



Government
of Canada

Gouvernement
du Canada

Prepared by the
Receiver General for Canada

Public Accounts of Canada

2021

Volume I

Summary Report and Consolidated Financial Statements

Canada^{ca}

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Erratum

Subsequent to the tabling of the *Public Accounts of Canada*, corrections were made to the Employment Insurance Operating Account audited financial statements in Volume I, Section 4, Consolidated Accounts, pages 136, 139, 143, 144 and 150. The revised information is highlighted.

To Her Excellency

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

May it please your Excellency:

I have the honour to present to Your Excellency the Public Accounts of Canada for the year ended March 31, 2021.

All of which is respectfully submitted.

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

Ottawa, November 29, 2021

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

Madam:

In accordance with the provisions of section 64(1) of the *Financial Administration Act*, I have the honour to transmit herewith the Public Accounts of Canada for the year ended March 31, 2021, to be laid by you before the House of Commons.

Respectfully submitted,

Original signed by
Filomena Tassi, P.C., M.P.
Receiver General for Canada

Ottawa, November 29, 2021

To The Honourable Filomena Tassi, 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, 2021.

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 29, 2021

Volume I

Public Accounts of Canada 2020–2021

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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 2020–2021

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 2020–2021*, 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.

2021 financial highlights

- The government posted a budgetary deficit of \$327.7 billion for the fiscal year ended March 31, 2021, compared to a deficit of \$39.4 billion in the previous fiscal year. The unprecedented shift in the government’s financial results reflects the severe deterioration in the economic situation brought on by COVID-19 and temporary measures implemented through Canada’s Economic Response Plan to protect Canadians from the impacts of the pandemic.
- The budgetary deficit before net actuarial losses stood at \$312.4 billion in 2021, compared to \$28.8 billion in 2020. The budgetary balance before net actuarial losses is intended to supplement the traditional budgetary balance and improve the transparency of the government’s financial reporting by isolating the impact of the recognition of net actuarial losses arising from the government’s public sector pensions and other employee and veteran future benefits.
- Compared to projections in Budget 2021, the annual deficit was \$26.4 billion lower than the \$354.2-billion deficit projected, mainly reflecting higher-than-expected tax and non-tax revenues and lower-than-expected program expenses. The annual deficit before net actuarial losses was \$26.3 billion lower than projected.
- Revenues decreased by \$17.7 billion, or 5.3%, from 2020, primarily reflecting lower excise taxes and duties, particularly due to COVID–19 shutdowns and the one-time enhanced Goods and Services Tax (GST) credit payment, as well as lower Crown corporation revenues due to the impacts of the COVID-19 pandemic and the Bank of Canada’s secondary market purchases of Government of Canada securities.
- Program expenses excluding net actuarial losses increased by \$270.1 billion, or 79.8%, from 2020, largely reflecting transfers to individuals, businesses, and other levels of government under the Economic Response Plan. Net actuarial losses, which reflect changes in the value of the government’s obligations and assets for public sector pensions and other employee and veteran future benefits recorded in previous fiscal years, increased \$4.7 billion, or 44.2%. This increase in losses is due in large part to declines in year-end interest rates used in valuing these obligations, as well as increased costs associated with the utilization of disability and other future benefits provided to veterans. Public debt charges were down \$4.1 billion, or 16.7%, largely reflecting lower interest on the government’s public sector pensions and other employee and veteran future benefits, lower interest on treasury bills, and lower Consumer Price Index adjustments on Real Return Bonds.
- The accumulated deficit (the difference between total liabilities and total assets) stood at \$1,048.7 billion at March 31, 2021. The accumulated deficit-to-GDP (gross domestic product) ratio was 47.6%, up from 31.2% 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 33.0% in 2020. This is the lowest level among Group of Seven (G7) countries, which the IMF expects recorded an average net debt of 104.9% of GDP for the same year.

Discussion and analysis

Economic developments¹

The COVID-19 pandemic brought about the deepest and fastest recession, worldwide, since the Great Depression. During the most acute phase of the crisis, public health measures and extreme uncertainty caused a sudden and unprecedented impact on the global economy over the first half of 2020. The global economy contracted 5.3% in 2020, the largest decline since the 1930s.

The shock to the Canadian economy caused by the spread of COVID-19 was historically sudden and deep. The drop in Canada's real GDP was the fourth largest in the G7 at 13.1% over the first half of 2020, with much of the damage occurring over a very short time from mid-March to the end of April. Over this period, more than 5 million Canadian workers either lost their jobs or saw sharply reduced working hours. The employment rate of Canadians aged 15 to 64 fell from record highs to record lows. Canada's economy was also hit by the plunge in oil prices as demand for fuel collapsed along with travel and restrictions on movement. West Texas Intermediate crude oil prices fell from US\$57/barrel in the fourth quarter of 2019 to US\$28/barrel in the second quarter of 2020. Similarly, a flight to safety, significant government responses, and global monetary easing all pushed down short-term and long-term interest rates to historic lows.

Following the first wave of infections, economic activity and employment rebounded at a faster pace than many had initially expected over the summer of 2020 as restrictions eased, businesses reopened, and Canadians adapted. The Canadian economy saw a bounce-back in real GDP of over 40% (annualized) in the third quarter of 2020, and over three-quarters of the 3 million jobs lost at the peak of the pandemic were recovered by the end of September.

However, subsequent waves of the pandemic and recurrent lockdowns shifted the recovery into slower gear and continued to impact the economy through late 2020 and the first half of 2021. Restrictions re-intensified as cases and hospitalizations surged again in the winter and early spring, hindering tourism, indoor dining, and activities involving large gatherings. This made for highly uneven impacts across sectors, with layoffs concentrated once again in contact-sensitive businesses such as retail, hotels, entertainment, and restaurants, while other industries, such as real estate, financial and professional services, were virtually unaffected.

By the first quarter of 2021, economic activity remained about 2% below its pre-pandemic peak, and nearly one million Canadians were still affected by the pandemic in the labour market through layoffs or significantly reduced hours.

Canada's COVID-19 economic response – including job protections through the Canada Emergency Wage Subsidy (CEWS), liquidity support through programs like the Canada Emergency Business Account (CEBA), and income support through the Canada Emergency Response Benefit (CERB) and the suite of Canada Recovery Benefits – has been key to bridging Canadians and businesses through these challenging times and stabilizing the economy. These fiscal responses were complemented by the Bank of Canada's low interest rate and asset purchases providing significant monetary stimulus. Overall, Canada's comprehensive and flexible response plan helped engineer a near-term economic turnaround at a faster-than-anticipated pace compared to many of its peers in the G7.

Coupled with a successful vaccination rollout that has seen a majority of Canadians already fully vaccinated, government support has helped keep household and business confidence high and put in place strong fundamentals, such as improved balance sheets and elevated savings that will support the next phase of the recovery.

With these strong fundamentals in place, recent success containing the virus, and a large share of Canadians fully vaccinated, the recovery pace is set to accelerate in the second half of 2021, as provinces scale back the most stringent public health restrictions. Combined with a strengthening recovery in the U.S., this should put the recovery on a strong footing, with the Canadian economy likely to return to its pre-pandemic level before the end of the year.

Still, some challenges and uncertainties remain. Crucially, the health situation will continue to play a key role in shaping the outlook; the spread of more virulent strains that could potentially reduce the effectiveness of vaccines remains a key risk going forward. Unevenness in vaccination worldwide could also hold back activity in some sectors, such as travel. Further, supply-chain bottlenecks and cost pressures may limit growth in some sectors. The government regularly surveys private sector economists on their views on the economy to assess and manage risk. The survey of private sector economists has been used as the basis for economic and fiscal planning since 1994 and introduces an element of independence into the government's forecasts. This practice has been supported by international organizations, such as the IMF.

¹ This section incorporates data available up to and including August 13, 2021. The annual results are on calendar year basis.

Average private sector forecasts

(in percentage)

	2019	2020	2021	2022
Real GDP growth				
Budget 2019	1.9	1.6	1.7	1.9
Budget 2021	1.9	-5.3	5.8	4.0
Actual	1.9	-5.3	-	-
Nominal GDP growth				
Budget 2019	3.4	3.5	3.7	3.9
Budget 2021	3.6	-4.6	9.6	6.0
Actual	3.6	-4.6	-	-
3-month Treasury bill rate				
Budget 2019	1.9	2.2	2.3	2.4
Budget 2021	1.7	0.4	0.1	0.2
Actual	1.7	0.4	-	-
10-year government bond rate				
Budget 2019	2.4	2.7	2.8	3.1
Budget 2021	1.6	0.7	1.5	1.8
Actual	1.6	0.7	-	-
Unemployment rate				
Budget 2019	5.7	5.9	6.0	6.0
Budget 2021	5.7	9.6	8.0	6.5
Actual	5.7	9.6	-	-
Consumer price index inflation				
Budget 2019	1.9	2.0	1.9	2.0
Budget 2021	2.0	0.7	2.2	2.0
Actual	2.0	0.7	-	-

Figures have been restated to reflect the historical revisions in the Canadian System of National Accounts as of the first quarter of 2021 released on June 1, 2021.

Canada’s COVID-19 Economic Response Plan

The unprecedented shift in the government’s financial results in 2021 reflects the severe deterioration in the economic situation brought on by the COVID-19 pandemic and temporary measures implemented through Canada’s Economic Response Plan (ERP) to protect Canadians and businesses from the impacts of the pandemic. Since March 2020, the government has committed over \$345 billion – 15.7% of 2020 GDP – as part of the ERP to protect the health and safety of Canadians and provide direct support to workers and businesses through the crisis.

Canada’s ERP 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.

Combined, these measures make Canada’s plan one of the most comprehensive and generous response plans in the world. The government continues to take the necessary steps to ensure timely access to the support 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 as the pandemic subsides.

The fiscal impact of the ERP on the government’s 2021 financial results is estimated at over \$240 billion, the vast majority of which represents increased transfers to individuals, businesses, and provinces and territories. However, due to challenges in isolating the economic impacts of the COVID-19 crisis and measures introduced under the ERP from other “baseline” transactions and economic activity driving changes in the government’s revenues and expenses, it is not possible to provide a precise measure of the total unique impact of COVID-19 on the 2021 financial results.

Some of the more significant ERP measures impacting the 2021 financial results include:

Spending programs, including:

- \$80.2 billion in assistance under the CEWS;
- \$63.7 billion under the CERB, including payments to individuals eligible for the Employment Insurance Emergency Response Benefit (EI ERB);
- \$16.8 billion under the Canada Recovery Benefit, Canada Recovery Sickness Benefit, and Canada Recovery Caregiving Benefit;
- \$13.0 billion in transfers to provinces and territories under the Safe Restart Agreement;
- \$13.1 billion under the CEBA incentive; and,
- \$1.9 billion in expenses associated with vaccines and personal protective equipment.

Revenue measures and tax liquidity support, including:

- extension of the filing and payment due date for 2019 individual and corporate tax returns to September 30, 2020;
- interest relief on existing tax debts related to individual, corporate, and trust income tax returns from April 1, 2020 to September 30, 2020, and from April 1, 2020 to June 30, 2020 for GST/Harmonized Sales Tax returns;
- \$5.4-billion one-time special payment through the GST credit for low- and modest-income families; and,
- cessation of interest accrual and suspension of loan repayments for all student borrowers from March 30, 2020 to September 30, 2020.

In addition to direct support measures, credit and liquidity support has also been made available by a number of Crown corporations, including, for example:

- The Bank of Canada, under several large-scale asset purchase programs to increase liquidity in core funding markets. From March 2020 to March 2021, investments held by the Bank increased by over \$300 billion, largely reflecting market purchases of Government of Canada bonds. This growth is offset by a corresponding increase in the Bank’s liabilities for bank notes in circulation and deposits.
- Export Development Canada (EDC), which administered the CEBA program on the government’s behalf. As of March 31, 2021, loans outstanding under CEBA totalled approximately \$45 billion, including the repayment incentive mentioned above.
- Canada Mortgage and Housing Corporation (CMHC), through the Insured Mortgage Purchase Program (IMPP). As of March 2021, CMHC had purchased over \$5.8 billion of insured mortgages from financial institutions under the IMPP.
- The Business Development Bank of Canada (BDC), as well as EDC, under a number of other programs including the Business Credit Availability Program (BCAP), which is delivered in collaboration with private sector lenders. As of March 31, 2021, BDC, in collaboration with private sector lenders, had authorized \$1.1 billion in loans under BCAP, while EDC had guaranteed approximately \$1 billion in loans extended to Canadian companies by financial institutions.

The Government of Canada’s debt program increased significantly in 2021 in order to make the necessary investments to stabilize the Canadian economy in response to the extraordinary circumstances of the COVID-19 pandemic. Between April 1, 2020 and March 31, 2021, the government’s unmatured debt increased by \$341.4 billion, largely reflecting an increase in the issuance of marketable bonds and treasury bills. Information regarding the government’s most recent *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 2 of Budget 2021 at budget.gc.ca/2021/report-rapport/anx2-en.html.

Further information on Canada’s COVID-19 Economic Response Plan can be found at canada.ca/en/department-finance/economic-response-plan.

Additional details regarding the impact of the Plan on the government’s financial results for 2021 are presented in the following sections of this financial statements discussion and analysis.

The budgetary balance

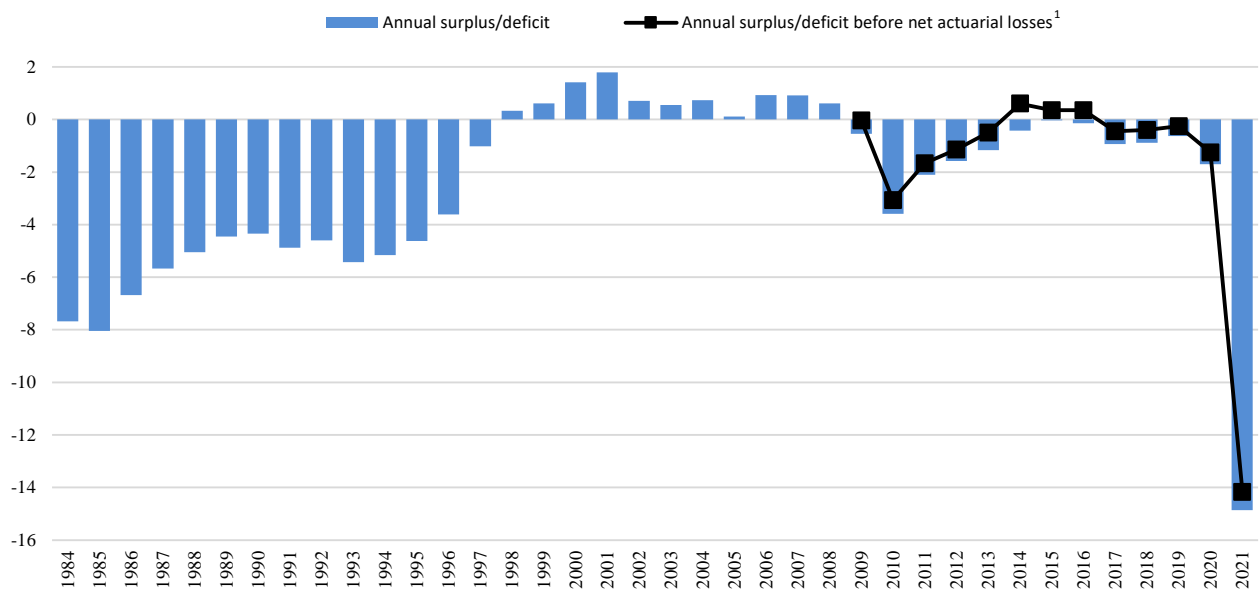
The budgetary balance is the difference between the government's revenues and total expenses over a fiscal year. It is one of the key measures of the government's annual financial performance. The government posted an annual deficit of \$327.7 billion in 2021, compared to a deficit of \$39.4 billion in 2020.

The annual deficit before net actuarial losses represents the difference between the government's revenues and expenses excluding net actuarial losses. By excluding the impact of changes in the value of the government's obligations and assets for public sector pensions and other employee and veteran future benefits recorded in previous fiscal years, this measure is intended to present a clearer picture of the results of government operations during the current fiscal year. The annual deficit before net actuarial losses stood at \$312.4 billion in 2021, compared to \$28.8 billion in 2020.

The following graph shows the government's budgetary balance since 1984, as well as the budgetary balance before net actuarial losses since 2009. To enhance the comparability of results over time and across jurisdictions, the budgetary balance and its components are presented as a percentage of GDP. In 2021, the budgetary deficit was 14.9% of GDP, compared to a deficit of 1.7% of GDP a year earlier. The budgetary deficit before net actuarial losses was 14.2% of GDP, compared to a deficit of 1.2% of GDP a year earlier.

Annual surplus/deficit

(percentage of GDP)



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

Annual deficit before net actuarial losses

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

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

While these adjustments and revaluations are an important part of providing an accurate picture of the government’s Consolidated Statement of Financial Position at 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 consolidated financial statements and fiscal projections, including as a measurement of the short-term impact of government spending and taxation choices on the economy.

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

Revenues were down \$17.7 billion, or 5.3%, from the prior year, primarily reflecting lower excise taxes and duties, particularly due to COVID-19 shutdowns and the one-time enhanced GST credit payment, as well as lower Crown corporation revenues due to the impact of the COVID-19 pandemic and the Bank of Canada’s secondary market purchases of Government of Canada securities.

Total expenses were up \$270.7 billion, or 72.5%, from the prior year. Program expenses excluding net actuarial losses increased by \$270.1 billion, or 79.8%, primarily reflecting increased transfers to individuals, businesses, and other levels of government under the Economic Response Plan, including the CERB, the CEWS, and transfers under the Safe Restart Agreement. Net actuarial losses increased by \$4.7 billion, or 44.2%, from the prior year, due in large part to declines in year-end interest rates used to value the government’s unfunded public sector pension and other employee and veteran future benefit obligations and increased costs associated with the utilization of disability and other future benefits provided to veterans in the previous fiscal year. Public debt charges decreased by \$4.1 billion, or 16.7%, from the prior year, largely reflecting lower interest on the government’s public sector pensions and other employee and veteran future benefits, lower interest on treasury bills, and lower Consumer Price Index adjustments on Real Return Bonds.

2021 Financial Highlights

(in millions of dollars)

	2021	2020
Consolidated Statement of Operations		
Revenues.....	316,446	334,131
Expenses		
Program expenses, excluding net actuarial losses	608,522	338,467
Public debt charges.....	20,358	24,447
Total expenses, excluding net actuarial losses	628,880	362,914
Annual deficit before net actuarial losses.....	(312,434)	(28,783)
Net actuarial losses	(15,295)	(10,609)
Annual deficit.....	(327,729)	(39,392)
Percentage of GDP.....	(14.9)%	(1.7)%
Consolidated Statement of Financial Position		
Liabilities		
Accounts payable and accrued liabilities	207,397	163,833
Interest-bearing debt.....	1,444,844	1,084,776
Total liabilities	1,652,241	1,248,609
Financial assets	502,416	435,718
Net debt	(1,149,825)	(812,891)
Non-financial assets	101,079	91,531
Accumulated deficit.....	(1,048,746)	(721,360)
Percentage of GDP.....	47.6%	31.2%

Revenues

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

Within the income tax category, personal income tax revenues are the largest source of federal revenues, and accounted for 55.2% of total revenues in 2021 (up from 50.2% in 2020). Corporate income tax revenues are the second largest source of revenues, and accounted for 17.1% of total revenues in 2021 (up from 15.0% in 2020). Non-resident income tax revenues are a comparatively smaller source of revenues, accounting for only 2.6% of total revenues in 2021 (down from 2.8% in 2020).

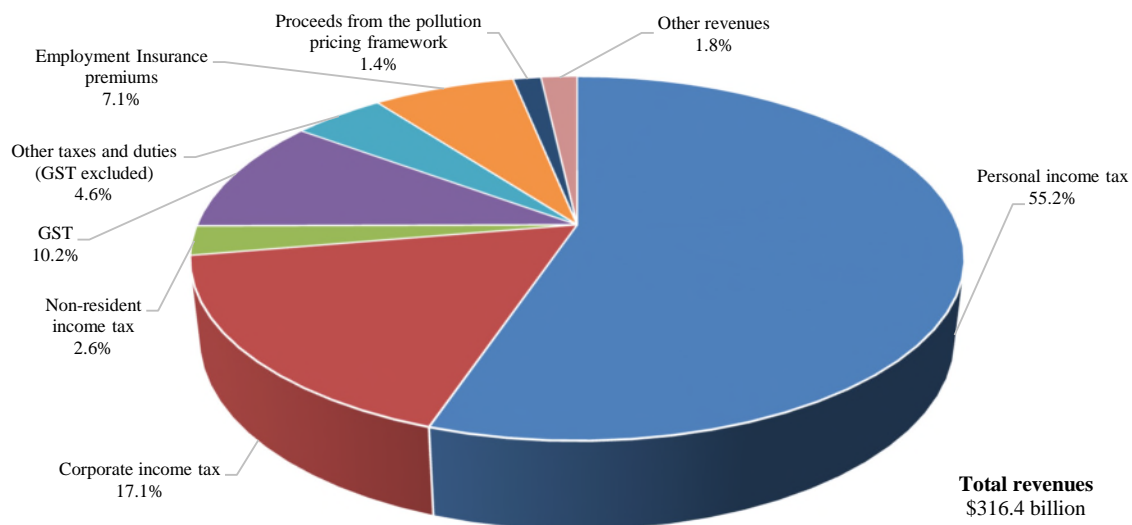
Other taxes and duties consist of revenues from the GST, energy taxes, customs import duties and other excise taxes and duties. The largest component of this category—GST revenues—accounted for 10.2% of all federal revenues in 2021 (down from 11.2% in 2020). The share of the remaining components of other taxes and duties stood at 4.6% of total federal revenues (down from 4.9% in 2020).

EI premium revenues accounted for 7.1% of total federal revenues in 2021 (up from 6.6% in 2020).

Proceeds from the pollution pricing framework accounted for 1.4% of total federal revenues in 2021 (up from 0.8% 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 1.8% of total federal revenues in 2021 (down from 8.5% in 2020).

Composition of revenues for 2021



Numbers may not add to 100% due to rounding.

Revenues compared to 2020

Total revenues amounted to \$316.4 billion in 2021, down \$17.7 billion, or 5.3%, from 2020. The following table compares revenues for 2021 to 2020.

Revenues

(in millions of dollars)

	2021	2020	Change	
			\$	%
Income tax revenues				
Personal.....	174,755	167,576	7,179	4.3
Corporate.....	54,112	50,060	4,052	8.1
Non-resident.....	8,107	9,476	(1,369)	(14.4)
Total.....	236,974	227,112	9,862	4.3
Other taxes and duties				
Goods and services tax.....	32,415	37,386	(4,971)	(13.3)
Energy taxes.....	4,894	5,683	(789)	(13.9)
Customs import duties.....	4,254	4,853	(599)	(12.3)
Other excise taxes and duties.....	5,391	5,958	(567)	(9.5)
Total.....	46,954	53,880	(6,926)	(12.9)
Employment insurance premiums.....	22,392	22,219	173	0.8
Proceeds from the pollution pricing framework.....	4,380	2,655	1,725	65.0
Other revenues.....	5,746	28,265	(22,519)	(79.7)
Total revenues.....	316,446	334,131	(17,685)	(5.3)

- Personal income tax revenues increased by \$7.2 billion in 2021, or 4.3%, reflecting household income growth buoyed in particular by income support measures put in place by the government during the pandemic.
- Corporate income tax revenues increased by \$4.1 billion, or 8.1%, reflecting strength in corporate profits following the initial negative shock of the pandemic, and the impact of emergency support measures for Canadian businesses.
- Non-resident income tax revenues are paid by non-residents on Canadian-sourced income. These revenues decreased by \$1.4 billion, or 14.4%.
- Other taxes and duties decreased by \$6.9 billion, or 12.9%. GST revenues declined by \$5.0 billion in 2021, or 13.3%, reflecting the temporary shutdown of large portions of the retail sector and the introduction of the one-time enhanced GST credit payment in May 2020. Energy taxes fell by \$0.8 billion, or 13.9%, mainly due to lower motive fuel consumption during the COVID-19 pandemic. Customs import duties decreased by \$0.6 billion, or 12.3%, largely due to lower imports and the government’s waiver of customs duties on medical goods in order to better combat the spread of COVID-19. Other excise taxes and duties were down \$0.6 billion, or 9.5%, driven primarily by a significant drop in revenues from the Air Travellers Security Charge.
- EI premium revenues increased by \$0.2 billion, or 0.8%.
- Proceeds from the pollution pricing framework increased by \$1.7 billion, or 65.0%, reflecting the addition of Alberta to the fuel charge system and a higher carbon pollution price in 2021.
- Other revenues decreased by \$22.5 billion, or 79.7%, largely reflecting a decrease in enterprise Crown corporation profits due to COVID-19, and the impact of Bank of Canada purchases of Government of Canada securities on the secondary market to support liquidity in financial markets.

