5522 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, 2020**

(in millions of dollars)

	Outstanding revenue ¹	Outstanding revenue to be earned by March 31					2026 and subsequent years
		2021	2022	2023	2024	2025	
Sales of goods and services							
Environment and Climate Change							
Department of the Environment.....	24	15	9	–	–	–	–
Global Affairs							
Canadian Commercial Corporation.....	53	17	12	9	6	4	5
Innovation, Science and Economic Development							
Canadian Tourism Commission.....	10	10	–	–	–	–	–
Public Safety and Emergency Preparedness							
Royal Canadian Mounted Police.....	33,063	2,373	2,438	2,504	2,572	2,643	20,533
Total—Sales of goods and services.....	33,150	2,415	2,459	2,513	2,578	2,647	20,538
Leases of property							
Canadian Heritage							
Canadian Broadcasting Corporation	415	10	10	10	11	10	364
National Capital Commission	132	20	1	2	2	2	105
Environment and Climate Change							
Parks Canada Agency ²	213	9	10	9	9	9	167
Innovation, Science and Economic Development							
National Research Council of Canada.....	14	3	3	3	4	1	–
Public Services and Procurement							
Department of Public Works and Government Services	10	1	–	1	–	1	7
Transport							
Department of Transport ³	2,055	86	472	486	501	510	–
Total—Leases of property	2,839	129	496	511	527	533	643
Royalties and revenue/profit-sharing arrangements							
Innovation, Science and Economic Development							
National Research Council of Canada.....	32	5	4	3	2	2	16
Total—Royalties and revenue/profit-sharing arrangements	32	5	4	3	2	2	16
Other							
Agriculture and Agri-Food							
Department of Agriculture and Agri-Food.....	156	30	24	20	12	12	58
Environment and Climate Change							
Parks Canada Agency ²	16	3	3	3	3	3	1
Families, Children and Social Development							
Department of Employment and Social Development.....	370	370	–	–	–	–	–
Innovation, Science and Economic Development							
Department of Industry.....	139	15	15	14	14	13	68
National Defence							
Department of National Defence.....	31	–	–	–	–	–	31
Natural Resources							
Department of Natural Resources	311	15	14	14	14	13	241
Total—Other.....	1,023	433	56	51	43	41	399
Contractual rights subject to non-disclosure clauses.....	174	2	2	2	2	2	164
Total	37,218	2,984	3,017	3,080	3,152	3,225	21,760

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, 2020

(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		309,909 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	1,946
Loans to farmers under the <i>Canadian Agricultural Loans Act</i>	3,000	95
Families, Children and Social Development		
Department of Employment and Social Development		
<i>Canada Student Loans Act</i>	10,782	1
Finance		
Department of Finance		
Coast Capital Savings Federal Credit Union	1,500	1,500
International Bank for Reconstruction and Development	166	166
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		1,540
Other approved lenders		286
Innovation, Science and Economic Development		
Department of Industry		
<i>Canada Small Business Financing Act</i>	2,775	1,034
Regional Aircraft Credit Facility	1,500	3
Natural Resources		
Department of Natural Resources		
Lower Churchill Hydro Electric Projects	9,200	9,174
Total—Loan guarantees	38,683	15,745

Table 11.6
Guarantees provided by the government as at March 31, 2020—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	238,589
Global Affairs		
Department of Foreign Affairs, Trade and Development		
Accounts administered for the government by Export Development Canada	20,000	55
Natural Resources		
Department of Natural Resources		
Nuclear Liability Account	—	—
Total—Insurance programs managed by the government.....	373,000	238,644
Other explicit guarantees		
Agriculture and Agri-Food		
Department of Agriculture and Agri-Food		
National Biomass Ethanol Program.....	140	—
Price Pooling Program— <i>Agricultural Marketing Programs Act</i>	—	—
Total—Other explicit guarantees	140	—
Total—Gross guarantees	411,823	564,298
Less: allowance for guarantees		761
Net exposure under guarantees		563,537

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) provides producers with a cash advance on the value of their agricultural products during a specified period. By improving their cash flow throughout the year, the APP helps crop and livestock producers meet their financial obligations and benefit from the best market conditions.

Under the APP, the federal government guarantees repayment of cash advances issued to farmers by the producer organization. These guarantees help the producer organization borrow money from financial institutions at lower interest rates and issue producers a cash advance on the anticipated value of their farm product that is being produced or that is in storage. The maximum cash advance of the program is \$1.0 million and the loans generally have a repayment term of 18-24 months.

