



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

Financial Statements

March 31, 2024

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Statement of Management Responsibility Including Internal Control over Financial Reporting

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2024 and all information contained in these statements rests with the management of the Office of the Parliamentary Budget Officer (the “OPBO”). These financial statements have been prepared by management using Government of Canada accounting policies, which are based on Canadian public sector accounting standards.

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

Management is also responsible for maintaining an effective system of internal control over financial reporting (“ICFR”) designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Financial Administration Act* and other applicable legislation, regulations, authorities and policies.

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

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

Yves Giroux

Parliamentary Budget Officer

Ottawa, Canada

July 25, 2024

Sylvain Fleury CPA

Acting Chief Financial Officer

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INDEPENDENT AUDITOR'S REPORT

To the Parliamentary Budget Officer

Opinion

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

- the statement of financial position as at March 31, 2024
- the statement of operations and Office of the Parliamentary Budget Officer's net financial position for the year then ended
- the statement of change in the Office of the Parliamentary Budget Officer's net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Office as at March 31, 2024, and its results of operations and net financial position, its change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

We are independent of the Office in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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 Office's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Office or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a single, long, horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

July 25, 2024

Statement of Financial Position

As at March 31

(in dollars)

	2024	2023
Liabilities		
Accounts payable and accrued liabilities (note 4)	434,911	507,870
Vacation pay and compensatory leave	416,998	434,545
Employee future benefits (note 5(b)) and note 5(c))	277,464	241,052
Total liabilities	1,129,373	1,183,467
Financial assets		
Due from Consolidated Revenue Fund	155,505	382,076
Accounts receivable and advances (note 6)	279,406	125,794
Total financial assets	434,911	507,870
The OPBO's net debt	694,462	675,597
Non-financial assets		
Prepaid expenses	60,723	61,271
Tangible capital assets (note 7)	68,918	113,704
Total non-financial assets	129,641	174,975
The OPBO's net financial position	564,821	500,622

Contractual obligations ([note 10](#))

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

Yves Giroux
Parliamentary Budget Officer
Ottawa, Canada
July 25, 2024

Sylvain Fleury CPA
Acting Chief Financial Officer

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

For the Year Ended March 31

(in dollars)

	2024 Planned results	2024	2023
Expenses			
Economic and fiscal analysis	8,372,512	7,304,582	7,166,793
Cost of operations before government funding and transfers	8,372,512	7,304,582	7,166,793
Government funding and transfers			
Net cash provided by Government		6,741,989	6,461,774
Change in due from Consolidated Revenue Fund		(226,571)	32,603
Services provided without charge by other government departments (note 8(a))		724,965	708,168
Net cost of operations after government funding and transfers		64,199	(35,752)
The OPBO's net financial position – beginning of year		500,622	536,374
The OPBO's net financial position – end of year		564,821	500,622

Segmented information ([note 9](#))

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

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

For the Year Ended March 31

(in dollars)

	2024	2023
Net cost of operations after government funding and transfers	64,199	(35,752)
Change due to tangible capital assets		
Acquisitions of tangible capital assets	0	89,516
Amortization of tangible capital assets	(44,786)	(34,480)
Total change due to tangible capital assets	(44,786)	55,036
Change due to prepaid expenses	(548)	(41,265)
Net increase (decrease) in the OPBO's net debt	18,865	(21,981)
The OPBO's net debt – beginning of year	675,597	697,578
The OPBO's net debt – end of year	694,462	675,597

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

Statement of Cash Flows

For the Year Ended March 31

(in dollars)

	2024	2023
Operating activities		
Net cost of operations before government funding and transfers	7,304,582	7,166,793
Non-cash items:		
Amortization of tangible capital assets	(44,786)	(34,480)
Services provided without charge by other government departments (note 8(a))	(724,965)	(708,168)
Variations in Statement of Financial Position:		
Decrease (increase) in accounts payable and accrued liabilities	72,959	(18,020)
Decrease (increase) in vacation pay and compensatory leave	17,547	(55,856)
Decrease (increase) in employee future benefits	(36,412)	77,837
Increase (decrease) in accounts receivable and advances	153,612	(14,583)
Decrease in prepaid expenses	(548)	(41,265)
Cash used in operating activities	6,741,989	6,372,258
Capital investing activities		
Acquisitions of tangible capital assets	0	89,516
Cash used in capital investing activities	0	89,516
Net cash provided by Government of Canada	6,741,989	6,461,774