Pricing carbon pollution and delivering Climate Action Incentive payments

As part of the federal carbon pollution pricing system, fuel and excess emission charges are collected pursuant to the *Greenhouse Gas Pollution Pricing Act* and are applicable to jurisdictions that voluntarily adopt the federal carbon pollution pricing system and those that do not meet the federal benchmark requirements. The regulatory charge on fossil fuels (“fuel charge”) applied as of April 1, 2019, in Ontario, New Brunswick, Manitoba and Saskatchewan, on July 1, 2019, in Nunavut and in the Yukon, and on January 1, 2020, in Alberta. The fuel charge was subsequently stood down in New Brunswick, as of April 1, 2020, as the province introduced a tax on carbon emitting products that meets the federal benchmark requirements for the sources it covers. As of March 31, 2021, there were \$4,219 million of fuel charge proceeds recorded (\$2,655 million in 2020).

As part of the federal carbon pollution pricing system, the government returns 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. As of March 31, 2021, \$19 million (\$6 million in 2020) was 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. These payments are provided for under the *Income Tax Act* and are delivered through the personal income tax system. In 2021, \$4,547 million (\$2,630 million in 2020) of CAI payments were made or were payable by the government;
 - ii. 2020 proceeds were used for federal programming to support schools, hospitals, small and medium-sized enterprises, colleges and universities, municipalities, non-profit organizations, and Indigenous communities. As of March 31, 2021, \$98 million (\$7 million in 2020) was returned.

Accounting for the Bank of Canada’s Purchases of Government of Canada Bonds

In response to COVID-19, the Bank of Canada introduced several new facilities and operations to support liquidity and the proper functioning of core funding markets, and to provide monetary stimulus. One of these facilities, the Government of Canada Bond Purchase Program, involves the purchase of Government of Canada nominal and real return bonds in the secondary market.

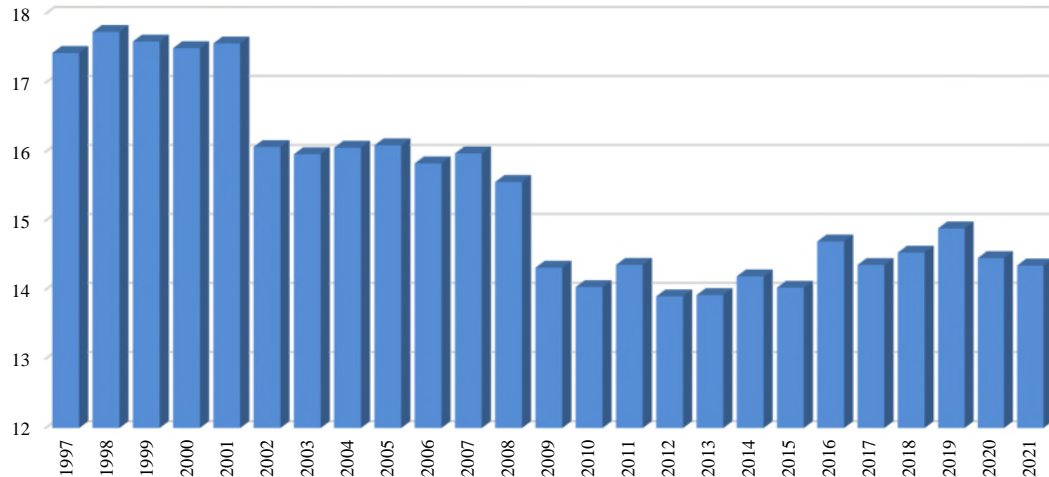
The Bank of Canada, as an enterprise Crown corporation, is part of the government reporting entity and is included as part of the government’s consolidated financial statements. As a result, the purchase of Government of Canada bonds by the Bank on financial markets is accounted for similar to the government’s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

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

The revenue ratio—revenues as a percentage of GDP—compares the total of all federal revenues to the size of the economy. This ratio is influenced by changes in statutory tax rates and by economic developments. The ratio stood at 14.4% in 2021 (down slightly from 14.5% in 2020).

Revenue ratio

(revenues as a percentage of GDP)



Expenses

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

Transfer payments are classified under five categories:

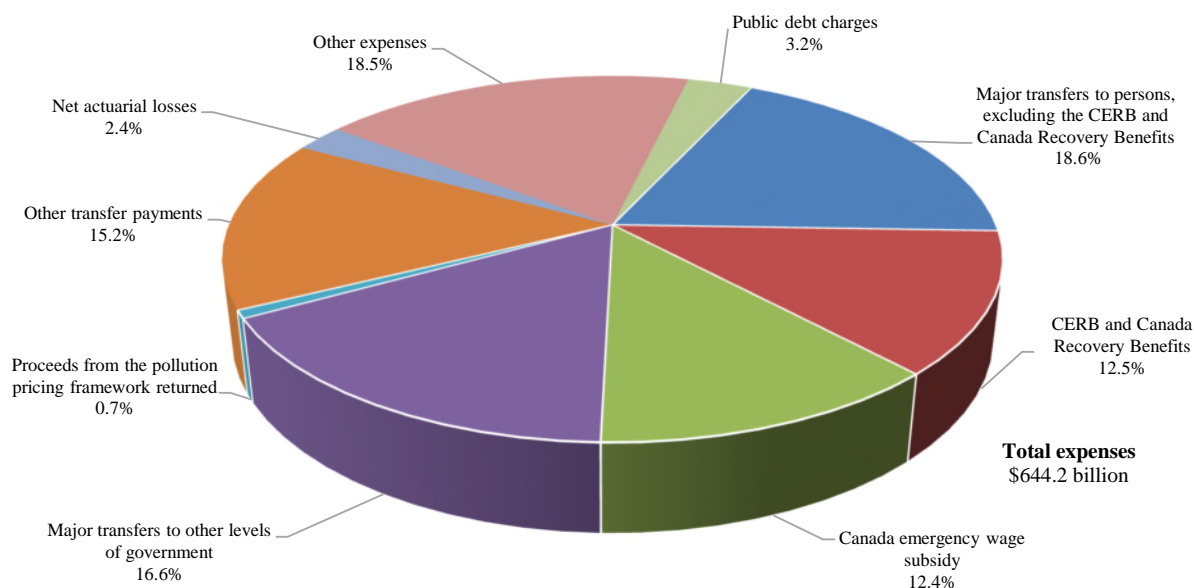
- Major transfers to persons, which made up 31.1% of total expenses (up from 28.7% in 2020). This category consists of elderly, EI and support measures, and children’s benefits, as well as the CERB and the suite of Canada Recovery Benefits (the Canada Recovery Benefit, the Canada Recovery Sickness Benefit, and the Canada Recovery Caregiving Benefit) introduced under Canada’s COVID-19 Economic Response Plan. Taking into account CERB benefits processed through the EI Operating Account, the CERB and Canada Recovery Benefits comprised 12.5% of total expenses, while the other components of major transfers to persons accounted for 18.6% of total expenses.
- 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), Canada Community-Building Fund (previously Gas Tax Fund) transfers, and a number of one-time transfers to provinces and territories through the Economic Response Plan—made up 16.6% of total expenses in 2021 (down from 21.2% in 2020).
- The CEWS, which provides payments to eligible employers as part of the Economic Response Plan, made up 12.4% of total expenses in 2021. This category also includes the 10% Temporary Wage Subsidy for Employers.
- Proceeds from the pollution pricing framework returned, consisting of payments under the federal carbon pollution pricing system, made up 0.7 % of expenses (unchanged from 2020).
- 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 15.2% of expenses (up from 14.6% in 2020).

Other expenses, which represent the operating expenses of the government’s 131 departments, agencies, and consolidated Crown corporations and other entities, accounted for 18.5% of total expenses in 2021. This was down from 25.5% in 2020, reflecting the significant increase in transfer payments as a share of spending in the current year as part of Canada’s COVID-19 Economic Response Plan.

Public debt charges made up 3.2% of total expenses in 2021 (down from 6.5% in 2020).

Net actuarial losses made up the remaining 2.4% of total expenses in 2021, down from 2.8% in 2020.

Composition of expenses for 2021



Numbers may not add to 100% due to rounding.

Expenses compared to 2020

Total expenses amounted to \$644.2 billion in 2021, up \$270.7 billion, or 72.5%, from 2020. The following table compares total expenses for 2021 to 2020.

Expenses

(in millions of dollars)

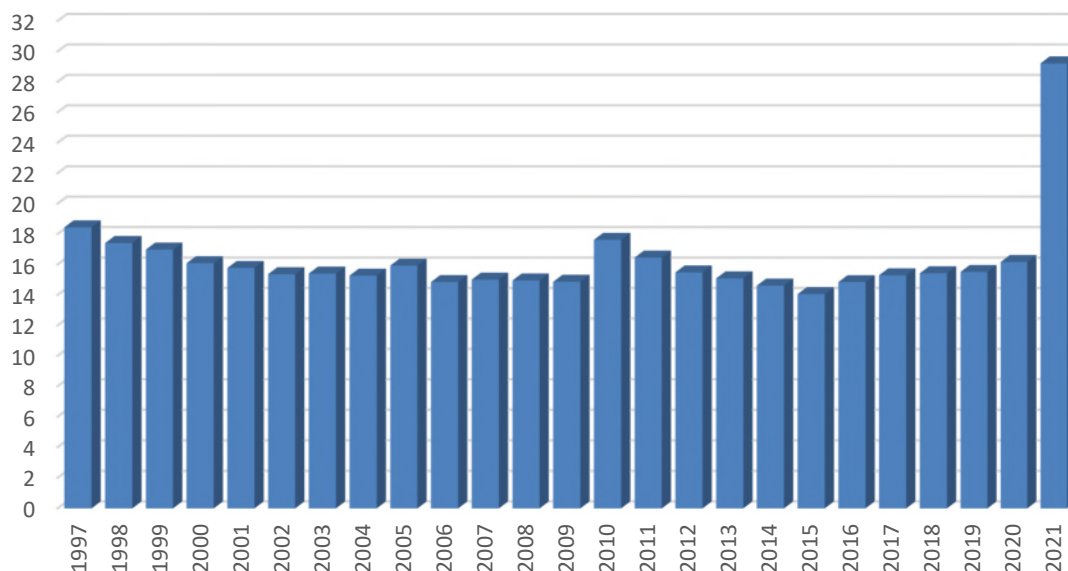
	2021	2020	Change	
			\$	%
Transfer payments				
Major transfers to persons				
Elderly benefits.....	58,529	56,227	2,302	4.1
Employment insurance and support measures.....	58,356	21,750	36,606	168.3
Children's benefits	27,370	24,344	3,026	12.4
Canada emergency response benefit and Canada recovery benefits	55,832	4,739	51,093	1,078.1
Total.....	200,087	107,060	93,027	86.9
Major transfers to other levels of government				
Federal transfer support for health and other social programs	60,903	55,457	5,446	9.8
Fiscal arrangements and other transfers	45,750	23,718	22,032	92.9
Total.....	106,653	79,175	27,478	34.7
Canada emergency wage subsidy	80,166	–	80,166	n/a
Proceeds from the pollution pricing framework returned.....	4,566	2,636	1,930	73.2
Other transfer payments	97,961	54,405	43,556	80.1
Total transfer payments.....	489,433	243,276	246,157	101.2
Other expenses, excluding net actuarial losses.....	119,089	95,191	23,898	25.1
Total program expenses, excluding net actuarial losses	608,522	338,467	270,055	79.8
Public debt charges	20,358	24,447	(4,089)	(16.7)
Total expenses, excluding net actuarial losses.....	628,880	362,914	265,966	73.3
Net actuarial losses	15,295	10,609	4,686	44.2
Total expenses	644,175	373,523	270,652	72.5

- Major transfers to persons increased by \$93.0 billion in 2021, reflecting increases across all major categories, including the CERB and Canada Recovery Benefits. Elderly benefits increased by \$2.3 billion, or 4.1%, reflecting growth in the number of recipients and changes in consumer prices, to which benefits are fully indexed. EI benefits and support measures increased by \$36.6 billion, or 168.3%, reflecting higher unemployment resulting from the crisis. This category also included \$24.6 billion in EI ERB (CERB benefits processed through the EI Operating Account) in 2021, for which the EI Operating Account was reimbursed through funding from the government. Children’s benefits increased by \$3.0 billion, or 12.4%, primarily reflecting the May 2020 Canada Child Benefit top-up payment and the 2021 temporary support for children under six. CERB payments processed outside of the EI Operating Account and Canada Recovery Benefits totalled \$55.8 billion, of which \$39.0 billion related to the CERB (bringing total transfers under the CERB and EI ERB to \$63.7 billion).
- Major transfers to other levels of government increased by \$27.5 billion in 2021, primarily reflecting a number of COVID-19 support measures to provinces and territories, including \$13.0 billion under the Safe Restart Agreement, a \$4.0-billion top-up to the Canada Health Transfer to help health care systems recover, \$2.9 billion through the COVID-19 Essential Workers Support Fund, a \$2.2-billion top-up to the Canada Community-Building Fund (previously the Gas Tax Fund), \$2.0 billion through the Safe Return to Class Fund, \$1.5 billion in funding to clean up orphan and inactive oil and gas wells, \$1.0 billion to assist provinces and territories with immunization campaigns, and \$0.3 billion in assistance to support workers in the offshore energy sector. The year-over-year increase also reflects \$2.9 billion in legislated growth in the current year under the Canada Health Transfer, the Canada Social Transfer, Equalization transfers and transfers to the territories. These increases were offset in part by a \$2.4-billion expense recorded in 2020 under the Hibernia Dividend Backed Annuity Agreement between Canada and Newfoundland and Labrador, which did not recur in 2021, and \$0.5 billion in transfers to provinces and territories in the prior year for public health preparedness, critical health care system needs and to support mitigation efforts associated with COVID-19.
- The Canada Emergency Wage Subsidy, including transfers through the CEWS and the 10% Temporary Wage Subsidy for Employers, totalled \$80.2 billion in 2021.
- Other transfer payments increased by \$43.6 billion, or 80.1%, in 2021, in large part reflecting COVID-19 response measures, including the repayment incentive under the CEBA program, the Canada Emergency Rent Subsidy and Canada Emergency Commercial Rent Assistance, the Canada Emergency Student Benefit, the one-time payment for seniors eligible for Old Age Security benefits or the Guaranteed Income Supplement, increased funding through Workforce Development Agreements with provinces and territories, the doubling of Canada Student Grant amounts, and the one-time payment to persons with disabilities. Increases in transfer payments also reflect increased transfers to Indigenous peoples, and compensation for supply-managed dairy producers as a result of market access commitments made under recent international trade agreements.
- Proceeds from the pollution pricing framework returned increased by \$1.9 billion, or 73.2%, reflecting a higher carbon pollution price in 2021 and the inclusion of Alberta in the federal backstop (and the return of proceeds collected within that province). As well, the increase is affected by 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 2021 reflect a portion of the Climate Action Incentive payments that were made in respect of fuel charge proceeds generated in 2021 and returned through 2019 tax returns, and a portion of the payments made in respect of proceeds to be generated in 2022 and returned through 2020 tax returns.
- Other expenses of departments, agencies, and consolidated Crown corporations and other entities, excluding net actuarial losses, increased by \$23.9 billion, or 25.1%, in large part due to increases in provisions for contingent liabilities, personnel costs, and purchases of medical and personal protective equipment and vaccines in response to the COVID-19 crisis.
- Public debt charges decreased by \$4.1 billion, or 16.7%, reflecting lower interest on the government’s pensions and other future benefits, lower interest on treasury bills, and lower Consumer Price Index adjustments on Real Return Bonds.
- Net actuarial losses, which reflect changes in the value of the government’s obligations and assets for public sector pensions and other employee and veteran future benefits recorded in previous fiscal years, increased \$4.7 billion, or 44.2%, due in large part to declines in year-end interest rates used in valuing unfunded benefit obligations and increased costs associated with the utilization of disability and other future benefits provided to veterans in the previous fiscal year.

The expense ratio—expenses as a percentage of GDP—compares the total of all federal expenses to the size of the economy. This ratio is influenced by policy actions, economic developments, and changes in interest rates. The ratio stood at 29.2% in 2021 (up from 16.2% in 2020), largely reflecting temporary COVID-19 response measures.

Expense ratio

(expenses as a percentage of GDP)



Comparison of actual results to budget projections

Comparison to April 2021 budget plan

The \$327.7-billion deficit recorded in 2021 was \$26.4 billion lower than the \$354.2-billion deficit projected in the April 2021 federal budget.

- Overall, revenues were \$20.3 billion higher than forecast due to higher personal and corporate income tax revenues, primarily driven by a faster-than-expected economic recovery.
- Program expenses, excluding net actuarial losses, were \$6.0 billion lower than expected, largely as a result of lower-than-anticipated spending on COVID-related programs, including the CEWS, and lower expenses incurred by year-end for vaccines and personal protective equipment, offset in part by higher-than-expected impacts from claims and litigation.
- Public debt charges were in line with the projection.
- Net actuarial losses were \$0.1 billion lower than projected.

Comparison of 2021 outcomes to April 2021 budget plan

(in millions of dollars)

	Projection	Actual	Difference
Revenues	296,153	316,446	20,293
Expenses			
Program expenses, excluding net actuarial losses	614,540	608,522	(6,018)
Public debt charges.....	20,365	20,358	(7)
Total expenses, excluding net actuarial losses	634,904	628,880	(6,024)
Annual deficit before net actuarial losses	(338,751)	(312,434)	26,317
Net actuarial losses.....	(15,399)	(15,295)	104
Annual deficit.....	(354,150)	(327,729)	26,421

Numbers may not add due to rounding.

Comparison to July 2020 Economic and Fiscal Snapshot

The 2021 budgetary deficit of \$327.7 billion was \$15.5 billion lower than the \$343.2-billion deficit projected for 2021 in the July 2020 Snapshot. A budget was not tabled in Parliament in 2020.

Revenues were \$47.6 billion, or 17.7%, higher than forecast in the July 2020 Snapshot, driven by higher income tax revenues due to the stronger-than-expected recovery from the COVID-19 pandemic and impact of government support measures.

Total expenses, excluding net actuarial losses, were \$31.7 billion, or 5.3%, higher than projected in the July 2020 Snapshot, with program expenses \$30.8 billion higher than forecast and public debt charges \$0.9 billion higher than forecast.

- Major transfers to persons were \$10.5 billion higher than forecast, a result of measures announced in the COVID-19 Economic Response Plan, primarily the extension of the CERB, and the transition of the CERB to the Canada Recovery Benefits and temporary changes to the EI program to improve access.
- Major transfers to other levels of government were \$12.1 billion higher than projected. This is largely due to COVID-19 response measures, including \$4.0 billion for a one-time top-up to the Canada Health Transfer, an additional \$3.5 billion for the Safe Restart Agreement, a \$2.2-billion top-up to the Canada Community-Building Fund, \$2.0 billion for the Safe Return to Class Fund, and \$1.0 billion for Canada's COVID-19 Immunization Plan. These increases were offset, in part, by a higher-than-projected Quebec Abatement recovery.
- Direct program expenses, which comprise the CEWS, other transfer payments, other expenses excluding net actuarial losses, and proceeds from the pollution pricing framework returned, were \$8.2 billion higher than projected in the July 2020 Snapshot. The variance from forecast is largely a result of higher-than-expected impacts from claims and litigation and measures announced after the July 2020 Snapshot, including extensions to CEBA and the Canada Emergency Rent Subsidy, partially offset by lower-than-anticipated uptake of COVID-related programming, including the CEWS.
- Public debt charges were \$0.9 billion higher than forecast, reflecting a higher-than-expected average effective interest rate on the stock of interest-bearing debt and higher-than-expected accrued benefit obligations for pensions and other employee future benefits.

Net actuarial losses were \$0.4 billion higher than projected, reflecting higher-than-projected losses resulting from actuarial valuations prepared for the Public Accounts of Canada 2020.

Comparison of 2021 outcomes to July 2020 Snapshot

(in millions of dollars)

	Projection ¹	Actual	Difference
Revenues			
Income tax revenues	195,250	236,974	41,724
Other taxes and duties	46,383	46,954	571
Employment insurance premiums.....	19,930	22,392	2,462
Proceeds from the pollution pricing framework.....	4,333	4,380	47
Other revenues	2,925	5,746	2,821
Total revenues	268,821	316,446	47,625
Expenses			
Program expenses			
Major transfers to persons.....	189,578	200,087	10,509
Major transfers to other levels of government.....	94,590	106,653	12,063
Direct program expenses			
Canada emergency wage subsidy	82,305	80,166	(2,139)
Proceeds from the pollution pricing framework returned.....	5,160	4,566	(594)
Other transfer payments	93,954	97,961	4,007
Other expenses, excluding net actuarial losses	112,147	119,089	6,942
Total program expenses, excluding net actuarial losses.....	577,734	608,522	30,788
Public debt charges	19,459	20,358	899
Total expenses, excluding net actuarial losses.....	597,193	628,880	31,687
Annual deficit before net actuarial losses	(328,372)	(312,434)	15,938
Net actuarial losses	(14,874)	(15,295)	(421)
Annual deficit.....	(343,246)	(327,729)	15,517

¹ To enhance comparability with actual 2021 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 2021 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)

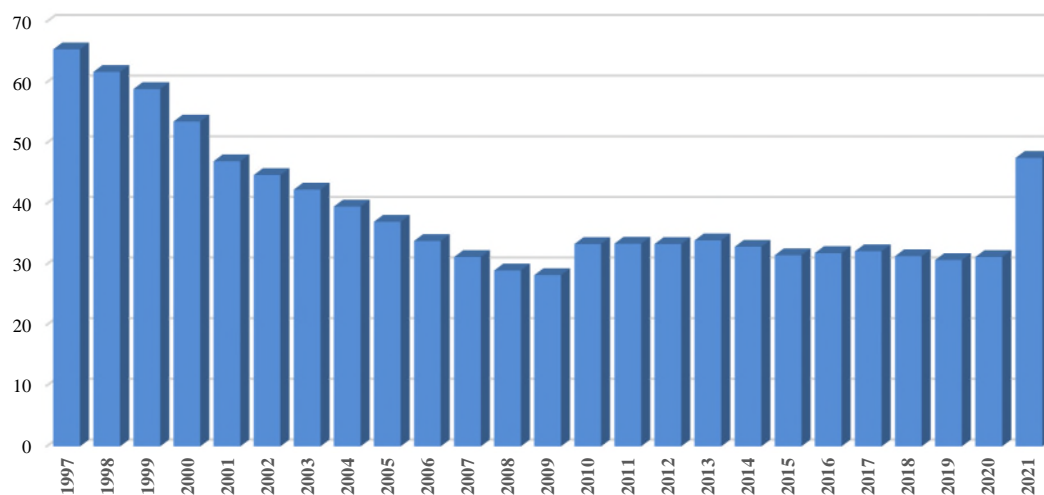
	2021	2020	Difference
Accumulated deficit at beginning of year	(721,360)	(685,450)	(35,910)
Annual deficit	(327,729)	(39,392)	(288,337)
Other comprehensive income	343	3,482	(3,139)
Accumulated deficit at end of year	(1,048,746)	(721,360)	(327,386)

The accumulated deficit increased by \$327.4 billion in 2021, reflecting the \$327.7-billion budgetary deficit, offset in part by \$0.3 billion in other comprehensive income.

The accumulated deficit increased 16.3 percentage points to 47.6% of GDP at March 31, 2021, largely reflecting the sudden economic downturn brought on by COVID-19 and temporary measures implemented through Canada’s Economic Response Plan during the year.