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.

Coast Capital Savings Federal Credit Union

Pursuant to section 39.02 of the *Bank Act*, the Minister of Finance has authorized a loan guarantee in the amount of \$1.5 billion for a line of credit extended by federal financial institutions to Coast Capital Savings Federal Credit Union (CCS). The eligibility of each drawdown under this line of credit for the guarantee must be approved by the Minister of Finance. The loan guarantee agreement expires on October 31, 2021.

Under this guarantee, the government would pay eligible outstanding principal, interest and other expenses, if CCS defaults. Following default, the government has the option to pursue recovery under the Indemnity Agreement between CCS and the government.

As at March 31, 2020, there were no approved drawdowns on the line of credit giving rise to a loan guarantee exposure. Therefore, no provision and associated losses have been recognized.

International Bank for Reconstruction and Development

Pursuant to section 8.3(1) of the *Bretton Woods and Related Agreements Act*, the Minister of Finance, by order of the Governor in Council, authorized a partial loan guarantee in the amount of \$118 million USD to the International Bank for Reconstruction and Development (IBRD) in respect to a \$1,443.82 million USD loan entered into between the IBRD and the Republic of Iraq.

Under this guarantee, the Minister would make payment to the IBRD in the event that the Republic of Iraq is more than six months late in meeting a scheduled interest or principal payment to the IBRD. The Minister would only be required to pay a pro-rata share of the loan repayment that is past due, up to a fixed aggregate amount of \$118 million USD. In the event that any portion of the guarantee is called, Canada would receive a claim from the IBRD against the Republic of Iraq, and would have the option to pursue recovery. At this point, no losses are anticipated with respect to this guarantee and no provision has been made.

Indian Economic Development Guarantee Program

This program authorizes the Department of Indigenous Services 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 of 25 years. The interest rates on the guaranteed loans are consistent with conventional mortgage interest rates offered by the major banks.

Canada Small Business Financing Act

The *Canada Small Business Financing Act* includes loans registered since April 1, 1999. In collaboration with financial institutions, the programs offered under this Act is designed to help Canadian small and medium-sized enterprises (SMEs) get access to loans that would not otherwise have been available, or would only have been available under less favourable terms. In the event a registered loan defaults, the government pays 85% of the net eligible losses. To be eligible, SMEs must be for-profit businesses with revenues not exceeding \$10 million per year.

Regional Aircraft Credit Facility

The Regional Aircraft Credit Facility Program was established in 2004 to provide sales financing assistance in the form of loan guarantees to enable domestic air carriers to acquire Canadian-built fixed-wing commercial jets.

The guarantees are provided on commercial terms and are secured by the aircraft financed by private lenders. These guarantees have a life of 15 years. This program expired on March 31, 2008.

Lower Churchill Hydroelectric Projects

The Government of Canada provided loan guarantee support for the construction of the Lower Churchill Hydroelectric Projects, including two projects sponsored by Nalcor Energy ([1] Muskrat Falls and Labrador Transmission Assets and [2] Labrador-Island Link) and one project sponsored by Emera Inc. (Maritime Link). In 2013, the financing was completed for the Nalcor-led projects, raising \$5 billion of guaranteed debt in the form of a bond financing. These bonds have a life varying from about 15 years to 40 years. In 2014, the bond financing was completed for the Maritime Link, raising \$1.3 billion of guaranteed debt for a life of about 39 years. Further to an announcement made by the Minister of Natural Resources in November 2016, in May 2017, the Minister of Natural Resources signed two additional Guarantee Agreements to provide additional loan guarantee support to the Nalcor-sponsored projects. On May 25, 2017, the financing was completed, raising \$2.9 billion of guaranteed debt in the form of a bond financing. These bonds have terms varying from 3½ years to 40 years. As per the terms of the bonds that were issued under both the original guarantees and the additional guarantees, initially, only interest payments are being made on the guaranteed debt. The commencement of principal payments on the guaranteed debt has been scheduled to begin shortly after the expected commissioning dates of the projects, with the schedule of these payments depending on the specific terms and conditions of each of the guaranteed bonds. Among the many safeguards put in place to protect Canada's interests, all of the project entities' shares, assets and agreements have been pledged as security to Canada. The Maritime Link project has successfully completed all construction activities and was commissioned on February 9, 2018. As per the terms of the loan guarantee agreements, principal repayments will begin on December 1, 2020. These principal and interest payments will be made on a semi-annual basis until maturity date of December 1, 2052. As of March 31, 2020, \$9,173,519,210 of guaranteed debt has been released to the project entities.