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

Notes to the Financial Statements

For the Year Ended March 31

1. Authority and objectives

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

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

The activity of the OPBO can be summarized as follows:

a. Economic and fiscal analysis

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

Notes to the Financial Statements

For the Year Ended March 31

2. Summary of significant accounting policies

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

Significant accounting policies are as follows:

a. Parliamentary authorities

The OPBO is financed by the Government of Canada through parliamentary authorities. Financial reporting of authorities provided to the OPBO does not parallel financial reporting according to Canadian generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and the OPBO's Net Financial Position and in the Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament. [Note 3](#) provides a reconciliation between the basis of reporting. The planned results amounts in the "Expenses" section of the Statement of Operations and the OPBO's Net Financial Position and in the Segmented Information ([Note 9](#)) are based on the amounts in the OPBO's Main Estimates and have been adjusted to reflect amortization of tangible capital assets, accommodation expense and health and dental benefits expenses that are not included in the Main Estimates. Planned results are not presented in the "Government funding and transfers" section of the Statement of Operations and the OPBO's Net Financial Position and in the Statement of Change in the OPBO's Net Debt because these amounts were not included in the Main Estimates.

b. Net cash provided by government

The OPBO operates within the Consolidated Revenue Fund (the "CRF"), which is administered by the Receiver General for Canada. All cash received by the OPBO is deposited to the CRF and all cash disbursements made by the OPBO are paid from the CRF. The net cash provided from the CRF is the difference between all cash receipts and all cash disbursements including transactions between departments of the Government.

Notes to the Financial Statements

For the Year Ended March 31

2. Summary of significant accounting policies (continued)

c. Amounts due from the Consolidated Revenue Fund

Amounts due from the CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF.

Amounts due from the CRF represent the net amount of cash that the OPBO is entitled to draw from the CRF without further appropriations to discharge its liabilities.

d. Expenses

Expenses are recorded on the accrual basis:

- i. Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.
- ii. Services provided without charge by other government departments for accommodation and the employer's contribution to the health and dental insurance plans are recorded as operating expenses at their estimated cost.

e. Employee future benefits

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

Notes to the Financial Statements

For the Year Ended March 31

2. Summary of significant accounting policies (continued)

f. Accounts receivable and advances

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

g. Foreign currency transactions

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

h. Tangible capital assets

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

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

Asset Class	Amortization Period
Machinery and equipment	5 years
Other equipment	3–15 years
Computer equipment	3 years
Computer software	3 years
Leasehold improvements	over the lease term

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

Notes to the Financial Statements

For the Year Ended March 31

2. Summary of significant accounting policies (continued)

i. Measurement uncertainty

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

j. Financial instruments

Financial instruments are recorded at fair value on initial recognition, and are subsequently recorded at cost or amortized costs unless management has elected to carry the instruments at fair value. Management has not elected to record any financial instruments at fair value.

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

k. Adoption of new accounting standards

The OPBO has adopted the following new public sector accounting standards in the year:

l. PS 3400 – Revenue:

On April 1, 2023, the OPBO adopted Public Sector Accounting Standards PS 3400 – Revenue. This standard was adopted prospectively from the date of adoption. These new standards requirements for the recognition, measurement, presentation and disclosure of revenue transactions.

The implementation of this standard did not require the OPBO to reflect any adjustments in these financial statements.

Notes to the Financial Statements

For the Year Ended March 31

3. Parliamentary authorities

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

- a. Reconciliation of net cost of operations to current year authorities used
(in dollars)

	2024	2023
Net cost of operations before government funding and transfers	7,304,582	7,166,793
Adjustments for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(44,786)	(34,480)
Services provided without charge by other government departments	(724,965)	(708,168)
Decrease (increase) in vacation pay and compensatory leave	17,547	(55,856)
Decrease (increase) in employee future benefits	(36,412)	77,837
Refund of prior year's expenditures	52,153	569
Total items affecting net cost of operations but not affecting authorities	(736,463)	(720,098)
Adjustments for items not affecting net cost of operations but affecting authorities:		
Salary overpayment and advances	13,381	984
Acquisition of capital assets	0	89,516
Increase (decrease) in prepaid expenses	(548)	(41,265)
Total items not affecting net cost of operations but affecting authorities	12,833	49,235
Current year authorities used	6,580,952	6,495,930

Notes to the Financial Statements

For the Year Ended March 31

3. Parliamentary authorities (continued)

b. Authorities provided and used

(in dollars)

	2024	2023
Authorities provided:		
Vote 1 – Program expenditures	6,850,418	6,650,891
Statutory amounts	667,883	640,054
Less:		
Lapsed: Operating	(937,349)	(795,015)
Current year authorities used	6,580,952	6,495,930

4. Accounts payable and accrued liabilities

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

(in dollars)

	2024	2023
Accounts payable – Other government departments and agencies	240,767	217,426
Accounts payable – External parties	3,740	156,292
Total accounts payable	244,507	373,718
Accrued liabilities	190,404	134,152
Total accounts payable and accrued liabilities	434,911	507,870

Notes to the Financial Statements

For the Year Ended March 31

5. Employee future benefits

a. Pension benefits:

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

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

The 2023-2024 expense amounts to \$395,454 (\$418,147 in 2022-2023). For Group 1 members, the expense represents approximately 1.02 times (1.02 times in 2022-2023) the employee contributions, and for Group 2 members, approximately 1.00 times (1.00 times in 2022-2023) the employee contributions.