Accumulated deficit

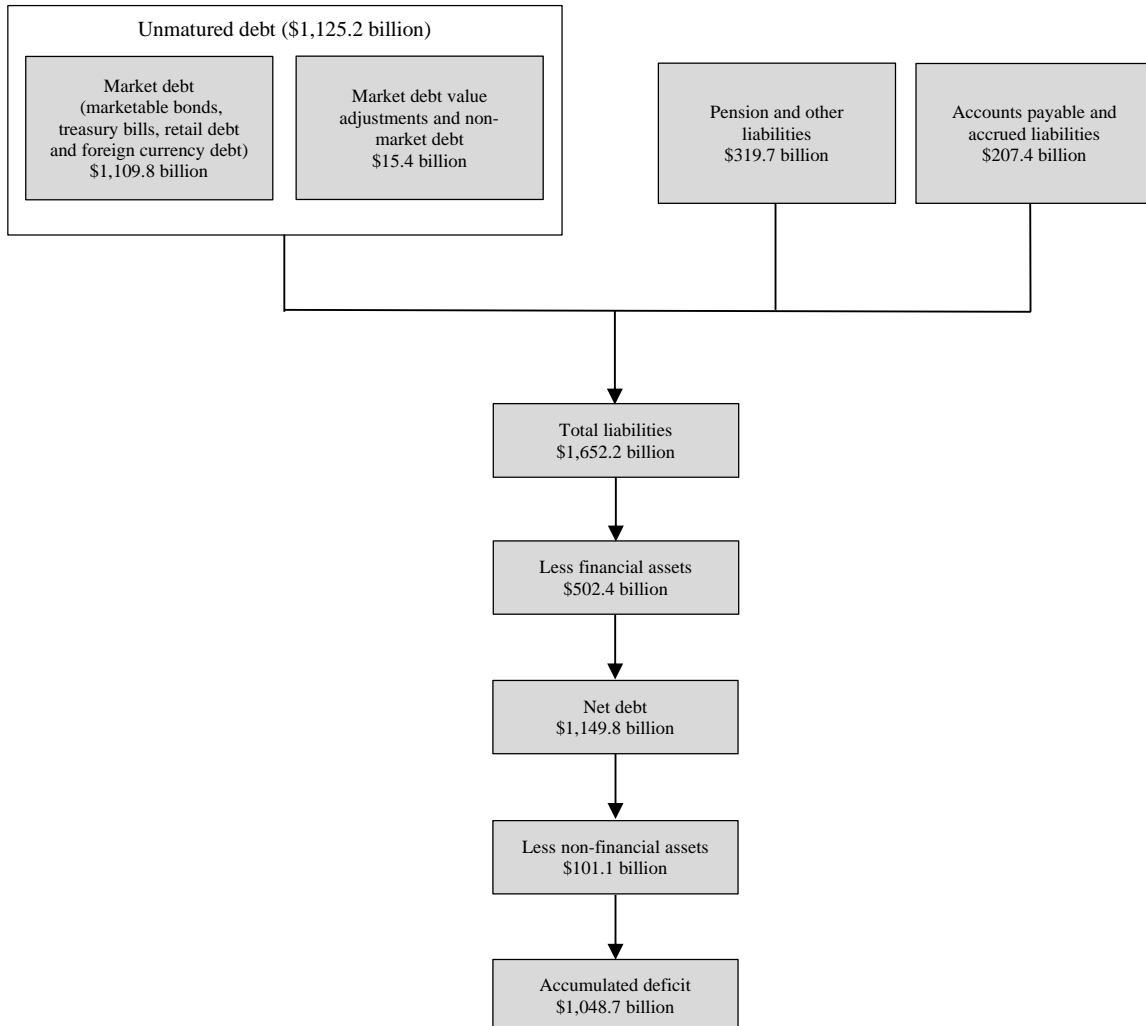
(as a percentage of GDP)



Measures of government debt

There are several generally accepted measures of government debt.

- Total liabilities of the government consist of unmatured debt (i.e. debt issued on the credit markets), pension and other future benefit liabilities, other interest-bearing liabilities, and accounts payable and accrued liabilities.
- Net debt is equal to the total liabilities of the government less its financial assets. Financial assets include cash and cash equivalents, accounts receivable, foreign exchange accounts, loans, investments and advances, and public sector pension assets.
- The accumulated deficit is equal to total liabilities less total assets—both financial and non-financial. Non-financial assets include 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

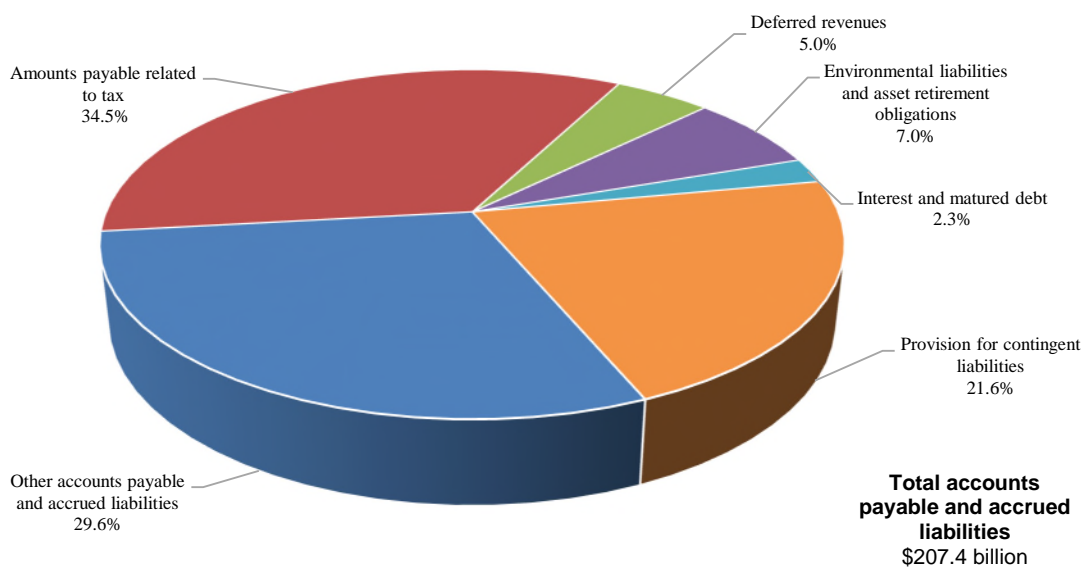
(in millions of dollars)

	2021	2020	Difference
Liabilities			
Accounts payable and accrued liabilities	207,397	163,833	43,564
Interest-bearing debt			
Unmatured debt	1,125,186	783,751	341,435
Pensions and other future benefits.....	312,947	294,974	17,973
Other liabilities	6,711	6,051	660
Total	1,444,844	1,084,776	360,068
Total liabilities	1,652,241	1,248,609	403,632
Financial assets			
Cash and accounts receivable	224,196	173,715	50,481
Foreign exchange accounts.....	92,622	104,903	(12,281)
Loans, investments and advances	179,278	152,502	26,776
Public sector pension assets.....	6,320	4,598	1,722
Total financial assets	502,416	435,718	66,698
<i>Net debt</i>	<i>(1,149,825)</i>	<i>(812,891)</i>	<i>(336,934)</i>
Non-financial assets	101,079	91,531	9,548
<i>Accumulated deficit</i>	<i>(1,048,746)</i>	<i>(721,360)</i>	<i>(327,386)</i>

Accounts payable and accrued liabilities

The following chart shows accounts payable and accrued liabilities by category for 2021.

Accounts payable and accrued liabilities by category for 2021



Numbers may not add to 100% due to rounding.

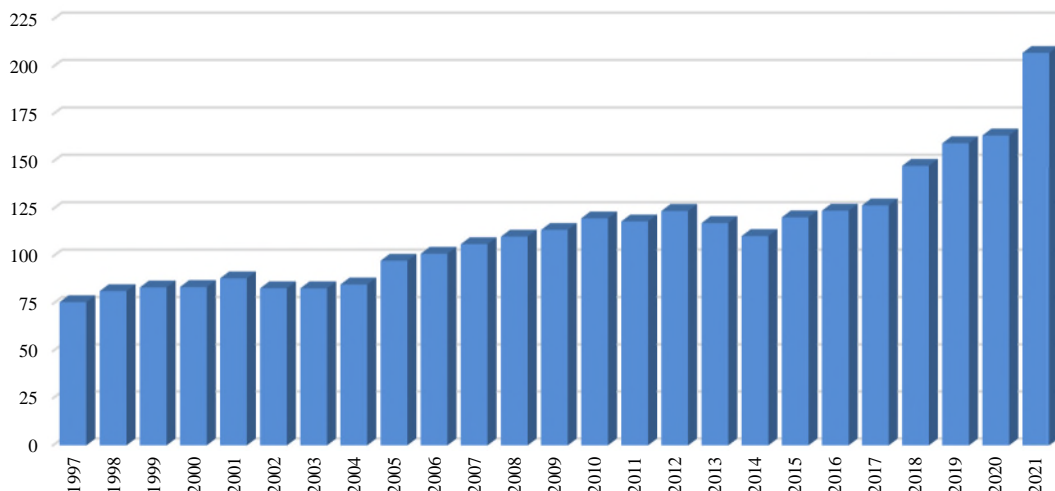
The government's accounts payable and accrued liabilities consist of amounts payable related to tax based on assessments and estimates of refunds owing for tax assessments not completed by year-end; provisions for contingent liabilities, including guarantees provided by the government and claims and 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, 2021, accounts payable and accrued liabilities totalled \$207.4 billion, up \$43.6 billion from March 31, 2020. This increase reflects growth in other accounts payable and accrued liabilities, amounts payable related to tax, provisions for contingent liabilities, and interest and matured debt, offset in part by slight decreases in deferred revenue, and environmental liabilities and asset retirement obligations.

- Amounts payable related to tax increased by \$11.3 billion in 2021, from \$60.2 billion at March 31, 2020, to \$71.5 billion at March 31, 2021. This increase largely reflects COVID-19 transfer payments issued through the tax system payable on March 31, 2021 and issued subsequent to year-end, including transfers under the CEWS and the Canada Emergency Rent Subsidy, as well as lower assessed refunds owing at the end of the prior fiscal year due to extended filing deadlines under the government's Economic Response Plan.
- Provisions for contingent liabilities increased by \$19.9 billion, largely reflecting revised estimates for various claims.
- Environmental liabilities and asset retirement obligations decreased by \$0.2 billion in 2021, reflecting revisions to previously estimated provisions, net of remediation activities undertaken in 2021.
- Deferred revenue decreased by \$0.1 billion in 2021.
- Liabilities for interest and matured debt increased by \$0.2 billion from the prior year, reflecting accrued interest on a higher stock of debt at year-end.
- Other accounts payable and accrued liabilities increased by \$12.4 billion in 2021. Within this component, liabilities under tax collection agreements increased by \$7.7 billion, largely reflecting timing differences in payments to provinces and territories. Accounts payable increased by \$5.8 billion, due mainly to the accrual of spending measures announced near year-end, including \$4.0 billion to provinces and territories to help health systems recover, a \$2.2-billion top-up to the Canada Community-Building Fund, and \$1.0 billion to assist provinces and territories with immunization campaigns. Miscellaneous payroll deductions increased by \$19 million. These increases were offset in part by a \$1.0-billion decrease in accrued salaries and benefits, largely reflecting the payment of retroactive salaries during the year. Notes payable to international organizations and other accounts payable decreased by \$0.1 billion each.

Accounts payable and accrued liabilities

(in billions of dollars)



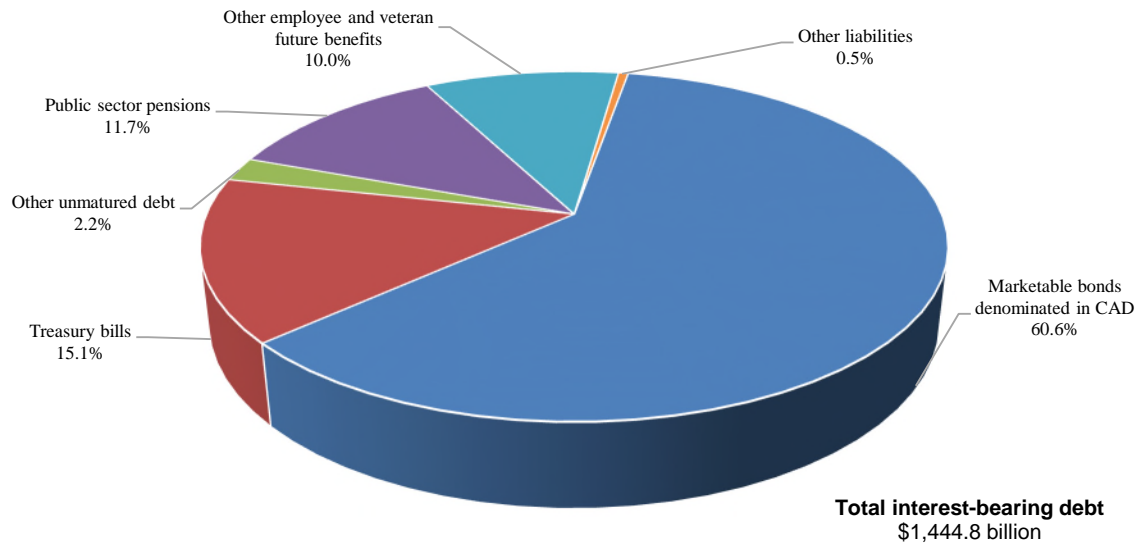
Interest-bearing debt

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 77.9% of interest-bearing debt at March 31, 2021.
- 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 11.7% of interest-bearing debt, and other employee and veteran future benefits accounted for an additional 10.0% of interest-bearing debt.
- The remaining 0.5% of interest-bearing debt represents other interest-bearing liabilities of the government, which include deposit and trust accounts and other specified purpose accounts.

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

Interest-bearing debt by category for 2021



Numbers may not add to 100% due to rounding.

At March 31, 2021, interest-bearing debt totalled \$1,444.8 billion, up \$360.1 billion from March 31, 2020. Within interest-bearing debt, unamortized debt increased by \$341.4 billion, liabilities for public sector pensions increased by \$0.2 billion, liabilities for other employee and veteran future benefits increased by \$17.8 billion, and other liabilities increased by \$0.7 billion.

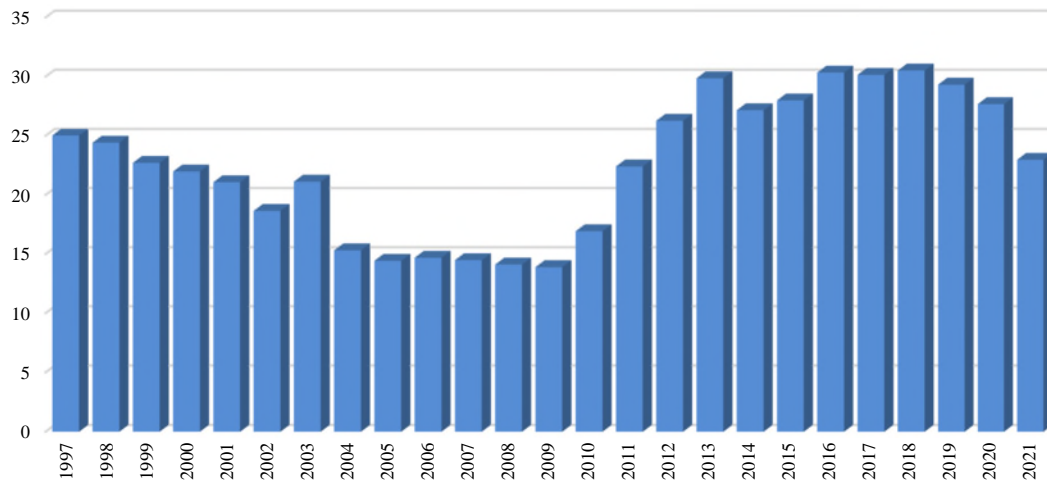
The \$341.4-billion increase in unamortized debt is largely attributable to a \$351.8-billion increase in market debt and related unamortized discounts and premiums, reflecting increased borrowings to meet the government's financial requirements under the COVID-19 Economic Response Plan.

The Bank of Canada and the Department of Finance Canada manage the government's unamortized 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 unamortized debt are estimated at \$258.4 billion at March 31, 2021, representing approximately 23.0% of the government's total unamortized debt. This is down from 28.7% at March 31, 2020, reflecting a lower rate of foreign investment in Government of Canada securities in 2021 as the Government of Canada significantly increased debt issuances to fund its COVID-19 support measures. This happened as the Bank of Canada significantly increased its purchases of Government of Canada securities to support liquidity in financial markets, increasing the Bank of Canada's share significantly relative to other investors, including foreign investors.

Foreign holdings of Government of Canada unmatured debt

(as a percentage of unmatured debt)



Source: Statistics Canada

The government’s liabilities for pensions and other future benefits stood at \$312.9 billion at March 31, 2021, up \$18.0 billion from the prior year. These liabilities reflect the estimated present value of pensions and other future benefits earned to March 31, 2021, by current and former employees, as measured annually on an actuarial basis, net of the value of assets set aside for funding purposes. Liabilities for pensions and other future benefits do not include benefits payable under the Canada Pension Plan (CPP). The CPP is not consolidated in the government’s financial statements because changes to the CPP require the agreement of two-thirds of participating provinces and it is therefore not controlled by the government. Further information regarding the CPP can be found in Section 6 of this volume.

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

The government's \$312.9-billion liability for public sector pensions and other employee and veteran future benefits results from its promise to provide certain benefits to employees, veterans, Members of Parliament and employees of territorial governments during or after employment, or in retirement, in return for their service.

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

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

Since April 1, 2000, amounts equal to contributions less benefit payments and other charges 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 public sector pensions and other employee and veteran future benefits are presented net of pension assets, as well as unrecognized net actuarial gains and losses (discussed below) and amounts related to the plans of some consolidated Crown corporations and other entities, in arriving at the liability for pensions and other future benefits shown on the Consolidated Statement of Financial Position.

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

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

The government's obligations for pensions and other future benefits are re-estimated on an annual basis to reflect actual experience and updated actuarial assumptions. Increases or decreases in the estimated value of the obligations are referred to as actuarial 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 recognized to expense and to the government's liabilities over the expected average remaining service life of employees, which represents periods ranging from 4 to 23 years according to the plan in question, or the average remaining life expectancy of benefit recipients under wartime veteran plans, which represents periods ranging from 6 to 7 years.

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

The following table illustrates the change in the government's liabilities for pensions and other future benefits, net of public sector pension assets, in 2021.

Net pensions and other future benefit liabilities

(in millions of dollars)

	Pensions	Other future benefits	Total
Net future benefit liabilities at beginning of year	163,998	126,378	290,376
Add:			
Benefits earned during the year	8,456	10,777	19,233
Interest on accrued benefit obligations, net of the expected return on investments	1,791	3,010	4,801
Net actuarial losses recognized during the year	5,380	9,915	15,295
Valuation allowance	13	–	13
	<hr/> 15,640	<hr/> 23,702	<hr/> 39,342
Deduct:			
Benefits paid during the year	13,110	5,802	18,912
Transfers to the PSPIB and funds held in external trusts ¹	3,212	–	3,212
Transfers to other plans and administrative expenses	875	92	967
	<hr/> 17,197	<hr/> 5,894	<hr/> 23,091
Net (decrease) increase	(1,557)	17,808	16,251
Net future benefit liabilities at end of year	162,441	144,186	306,627
Presented on the Consolidated Statement of Financial Position as:			
Public sector pension liabilities			168,761
Other employee and veteran future benefit liabilities			<hr/> 144,186
Total pension and other future benefit liabilities			312,947
Public sector pension assets			<hr/> 6,320
Net pensions and other future benefit liabilities			306,627

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 2021 reflects the addition of \$19.2 billion in future benefits earned by employees during the year, as well as \$4.8 billion in net interest charges on the liabilities. The discount rates used in the measurement of the government-sponsored unfunded pension and other future benefit obligations and in calculating interest charges on the obligations are based on the actual zero-coupon yield curve for Government of Canada bonds at fiscal year-end. The discount rates used to value the government's obligations for funded pension benefits, which relate to post-March 2000 service that falls within the *Income Tax Act* limits under its three main pension plans—the public service, Canadian Forces—Regular Force, and Royal Canadian Mounted Police pension plans—as well as benefits under the Canadian Forces—Reserve Force pension plan are based on the streamed expected rates of return on invested funds.

The government's liabilities for pensions and other future benefits increased by an additional \$15.3 billion in 2021 due to the recognition of net actuarial losses. As of March 31, 2021, the government had net unamortized losses of \$70.8 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 \$13 million increase in liabilities for pensions to reflect the impact of a valuation allowance during the year.

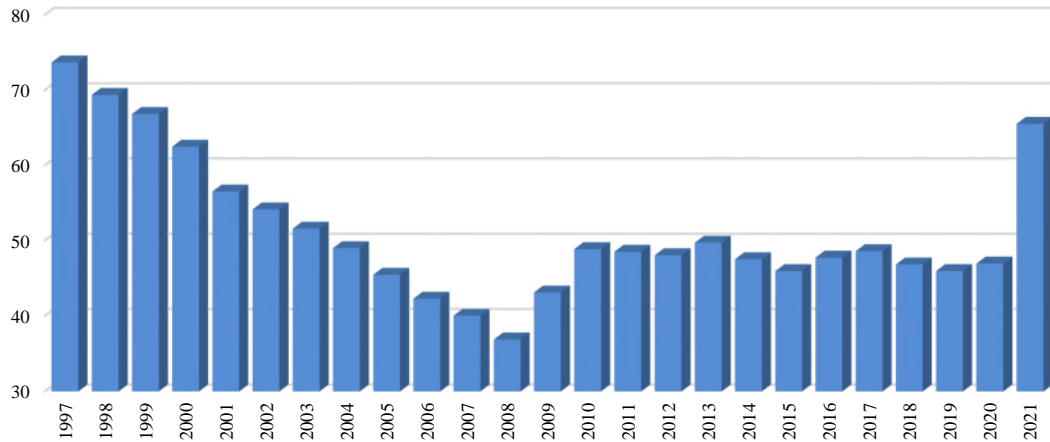
These increases were offset in part by reductions in the liabilities for benefits paid during the year (\$18.9 billion) and for net transfers to the PSPIB and funds held in external trusts for investment (\$3.2 billion).

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

Interest-bearing debt stood at 65.5% of GDP in 2021, up from 46.9% in 2020, reflecting borrowings undertaken to meet the government's financial requirements under the COVID-19 Economic Response Plan. This ratio is down 8.6 percentage points from its high of 74.1% in 1996.

Interest-bearing debt

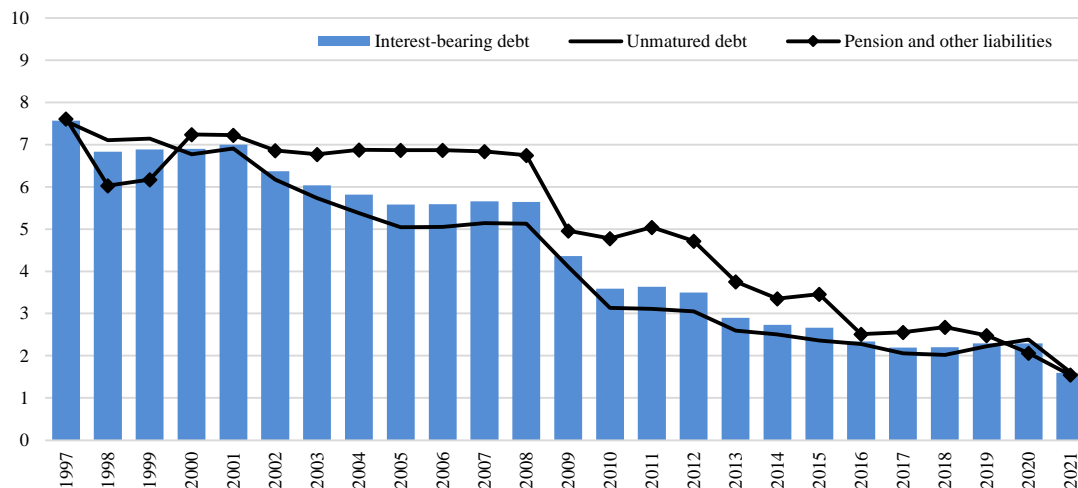
(as a percentage of GDP)



The average effective interest rate on the government's interest-bearing debt in 2021 was 1.6%, down from 2.3% in 2020. The average effective interest rate on unmatured debt and the average effective interest rate on pension and other liabilities were both 1.6%.

Average effective interest rate on interest-bearing debt

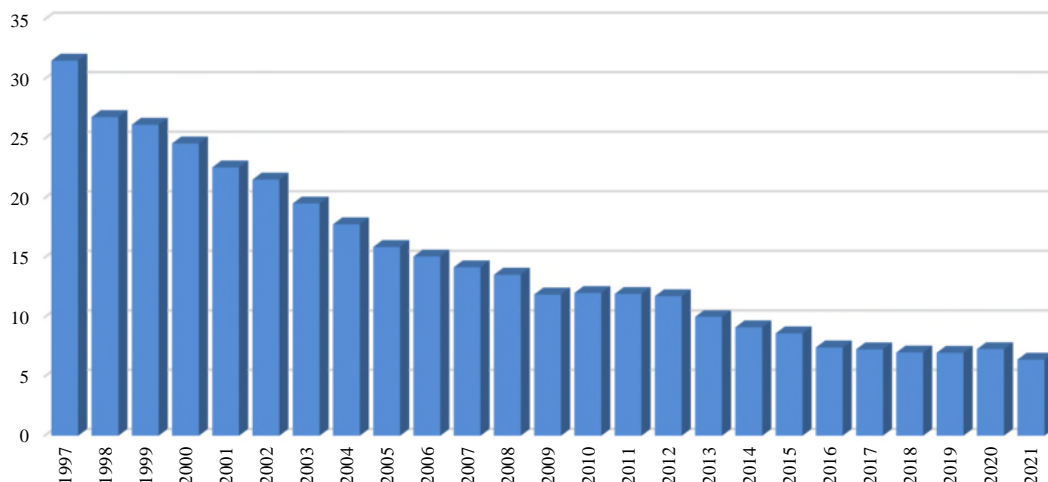
(in percentage)



The interest ratio (public debt charges as a percentage of revenues) shows the proportion of every dollar of revenue that is needed to pay interest and is therefore not available to pay for program initiatives. The interest ratio has been decreasing in recent years, falling from a peak of 37.6% in 1991 to 6.4% in 2021. This means that, in 2021, the government spent approximately 6 cents of every revenue dollar on servicing the public debt.