Canada Travelling Exhibitions Indemnification Act

Pursuant to s. 3(1) of the *Canada Travelling Exhibitions Indemnification Act* (the Act) the Minister of Canadian Heritage is authorized to enter into indemnification agreements with owners of objects or appurtenances on loan to travelling exhibitions in Canada. Under the Act, maximum levels of liability are established including: no more than \$600 million in respect of each travelling exhibition and; no more than \$3 billion at any given time in respect of all travelling exhibitions. The Canada Travelling Exhibitions Indemnification Regulations set out specific requirements to be met when owners are seeking indemnification agreements with the Minister. The Regulations also set limitations on the scope of indemnity, establish deductibles, define maximums for and period of coverage, set requirements for condition reporting, outline a claims procedure and provide for dispute resolution, among other things. Applicants may include institutions organizing or participating in travelling exhibitions who apply on behalf of owners. Upon approval of an application by the Minister, the owner of an object or appurtenance included in the particular travelling exhibition may enter into an indemnification agreement with the Minister.

Mortgage or Hypothecary Insurance Protection

The *Protection of Residential Mortgage or Hypothecary Insurance Act* (PRMHIA) received Royal Assent on June 26, 2011, and came into force on January 1, 2013.

The PRMHIA authorizes the Minister of Finance to provide protection in respect of certain mortgage or hypothecary insurance contracts written by approved mortgage insurers. Under the PRMHIA, a payment in respect of this guarantee would only be made if a winding-up order were made in respect of an approved mortgage insurer that had written an insurance contract guaranteed under the PRMHIA. In that case, the Minister would honour lender claims for insured mortgages in default, subject to: (a) any proceeds the beneficiary has received from the underlying property or the insurer's liquidation, and (b) a deductible of 10% of the original principal amount of the insured mortgage.

As at March 31, 2020, the aggregate outstanding principal amount of loans that are guaranteed under the PRMHIA is estimated at \$270.8 billion (\$273.7 billion in 2019). Any payment by the Minister is subject to a deductible equal to 10% of the original principal amount of these loans, or \$32.2 billion (\$32.1 billion in 2019). 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, 2020, there are two approved mortgage insurers under the PRMHIA: Genworth Financial Mortgage Insurance Company Canada, and Canada Guaranty Mortgage Insurance Company.

Accounts administered for the government by Export Development Canada

The Government of Canada has authorized support for insurance and guarantee programs which, on the basis of Export Development Canada's (EDC) risk management practices, could not be supported under EDC's Corporate Account but are in the national interest. Canada Account transactions consist of activities undertaken by EDC pursuant to Section 23 of the *Export Development Act*.

Nuclear Liability Account

Under the *Nuclear Liability and Compensation Act* (NLCA), which entered into force on January 1, 2017, and replaced the *Nuclear Liability Act* (NLA), operators of designated nuclear installations are required to maintain financial security against the liability imposed on them by the NLCA.

The NLCA establishes that the operator's liability for damages resulting from a nuclear incident is limited to \$1 billion. This amount applies to the "Power Reactor Class" of nuclear installations prescribed in the Nuclear Liability and Compensation Regulations (NLCR). Lower liability amounts for lower-risk installations, based on their commensurate risk, are prescribed in the NLCR. The Minister of Natural Resources is required to review the operator's liability limit at least once every five years, and the government may increase the limit by regulation.

Financial security covers all the categories of damage that are compensable under the NLCA, with the exception of damage arising from normal emissions, and bodily injury occurring 10 to 30 years after a nuclear incident. Through the indemnity agreement, entered into with 10 operators, the federal government covers the liability associated with the two exceptions. It also covers the difference between the lower liability amount prescribed in NLCR for lower-risk installations and the \$1 billion liability amount 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 previous NLA. All fees paid by the operators of nuclear installations are credited to this Account. The closing balance of this Account as at March 31, 2020, is \$4,582,955. 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