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

b. Severance benefits:

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

(in dollars)

	2024	2023
Accrued benefit obligation – beginning of year	40,252	37,189
Expense for the year	3,412	3,063
Benefits paid during the year	0	0
Accrued benefit obligation – end of year	43,664	40,252

Notes to the Financial Statements

For the Year Ended March 31

5. Employee future benefits (continued)

b. Severance benefits (continued):

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

c. Sick leave benefit:

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

(in dollars)

	2024	2023
Employee sick leave benefit obligation – beginning of year	200,800	281,700
Current service cost	45,300	63,900
Interest cost	6,600	8,300
Actuarial loss (gain)	30,100	(153,100)
Expenses for the year	82,000	(80,900)
Benefits paid during the year	(49,000)	0
Employee sick leave benefit obligation – end of year	233,800	200,800

Notes to the Financial Statements

For the Year Ended March 31

5. Employee future benefits (continued)

c. Sick leave benefit (continued):

At the end of fiscal year 2022-2023, an actuarial valuation of the OPBO's employee sick leave benefit obligation was completed using the projected benefit method prorated on service. The significant actuarial assumptions adopted in measuring the employee sick leave benefit obligation are as follows:

	2024	2023
Discount rate	3.00%	2.40%
Rate of compensation economic increase per year	2.40%	2.40%
Average remaining service period of active employees	16.9 years	16.9 years

6. Accounts receivable and advances

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

(in dollars)

	2024	2023
Receivables – Other government departments and agencies	123,439	119,096
Receivables – External parties	155,967	6,698
Employee advances	0	0
Net accounts receivable	279,406	125,794

Notes to the Financial Statements

For the Year Ended March 31

7. Tangible capital assets

(in dollars)

Capital asset class	Cost			Closing balance
	Opening balance	Acquisitions	Adjustments	
Other equipment	13,452	0	0	13,452
Informatic Hardware	84,647	0	0	84,647
Computer software	142,173	0	0	142,173
Leasehold Improvement	69,477	0	0	69,477
Total	309,749	0	0	309,749

(in dollars)

Capital asset class	Accumulated amortization			Closing balance
	Opening balance	Amortization	Adjustments	
Other equipment	5,429	2,690	0	8,119
Informatic Hardware	41,130	27,469	0	68,599
Computer software	142,173	0	0	142,173
Leasehold Improvement	7,313	14,627	0	21,940
Total	196,045	44,786	0	240,831

(in dollars)

Capital asset class	Net book value	
	2024	2023
Other equipment	5,333	8,023
Informatic Hardware	16,048	43,517
Computer software	0	0
Leasehold Improvement	47,537	62,164

Office of the Parliamentary Budget Officer

Total

68,918

113,704

Notes to the Financial Statements

For the Year Ended March 31

8. Related party transactions

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

a. Common services provided without charge by other government departments

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

(in dollars)

	2024	2023
Accommodation	290,574	301,691
Employer's contribution to health and dental insurance plan	434,391	406,477
Total	724,965	708,168

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

Notes to the Financial Statements

For the Year Ended March 31

8. Related party transactions (continued)

- b. Other transactions with related parties
(in dollars)

	2024	2023
Accounts receivable – Other government departments and agencies	123,439	119,096
Accounts payable – Other government departments and agencies	240,767	217,426
Expenses – Other government departments and agencies	6,375,003	6,098,660

Expenses and revenues disclosed in [note 8\(b\)](#) exclude common services provided without charge, which are already disclosed in [note 8\(a\)](#).

Notes to the Financial Statements

For the Year Ended March 31

9. Segmented information

Presentation by segment is based on the OPBO's program activity structure. The presentation by segment is based on the same accounting policies as described in the Summary of significant accounting policies in [note 2](#). The following table presents the expenses incurred by major object of expenses. The segment results for the period are as follows:

(in dollars)

	2024 Planned results	2024	2023
Expenses			
Salaries and employee benefits	6,398,110	5,894,672	5,643,600
Accommodation	290,574	290,574	301,691
Professional and special services	685,000	402,430	378,953
Material, equipment and supplies	229,348	180,673	300,068
Rentals	275,000	310,825	348,533
Communications, travel and relocation	80,000	67,035	79,249
Amortization of tangible capital assets	34,480	44,786	34,480
Information	280,000	113,587	80,219
Repairs and maintenance	25,000	0	0
Acquisition machinery and equipment	75,000	0	0
Total expenses	8,372,512	7,304,582	7,166,793
Net cost from continuing operations	8,372,512	7,304,582	7,166,793

Notes to the Financial Statements

For the Year Ended March 31

10. Contractual obligations

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

(in dollars)

2025	84,123
2026	22,566
2027	23,695
Total	130,384

11. Financial risks

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

a. Credit risk

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

b. Liquidity risk

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

c. Market risk

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

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