Interest ratio

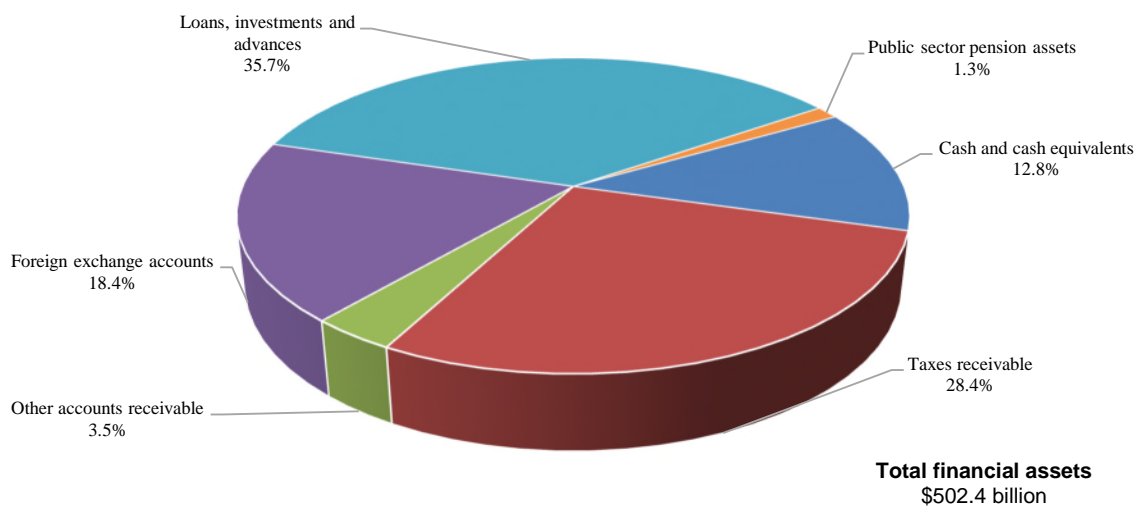
(public debt charges as a percentage of revenues)



Financial assets

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

Financial assets by category for 2021



Numbers may not add to 100% due to rounding.

At March 31, 2021, financial assets amounted to \$502.4 billion, up \$66.7 billion from March 31, 2020. The increase in financial assets reflects increases in cash and accounts receivable, loans, investments and advances and public sector pension assets, offset in part by a decrease in foreign exchange accounts.

At March 31, 2021, cash and accounts receivable totalled \$224.2 billion, up \$50.5 billion from March 31, 2020. Within this component, cash and cash equivalents increased by \$26.9 billion, reflecting the build-up of a larger cash position for contingency purposes. The balance of cash and cash equivalents includes \$20 billion that has been designated as a deposit held with respect to prudential liquidity management. Taxes receivable increased by \$21.4 billion during 2021 to \$142.5 billion, reflecting a number of factors, including growth in the personal and corporate income tax revenue streams in 2021, growth in amounts owing due to targeted interest relief measures announced in February 2021, and lower receivable balances in the prior year due to the deferrals of tax filing deadlines announced as part of the government's COVID-19 relief measures. Other accounts receivable increased by \$2.2 billion, driven by an increase in dividends receivable from EDC and CMHC at year-end and increased receivables for benefit overpayments, offset in part by lower cash collateral under International Swaps and Derivatives Association agreements in respect of outstanding cross-currency swap agreements.

Loans, investments and advances in enterprise Crown corporations and other government business enterprises decreased by \$5.1 billion in 2021. Investments in enterprise Crown corporations and other government business enterprises decreased \$6.4 billion. This decrease reflects \$13.6 billion in dividends declared or paid to the government in 2021 and \$11.6 billion in net losses recorded for these entities. The net loss amount is largely attributable to the up-front expensing of premiums paid by the Bank of Canada on its secondary market purchases of Government of Canada securities in 2021. Under public sector accounting standards, premiums paid on these bond purchases are expensed immediately, which more than offset interest earned on the securities during the year. These decreases were offset in part by \$18.5 billion in capital investments made in 2021, in large part to support COVID-19 liquidity and capital relief measures for businesses under the Business Credit Availability Program administered by BDC and EDC, as well as \$0.3 billion in other comprehensive income. Net loans and advances to enterprise Crown corporations and other government business enterprises were up \$1.3 billion, primarily reflecting \$3.7 billion in financing to the Canada Development Investment Corporation from the Canada Account to finance construction activities for the Trans Mountain expansion project. This was offset in part by a \$2.4-billion decrease in loans to Crown corporations under the consolidated borrowing framework.

Other loans, investments and advances increased by \$31.9 billion, from \$27.4 billion to \$59.3 billion. This increase largely reflects loans issued under the CEBA program, which provided interest-free loans of up to \$60,000 to small businesses and not-for-profits. Repaying the balance of the loan on or before December 31, 2022 will result in loan forgiveness of up to 33% (or \$20,000).

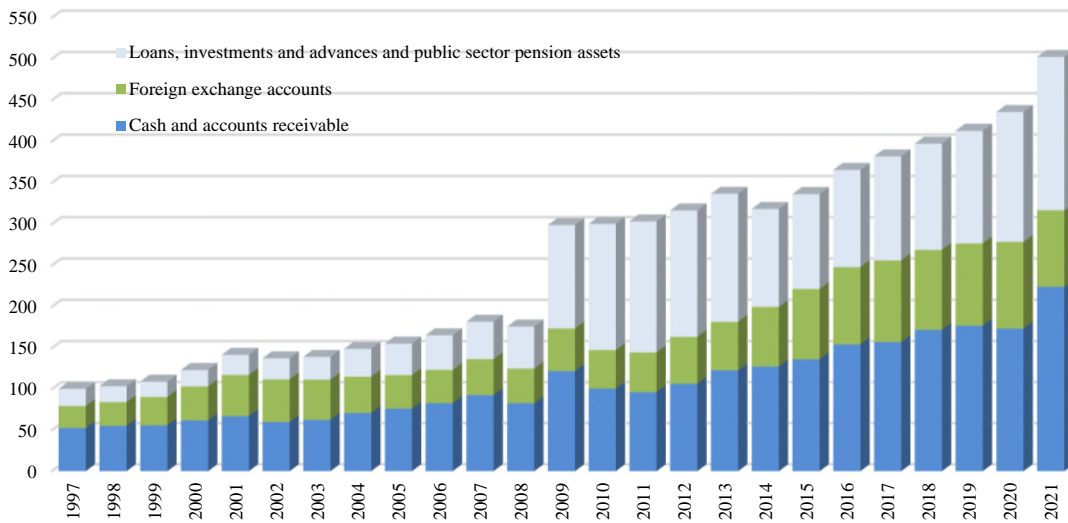
Public sector pension assets increased by \$1.7 billion, largely reflecting an increase in the net assets under the Public Service Pension Fund, which pertains to service accrued on or after April 1, 2000 that falls within the *Income Tax Act* limits under the *Public Service Superannuation Act*.

Foreign exchange accounts decreased by \$12.3 billion in 2021, totalling \$92.6 billion at March 31, 2021, due mainly to foreign exchange losses on the translation of the net assets denominated in foreign currencies to Canadian dollar equivalents as at March 31, 2021, reflecting appreciation in the value of the Canadian dollar, as well as a decrease in net advances to the Exchange Fund Account.

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 \$409.8 billion, mainly reflecting higher levels of cash and cash equivalents and accounts receivable (up \$171.6 billion), an increase in the foreign exchange accounts (up \$73.6 billion), and an increase in loans, investments and advances (up \$158.3 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, the issuance of direct loans to Crown corporations under the government's consolidated borrowing framework implemented in 2008, and the increase in loans to support businesses as part of the COVID-19 Economic Response Plan, such as through the CEBA program.

Financial assets

(in billions of dollars)



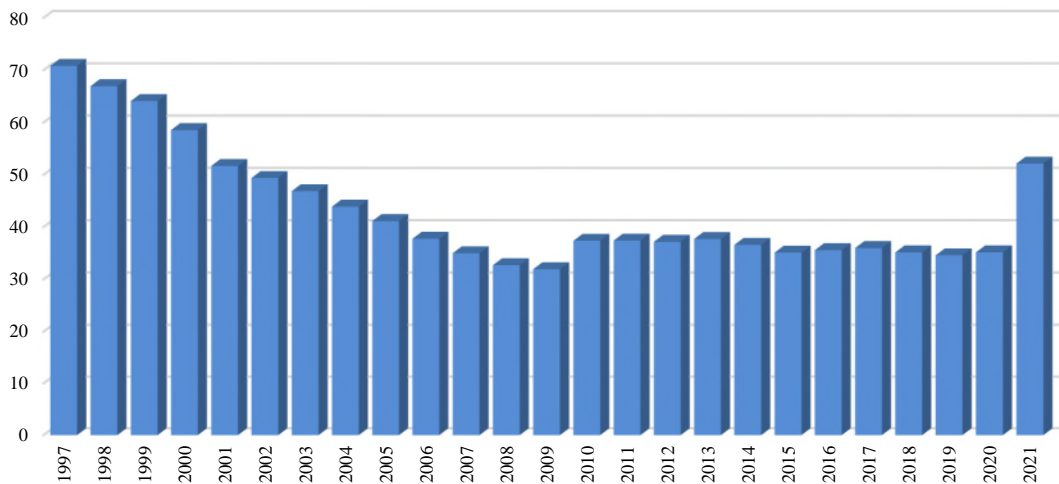
Net debt

The government’s net debt—its total liabilities less financial assets—stood at \$1,149.8 billion at March 31, 2021. Net debt was 52.1% of GDP, up 17.0 percentage points from a year earlier. Net debt as a percentage of GDP remained 19.8 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 a percentage of GDP)



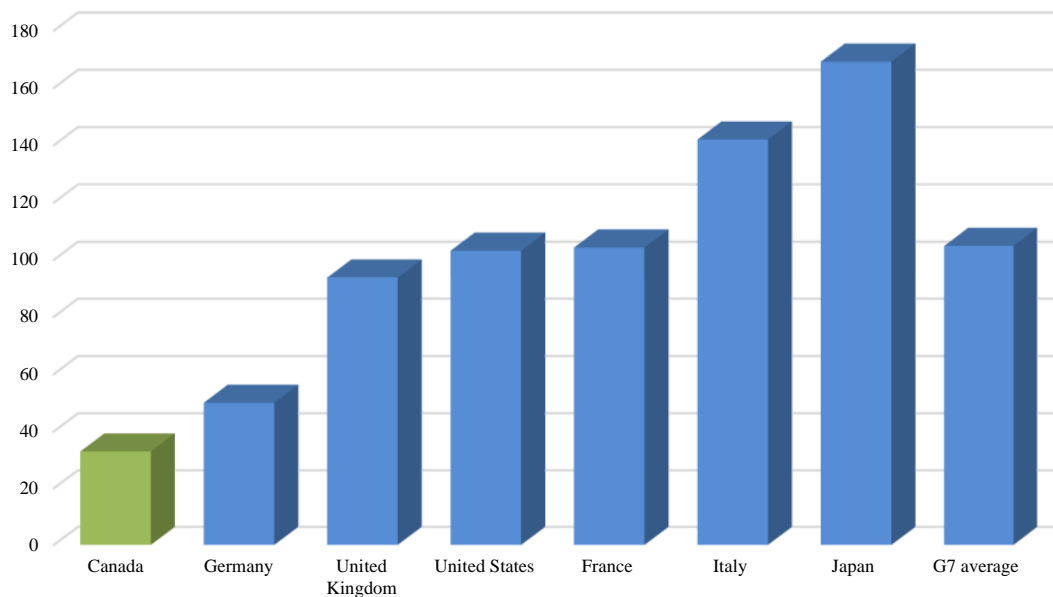
International comparisons of net debt

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

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

G7 total government net debt, 2020

(as a percentage of GDP)



Source: IMF

Canada's total government net debt-to-GDP ratio stood at 33.0% in 2020, according to the IMF. This is the lowest level among G7 countries, which the IMF estimates recorded an average net debt of 104.9% 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 2021 accumulated deficit-to-GDP ratio to calendar 2020 total government net debt-to-GDP ratio

(as a percentage of GDP)

	(% of GDP)
Accumulated deficit	47.6
Add: Non-financial assets	4.6
Net debt (Public Accounts basis)	52.1
Less:	
Liabilities for public sector pensions	(7.7)
Liabilities for other future benefits	(6.5)
National Accounts/Public Accounts methodological differences and timing adjustments ¹	(8.2)
Total federal net debt (National Accounts basis)	29.8
Add: Net debt of provincial/territorial and local governments.....	20.6
Less: Net assets of the CPP/QPP	(15.7)
Total government net debt²	34.7

Numbers may not add due to rounding.

Source: Statistics Canada and Public Accounts of Canada

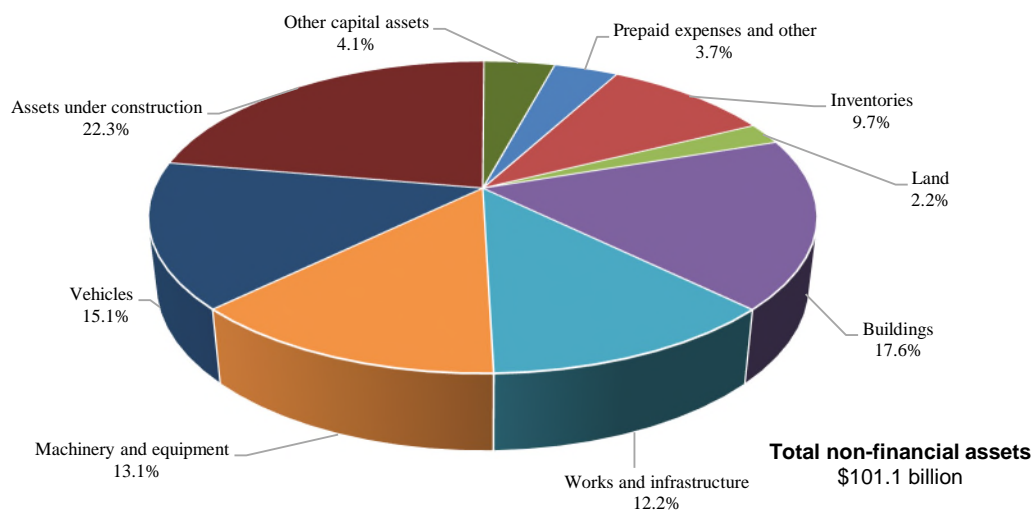
¹ Includes timing differences (National Accounts data are as of December 31), differences in the universe covered by each accounting system, and differences in accounting treatments of various transactions such as capital gains.

² The net debt figure has been revised by Statistics Canada since the publication of the IMF’s April 2021 *Fiscal Monitor*, which is the source for the chart “G7 total government net debt, 2020”. Net debt has been revised from 33.0% to 34.7%.

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 2021



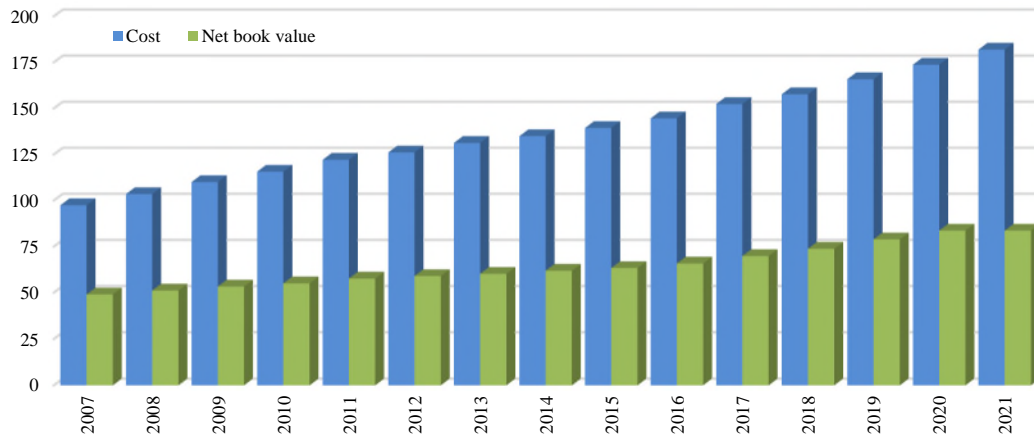
Numbers may not add to 100% due to rounding.

At March 31, 2021, non-financial assets stood at \$101.1 billion, up \$9.5 billion from a year earlier. Of this growth, \$3.9 billion relates to an increase in tangible capital assets, largely reflecting an increase in assets under construction and machinery and equipment; \$3.6 billion relates to an increase in inventories, largely reflecting an increase in the stock of personal protective equipment; and \$2.1 billion relates to an increase in prepaid expenses, particularly for vaccines.

At March 31, 2021, 60.1% of the original cost of the government's depreciable tangible capital assets had been amortized, an increase of 0.6% from a year earlier. Depreciable tangible capital assets exclude land, and assets under construction, which are not yet available for use.

Tangible capital assets

(in billions of dollars)



Assets under construction totalled \$22.6 billion at March 31, 2021, some of which are being built using public-private partnerships in which the private sector partner designs, builds, finances, and/or operates and maintains large infrastructure projects. The government's liability for these long-term financing arrangements is included in obligations under public-private partnerships reported in Note 9 of the consolidated financial statements.

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

Cash flow

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

In 2021, the government had a total cash requirement of \$324.5 billion before financing activities, compared to a total cash requirement of \$37.8 billion before financing activities in 2020. Operating activities resulted in a net cash requirement of \$250.5 billion in 2021, compared to a net cash requirement of \$15.3 billion in 2020, reflecting the impact of COVID-19 on the government's finances and measures under the Economic Response Plan. Cash used by capital investment activities resulted in a net cash requirement of \$9.9 billion in 2021, compared to a net cash requirement of \$9.4 billion in 2020. Cash used by investing activities totalled \$64.1 billion in 2021, compared to \$13.1 billion in 2020, largely reflecting loans advanced under CEBA.

Cash flow

(in millions of dollars)

	2021	2020
Cash used by operating activities	(250,475)	(15,287)
Cash used by capital investment activities	(9,910)	(9,441)
Cash used by investing activities.....	(64,078)	(13,052)
<i>Total cash used before financing activities.....</i>	<i>(324,463)</i>	<i>(37,780)</i>
Cash provided by financing activities	351,322	37,387
Net increase (decrease) in cash and cash equivalents	26,859	(393)
Cash and cash equivalents at beginning of year.....	37,242	37,635
Cash and cash equivalents at end of year	64,101	37,242

Financing activities generated a \$351.3-billion source of cash in 2021, resulting in an overall net increase in cash of \$26.9 billion. The level of cash and cash equivalents stood at \$64.1 billion at March 31, 2021.

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, 2021, future payments under contractual obligations totalled \$188.0 billion (\$179.4 billion as of March 31, 2020).

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 \$33.1 billion at March 31, 2021 (\$37.2 billion as of March 31, 2020).

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 public sector pension and other employee and veteran future benefit expense, that reflect actual experience that is significantly different from forecast
- delays and unexpected cost increases associated with large-scale investment projects
- unforeseen situations such as natural catastrophes, or more currently, the COVID-19 pandemic
- changes in or the adoption of new accounting standards, such as the new Public Sector Accounting Standards on asset retirement obligations and financial instruments that will come into effect on April 1, 2022, which can change the amounts previously recorded for assets and liabilities.

The government's financial statements incorporate a number of significant estimates and assumptions related to risks and uncertainties that are used in valuing its assets, liabilities, revenues and expenses. One of the most significant areas of measurement uncertainty relates to public sector pensions and other employee and veteran future benefits, for which payments are made many years into the future and are dependent upon the evolution of factors such as discount rates, wage increases, inflation, workforce composition, retirement rates, mortality rates, and returns on pension investments. In developing its best estimates and assumptions, the government takes into consideration historical experience, current facts and circumstances, and expected future developments. The government's financial results are also subject to volatility as a result of year-over-year changes in the discount rates used to value its public sector pension and other employee and veteran future benefit obligations. 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 CMHC; callable share capital in international financial institutions; and claims and pending and threatened litigation. This last category includes, among other items, specific claims that deal with the past grievances of First Nations related to Canada's obligations under historic treaties or the way it managed First Nations' funds or other assets, and comprehensive land claims, which relate to areas of the country where Aboriginal rights and title have not been resolved by treaty or by other legal means. As of March 31, 2021, the government's contingent liabilities totalled over \$2 trillion. However, the vast majority of this amount represents situations where the probability of a future payment is assessed as unlikely or not determinable. The government records a provision for contingent liabilities only in cases where the probability of future payment is considered likely. As of March 31, 2021, this provision totalled \$44.8 billion.

The COVID-19 pandemic has led to additional measurement uncertainty in the preparation of the government's 2021 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, 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.

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

As noted in Budget 2021, and in the discussion on Economic Developments earlier in this section, the government's revenues and expenses are highly sensitive to changes in economic conditions—particularly to changes in economic growth, inflation and interest rates. The outlook for the recovery from the impact of COVID-19 and the eventual return to normal economic activity is shaped by the path of the virus and its variants as well as by the vaccination rollout.

To illustrate the impact of changes in economic conditions, the Department of Finance Canada publishes, on a regular basis, sensitivity impacts on the budgetary balance. These are "rules of thumb" as the actual impact will depend on many other factors as well. As published in the April 19, 2021 federal budget, these show, for example, that:

- A one-year, 1-percentage-point decrease in real GDP growth would lower the budgetary balance by \$5.2 billion in the first year, \$5.0 billion in the second year, and \$4.9 billion in the fifth year.
- A one-year, 1-percentage-point decrease in GDP inflation would lower the budgetary balance by \$2.4 billion in the first year, \$2.6 billion in the second year, and \$2.1 billion in the fifth year.
- A sustained 100-basis-point increase in interest rates would lower the budgetary balance by \$1.0 billion in the first year, \$2.5 billion in the second year, and \$4.6 billion in the fifth year.