	2020	2019
Non-budgetary share capital and loans		
Callable share capital		
Finance		
Department of Finance		
Asian Infrastructure Investment Bank.....	1,121	1,064
European Bank for Reconstruction and Development.....	1,254	1,211
International Bank for Reconstruction and Development (World Bank)	11,092	10,529
Multilateral Investment Guarantee Agency.....	64	61
	<i>13,531</i>	<i>12,865</i>
Global Affairs		
Department of Foreign Affairs, Trade and Development		
African Development Bank	4,585	4,402
Asian Development Bank	8,957	8,503
Caribbean Development Bank	172	163
Inter-American Development Bank	9,288	8,817
	<i>23,002</i>	<i>21,885</i>
Total	36,533	34,750

¹ Foreign currencies were translated into Canadian dollars using the closing rates of exchange at March 31, 2020 (\$1 USD = \$1.4076 CAD; 1 SDR = \$1.9211 CAD; 1 EUR = \$1.5522 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, 2020

(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					
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Insurance in force as at reporting date...	851,903	807,398	425,000	442,000	494,000	494,000	26,044	24,069	5,196	5,318
Opening balance of Fund	2,985	2,322	12,042	14,295	2,437	2,394	³	³	20	30
Revenues for the period										
Premiums and fees	668	645	1,409	1,427	602	508	202	204	27	27
Investment income	86	66	401	559	86	59	—	—	—	—
Other revenues	—	—	(6)	(3)	15	5	—	—	—	—
Total revenues	754	711	1,804	1,983	703	572	202	204	27	27
Expenses for the period										
Loss on/provision for claims	—	—	241	218	—	—	—	—	9	5
Administrative expenses	51	42	296	325	65	48	—	—	7	7
Other expenses (includes taxes)	208	6	321	358	160	131	88	289	15	24
Total expenses	259	48	858	901	225	179	88	289	31	36
Net income or (loss) for the period	495	663	946	1,082	478	393	114	(85)	(4)	(9)
Adjustments	—	—	(932)	(3,335)	(519)	(350)	—	—	—	—
Closing balance of Fund	3,480	2,985	12,056	12,042	2,396	2,437	³	³	16	21
Net claims during the period ⁵			224	248			135	336	9	5
Five year average of net claims paid			301	334			166	153	7	7

¹ The Canada Deposit Insurance Corporation (CDIC) provides insurance on deposits placed with member banks and trust and loan companies for up to \$100,000 per depositor, per institution. The Corporation is funded by premiums assessed against its member institutions.

² Canada Mortgage and Housing Corporation (CMHC) administers two funds: the Mortgage Insurance Fund (MIF) and the Mortgage-Backed Securities Guarantee Fund (MBSGF). The MIF provides insurance for a fee, to lending institutions to cover mortgage lending on Canadian housing. Besides establishing a framework of confidence for mortgage lending by lending institutions, the Fund facilitates an adequate supply of mortgage funds by reducing the risk to lenders and by encouraging the secondary market trading of mortgages, to make housing more accessible for Canadians. An actuarial study of the MIF is produced as of September 30 of each year. The Corporation determines provisions for claims and unearned premiums at December 31 using valuation factors taking into account new business, claims and interest for the last quarter. The MBSGF supports two CMHC guarantee products: *National Housing Act* (NHA) Mortgage-Backed Securities and Canada Mortgage Bonds.

The Mortgage-Backed Securities (MBS) program was implemented in 1987. For a guarantee fee paid by approved financial institutions, CMHC and ultimately the government guarantee timely payment of monthly principal and interest to MBS investors who participate in a pool of insured residential mortgages which have been repackaged by the financial institution into investments which can be sold to investors in denominations as low as \$1,000. The Canada Mortgage Bond (CMB) program was implemented in 2001. Under this program, bonds are issued by a special purpose trust known as Canada Housing Trust and sold to investors in denominations as low as \$1,000. The proceeds of the bonds are used to purchase mortgages packaged into newly issued NHA MBS. Canada Mortgage Bonds of \$244,643 million (\$237,516 million in 2019) 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 \$410 million (\$450 million in 2019).

⁴ Farm Credit Canada sells group creditor life and accident insurance to its customers through a program administered by a major insurance provider.

⁵ Refers to the difference between claims and amounts received from sales of related assets and other recoveries.

Additional financial information relating to these corporations may be found in the annual *Inventory of Federal Organizations and Interests*. This information is also summarized in Note 7 to the consolidated financial statements in Section 2 of this volume.

Section 12

Public Accounts of Canada
2019–2020

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