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

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

Ten-year comparative financial information

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

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

(in millions of dollars)

	Year ended March 31 ^{1,2}									
	2012 ⁴	2013 ³	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
<i>Tax revenues</i>										
Income tax revenues										
Personal.....	120,537	125,728	130,811	135,743	144,897	143,680	153,619	163,881	167,576	174,755
Corporate.....	33,641	34,986	36,587	39,447	41,444	42,216	47,805	50,368	50,060	54,112
Non-resident.....	5,300	5,073	6,404	6,216	6,505	7,071	7,845	9,370	9,476	8,107
	<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>	<i>236,974</i>
Other taxes and duties										
Goods and services tax.....	28,370	28,821	30,998	31,349	32,952	34,368	36,751	38,221	37,386	32,415
Energy taxes.....	5,328	5,381	5,486	5,528	5,565	5,634	5,739	5,802	5,683	4,894
Customs import duties.....	3,862	3,979	4,239	4,581	5,372	5,478	5,416	6,881	4,853	4,254
Other excise taxes and duties.....	5,546	5,370	5,413	5,724	5,916	5,868	5,913	6,323	5,958	5,391
	<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>46,954</i>
Total tax revenues.....	202,584	209,338	219,938	228,588	242,651	244,315	263,088	280,846	280,992	283,928
Employment insurance premiums.....	18,556	20,395	21,766	22,564	23,070	22,125	21,140	22,295	22,219	22,392
Proceeds from the pollution pricing framework.....	–	–	–	–	–	–	–	–	2,655	4,380
<i>Other revenues</i>										
Enterprise Crown corporations and other government business enterprises.....	7,983	7,543	7,966	9,306	7,916	5,655	7,731	7,101	5,059	(10,542)
Net foreign exchange revenues.....	1,669	1,502	1,682	1,355	2,322	2,133	1,473	1,667	2,410	2,173
Other.....	15,890	15,632	18,660	18,092	16,649	16,640	17,784	20,309	20,796	14,115
Total other revenues.....	25,542	24,677	28,308	28,753	26,887	24,428	26,988	29,077	28,265	5,746
Total revenues.....	246,682	254,410	270,012	279,905	292,608	290,868	311,216	332,218	334,131	316,446
Expenses										
<i>Program expenses</i>										
Transfer payments										
Old age security benefits, guaranteed income supplement and spouse's allowance.....	38,045	40,255	41,786	44,103	45,461	48,162	50,644	53,366	56,227	58,529
Major transfer payments to other levels of government										
Canada Health Transfer.....	27,174	28,912	30,543	32,114	34,025	36,057	37,124	38,568	40,872	45,880
Canada Social Transfer.....	11,514	11,860	12,215	12,582	12,959	13,348	13,748	14,161	14,585	15,023
Fiscal arrangements.....	15,259	15,595	15,610	16,271	16,893	17,145	17,575	17,929	18,030	19,299
Other major transfers.....	2,847	2,003	2,107	2,142	1,973	2,102	2,072	5,267	5,688	26,451
	<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>	<i>106,653</i>
Employment insurance and support measures....	17,647	17,099	17,300	18,052	19,419	20,711	19,715	18,888	21,750	58,356
Children's benefits.....	12,726	12,975	13,136	14,303	18,025	22,065	23,432	23,882	24,344	27,370
Canada emergency response benefit and.....										
Canada recovery benefits.....	–	–	–	–	–	–	–	–	4,739	55,832
Canada emergency wage subsidy.....	–	–	–	–	–	–	–	–	–	80,166
Proceeds from the pollution pricing framework returned.....	–	–	–	–	–	–	–	664	2,636	4,566
Other transfer payments.....	37,720	34,862	36,698	35,126	34,874	41,580	47,138	51,753	54,405	97,961
Total transfer payments.....	162,932	163,561	169,395	174,693	183,629	201,170	211,448	224,478	243,276	489,433
Other expenses, excluding net actuarial losses.....	75,034	74,314	64,277	73,971	79,939	77,519	86,488	90,077	95,191	119,089
Total program expenses, excluding net actuarial losses.....	237,966	237,875	233,672	248,664	263,568	278,689	297,936	314,555	338,467	608,522
Public debt charges.....	29,038	25,533	24,729	24,207	21,837	21,232	21,889	23,266	24,447	20,358
Total expenses, excluding net actuarial losses.....	267,004	263,408	258,401	272,871	285,405	299,921	319,825	337,821	362,914	628,880
Annual (deficit) surplus before net actuarial losses.....	(20,322)	(8,998)	11,611	7,034	7,203	(9,053)	(8,609)	(5,603)	(28,783)	(312,434)
Net actuarial losses.....	(7,711)	(12,295)	(19,661)	(7,584)	(10,064)	(9,904)	(10,352)	(8,361)	(10,609)	(15,295)
Annual deficit.....	(28,033)	(21,293)	(8,050)	(550)	(2,861)	(18,957)	(18,961)	(13,964)	(39,392)	(327,729)
Accumulated deficit at beginning of year—as previously reported.....	(551,668)	(591,040)	(609,391)	(611,881)	(612,330)	(615,986)	(631,899)	(671,254)	(685,450)	(721,360)
Accounting change and restatement—Public sector pensions.....	(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 income (loss).....	(2,292)	64	2,660	(2,360)	(2,669)	1,857	(753)	(232)	3,482	343
Accumulated deficit at end of year.....	(591,917)	(620,610)	(626,000)	(628,910)	(634,440)	(651,540)	(671,254)	(685,450)	(721,360)	(1,048,746)

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

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

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

⁴ 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}									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Liabilities										
<i>Accounts payable and accrued liabilities</i>										
Amounts payable related to tax	50,952	54,877	52,600	56,198	53,697	55,077	61,876	65,200	60,186	71,516
Other accounts payable and accrued liabilities	41,358	30,369	26,170	26,986	29,979	29,034	37,692	42,674	49,055	61,459
Provision for contingent liabilities	12,804	12,262	11,135	11,757	12,562	16,511	23,030	26,447	24,928	44,815
Environmental liabilities and asset retirement obligations	8,362	10,600	11,143	12,296	13,282	12,599	12,291	13,192	14,646	14,484
Deferred revenue	4,164	3,570	4,147	8,161	9,684	9,066	8,220	7,500	10,522	10,424
Interest and matured debt	6,379	5,955	5,585	5,240	4,922	4,663	4,690	4,694	4,496	4,699
Total accounts payable and accrued liabilities	124,019	117,633	110,780	120,638	124,126	126,950	147,799	159,707	163,833	207,397
<i>Interest-bearing debt</i>										
<i>Unmatured debt</i>										
Payable in Canadian currency										
Marketable bonds	448,140	469,039	473,319	487,881	504,068	536,280	574,968	569,526	596,864	875,306
Treasury bills	163,221	180,689	152,990	135,692	138,100	136,700	110,700	134,300	151,867	218,775
Retail debt	8,922	7,481	6,327	5,660	5,076	4,533	2,586	1,237	497	299
Bonds for Canada Pension Plan	11	–	–	–	–	–	–	–	–	–
<i>Total unmat. debt</i>	<i>620,294</i>	<i>657,209</i>	<i>632,636</i>	<i>629,233</i>	<i>647,244</i>	<i>677,513</i>	<i>688,254</i>	<i>705,063</i>	<i>749,228</i>	<i>1,094,380</i>
Payable in foreign currencies	10,715	10,802	16,030	20,267	22,482	17,609	16,049	16,011	15,941	15,427
Cross-currency swap revaluation	(4,448)	(3,419)	2,326	6,669	8,391	7,764	7,835	7,274	10,592	450
Unamortized discounts and premiums on market debt	(4,295)	3,231	3,184	4,296	5,047	5,322	3,467	2,163	2,487	9,690
Obligation related to capital leases	3,633	3,647	3,603	3,710	3,477	3,226	3,203	2,893	2,913	2,708
Obligation under public-private partnership	453	917	1,179	1,005	1,570	2,199	2,393	3,511	2,590	2,531
Total unmat. debt	626,352	672,387	658,958	665,180	688,211	713,633	721,201	736,915	783,751	1,125,186
<i>Pensions and other future benefits</i>										
Public sector pensions	157,252	162,886	167,281	169,244	170,681	171,447	170,914	168,782	168,596	168,761
Other employee and veteran future benefits	61,915	67,301	71,959	76,140	85,681	93,568	104,793	113,862	126,378	144,186
Total pensions and other future benefits	219,167	230,187	239,240	245,384	256,362	265,015	275,707	282,644	294,974	312,947
Canada Pension Plan Account	138	68	140	212	35	106	32	163	279	139
Other liabilities	6,795	5,978	5,774	5,790	5,567	5,583	5,638	5,742	5,772	6,572
Total interest-bearing debt	852,452	908,620	904,112	916,566	950,175	984,337	1,002,578	1,025,464	1,084,776	1,444,844
Total liabilities	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	1,652,241
Financial assets										
<i>Cash and accounts receivable</i>										
Cash and cash equivalents	17,143	27,341	31,429	34,999	38,570	36,500	34,642	37,635	37,242	64,101
Taxes receivable	86,006	92,115	92,489	98,499	105,848	110,514	123,035	127,561	121,098	142,542
Other accounts receivable	3,529	3,587	3,706	3,031	10,139	10,316	14,380	11,845	15,375	17,553
Total cash and accounts receivable	106,678	123,043	127,624	136,529	154,557	157,330	172,057	177,041	173,715	224,196
<i>Foreign exchange accounts</i>										
International reserves held in the Exchange Fund										
Account	62,141	63,381	77,365	91,961	101,379	106,668	105,430	107,200	112,017	97,589
International Monetary Fund—Subscriptions	9,842	9,694	10,883	11,129	20,170	19,892	20,647	20,449	21,178	19,633
International Monetary Fund—Loans	1,325	1,457	1,665	1,353	1,278	1,125	775	546	368	197
Less: International Monetary Fund—Notes payable and special drawing rights allocations	16,311	15,773	17,651	19,425	29,288	28,888	29,914	28,507	28,660	24,797
Total foreign exchange accounts	56,997	58,759	72,262	85,018	93,539	98,797	96,938	99,688	104,903	92,622
<i>Loans, investments and advances</i>										
Enterprise Crown corporations and other government business enterprises										
Other loans, investments and advances	22,258	23,134	22,820	24,306	24,841	24,579	25,596	25,743	27,394	59,284
Total loans, investments and advances	152,920	154,919	117,635	113,681	115,957	124,006	126,371	133,912	152,502	179,278
Public sector pension assets	–	–	938	1,263	1,639	1,900	2,124	2,406	4,598	6,320
Total financial assets	316,595	336,721	318,459	336,491	365,692	382,033	397,490	413,047	435,718	502,416
Net Debt	(659,876)	(689,532)	(696,433)	(700,713)	(708,609)	(729,254)	(752,887)	(772,124)	(812,891)	(1,149,825)
Non-financial assets										
Tangible capital assets	59,047	60,241	61,942	63,347	65,838	69,676	73,835	78,942	83,682	87,583
Inventories	6,996	7,453	7,316	7,250	7,221	6,842	6,679	6,601	6,171	9,764
Prepaid expenses	1,916	1,228	1,175	1,206	1,110	1,196	1,119	1,131	1,678	3,732
Total non-financial assets	67,959	68,922	70,433	71,803	74,169	77,714	81,633	86,674	91,531	101,079
Accumulated deficit	(591,917)	(620,610)	(626,000)	(628,910)	(634,440)	(651,540)	(671,254)	(685,450)	(721,360)	(1,048,746)

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}									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net debt at beginning of year—as previously reported	(616,908)	(650,135)	(671,363)	(682,314)	(686,959)	(693,751)	(714,457)	(752,887)	(772,124)	(812,891)
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.....	(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	(624,836)	(667,340)	(689,532)	(696,433)	(700,713)	(708,609)	(729,254)	(752,887)	(772,124)	(812,891)
International Financial Reporting Standards (IFRS) transition adjustment	(3,337)	—	—	—	—	—	—	—	—	—
Change in net debt during the year										
Annual deficit	(28,033)	(21,293)	(8,050)	(550)	(2,861)	(18,957)	(18,961)	(13,964)	(39,392)	(327,729)
Change due to tangible capital assets										
Acquisition of tangible capital assets	(6,976)	(7,175)	(7,129)	(7,204)	(8,015)	(8,547)	(9,793)	(11,134)	(10,286)	(10,127)
Amortization of tangible capital assets	4,859	5,184	4,865	5,090	5,049	5,168	5,261	5,643	5,790	5,969
Proceeds from disposal of tangible capital assets	664	407	875	954	632	421	266	465	157	120
Net loss (gain) on disposal of tangible capital assets, including adjustments	74	390	(312)	(245)	(157)	(880)	107	(81)	(401)	137
<i>Total change due to tangible capital assets</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>	<i>(3,901)</i>
Change due to inventories	(166)	(457)	137	66	29	379	163	78	430	(3,593)
Change due to prepaid expenses	167	688	53	(31)	96	(86)	77	(12)	(547)	(2,054)
Net increase in net debt due to operations	(29,411)	(22,256)	(9,561)	(1,920)	(5,227)	(22,502)	(22,880)	(19,005)	(44,249)	(337,277)
Other comprehensive income (loss)	(2,292)	64	2,660	(2,360)	(2,669)	1,857	(753)	(232)	3,482	343
Net increase in net debt	(31,703)	(22,192)	(6,901)	(4,280)	(7,896)	(20,645)	(23,633)	(19,237)	(40,767)	(336,934)
Net debt at end of year	(659,876)	(689,532)	(696,433)	(700,713)	(708,609)	(729,254)	(752,887)	(772,124)	(812,891)	(1,149,825)

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}									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operating activities										
Annual deficit	(28,033)	(21,293)	(8,050)	(550)	(2,861)	(18,957)	(18,961)	(13,964)	(39,392)	(327,729)
Non-cash items										
Share of annual loss (profit) in enterprise Crown corporations and other government business enterprises.....	(5,350)	(4,995)	(5,945)	(8,365)	(7,316)	(4,920)	(6,959)	(5,920)	(3,588)	11,638
Amortization of premiums and discounts on debt.....	3,824	2,919	2,792	2,261	2,374	1,936	1,999	3,044	4,649	1,559
Provision for valuation on other loans, investments and advances.....	1,486	1,213	1,302	1,372	1,647	1,421	1,457	2,605	1,707	17,523
Amortization of tangible capital assets.....	4,859	5,184	4,865	5,090	5,049	5,168	5,261	5,643	5,790	5,969
Net loss (gain) on disposal of tangible capital assets, including adjustments.....	74	390	(312)	(245)	(157)	(880)	107	(81)	(401)	137
Cross-currency swap revaluation.....	643	1,029	5,745	4,343	1,722	(627)	71	(561)	3,318	(10,142)
Pensions and other future benefit and interest expenses.....	22,668	25,737	24,549	21,817	26,491	25,884	29,588	25,662	28,954	35,152
Provision for doubtful accounts.....	3,885	3,246	3,767	3,960	3,954	2,791	3,395	3,865	4,330	6,058
Net losses on write-offs and write-down of inventory.....	5	(2)	115	327	698	370	613	400	307	486
Change in taxes receivable.....	(11,142)	(9,358)	(4,125)	(9,920)	(11,182)	(7,425)	(15,846)	(8,292)	2,198	(26,568)
Pension and other future benefit payments.....	(15,770)	(14,717)	(16,434)	(15,998)	(15,889)	(17,492)	(19,120)	(19,007)	(18,816)	(18,901)
Change in foreign exchange accounts.....	(8,490)	(1,762)	(13,503)	(12,756)	(8,521)	(5,258)	1,859	(2,750)	(5,215)	12,281
Change in accounts payable and accrued liabilities.....	5,528	(6,386)	(6,853)	9,858	3,488	2,824	20,849	11,908	4,126	43,564
Net change in cash collateral.....	—	—	—	—	(6,557)	(349)	(1,841)	1,622	(2,825)	9,286
Net change in other accounts.....	(3,131)	(2,048)	(2,553)	(1,060)	(3,495)	(1,729)	(3,917)	514	(429)	(10,788)
Cash (used) provided by operating activities	(28,944)	(20,843)	(14,640)	134	(10,555)	(17,243)	(1,445)	4,688	(15,287)	(250,475)
Capital investment activities										
Acquisition of tangible capital assets.....	(6,976)	(7,175)	(7,129)	(6,804)	(7,379)	(7,834)	(9,220)	(10,010)	(9,598)	(10,030)
Proceeds from disposal of tangible capital assets.....	664	407	875	954	632	421	266	465	157	120
Cash used by capital investment activities	(6,312)	(6,768)	(6,254)	(5,850)	(6,747)	(7,413)	(8,954)	(9,545)	(9,441)	(9,910)
Investing activities										
Enterprise Crown corporations and other government business enterprises										
Equity transactions.....	2,684	1,445	5,165	3,514	4,975	2,195	7,993	6,302	1,992	(13,989)
Issuance of loans and advances.....	(63,389)	(65,183)	(70,328)	(79,905)	(54,542)	(52,213)	(42,756)	(48,889)	(54,334)	(48,985)
Repayment of loans and advances.....	65,286	66,156	110,259	88,168	52,699	48,703	39,884	41,086	42,648	47,837
Issuance of other loans, investments and advances.....	(7,679)	(5,533)	(5,525)	(8,124)	(7,749)	(6,104)	(7,500)	(7,546)	(8,313)	(54,548)
Repayment of other loans, investments and advances.....	6,810	3,444	4,537	5,266	5,568	4,944	5,026	4,795	4,955	5,607
Cash (used) provided by investing activities	3,712	329	44,108	8,919	951	(2,475)	2,647	(4,252)	(13,052)	(64,078)
Total cash (used) generated before financing activities	(31,544)	(27,282)	23,214	3,203	(16,351)	(27,131)	(7,752)	(9,109)	(37,780)	(324,463)
Financing activities										
Issuance of Canadian currency borrowings.....	567,707	579,456	512,009	468,021	452,850	507,483	441,307	437,135	468,722	1,048,574
Repayment of Canadian currency borrowings.....	(536,430)	(542,063)	(536,364)	(471,891)	(435,143)	(477,549)	(433,801)	(424,926)	(430,279)	(698,130)
Issuance of foreign currency borrowings.....	12,743	7,782	12,011	16,961	26,817	21,702	15,847	19,631	17,821	34,185
Repayment of foreign currency borrowings.....	(9,656)	(7,695)	(6,783)	(12,724)	(24,602)	(26,575)	(17,458)	(19,738)	(18,877)	(33,307)
Cash provided (used) by financing activities	34,364	37,480	(19,127)	367	19,922	25,061	5,895	12,102	37,387	351,322
Net increase (decrease) in cash and cash equivalents	2,820	10,198	4,087	3,570	3,571	(2,070)	(1,857)	2,993	(393)	26,859
Cash and cash equivalents at beginning of year	14,323	17,143	27,341	31,428	34,999	38,570	36,500	34,642	37,635	37,242
Cash and cash equivalents at end of year	17,143	27,341	31,428	34,998	38,570	36,500	34,643	37,635	37,242	64,101

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}									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Loans, investments and advances										
Enterprise Crown corporations and other government business enterprises										
Loans and advances										
Canada Mortgage and Housing Corporation.....	2,974	3,472	41,951	10,465	177	720	1,124	592	(6,282)	(907)
Business Development Bank of Canada.....	662	(653)	(1,106)	(1,356)	(1,266)	(1,869)	(1,659)	(1,765)	(1,170)	5,179
Farm Credit Canada.....	(1,768)	(1,848)	(855)	(662)	(747)	(2,246)	(2,324)	(1,854)	(2,791)	(1,688)
Canadian Development Investment Corporation.....	–	–	–	–	–	–	–	(4,790)	(1,465)	(3,725)
Other.....	29	2	(59)	(185)	(7)	(115)	(13)	14	22	(8)
	1,897	973	39,931	8,262	(1,843)	(3,510)	(2,872)	(7,803)	(11,686)	(1,149)
Investments										
Share of annual loss (profit).....	(5,350)	(4,995)	(5,945)	(8,365)	(7,316)	(4,920)	(6,959)	(5,920)	(3,588)	11,638
Other comprehensive (income) loss.....	2,292	(64)	(2,660)	2,360	2,669	(1,857)	753	232	(3,482)	(343)
Dividends.....	2,028	1,445	5,215	2,341	4,002	2,320	8,058	6,427	3,618	13,592
Capital.....	656	–	(50)	1,030	973	(125)	(65)	(125)	(1,816)	(18,470)
Transition adjustment and other.....	3,337	–	–	143	–	–	–	–	190	(24)
	2,963	(3,614)	(3,440)	(2,491)	328	(4,582)	1,787	614	(5,078)	6,393
Total.....	4,860	(2,641)	36,491	5,771	(1,515)	(8,092)	(1,085)	(7,189)	(16,764)	5,244
Less:										
Loans expected to be repaid from future appropriations.....	(119)	(1,519)	(480)	353	221	218	264	204	167	115
Unamortized discounts and premiums.....	(32)	–	1	(22)	5	1	(1)	1	8	15
Total.....	5,011	(1,122)	36,970	5,440	(1,741)	(8,311)	(1,348)	(7,394)	(16,939)	5,114
Other loans, investments and advances										
Portfolio investments.....	12	5	–	10	5	–	5	–	–	(53)
National governments, including developing countries.....	40	18	(7)	(606)	22	(49)	78	55	432	109
International organizations.....	(704)	(885)	(900)	(1,039)	(972)	(703)	(888)	(989)	(1,183)	(1,231)
Provincial and territorial governments.....	(849)	803	849	765	693	126	(98)	(16)	60	(9)
Other loans, investments and advances.....	680	(1,254)	(1,049)	(1,751)	(1,352)	32	760	(1,242)	(1,295)	(47,757)
Total.....	(821)	(1,313)	(1,107)	(2,621)	(1,604)	(594)	(143)	(2,192)	(1,986)	(48,941)
Less: allowance for valuation.....	(1,439)	(436)	(1,421)	(1,135)	(1,069)	(856)	874	(2,045)	(335)	(17,051)
Total.....	618	(877)	314	(1,486)	(535)	262	(1,017)	(147)	(1,651)	(31,890)
Total loans, investments and advances.....	5,629	(1,999)	37,284	3,954	(2,276)	(8,049)	(2,365)	(7,541)	(18,590)	(26,776)
Pensions and other future benefits										
Public sector pensions.....	4,530	5,635	3,457	1,638	1,061	505	(757)	(2,414)	(2,378)	(1,557)
Other employee and veteran future benefits.....	3,707	5,386	4,658	4,181	9,541	7,887	11,225	9,069	12,516	17,808
Total pensions and other future benefits.....	8,237	11,021	8,115	5,819	10,602	8,392	10,468	6,655	10,138	16,251
Other liabilities										
Canada Pension Plan Account.....	115	(70)	72	72	(177)	71	(74)	131	115	(139)
Other liabilities.....	503	(817)	(204)	16	(223)	16	55	104	31	800
Total other liabilities.....	618	(887)	(132)	88	(400)	87	(19)	235	146	661
Non-financial assets										
Tangible capital assets.....	(1,379)	(1,194)	(1,701)	(1,405)	(2,491)	(3,838)	(4,159)	(5,107)	(4,740)	(3,901)
Inventories.....	(166)	(458)	137	66	29	379	163	78	430	(3,593)
Prepaid expenses.....	167	688	53	(31)	96	(86)	77	(12)	(547)	(2,054)
Total non-financial assets.....	(1,378)	(964)	(1,511)	(1,370)	(2,366)	(3,545)	(3,919)	(5,041)	(4,857)	(9,548)
Other transactions										
Taxes receivable.....	(7,380)	(6,109)	(374)	(6,010)	(7,349)	(4,666)	(12,521)	(4,526)	6,463	(21,444)
Other accounts receivable.....	(140)	(58)	(119)	675	(7,108)	(177)	(4,064)	2,535	(3,530)	(2,179)
Provincial, Territorial and Indigenous Tax Agreements Account.....	2,688	(7,130)	(1,584)	951	2,780	(1,942)	5,034	(351)	(4,710)	7,691
Amounts payable related to tax.....	2,304	3,925	(2,277)	3,598	(2,501)	1,380	6,799	3,324	(5,014)	11,330
Other liabilities.....	536	(3,181)	(2,992)	5,309	3,208	3,386	9,016	8,936	13,849	24,543
Total other transactions.....	(1,992)	(12,553)	(7,346)	4,523	(10,970)	(2,019)	4,264	9,918	7,058	19,941
Total non-budgetary transactions and non-financial assets.....	11,114	(5,382)	36,410	13,014	(5,410)	(5,134)	8,429	4,226	(6,105)	529

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Foreign exchange accounts										
International reserves held in the Exchange Fund Account.....	(8,100)	(1,240)	(13,984)	(14,596)	(9,418)	(5,289)	1,238	(1,770)	(4,817)	14,427
International Monetary Fund—Subscriptions.....	(50)	148	(1,189)	(246)	(9,041)	278	(755)	198	(729)	1,546
International Monetary Fund—Loans.....	(186)	(132)	(208)	312	75	153	350	229	178	171
	<i>(8,336)</i>	<i>(1,224)</i>	<i>(15,381)</i>	<i>(14,530)</i>	<i>(18,384)</i>	<i>(4,858)</i>	<i>833</i>	<i>(1,343)</i>	<i>(5,368)</i>	<i>16,144</i>
Less: International Monetary Fund										
Special drawing rights allocations.....	(48)	139	(1,118)	(231)	(493)	150	(409)	107	(396)	840
Notes payable.....	202	398	(760)	(1,543)	(9,370)	250	(617)	1,300	243	3,023
	<i>154</i>	<i>537</i>	<i>(1,878)</i>	<i>(1,774)</i>	<i>(9,863)</i>	<i>400</i>	<i>(1,026)</i>	<i>1,407</i>	<i>(153)</i>	<i>3,863</i>
Total foreign exchange accounts	(8,490)	(1,761)	(13,503)	(12,756)	(8,521)	(5,258)	1,859	(2,750)	(5,215)	12,281
Unmatured debt										
Payable in Canadian currency										
Marketable bonds.....	32,060	20,899	4,280	14,562	16,187	32,212	38,688	(5,442)	27,338	278,442
Treasury bills.....	241	17,468	(27,699)	(17,298)	2,408	(1,400)	(26,000)	23,600	17,567	66,908
Retail debt.....	(1,219)	(1,441)	(1,154)	(667)	(584)	(543)	(1,947)	(1,349)	(740)	(198)
Bonds for Canada Pension Plan.....	(16)	(11)	—	—	—	—	—	—	—	—
	<i>31,066</i>	<i>36,915</i>	<i>(24,573)</i>	<i>(3,403)</i>	<i>18,011</i>	<i>30,269</i>	<i>10,741</i>	<i>16,809</i>	<i>44,165</i>	<i>345,152</i>
Payable in foreign currencies.....	3,087	87	5,228	4,237	2,215	(4,873)	(1,560)	(38)	(70)	(514)
Cross-currency swap revaluation.....	643	1,029	5,745	4,343	1,722	(627)	71	(561)	3,318	(10,142)
Unamortized discounts and premiums market debt.....	190	7,526	(47)	1,112	751	275	(1,855)	(1,304)	324	7,203
Obligation related to capital leases.....	(52)	14	(45)	107	(233)	(251)	(23)	(310)	20	(205)
Obligation under public-private partnership.....	263	464	262	(174)	565	629	194	1,118	(921)	(59)
Total unmaturred debt.....	35,197	46,035	(13,430)	6,222	23,031	25,422	7,568	15,714	46,836	341,435
Cash and cash equivalents at end of year										
In Canadian currency.....	16,493	27,130	31,415	34,716	36,022	35,353	34,110	36,840	36,400	63,685
In foreign currencies.....	650	211	14	283	2,548	1,147	532	795	842	416
Total cash and cash equivalents	17,143	27,341	31,429	34,999	38,570	36,500	34,642	37,635	37,242	64,101

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 2020–2021

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 2020–2021 Financial Audits*. This report is available on the web at:
oag-bvg.gc.ca/internet/English/parl_lpf_e_42210

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Preface to the consolidated financial statements of the Government of Canada

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

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

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

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

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

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

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

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

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

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

Statement of responsibility

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

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

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

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

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

On behalf of the Government of Canada.

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

Original signed by
Michael Sabia
Deputy Minister of Finance

Original signed by
Bill Matthews
Deputy Receiver General for Canada

Original signed by
Roch Huppé
Comptroller General of Canada

November 19, 2021



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 2021, 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 2021, and the consolidated results of its operations, consolidated changes in its net debt, and its consolidated cash flows for the year then ended in accordance with the stated accounting policies of the Government of Canada set out in Note 1 to the consolidated financial statements, which conform with Canadian public sector accounting standards.

Basis for Opinion

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

Emphasis of Matter – Impact of the COVID-19 pandemic

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

- the annual deficit in the consolidated statement of operations and accumulated deficit, which was significantly impacted by expenses disclosed in
 - Note 5(a), which presents Major transfer payments to other levels of government that include certain COVID-19 support measures
 - Note 5(b), which presents the Employment Insurance Emergency Response Benefit
 - Note 5(c), which presents the Canada Emergency Response Benefit and Canada Recovery Benefits
 - Note 5(d), which presents the Canada Emergency Wage Subsidy
 - Note 5(f), which presents Other transfer payments that include significant COVID-19 support measures
- unmatured debt in the consolidated statement of financial position, which was significantly impacted as a result of increased borrowing disclosed in
 - Note 3(c), which describes the extraordinary borrowing authorities the Government of Canada invoked in response to the COVID-19 pandemic
 - Note 9, which presents total unmatured debt
- other loans, investments and advances in the consolidated statement of financial position, which were significantly impacted by loans issued as a result of the Canada Emergency Business Account program described in Note 16
- Notes 1 and 21, which describe measurement uncertainties; the financial results of the Group are subject to considerable uncertainty as a result of the COVID-19 pandemic

Our opinion is not modified in respect of this matter.

Independent Auditor’s Report—continued

Other Information

Management is responsible for the other information. The other information comprises the information included in the *Public Accounts of Canada – 2021 – Volume I*, but does not include the consolidated financial statements and our auditor’s report thereon.

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

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

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

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

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

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

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

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

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

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

Independent Auditor’s Report—concluded

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

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

Report on Other Legal and Regulatory Requirements

Opinion

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

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

Ottawa, Canada
9 September 2021, except as to Note 22, which is as of 19 November 2021.

Government of Canada

Consolidated Statement of Operations and Accumulated Deficit
for the year ended March 31, 2021

(in millions of dollars)

	2021		2020
	Budget (Note 3d)	Actual	Actual
Revenues (Note 4 and Note 20)			
<i>Tax revenues</i>			
Income tax revenues			
Personal.....	146,260	174,755	167,576
Corporate	38,276	54,112	50,060
Non-resident.....	10,714	8,107	9,476
Total income tax revenues.....	195,250	236,974	227,112
Other taxes and duties	46,383	46,954	53,880
Total tax revenues.....	241,633	283,928	280,992
<i>Employment insurance premiums.....</i>	<i>19,930</i>	<i>22,392</i>	<i>22,219</i>
<i>Proceeds from the pollution pricing framework.....</i>	<i>4,333</i>	<i>4,380</i>	<i>2,655</i>
<i>Other revenues</i>			
Enterprise Crown corporations and other government business enterprises	(11,980)	(10,542)	5,059
Net foreign exchange revenues	713	2,173	2,410
Other.....	14,192	14,115	20,796
Total other revenues	2,925	5,746	28,265
Total revenues.....	268,821	316,446	334,131
Expenses (Note 5 and Note 20)			
<i>Program expenses</i>			
Transfer payments			
Old age security benefits, guaranteed income supplement and spouse's allowance.....	59,162	58,529	56,227
Major transfer payments to other levels of government.....	94,590	106,653	79,175
Employment insurance and support measures	63,725	58,356	21,750
Children's benefits.....	26,966	27,370	24,344
Canada emergency response benefit and Canada recovery benefits.....	39,725	55,832	4,739
Canada emergency wage subsidy	82,305	80,166	–
Proceeds from the pollution pricing framework returned.....	5,160	4,566	2,636
Other transfer payments	93,954	97,961	54,405
Total transfer payments.....	465,587	489,433	243,276
Other expenses, excluding net actuarial losses.....	112,147	119,089	95,191
Total program expenses, excluding net actuarial losses.....	577,734	608,522	338,467
<i>Public debt charges.....</i>	<i>19,459</i>	<i>20,358</i>	<i>24,447</i>
Total expenses, excluding net actuarial losses.....	597,193	628,880	362,914
Annual deficit before net actuarial losses	(328,372)	(312,434)	(28,783)
Net actuarial losses (Note 10).....	(14,874)	(15,295)	(10,609)
Annual deficit	(343,246)	(327,729)	(39,392)
Accumulated deficit at beginning of year	(721,360)	(721,360)	(685,450)
Other comprehensive income (Note 6 and Note 15).....	–	343	3,482
Accumulated deficit at end of year (Note 6)	(1,064,606)	(1,048,746)	(721,360)

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, 2021

(in millions of dollars)

	2021	2020
Liabilities		
<i>Accounts payable and accrued liabilities</i>		
Amounts payable related to tax	71,516	60,186
Other accounts payable and accrued liabilities	61,459	49,055
Provision for contingent liabilities (Note 7)	44,815	24,928
Environmental liabilities and asset retirement obligations (Note 8).....	14,484	14,646
Deferred revenue	10,424	10,522
Interest and matured debt	4,699	4,496
Total accounts payable and accrued liabilities	207,397	163,833
<i>Interest-bearing debt</i>		
Unmatured debt (Note 9)	1,125,186	783,751
Pensions and other future benefits		
Public sector pensions (Note 10)	168,761	168,596
Other employee and veteran future benefits (Note 10)	144,186	126,378
Total pensions and other future benefits	312,947	294,974
Other liabilities (Note 11)	6,711	6,051
Total interest-bearing debt	1,444,844	1,084,776
Total liabilities	1,652,241	1,248,609
Financial assets		
<i>Cash and accounts receivable</i>		
Cash and cash equivalents (Note 12).....	64,101	37,242
Taxes receivable (Note 13)	142,542	121,098
Other accounts receivable (Note 13)	17,553	15,375
Total cash and accounts receivable	224,196	173,715
<i>Foreign exchange accounts (Note 14).....</i>	92,622	104,903
<i>Loans, investments and advances</i>		
Enterprise Crown corporations and other government business enterprises (Note 15)	119,994	125,108
Other loans, investments and advances (Note 16)	59,284	27,394
Total loans, investments and advances	179,278	152,502
<i>Public sector pension assets (Note 10)</i>	6,320	4,598
Total financial assets	502,416	435,718
Net debt	(1,149,825)	(812,891)
Non-financial assets		
Tangible capital assets (Note 17).....	87,583	83,682
Inventories (Note 17).....	9,764	6,171
Prepaid expenses	3,732	1,678
Total non-financial assets.....	101,079	91,531
Accumulated deficit (Note 6)	(1,048,746)	(721,360)
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, 2021

(in millions of dollars)

	2021		2020
	Budget (Note 3d)	Actual	Actual
Net debt at beginning of year	(812,891)	(812,891)	(772,124)
Change in net debt during the year			
Annual deficit	(343,246)	(327,729)	(39,392)
Changes due to tangible capital assets			
Acquisition of tangible capital assets	(12,423)	(10,127)	(10,286)
Amortization of tangible capital assets	6,615	5,969	5,790
Proceeds from disposal of tangible capital assets	34	120	157
Net loss (gain) on disposal of tangible capital assets, including adjustments	465	137	(401)
<i>Total change due to tangible capital assets</i>	<i>(5,309)</i>	<i>(3,901)</i>	<i>(4,740)</i>
Change due to inventories	–	(3,593)	430
Change due to prepaid expenses	–	(2,054)	(547)
Net increase in net debt due to operations	(348,555)	(337,277)	(44,249)
Other comprehensive income (Note 6 and Note 15)	–	343	3,482
Net increase in net debt	(348,555)	(336,934)	(40,767)
Net debt at end of year	(1,161,446)	(1,149,825)	(812,891)

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, 2021

(in millions of dollars)

	2021	2020
Operating activities		
Annual deficit	(327,729)	(39,392)
Non-cash items		
Share of annual loss (profit) in enterprise Crown corporations and other government business enterprises	11,638	(3,588)
Amortization of premiums and discounts on debt	1,559	4,649
Provision for valuation on other loans, investments and advances	17,523	1,707
Amortization of tangible capital assets.....	5,969	5,790
Net loss (gain) on disposal of tangible capital assets, including adjustments.....	137	(401)
Cross-currency swap revaluation	(10,142)	3,318
Pension and other future benefit and interest expenses.....	35,152	28,954
Provision for doubtful accounts	6,058	4,330
Net losses on write-offs and write-down of inventory.....	486	307
Change in taxes receivable	(26,568)	2,198
Pension and other future benefit payments	(18,901)	(18,816)
Change in foreign exchange accounts.....	12,281	(5,215)
Change in accounts payable and accrued liabilities	43,564	4,126
Net change in cash collateral	9,286	(2,825)
Net change in other accounts	(10,788)	(429)
Cash used by operating activities	(250,475)	(15,287)
Capital investment activities		
Acquisition of tangible capital assets.....	(10,030)	(9,598)
Proceeds from disposal of tangible capital assets.....	120	157
Cash used by capital investment activities	(9,910)	(9,441)
Investing activities		
Enterprise Crown corporations and other government business enterprises		
Equity transactions.....	(13,989)	1,992
Issuance of loans and advances	(48,985)	(54,334)
Repayment of loans and advances.....	47,837	42,648
Issuance of other loans, investments and advances	(54,548)	(8,313)
Repayment of other loans, investments and advances.....	5,607	4,955
Cash used by investing activities	(64,078)	(13,052)
Financing activities		
Issuance of Canadian currency borrowings.....	1,048,574	468,722
Repayment of Canadian currency borrowings	(698,130)	(430,279)
Issuance of foreign currency borrowings	34,185	17,821
Repayment of foreign currency borrowings.....	(33,307)	(18,877)
Cash provided by financing activities	351,322	37,387
Net increase (decrease) in cash and cash equivalents	26,859	(393)
Cash and cash equivalents at beginning of year	37,242	37,635
Cash and cash equivalents at end of year (Note 12)	64,101	37,242
Supplementary information		
Cash used for interest	15,094	15,803

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:

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

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

The measurement uncertainties at March 31, 2021, reflects the impacts resulting from the on-going COVID-19 pandemic to the extent known and estimable at the reporting date. The government continues to assess and monitor the effects of the COVID-19 pandemic on its financial position, including related estimates and assumptions used in the preparation of its financial statements. The full potential impact of the COVID-19 pandemic on the assumptions used for the year is unknown as it will depend on future developments that are uncertain. Such uncertainties include the duration and depth of the pandemic.

In addition, the COVID-19 pandemic has impacted various estimates, assumptions, and judgments in these financial statements; the most critical areas are discussed within the specific notes below.

Additional significant accounting policies

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

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

2. Comparative information

Certain comparative figures have been reclassified to conform to the current year's presentation. In particular, the Government has changed the presentation of the Consolidated Statement of Cash Flow to segregate cash from non-cash items related to provision for doubtful accounts which were included in change in taxes receivable in previous years, and net losses on write-offs and write-downs of inventory which were included in net change in other accounts in previous years.

3. Spending and borrowing authorities

(a) Spending authorities

The authority of Parliament is required before moneys can be spent by the government. Approvals are given in the form of annually approved limits through appropriation acts or through legislation in the form of statutory spending authority for specific purposes. In response to the COVID-19 pandemic, the COVID-19 support measures were implemented through both voted and statutory expenditures. When Parliament is 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 2021, 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)

	2021	2020
Annual spending limits voted by Parliament.....	166,152	135,125
Expenditures permitted under other legislation	308,733	186,083
Total budgetary expenditures authorized.....	474,885	321,208
Less: amounts available for use in subsequent years and amounts that have lapsed	35,246	17,613
Total net budgetary expenditures	439,639	303,595
Effect of consolidation and full accrual accounting, excluding net actuarial losses	189,241	59,319
Total expenses, excluding net actuarial losses.....	628,880	362,914
Net actuarial losses	15,295	10,609
Total expenses	644,175	373,523

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 \$343,633 million (\$245,913 million in 2020) was authorized for loans, investments and advances. A net amount of \$107,653 million (\$60,412 million in 2020) was used, an amount of \$14 million (\$339 million in 2020) lapsed and an amount of \$235,966 million (\$185,162 million in 2020) is available for use in subsequent years.

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

(b) Over-expenditure of spending authorities

There were no over-expenditures of spending authorities in 2021.

(c) Borrowing authorities

Authority to borrow is granted through section 3 of the *Borrowing Authority Act* (BAA) up to the maximum amount set out under section 4 of that Act. Subject to this authority, 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) under the *Financial Administration Act* (FAA).

Subject to limited exceptions, borrowings undertaken by the Minister – together with amounts borrowed by agent Crown corporations and Canada Mortgage Bonds guaranteed by the Canada Mortgage and Housing Corporation – may not exceed the maximum amount specified in the BAA, which was \$1,168,000 million for the duration of fiscal year 2021 (\$1,168,000 million in 2020). As at March 31, 2021, the outstanding borrowings subject to the maximum amount totalled \$1,132,650 million (\$1,075,082 million in 2020).

The FAA and the BAA also set out exceptions to the maximum borrowing amount, including making payments in extraordinary circumstances, such as in the event of a natural disaster or to promote the stability or maintain the efficiency of the financial system in Canada.

In response to the COVID-19 pandemic, the government invoked extraordinary borrowing authorities on two occasions during 2021. The first was for the period from April 1, 2020 to September 30, 2020, inclusive, and was pursuant to a one-time extraordinary borrowing authority enacted through the *COVID-19 Emergency Response Act*. The government had \$285,363 million outstanding at year-end under that authority. The second was for the period from March 23, 2021 to March 31, 2021, inclusive, and was pursuant to the standing extraordinary borrowing authority under the FAA. The government had \$6,596 million outstanding at year-end under that authority.

In addition to the limit on the total outstanding stock of debt, pursuant to Part IV of the FAA, the GIC specifies an annual maximum amount of borrowing by the Minister during that fiscal year, which was established at \$550,000 million for 2021 (\$330,000 million in 2020). The amount borrowed in 2021 pursuant to the *COVID-19 Emergency Response Act* is excluded from the calculation of the annual borrowing authority approved by the GIC. The GIC authority is calculated as the sum of *i*) the maximum stock of treasury bills anticipated to be outstanding during the year, *ii*) the total value of 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, \$315,156 million (\$284,549 million in 2020) of the GIC-approved borrowing authority was used.

(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 projected for 2021 in the Economic and Fiscal Snapshot 2020 (EFS 2020) as a budget was not tabled in Parliament in 2020. To enhance comparability with actual 2021 results, EFS 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 2021 annual deficit.

Since actual opening balances of the accumulated deficit and net debt were not available at the time of preparation of EFS 2020, the corresponding amounts in the budget column have been adjusted to the actual closing balances of the previous year.

4. Revenues

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

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

Measurement uncertainty

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 ongoing COVID-19 pandemic continues to impact the measurement uncertainty in the estimation of tax revenues. Historical experiences related to the estimates of unassessed tax revenues may not be relevant to predict future outcomes which may lead to a greater possibility of a material variance in the upcoming year. Assumptions in the methodologies applied to estimate the individual income tax revenues, GST revenues and allowance for doubtful accounts were refined to take into consideration the current economic climate.

(a) Proceeds from the pollution pricing framework

As part of the federal carbon pollution pricing framework, fuel and excess emission charges are collected pursuant to the *Greenhouse Gas Pollution Pricing Act* and are applicable to jurisdictions that voluntarily adopt the federal carbon pollution pricing framework and those that do not meet the federal benchmark requirements. The regulatory charge on fossil fuels (“fuel charge”) applied as of April 1, 2019, in Ontario, New Brunswick, Manitoba and Saskatchewan, on July 1, 2019, in Nunavut and in the Yukon, and on January 1, 2020, in Alberta. The fuel charge ceased to apply in New Brunswick, as of April 1, 2020, as the province introduced a tax on carbon emitting products that meets the federal benchmark requirements. As of March 31, 2021, there were \$4,219 million of fuel charge proceeds recorded (\$2,655 million in 2020).

As of March 31, 2021, the excess emission charges revenue pursuant to the output-based pricing system for industrial facilities with high emission totalled \$161 million (nil in 2020).

(b) Other taxes and duties

(in millions of dollars)

	2021	2020
Goods and services tax.....	32,415	37,386
Energy taxes	4,894	5,683
Customs import duties	4,254	4,853
Other excise taxes and duties	5,391	5,958
Total other taxes and duties.....	46,954	53,880

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

(c) Federal tax objections

As of March 31, 2021, \$20,059 million of federal taxes were under objection (\$18,273 million for 2020).

5. Expenses

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

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

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

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

Significant accounting policies
<p>Transfer payments are recorded as an expense in the year the transfer is authorized and all eligibility criteria have been met by the recipient. Overpayments are recorded as a reduction of expense in the year when the existence and amount of the overpayment has been determined.</p> <p>Other expenses are generally recorded when goods are received or services are rendered.</p> <p>Public sector pension and other employee and veteran future benefit expenses are recorded as employees render services using the projected benefit method prorated on service, except for: veteran future benefits and workers' compensation where benefits are accrued on an event driven basis; and accumulated sick leave entitlements where benefits are recognized using an accrued benefit method. Past service costs or cost reductions related to amendments and curtailments are recorded when amendments and curtailments are approved while past service costs or cost reductions related to settlements are recorded when benefits are paid.</p> <p>Public debt charges are recorded when incurred.</p>
Measurement uncertainty
<p>Measurement uncertainties that impact certain expenses are described in the following consolidated financial statement notes: contingent liabilities (Note 7), environmental liabilities and asset retirement obligations (Note 8), public sector pensions and other employee and veteran future benefits (Note 10), taxes and other accounts receivable (Note 13), other loans, investments and advances (Note 16), and tangible capital assets and inventories (Note 17).</p> <p>The ongoing COVID-19 pandemic continues to impact the measurement uncertainty in the estimation of certain expenses. In particular, the various COVID-19 support measures were designed to issue payments on an expedited basis. The government will complete verification procedures to confirm the eligibility of recipients and, therefore, a risk exists that ineligible amounts were paid. Any future repayments will be recognized as a reduction of transfer payments expenses in future years. The amount of potential recoveries is not determinable.</p>

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

(a) Major transfer payments to other levels of government

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

- \$12,977 million under the Safe Restart Agreement
- \$2,884 million for the Essential Workers Wage Top-up
- \$2,170 million for additional one-time payments under the Canada Community-Building Fund
- \$2,000 million under the Safe Return to Class Fund

(in millions of dollars)

	2021	2020
Canada Health Transfer	45,880	40,872
Canada Social Transfer	15,023	14,585
Fiscal arrangements	19,299	18,030
Other major transfers	26,451	5,688
Total major transfer payments to other levels of government.....	106,653	79,175

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

Canada health transfer expenses includes an additional \$4,000 million, a one-time increase in response to the COVID-19 pandemic in 2021 (\$500 million in 2020).

(b) Employment insurance and support measures

Pursuant to the *Employment Insurance Act*, employment insurance includes income benefits and support measures paid to individuals of \$31,412 million (\$17,660 million in 2020) and payments to provinces and territories related to Labour Market Development Agreements of \$2,300 million (\$2,329 million in 2020). The *Employment Insurance Act* was amended to authorize the emergency response benefit payments, as part of the Government's Economic Response Plan. As at March 31, 2021, the Employment Insurance Emergency Response Benefit (EI ERB) expensed was \$24,644 million (\$1,761 million in 2020). Refer to Note 5(c) for information on the Canada Emergency Response Benefit (CERB).

(c) Canada Emergency Response Benefit and Canada Recovery Benefits

i. Canada Emergency Response Benefit

The emergency response benefits through CERB and EI ERB provided Canadians who met certain eligibility criteria with \$2,000 per four-week period up to a maximum of 28 weeks between March 15, 2020 and October 3, 2020.

Pursuant to the *Canada Emergency Response Benefit Act*, CERB expenses totalled \$39,049 million (\$4,739 million in 2020) and are recorded under Canada emergency response benefit and Canada recovery benefits on the Consolidated Statement of Operations and Accumulated Deficit.

Combined, the emergency response benefits through CERB and EI ERB totalled \$63,693 million (\$6,500 million in 2020).

ii. Canada Recovery Benefits

To provide continued financial support to workers during the COVID-19 pandemic, the government introduced three new temporary recovery benefits starting September 27, 2020: the Canada Recovery Benefit (CRB), the Canada Recovery Caregiving Benefit (CRCB), and the Canada Recovery Sickness Benefit (CRSB). Support under these three benefit programs totalled \$16,783 million.

(d) Canada Emergency Wage Subsidy

The Canada Emergency Wage Subsidy (CEWS), which began on March 15, 2020, provides a wage subsidy to eligible employers who have suffered a drop in gross revenues due to the COVID-19 pandemic. As of March 31, 2021, \$80,166 million (nil in 2020) was expensed. These expenses include \$888 million (nil in 2020) incurred for the 10% Temporary Wage Subsidy which complimented the CEWS to support eligible employers.

(e) Proceeds from the pollution pricing framework returned

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

- For jurisdictions that voluntarily adopt the federal carbon pollution pricing framework, directly to the governments of those jurisdictions. As of March 31, 2021, \$19 million (\$6 million in 2020) 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. These payments are provided for under the *Income Tax Act* and are delivered through the personal income tax system. In 2021, \$4,547 million (\$2,630 million in 2020) of CAI payments were made or were payable by the government;
 - ii. Proceeds were used for federal programming to support specified sectors. As of March 31, 2021, \$98 million (\$7 million in 2020) were returned. These proceeds returned were included in Other transfer payments expenses on the Consolidated Statement of Operations and Accumulated Deficit as disclosed in Note 5(f).

(f) Other transfer payments

Other transfer payments totalling \$97,961 million (\$54,405 million in 2020) include various amounts paid or payable through federal programs to stabilize market prices for commodities, develop new technologies, conduct research, provide international development assistance, support health care and infrastructure of First Nations and Inuit communities, support social housing and families and promote educational and cultural activities. Also included are expenses of other consolidated entities and other miscellaneous payments. The various types of transfer payments are being delivered by departments according to their departmental legislative mandates.

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

- i. \$13,085 million for the CEBA loan incentive (refer to Note 16 for further details of the Canada Emergency Business Account);
- ii. \$4,045 million for Canada Emergency Rent Subsidy;
- iii. \$2,880 million for Canada Emergency Student Benefit;
- iv. \$2,152 million to Canada Mortgage and Housing Corporation for the Canada Emergency Commercial Rent Assistance Program; and
- v. \$2,455 million for the one-time tax-free payment for seniors.

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

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(g) Public debt charges

(in millions of dollars)

	2021	2020
Public debt charges related to unmatured debt		
Interest on unmatured debt	14,074	13,394
Amortization of discounts on Canada and Treasury bills	1,216	2,303
Amortization of premiums and discounts on all other debts	343	2,346
Net interest on cross-currency swaps	(544)	(216)
Servicing costs and costs of issuing new borrowings	7	10
Interest on capital lease obligations	163	165
Interest on obligations under public-private partnerships	135	99
Total	15,394	18,101
Interest expense related to pensions and other employee and veteran future benefits	4,801	6,079
Other liabilities	163	267
Total public debt charges	20,358	24,447

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

(h) Total expenses by segment

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

(in millions of dollars)

	2021	2020
Ministries		
Agriculture and Agri-Food	4,277	2,907
Canadian Heritage	4,944	4,476
Crown-Indigenous Relations and Northern Affairs	8,571	6,041
Digital Government	2,242	1,863
Employment, Workforce Development and Disability Inclusion	201,214	96,316
Environment and Climate Change	2,755	2,480
Finance	122,283	101,059
Fisheries, Oceans and the Canadian Coast Guard	2,857	2,826
Global Affairs	24,786	7,224
Health	9,066	5,366
Immigration, Refugees and Citizenship	3,401	3,491
Indigenous Services	18,301	13,255
Infrastructure and Communities	8,184	5,889
Innovation, Science and Economic Development	10,544	8,504
Justice	1,956	1,912
National Defence	28,972	27,613
National Revenue	130,945	40,132
Natural Resources	2,665	3,074
Office of the Governor General's Secretary	25	24
Parliament	861	766
Privy Council	542	913
Public Safety and Emergency Preparedness	13,398	13,727
Public Services and Procurement	4,148	3,611
Transport	3,309	3,716
Treasury Board	3,825	3,582
Veterans Affairs ¹	487	418
Women and Gender Equality	219	112
Provision for valuation and other items ¹	14,103	1,617
Total expenses, excluding net actuarial losses	628,880	362,914
Net actuarial losses ²	15,295	10,609
Total expenses	644,175	373,523

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

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

² Allocation by segment provided in Note 20.

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

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

(in millions of dollars)

Objects of expense	2021	2020
Transfer payments	489,433	243,276
Other expenses		
Personnel, excluding net actuarial losses	59,623	55,185
Transportation and communications	2,069	2,989
Information	422	366
Professional and special services	11,847	11,042
Rentals	2,861	2,706
Repair and maintenance	3,585	3,641
Utilities, materials and supplies	8,758	3,453
Other subsidies and expenses	23,890	9,876
Amortization of tangible capital assets	5,969	5,790
Net loss on disposal of assets.....	65	143
Total other expenses, excluding net actuarial losses	119,089	95,191
Total program expenses, excluding net actuarial losses.....	608,522	338,467
Public debt charges	20,358	24,447
Total expenses, excluding net actuarial losses.....	628,880	362,914
Net actuarial losses	15,295	10,609
Total expenses	644,175	373,523

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.

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)

	2021	2020
Accumulated deficit, excluding consolidated specified purpose accounts and accumulated other comprehensive income ¹	(1,043,125)	(727,441)
Consolidated specified purpose accounts		
Employment Insurance Operating Account	(7,706)	3,905
Other insurance accounts	798	783
Other consolidated accounts	628	609
	(1,049,405)	(722,144)
Accumulated other comprehensive income	659	784
Accumulated deficit	(1,048,746)	(721,360)

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)

	2021	2020
Accumulated other comprehensive income at beginning of year	784	669
Other comprehensive income (loss)		
Net change in unrealized gains on financial instruments measured at fair value through other comprehensive income	99	136
Net change in fair value of derivatives designated as hedges	(224)	(21)
Actuarial gains on pensions and other employee future benefits	468	3,367
Total	343	3,482
Less: Actuarial gains on pensions and other employee future benefits recorded directly to accumulated deficit	468	3,367
Accumulated other comprehensive income at end of year	659	784

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
<p>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.</p> <p>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.</p>
Measurement uncertainty
<p>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.</p> <p>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.</p>

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

(in millions of dollars)

	2021	2020
Claims		
Pending and threatened litigation and other claims	25,644	6,653
Specific claims	11,503	10,788
Comprehensive land claims	6,948	6,726
Provision for guarantees provided by the government.....	720	761
Total provision recorded	44,815	24,928

(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. In situations where the outcome is likely but management cannot reasonably estimate a liability, no amount is accrued. Claims for which the outcome is not determinable and for which an amount has not been accrued are estimated at approximately \$4,791 million (\$4,648 million in 2020).

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 627 (593 in 2020) specific claims under negotiation, accepted for negotiation or under review. A liability is estimated and recorded for claims that have progressed to a point where quantification is possible. This estimate also includes projections based on historical rates and costs of settlement for similar claims and includes an estimate for claims which have been filed but not yet assessed.

Comprehensive land claims: Comprehensive land claims arise in areas of the country where Aboriginal rights and title have not been resolved by treaty or by other legal means. There are currently 84 (84 in 2020) 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.

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(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)

	2021	2020
	Principal amount outstanding	Principal amount outstanding
Guarantees with an authorized limit (2021 limit: \$505,420; 2020 limit: \$411,823).....	269,018	254,389
Guarantees with no authorized limit (including borrowings of agent enterprise Crown corporations and other government business enterprises)	314,727	309,909
Total	583,745	564,298
Less: provision for guarantees.....	720	761
Net exposure under guarantees	583,025	563,537

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

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

(c) Other

Assessed taxes under appeal: Contingent liabilities include previously assessed federal taxes where amounts are being appealed to the Tax Court of Canada, the Federal Court of Appeal, or the Supreme Court of Canada. As of March 31, 2021, an amount of \$4,269 million (\$4,373 million in 2020) 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, 2021, the callable share capital amounts to \$37,781 million (\$36,533 million in 2020). No payments (nil in 2020) have been requested by international organizations or paid by the government in the year related to the callable share capital.

Insurance programs of agent enterprise Crown corporations: Four agent enterprise Crown corporations operate insurance programs for the government. In the event that the corporations have insufficient funds, the government will have to provide financing. The Canada Deposit Insurance Corporation operates the Deposit Insurance Fund which provides basic protection coverage to depositors for up to \$100,000 of eligible deposits with each member bank, trust or loan company; the Canada Mortgage and Housing Corporation operates the Mortgage Insurance Fund which provides insurance for mortgage lending on Canadian housing by private institutions and the Mortgage-Backed Securities Guarantee Fund which guarantees the timely payment of the principal and interest for investors of securities based on the *National Housing Act* through the Mortgage-Backed Securities program and the bonds issued by the Canada Housing Trust through the Canada Mortgage Bond program; Export Development Canada provides export and foreign investment insurance to help with export trade; and Farm Credit Canada sells group creditor life and accident insurance to its customers through a program administered by a major insurance provider and Farm Credit Canada's risk of the insurance program is limited. At March 31, 2021, total insurance in force amounts to \$1,902,250 million (\$1,802,143 million in 2020). 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 historical and target inflation rates set by the Bank of Canada. The discount rate is a weighted average rate of the government's cost of borrowing for the period to settlement of the obligation calculated at the date of the initial recognition of the obligation and on subsequent changes to expected cash flows.</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)

	2021	2020
Gross remediation liability for contaminated sites.....	7,051	7,375
Less expected recoveries	(25)	(25)
Net remediation liability for contaminated sites	7,026	7,350
Other environmental liabilities	95	110
Asset retirement obligations.....	7,363	7,186
Total environmental liabilities and asset retirement obligations	14,484	14,646

(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 6,857 sites (6,860 sites in 2020) where contamination may exist and assessment, remediation and monitoring may be required. Of these, the government has identified 2,555 sites (2,444 sites in 2020), where action is required and for which a gross liability of \$6,806 million (\$7,117 million in 2020) 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 3,438 unassessed sites (3,562 sites in 2020), of which 1,412 sites (1,464 sites in 2020) are projected to proceed to remediation and for which an estimated liability of \$245 million (\$258 million in 2020) has been recorded. These two estimates combined, totalling \$7,051 million (\$7,375 million in 2020), 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 864 sites (854 sites in 2020), no liability for remediation has been recognized. Some of these sites are at various stages of testing and evaluation and, if remediation is required, liabilities will be reported as soon as a reasonable estimate can be determined. For other sites, the government does not expect to give up any future economic benefits (there is likely no significant environmental impact or human health threats). These sites will be re-examined and a liability for remediation will be recognized if future economic benefits will be given up.

When the liability estimate is based on a future cash requirement, the amount is adjusted for inflation using a forecast CPI rate of 2.0% (2.0% in 2020). 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 2021 discount rates range from 0.16% (0.37% in 2020) for a 1-year term to 2.01% (1.37% in 2020) for a 30 or greater year term.

(in millions of dollars)

	2021					2020				
	Total number of sites	Number of sites with a liability	Estimated liability	Estimated total undiscounted expenditures	Estimated recoveries	Total number of sites	Number of sites with a liability	Estimated liability	Estimated total undiscounted expenditures	Estimated recoveries
Former mineral exploration sites ¹	124	106	4,028	6,507	25	127	106	4,319	6,305	25
Radioactive material ²	7	6	794	865	–	7	6	881	966	–
Military and former military sites ³	428	218	478	506	–	443	214	410	422	–
Fuel related practices ⁴	1,722	1,159	440	448	–	1,738	1,140	399	406	–
Marine facilities/aquatic sites ⁵	2,393	1,204	570	591	–	2,344	1,127	589	610	–
Landfill/waste sites ⁶	1,056	679	219	228	–	1,061	720	235	241	–
Other ⁷	1,127	595	522	532	–	1,140	595	542	551	–
Total	6,857	3,967	7,051	9,677	25	6,860	3,908	7,375	9,501	25

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

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

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

⁴ Contamination primarily associated with fuel storage and handling, e.g., accidental spills related to fuel storage tanks or former fuel handling practices, e.g. petroleum hydrocarbons, 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, 307 sites (386 sites in 2020) 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 526 unexploded explosive ordnance (UXO) suspected sites (484 in 2020) for which clearance action may be necessary. Of these sites, 38 (43 in 2020) are confirmed UXO affected sites. Based on management's best estimates, a liability of \$95 million (\$110 million in 2020) has been recorded for clearance action on 8 of the confirmed UXO sites (9 in 2020). Remediation has been completed on 3 sites during the year (nil in 2020). The remaining 515 suspect sites (475 in 2020) 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 21 (23 in 2020), indeterminable for 51 (50 in 2020) and unlikely for the 443 remaining (402 in 2020).

(c) Asset retirement obligations

The asset retirement obligation is \$7,363 million (\$7,186 million in 2020) of which Atomic Energy of Canada Ltd. has recorded \$7,362 million (\$7,185 million in 2020) for nuclear facility decommissioning.

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

(in millions of dollars)

	2021	2020
Opening balance	7,186	6,622
Liabilities settled	(432)	(391)
Revision in estimate	338	701
Accretion expense ¹	271	254
Closing balance.....	7,363	7,186

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 \$16,074 million (\$16,263 million at March 31, 2020).

Key assumptions used in determining the provision are as follows:

	2021	2020
Weighted average discount rate	3.80%	3.78%
Discount period.....	164 years	165 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 unamatured 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 unamatured debt.</p>

Unmatured debt includes:

(in millions of dollars)

	2021	2020
Market debt		
Payable in Canadian currency	1,094,380	749,228
Payable in foreign currencies.....	15,427	15,941
Total.....	1,109,807	765,169
Unamortized discounts and premiums on market debt	9,690	2,487
Market debt including unamortized discounts and premiums.....	1,119,497	767,656
Cross-currency swap revaluations.....	450	10,592
Obligation related to capital leases.....	2,708	2,913
Obligation under public-private partnerships	2,531	2,590
Total unamatured debt	1,125,186	783,751

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, 2021, the fair value of market debt including unamortized discounts and premiums is \$1,161,979 million (\$842,423 million in 2020). 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 \$2,794 million (\$702 million at March 31, 2020) related to individual cross-currency swap contracts that have a net foreign-exchange asset value to the government upon revaluation and \$3,244 million (\$11,294 million at March 31, 2020) 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 \$450 million (\$10,592 million at March 31, 2020).

(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, 2021:

(in millions of dollars)

Maturing year	Marketable bonds		Treasury bills	Retail debt ¹	Canada bills	Medium-term notes	Total
	CAD	USD			USD	USD	
2022.....	104,866	3,770	218,800	299	4,054	63	331,852
2023.....	181,706	3,770	–	–	–	–	185,476
2024.....	92,966	–	–	–	–	–	92,966
2025.....	75,065	3,770	–	–	–	–	78,835
2026.....	92,734	–	–	–	–	–	92,734
2027 and subsequent.....	327,686	–	–	–	–	–	327,686
	875,023	11,310	218,800	299	4,054	63	1,109,549
Less: Government holdings of unmatured debt and consolidation adjustment ²	(283)	–	25	–	–	–	(258)
Total market debt.....	875,306	11,310	218,775	299	4,054	63	1,109,807
Nature of interest rate ³	Fixed ⁴	Fixed	Variable	Variable	Variable	Variable	
Effective weighted average annual interest rates.....	1.63	2.08	0.21	0.71	0.07	0.18	
Range of interest rates.....	0.25 - 9.75	1.63 - 2.63	0.06 - 0.50	0.50 - 1.45	0.01 - 0.14	0.18	

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

¹ Includes \$163 million of Canada savings bonds having fixed dates of maturity which are redeemable on demand.

² Includes \$37 million of securities held by consolidated Crown corporations and other entities and \$295 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, 2021, is \$2,708 million (\$2,913 million in 2020). Interest on this obligation of \$163 million (\$165 million in 2020) 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	2021
2022.....	361
2023.....	344
2024.....	340
2025.....	327
2026.....	305
2027 and subsequent.....	2,366
Total minimum lease payments.....	4,043
Less: imputed interest at the average discount rate of 5.25%.....	1,335
Obligation related to capital leases.....	2,708

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 (f) 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 (g) below.</p> <p>The COVID-19 pandemic, which has impacted global commercial activity and contributed to significant ongoing volatility and unpredictability in the global financial markets, continues to evolve. As a result, the economic environment continues to be subject to sustained volatility, which could continue to impact the actuarial assumptions used to measure the present value of the accrued benefit obligations and the market value of PSPiB's portfolio. The accrued benefit obligations and the investments held by PSPiB, as at March 31, 2021, as well as the return on investments for the year, reflect the impacts resulting from the COVID-19 pandemic to the extent known and estimable at the reporting date.</p>

(a) Overview of benefits

i. Pension benefits

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

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

Pension benefits generally accrue as follows:

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

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

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

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

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

ii. Other future benefits

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

(b) Financing arrangements

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

i. Funded pension benefits

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

ii. Unfunded pension benefits

For unfunded pension benefits, separate invested funds are not maintained. These relate to all pre April 2000 service, and only to post March 2000 service that falls above the *Income Tax Act* limits for the three main public sector pension plans, all service periods for the pension plans of the federally appointed judges and Members of Parliament, and some of the consolidated Crown corporations and other entities' pension plans. Employee and employer contributions for unfunded pension benefits sponsored by the government are part of general government funds. Contributions amounted to \$2,929 million (\$1,152 million in 2020) of which \$112 million (\$127 million in 2020) represents regular employer contributions, \$2,751 million (\$956 million in 2020) represents special employer contributions, and \$66 million (\$69 million in 2020) 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 \$486 million (\$473 million in 2020). The cost of benefits earned and benefits paid are presented net of these contributions. Additional details can be found in Section 6 (unaudited) of this volume.

(c) Actuarial valuations

i. For funding purposes

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

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

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

ii. For accounting purposes

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

(d) 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)

	2021				2020			
	Pension benefits			Other future benefits	Pension benefits			Other future benefits
	Funded	Unfunded	Total		Funded	Unfunded	Total	
Accrued benefit obligations at beginning of year	166,313	216,936	383,249	232,020	149,067	204,155	353,222	178,994
Benefits earned.....	7,824	632	8,456	10,777	7,194	493	7,687	8,334
Interest on average accrued benefit obligations	8,420	2,550	10,970	3,010	7,570	3,690	11,260	3,395
Benefits paid	(4,457)	(9,163)	(13,620)	(5,802)	(4,082)	(9,136)	(13,218)	(5,757)
Administrative expenses.....	(100)	(76)	(176)	(92)	(84)	(68)	(152)	(92)
Net transfers to other plans.....	(658)	(40)	(698)	–	(751)	(74)	(825)	–
Actuarial (gains) losses	(1,295)	(18,072)	(19,367)	(30,369)	7,399	17,876	25,275	47,146
Accrued benefit obligations at end of year	176,047	192,767	368,814	209,544	166,313	216,936	383,249	232,020

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)

	2021		2020	
	Funded pension benefits	Other future benefits	Funded pension benefits	Other future benefits
Investments at beginning of year.....	181,049	1	168,389	1
Expected return on average market-related value of investments.....	9,179	–	8,576	–
Contributions				
Employees	3,933	–	3,522	–
Public Service corporations, territorial governments and Crown corporations and other entities.....	284	–	271	–
Government	4,007	–	3,667	–
Benefits paid, transfers and others.....	(5,520)	–	(4,914)	–
Actuarial gains	7,878	–	1,538	–
Investments at end of year	200,810	1	181,049	1
Contributions receivable from employees for past service	554	–	632	–
Total pension and other future benefit assets at end of year	201,364	1	181,681	1

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

As at March 31, the market value of the investments is \$217,511 million (\$181,190 million in 2020). The actual return on investments is \$33,032 million (\$632 million loss in 2020) and the actual net rate of return on investments, calculated on a time-weighted basis, is 18.1% (-0.3% in 2020) 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)

	2021				2020			
	Pension benefits			Other future benefits	Pension benefits			Other future benefits
	Funded	Unfunded	Total		Funded	Unfunded	Total	
Accrued benefit obligations	176,047	192,767	368,814	209,544	166,313	216,936	383,249	232,020
Less: Pension and other future benefit assets	201,364	–	201,364	1	181,681	–	181,681	1
Subtotal.....	(25,317)	192,767	167,450	209,543	(15,368)	216,936	201,568	232,019
Plus: Unrecognized net actuarial gains (less losses).....	19,076	(24,507)	(5,431)	(65,355)	10,780	(48,758)	(37,978)	(105,639)
Less:								
Contributions after measurement date up to March 31	7	–	7	–	8	–	8	–
Benefits paid after measurement date up to March 31	–	–	–	2	–	–	–	2
Subtotal.....	(6,248)	168,260	162,012	144,186	(4,596)	168,178	163,582	126,378
Plus: Valuation allowance.....	429	–	429	–	416	–	416	–
Net future benefit liabilities (assets).....	(5,819)	168,260	162,441	144,186	(4,180)	168,178	163,998	126,378
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	501	168,260	168,761	–	418	168,178	168,596	–
Other employee and veteran future benefit liabilities	–	–	–	144,186	–	–	–	126,378
Less: Public sector pension assets ¹	6,320	–	6,320	–	4,598	–	4,598	–
Net future benefit liabilities (assets).....	(5,819)	168,260	162,441	144,186	(4,180)	168,178	163,998	126,378

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.

(e) 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)

	2021				2020			
	Pension benefits			Other future benefits	Pension benefits			Other future benefits
	Funded	Unfunded	Total		Funded	Unfunded	Total	
Benefit expense								
Benefits earned, net of employee contributions.....	3,699	567	4,266	10,777	3,490	425	3,915	8,334
Valuation allowance	13	–	13	–	17	–	17	–
Total benefit expense included in personnel expenses	3,712	567	4,279	10,777	3,507	425	3,932	8,334
Actuarial (gains) losses recognized during the year	(799)	6,179	5,380	9,915	(1,273)	5,246	3,973	6,636
Total benefit expense	2,913	6,746	9,659	20,692	2,234	5,671	7,905	14,970
Interest expense								
Interest on average accrued benefit obligations.....	8,420	2,550	10,970	3,010	7,570	3,690	11,260	3,395
Expected return on average market-related value of investments	(9,179)	–	(9,179)	–	(8,576)	–	(8,576)	–
Total interest expense	(759)	2,550	1,791	3,010	(1,006)	3,690	2,684	3,395

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

Net actuarial losses of \$15,295 million (\$10,609 million in 2020) are presented in the Consolidated Statement of Operations and Accumulated Deficit. The net actuarial losses are comprised of actuarial gains of \$799 million (\$1,273 million in 2020) on funded pension benefits, actuarial losses of \$6,179 million (\$5,246 million in 2020) on unfunded pension benefits and actuarial losses of \$9,915 million (\$6,636 million in 2020) on other future benefits.

(f) Actuarial assumptions

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

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

- For funded pension benefits, the 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:

	2021		2020	
	Accrued benefit obligations	Benefit and interest expenses	Accrued benefit obligations	Benefit and interest expenses
Discount rates				
Funded pension benefits ¹	5.7%	5.0%	5.6%	5.0%
Unfunded pension benefits ²	1.8%	1.2%	1.2%	1.9%
Other employee and veteran future benefits ²	1.9%	1.3%	1.3%	1.9%
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	4.8%	4.9%	4.9%	5.5%
Cost trend rate is expected to stabilize at	4.3%	4.5%	4.5%	4.8%
Year that the rate is expected to stabilize	2041	2029	2029	2029

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 2034 (5.9% by 2035 in 2020).

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

The discount rates used to measure the significant classes of pensions and other employee future benefits sponsored by the consolidated Crown corporations and other entities are based on a variety of methodologies. To measure the present value of their accrued benefit obligations, these consolidated Crown corporations and other entities used expected rates of return on invested funds ranging from 4.7% to 5.8% (5.0% to 6.1% in 2020) for the funded pension benefits, discount rates ranging from 1.1% to 3.3% (1.8% to 3.8% in 2020) for the unfunded pension benefits and discount rates ranging from 1.1% to 3.5% (1.3% to 3.8% in 2020) for the other employee future benefits. The long-term general wage increase ranged from 2.5% to 3.5% (2.8% to 3.8% in 2020). The long-term inflation rate has remained consistent at 2.0% (2.0% in 2020).

The expected average remaining service life (EARSL) of the employees represent periods ranging from 4 to 23 years (5 to 23 years in 2020) according to the plan in question; more specifically, from 12 to 15 years (12 to 15 years in 2020) 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 2020).

(g) 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)

	2021			2020		
	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	(25,800)	(23,700)	(37,400)	(25,000)	(28,600)	(44,100)
Decrease of 1% in discount rates	33,500	29,000	51,900	32,600	35,700	62,200
Increase of 1% in rate of inflation	23,600	26,700	45,800	22,300	32,300	54,400
Decrease of 1% in rate of inflation	(19,300)	(22,400)	(34,000)	(18,200)	(26,800)	(40,000)
Increase of 1% in general wage increase	7,600	500	300	7,700	800	300
Decrease of 1% in general wage increase	(6,800)	(900)	(300)	(6,800)	(1,100)	(300)
Increase of 1% in assumed health care cost trend rates	—	—	9,400	—	—	11,400
Decrease of 1% in assumed health care cost trend rates	—	—	(6,900)	—	—	(8,200)

11. Other liabilities

Other liabilities include:

(in millions of dollars)

	2021	2020
Canada Pension Plan Accounts	139	279
Others		
Government Annuities Account	98	115
Deposit and trust accounts	2,015	1,335
Other specified purpose accounts	4,459	4,322
	6,572	5,772
Total other liabilities	6,711	6,051

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

(a) Canada Pension Plan Accounts

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

The CPP is a federal/provincial social insurance program established by an Act of Parliament. It is compulsory and in operation in all parts of Canada, except for the Province of Quebec. The objective of the program is to provide a measure of protection to workers and their families against the loss of earnings due to retirement, disability or death. The CPP is financed from employee, employer and self-employed worker contributions, as well as investment earnings. The CPP's investments are held and managed by the Canada Pension Plan Investment Board (CPPIB). As administrator of the CPP, the government's authority to provide benefits is limited to the consolidated net assets of the CPP. As at March 31, the fair value of the CPP's consolidated net assets is \$496,072 million (\$413,022 million in 2020) for the CPP Account and \$6,756 million (\$2,615 million in 2020) for the Additional CPP Account.

Pursuant to the *Canada Pension Plan Act*, the transactions of the CPP are recorded in the Canada Pension Plan Accounts (the Accounts) within the accounts of Canada. The Accounts also record the amounts transferred to or received from the CPPIB. The \$139 million (\$279 million in 2020) 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 \$119 million (\$260 million in 2020) and the Additional CPP Account balance of \$20 million (\$19 million in 2020).

(b) Others

Deposit and trust accounts are a group of liabilities representing the government's financial obligations in its role as administrator of certain funds that it has received or collected for specified purposes and that it will pay out accordingly. The net liability of the government is presented after reducing applicable accounts for securities held in trust. Certain accounts earn interest which is charged to interest on the public debt. Some of the largest deposit and trust accounts are the swap collateral guarantee deposit account of \$829 million (\$152 million in 2020) and the Indian band funds account in the amount of \$526 million (\$544 million in 2020). These accounts were established to record cash received as credit support under a collateral agreement with financial institutions and to record funds belonging to Indian bands throughout Canada pursuant to the *Indian Act*.

Other specified purpose accounts are liability accounts that are used to record transactions made under authorities obtained from Parliament through either the *Financial Administration Act* or other specific legislation. Certain accounts earn interest which is charged to interest on the public debt. The largest other specified purpose account is the Public Service Death Benefit Account totalling \$3,977 million (\$3,880 million in 2020). 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)

	2021	2020
Cash ¹	64,101	33,892
Cash equivalents	–	3,350
Total cash and cash equivalents.....	64,101	37,242

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

¹ Included in cash is \$20,000 million (\$20,000 million in 2020) 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

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.

Taxes and other accounts receivable are measured at amortized cost. An allowance for doubtful accounts is recorded where recovery is considered uncertain.

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.

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.

Measurement uncertainty

Tax receivable and the allowance for doubtful accounts are subject to measurement uncertainty due to the use of estimates of amounts not yet assessed/reassessed based on cash received as well as taxpayer objections to assessed federal tax.

Key assumptions used in estimating tax revenues are tax instalments, historical information on refund rates, payments received on filing tax returns, and amounts receivable assessed.

Assumptions in the methodologies applied to estimate the individual income tax revenues, GST revenues and allowance for doubtful accounts were refined to take in consideration the current volatile economic situation that prevailed throughout the fiscal year due to the on-going COVID-19 pandemic. Historical experiences related to the estimated 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.

(a) Taxes receivable

The government has established an allowance for doubtful accounts of \$19,072 million (\$15,658 million in 2020) and has recorded a bad debt expense of \$5,287 million (\$4,265 million in 2020) under other expenses, excluding net actuarial losses on the Consolidated Statement of Operations and Accumulated Deficit.

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

(in millions of dollars)

	2021			2020		
	Total taxes receivable	Allowance for doubtful accounts	Net	Total taxes receivable	Allowance for doubtful accounts	Net
Income taxes receivable						
Individuals.....	80,977	9,354	71,623	67,819	8,265	59,554
Employers.....	25,407	1,379	24,028	20,849	1,192	19,657
Corporations.....	24,285	3,821	20,464	19,597	2,834	16,763
Non-residents.....	2,122	314	1,808	2,135	130	2,005
Goods and services tax receivable.....	26,756	3,849	22,907	24,148	2,951	21,197
Customs import duties receivable.....	622	112	510	647	95	552
Other excise taxes and duties receivable.....	1,445	243	1,202	1,561	191	1,370
Total.....	161,614	19,072	142,542	136,756	15,658	121,098

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 \$18,680 million (\$6,927 million in 2020) and are presented net of an allowance for doubtful accounts of \$2,493 million (\$1,527 million in 2020). Further details can be found in Section 7 (unaudited) of this volume.

Cash collateral pledged to counterparties of \$1,366 million (\$9,975 million in 2020) 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, 2021, the fair value of the marketable securities held in the Exchange Fund Account is \$85,964 million (\$98,338 million in 2020), established using market quotes or other available market information. Further details on these investments are provided in the unaudited financial statements of the Exchange Fund Account in Section 8 of this volume.

Subscriptions and loans to the International Monetary Fund (IMF) and special drawing rights allocations are denominated in special drawing rights (SDR). The SDR serves as the unit of account for the IMF and its value is based on a basket of key international currencies (US dollar, Euro, Japanese yen, British pound sterling and Chinese renminbi). Canada participates in two lending arrangements with the IMF along with a group of other member countries. Collectively, maximum direct lending under these arrangements is limited to no more than the equivalent of SDR 11,279 million (\$20,087 million) at March 31, 2021.

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

(in millions of dollars)

	2021	2020
International reserves held in the Exchange Fund Account		
Cash and cash equivalents		
US dollar	1,390	6,014
Euro	674	488
British pound sterling	196	168
Japanese yen	60	14
Total	2,320	6,684
Marketable securities ¹		
US dollar	53,571	62,636
Euro	17,376	17,538
British pound sterling	8,055	8,045
Japanese yen	5,427	5,266
Total	84,429	93,485
Special drawing rights	10,840	11,848
Total international reserves held in the Exchange Fund Account	97,589	112,017
International Monetary Fund		
Subscriptions	19,633	21,178
Loans	197	368
Total	117,419	133,563
Less: International Monetary Fund		
Special drawing rights allocations	10,664	11,504
Notes payable	14,133	17,156
Total	24,797	28,660
Total foreign exchange accounts	92,622	104,903

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

¹ Interest earned on marketable securities was \$1,011 million (\$1,458 million in 2020).

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

(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)

	2021	2020
Investments		
Canada Mortgage and Housing Corporation	13,153	15,430
Export Development Canada	12,644	8,722
Farm Credit Canada	8,013	7,252
Business Development Bank of Canada	18,004	8,892
Canada Port Authorities	4,045	3,864
Canada Deposit Insurance Corporation	3,842	3,480
Canada Development Investment Corporation	164	354
Canada Post Corporation	2,034	2,205
Other	1,448	1,473
Inter-organizational adjustments	(19,001)	(933)
Total investments	44,346	50,739
Loans and advances		
Farm Credit Canada	34,342	32,653
Business Development Bank of Canada	18,226	23,405
Canada Mortgage and Housing Corporation	15,284	14,377
Canada Development Investment Corporation	9,980	6,255
Other	439	432
Total loans and advances	78,271	77,122
Less:		
Loans expected to be repaid from future appropriations	2,603	2,718
Unamortized discounts and premiums	20	35
	2,623	2,753
Total loans, investments and advances to enterprise Crown corporations and other government business enterprises	119,994	125,108

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)

	2021			2020		
	Third Parties	Government, Crown corporations and other entities	Total	Third Parties	Government, Crown corporations and other entities	Total
Assets						
Financial assets.....	582,649	437,330	1,019,979	518,555	123,086	641,641
Non-financial assets.....	24,250		24,250	19,861		19,861
Total assets.....	606,899	437,330	1,044,229	538,416	123,086	661,502
Liabilities	835,171	145,711	980,882	500,589	109,241	609,830
Equity of Canada as reported.....			63,347			51,672
Inter-organizational adjustments.....			(19,001)			(933)
Equity of Canada.....			44,346			50,739
Revenues.....	30,056	8,972	39,028	27,218	4,865	32,083
Expenses.....	30,275	1,939	32,214	25,999	2,434	28,433
Profit as reported.....			6,814			3,650
Adjustments and others.....			(18,452)			(62)
(Loss) profit.....			(11,638)			3,588
Other changes in equity						
Equity adjustments and other.....			24			(190)
Other comprehensive income (loss).....			343			3,482
Dividends ¹			(13,592)			(3,618)
Capital ²			18,470			1,816
			(6,393)			5,078
Equity of Canada at beginning of year.....			50,739			45,661
Equity of Canada at end of year.....			44,346			50,739
Contingent liabilities.....			4,718			3,939
Contractual obligations.....			49,782			

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

¹ Amounts reported as dividends include \$3,895 million (\$1,515 million in 2020) from Canada Mortgage and Housing Corporation, \$7,280 million (nil in 2020) from Export Development Canada, \$2,296 million (\$1,323 million in 2020) from the Bank of Canada and nil (\$395 million in 2020) from Farm Credit Canada.

² Amounts reported as capital include a purchase of common shares of \$7,503 million (\$1,406 million in 2020) from Business Development Bank of Canada, \$10,967 million (nil in 2020) from Export Development Canada and nil (\$500 million in 2020) 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 2021, CFMWS administered estimated revenues and expenses of \$420 million (\$377 million in 2020) and \$329 million (\$410 million in 2020) respectively and had net equity of \$853 million at March 31, 2021 (\$764 million at March 31, 2020). These amounts are excluded from the consolidated financial statements of the Government of Canada.

16. Other loans, investments and advances

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

Significant accounting policies
<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, or forgiveness clauses.</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> <p>The ongoing COVID-19 pandemic heightens the measurement uncertainty related to the valuation of loans, investments and advances. In particular, given the unique nature of the pandemic there is limited historical experience to assess the expected recoveries of the Canada Emergency Business Account (CEBA) loans which may lead to a material variance in the valuation of the loans receivable. The full potential impact of the COVID-19 pandemic on the assumptions such as credit quality and probability of default used to measure the allowance for valuation is unknown as it will depend on future developments that are uncertain.</p>

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

(in millions of dollars)

	2021	2020
National governments, including developing countries and international organizations		
National governments including developing countries.....	341	450
International organizations.....	26,156	24,924
Total.....	26,497	25,374
Other loans, investments and advances		
Loans for the development of export trade.....	340	1,028
Provincial and territorial governments.....	355	347
Unconditionally repayable contributions.....	6,185	4,235
Other loans, investments and advances.....	72,697	26,149
Total.....	79,577	31,759
Total.....	106,074	57,133
Less: allowance for valuation.....	46,790	29,739
Total other loans, investments and advances.....	59,284	27,394

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

Interest earned on other loans, investments and advances was \$332 million (\$821 million in 2020).

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

(in millions of dollars)

	2021		2020	
	Loans, investments and advances in base currency	Foreign exchange rate	Loans, investments and advances in CAD	Loans, investments and advances in CAD
Canadian dollar	101,452		101,452	52,056
US dollar	2,591	1.2567	3,256	4,364
Special drawing rights	759	1.7809	1,352	686
Various other currencies			14	27
Total			106,074	57,133

Loans to national governments consist mainly of loans for international development assistance to developing countries totalling \$60 million (\$71 million in 2020), and development of export trade totalling \$281 million (\$379 million in 2020) 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 \$15,976 million (\$15,602 million in 2020) as well as loans and advances to associations and other international organizations totalling \$10,180 million (\$9,323 million in 2020). 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 1.9% to 8.1% and are administered by Export Development Canada. Collateral of \$77 million (\$199 million in 2020) is held on these loans and they are repayable over 1 to 55 years with final instalments due in 2048.

Loans to provinces and territories include loans made under relief acts and other legislation. Loans totalling \$352 million (\$343 million in 2020) are non-interest bearing and will be repaid over 1 to 11 years.

Unconditionally repayable contributions are in substance loans aimed at stimulating economic development or for assistance. Certain contributions are non-interest bearing and others bear interest at rates varying from 0.3% to 7.0%, some of which have concessional terms, and are repayable at various due dates with final instalments due within 3 to 37 years of initial disbursement.

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

Loans under the CEBA program of \$44,881 million (nil in 2020) are provided interest free until December 31, 2022, with repayment incentives of a loan forgiveness of up to a maximum of \$20,000 on loans of \$60,000 where loan repayment has been made in full by until December 31, 2022. Amounts expected to be forgiven have been reported in other transfer payments expenses on the Consolidated Statement of Operations and Accumulated Deficit as disclosed in Note 5(f) as the Canada Emergency Business Account loan incentive. Loans not repaid by December 31, 2022 are subject to a one-time extension of three years and 5% interest per annum commencing on January 1, 2023. No principal repayments are required until December 31, 2025, at which time the entire loan and all accrued and unpaid interest becomes due and payable.

Loans under the Canada Student Loans Program of \$23,473 million (\$22,081 million in 2020) are provided interest-free to students and since November 1, 2019, 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, with a maximum of 15 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 accrued on these loans.

Other loans, investments and advances were \$4,343 million (\$4,068 million in 2020).

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 retroactively in a systematic and rational manner to approximate original costs. When significant parts of a tangible capital asset have different useful lives, they may be accounted for as separate items (major components) of capital assets with amortization being recognized over the useful life of each major component. Estimated useful lives of assets are included in the table below.</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 the net realizable value at year-end which considers the estimated value of obsolete 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 2021 ²	Net book value 2020
	Opening balance	Acquisitions	Disposals	Adjustments ¹	Closing balance	Opening balance	Amortization expense	Disposals	Adjustments	Closing balance		
Land.....	2,121	51	(4)	69	2,237	–	–	–	–	–	2,237	2,121
Buildings	36,448	69	(107)	975	37,385	18,628	1,010	(87)	72	19,623	17,762	17,820
Works and infrastructure	22,467	233	(96)	681	23,285	10,311	670	(75)	1	10,907	12,378	12,156
Machinery and equipment.....	39,787	1,020	(672)	2,106	42,241	27,790	2,003	(657)	(134)	29,002	13,239	11,997
Vehicles	43,940	314	(462)	1,476	45,268	28,648	1,866	(427)	(90)	29,997	15,271	15,292
Leasehold improvements.....	3,952	19	(88)	275	4,158	2,501	210	(82)	–	2,629	1,529	1,451
Assets under construction.....	20,131	8,379	³ (44)	(5,888)	22,578	–	–	–	–	–	22,578	20,131
Assets under capital leases	4,895	42	³ (133)	(6)	4,798	2,181	210	(129)	(53)	2,209	2,589	2,714
Total	173,741	10,127	(1,606)	(312)	181,950	90,059	5,969	(1,457)	(204)	94,367	87,583	83,682

¹ Adjustments include assets under construction of \$5,444 million (\$8,008 million in 2020) that were transferred to other categories upon completion of the assets.

² The government has \$44 million (\$43 million in 2020) in net book value of capital assets with an original acquisition cost of \$1,155 million (\$1,199 million in 2020) that have been declared surplus. Upon physical disposal, the government's investment in the tangible capital asset will be removed.

³ Acquisitions of \$59 million (\$275 million in 2020) in assets under construction through public-private partnership arrangements, including \$18 million (\$89 million in 2020) in interest, and \$42 million (\$310 million in 2020) 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, 2021, cash collateral pledged of \$1,366 million (\$9,975 million in 2020) is recorded in other accounts receivable, and cash collateral received of \$829 million (\$152 million in 2020) is recorded in other liabilities. In addition, the government holds collateral in securities from counterparties with a nominal amount of \$1,829 million and fair value of \$1,975 million (nominal amount of \$2,384 million and fair value of \$2,776 million in 2020), 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	2021
2022.....	7,511
2023.....	6,769
2024.....	9,155
2025.....	7,755
2026.....	8,497
2027 and subsequent.....	37,141
Total.....	76,828

ii. Foreign exchange forward agreements

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

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

The notional principal amount of a foreign exchange forward agreement refers to the principal amount used to calculate contractual cash flows. This amount does not represent an asset or liability, and is not included in the Consolidated Statement of Financial Position. Foreign exchange forward agreements outstanding at March 31, with notional principal amounts in Canadian dollars of \$4,191 million (\$3,074 million at March 31, 2020), 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	2021	2020
A+.....	22,021	29,462
A.....	37,666	40,881
A-.....	21,332	21,678
Total.....	81,019	92,021

(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, 2021, 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, 2021, a 1% appreciation in the Canadian dollar as compared to the US dollar, the Euro, the British pound sterling and the Japanese yen would result in a foreign exchange loss of \$11 million due to the exposure of the US dollar portfolio, a foreign exchange loss of \$2 million due to the exposure of the Euro portfolio, a foreign exchange loss of \$1 million due to the exposure of the Japanese yen portfolio and a foreign exchange loss of \$5 million due to the exposure of the British pound sterling portfolio.

The net foreign exchange loss included in net foreign exchange revenues, other revenues and other expenses on the Consolidated Statement of Operations and Accumulated Deficit amounts to \$137 million (net foreign exchange gain of \$135 million in 2020).

(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)

	2021		2020	
	Principal amount	Fair value	Principal amount	Fair value
Cross-currency swaps.....	76,828	(1,109)	88,947	(10,877)
Foreign exchange forward agreements.....	4,191	130	3,074	(21)
Total.....	81,019	(979)	92,021	(10,898)

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

19. Contractual obligations and contractual rights

(a) Contractual obligations

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

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

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

(in millions of dollars)

Minimum payments expected to be made in:	Transfer payment agreements	Capital assets and purchases	Operating leases	International organizations ¹	Total
2022.....	35,419	18,868	537	1,942	56,766
2023.....	21,482	10,573	542	1,665	34,262
2024.....	14,602	8,314	508	505	23,929
2025.....	10,614	4,796	460	302	16,172
2026.....	7,770	3,796	433	171	12,170
2027 and subsequent.....	27,731	13,568	2,223	1,169	44,691
Total.....	117,618	59,915	4,703	5,754	187,990

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 expected to be received in:	Sales of goods and services	Leases of property	Royalties and revenue/profit-sharing arrangements	Other	Contractual rights subject to non-disclosure clauses	Total
2022.....	2,390	218	4	512	2	3,126
2023.....	2,445	307	3	57	2	2,814
2024.....	2,507	344	3	48	2	2,904
2025.....	2,565	351	2	46	2	2,966
2026.....	2,627	357	2	38	3	3,027
2027 and subsequent.....	17,065	622	17	373	160	18,237
Total	29,599	2,199	31	1,074	171	33,074

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)

	2021								
	Employment, Workforce Development and Disability Inclusion	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	–	–	–	236,974	–	–	–	–	236,974
Other taxes and duties	–	–	–	18,688	28,266	–	–	–	46,954
Total tax revenues	–	–	–	255,662	28,266	–	–	–	283,928
Employment insurance premiums	22,881	–	–	–	–	–	–	(489)	22,392
Proceeds from the pollution pricing framework	–	–	–	4,219	–	161	–	–	4,380
Other revenues									
Enterprise Crown corporations and other government business enterprises	–	–	–	–	–	–	(10,542)	–	(10,542)
Net foreign exchange revenues	–	2,173	–	–	–	–	–	–	2,173
Other	30,468	728	400	4,718	2,756	18,201	–	(43,156)	14,115
Total other revenues	30,468	2,901	400	4,718	2,756	18,201	(10,542)	(43,156)	5,746
Total revenues	53,349	2,901	400	264,599	31,022	18,362	(10,542)	(43,645)	316,446
Expenses									
Program expenses									
Transfer payments									
Old age security benefits, guaranteed income supplement and spouse's allowance	58,529	–	–	–	–	–	–	–	58,529
Major transfer payments to other levels of government	–	101,063	–	–	–	5,590	–	–	106,653
Employment insurance and support measures	58,356	–	–	–	–	–	–	–	58,356
Children's benefits	6	–	–	27,364	–	–	–	–	27,370
Canada emergency response benefit and Canada recovery benefits	55,832	–	–	–	–	–	–	–	55,832
Canada emergency wage subsidy	–	–	–	80,166	–	–	–	–	80,166
Proceeds from the pollution pricing framework returned	–	–	–	4,566	–	–	–	–	4,566
Other transfer payments	50,070	493	264	8,619	514	65,830	–	(27,829)	97,961
Total transfer payments	222,793	101,556	264	120,715	514	71,420	–	(27,829)	489,433
Other expenses, excluding net actuarial losses	8,017	712	28,926	10,836	13,200	73,213	–	(15,815)	119,089
Total program expenses, excluding net actuarial losses	230,810	102,268	29,190	131,551	13,714	144,633	–	(43,644)	608,522
Public debt charges	–	20,062	68	–	–	229	–	(1)	20,358
Total expenses, excluding net actuarial losses	230,810	122,330	29,258	131,551	13,714	144,862	–	(43,645)	628,880
Net actuarial losses	–	–	9,381	–	1,703	4,211	–	–	15,295
Total expenses	230,810	122,330	38,639	131,551	15,417	149,073	–	(43,645)	644,175

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

¹ Represents consolidation adjustments to eliminate internal transactions.

(in millions of dollars)

	2020								
	Employment, Workforce Development and Disability Inclusion	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
Proceeds from the pollution pricing framework	–	–	–	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 and support measures	21,750	–	–	–	–	–	–	–	21,750
Children's benefits	9	–	–	24,335	–	–	–	–	24,344
Canada emergency response benefit and Canada recovery benefits	4,739	–	–	–	–	–	–	–	4,739
Canada emergency wage subsidy	–	–	–	–	–	–	–	–	–
Proceeds from the pollution pricing framework 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	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

21. COVID-19 pandemic

In March 2020, the World Health Organization officially declared the outbreak of COVID-19 as a global pandemic. The COVID-19 pandemic continues to have a significant adverse impact on the global economy. The overall economy continues to navigate the pandemic with continuing uncertainty. As this pandemic is ongoing and the government response is continuing to evolve, the impact on the government's financial results is subject to considerable uncertainty. The consolidated financial statements for the fiscal year end March 31, 2021, reflects the impacts resulting from the COVID-19 pandemic to the extent known and estimable at the reporting date. Between April 1 and June 30, 2021, the government increased its unmatured debt by \$54,125 million, reflecting, in large part, borrowings undertaken to continue to meet expenditure requirements under the Economic Response Plan.

Budget 2021 released by the Department of Finance Canada on April 19, 2021, sets out the government's economic and fiscal projections for fiscal years 2021 to 2026. 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.

22. Subsequent events

On September 29, 2021, the Federal Court of Canada issued its decision on Canada's application for a judicial review of the Canadian Human Rights Tribunal's orders regarding compensation under the First Nations Child and Family Services program and Jordan's Principle, as well as the definition of a First Nations child under Jordan's Principle. The Court rejected Canada's arguments and upheld the Tribunal's orders. The decision was appealed by the government on October 29, 2021. As at November 19, 2021, the financial impact on the government's consolidated financial statements of these events was assessed. As a result, the government's best estimate of the contingent liability (Note 7) recognized within the consolidated financial statements reflects information available as of November 19, 2021.

Section 3

*Public Accounts of Canada
2020–2021*

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)

	2021	2020
Revenues		
Tax revenues, Table 3.2.....	283,928	280,992
Employment insurance premiums.....	22,392	22,219
Proceeds from the pollution pricing framework.....	4,380	2,655
Other revenues, Table 3.4.....	5,746	28,265
Total revenues.....	316,446	334,131
Expenses		
Transfer payments.....	489,433	243,276
Other expenses, excluding net actuarial losses.....	119,089	95,191
Total program expenses, excluding net actuarial losses.....	608,522	338,467
Public debt charges, Table 3.8.....	20,358	24,447
Total expenses, excluding net actuarial losses, Table 3.6.....	628,880	362,914
Annual deficit before net actuarial losses.....	(312,434)	(28,783)
Net actuarial losses.....	(15,295)	(10,609)
Annual deficit.....	(327,729)	(39,392)
Accumulated deficit at beginning of year.....	(721,360)	(685,450)
Other comprehensive income.....	343	3,482
Accumulated deficit at end of year.....	(1,048,746)	(721,360)

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)

	2021	2020
Tax revenues		
Income tax revenues		
Personal	174,755	167,576
Corporate	54,112	50,060
Non-resident	8,107	9,476
Total income tax revenues	236,974	227,112
Other taxes and duties		
Goods and services tax, Table 3.3	32,415	37,386
Energy taxes		
Excise tax—Gasoline	3,722	4,453
Excise tax—Aviation gasoline and diesel fuel.....	1,172	1,230
Total energy taxes	4,894	5,683
Customs import duties	4,254	4,853
Other excise taxes and duties		
Excise duties	5,204	4,950
Air travellers security charge.....	11	798
Other miscellaneous excise taxes and duties	176	210
Total other excise taxes and duties	5,391	5,958
Total other taxes and duties	46,954	53,880
Total tax revenues¹.....	283,928	280,992

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)

	2021	2020
GST	46,006	45,038
Less: remission order for the GST paid and accrued by ministries on or for goods and services purchased from outside parties	3,173	2,628
Gross GST from outside parties	42,833	42,410
Less: quarterly tax credits ¹	10,418	5,024
Net GST from outside parties	32,415	37,386

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

Energy taxes

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

Customs import duties

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

Other excise taxes and duties

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

Employment insurance premiums

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

Other revenues**Table 3.4**
Other revenues

(in millions of dollars)

	2021	2020
Other revenues		
Enterprise Crown corporations and other government business enterprises		
Share of annual (loss) profit.....	(11,638)	3,588
Interest and other	1,096	1,471
<i>Total enterprise Crown corporations and other government business enterprises</i>	<i>(10,542)</i>	<i>5,059</i>
Other programs		
Return on investments, Table 3.5.....	399	1,808
Sales of goods and services		
Rights and privileges.....	1,596	2,078
Lease and use of public property	331	772
Services of a regulatory nature	1,471	1,995
Services of a non-regulatory nature	3,954	4,619
Sales of goods and information products.....	985	1,173
Other fees and charges	815	805
<i>Total sales of goods and services</i>	<i>9,152</i>	<i>11,442</i>
Miscellaneous		
Interest and penalties.....	3,855	5,823
Other.....	709	1,723
<i>Total miscellaneous.....</i>	<i>4,564</i>	<i>7,546</i>
<i>Total other programs.....</i>	<i>14,115</i>	<i>20,796</i>
Net foreign exchange revenues		
Exchange Fund Account.....	2,541	2,283
International Monetary Fund	(310)	93
Other.....	(58)	34
<i>Total net foreign exchange revenues.....</i>	<i>2,173</i>	<i>2,410</i>
Total other revenues¹	5,746	28,265

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)

	2021	2020
Cash and accounts receivable		
Interest on bank deposits	214	772
Loans, investments and advances		
National governments including developing countries	38	35
International organizations	2	4
Other loans, investments and advances	290	878
Total loans, investments and advances	330	917
Other accounts	2	5
Total ministerial return on investments	546	1,694
Net (loss) gain on exchange	(150)	86
Accrual of other revenues	4	30
Total return on investments	400	1,810
Elimination of return on investments internal to the government	(1)	(2)
Total external return on investments	399	1,808

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	
	2021	2020	2021	2020
Ministries				
Agriculture and Agri-Food	–	–	3,208	1,774
Canadian Heritage	–	–	1,715	1,317
Crown-Indigenous Relations and Northern Affairs.....	–	–	6,484	4,532
Digital Government.....	–	–	–	–
Employment, Workforce Development and Disability Inclusion	172,723	82,725	22,739	9,664
Environment and Climate Change.....	–	–	700	532
Finance.....	101,063	75,905	493	386
Fisheries, Oceans and the Canadian Coast Guard	–	–	407	272
Global Affairs	–	–	22,214	4,769
Health.....	1,250	1,100	2,428	1,826
Immigration, Refugees and Citizenship.....	–	–	1,697	1,825
Indigenous Services.....	–	–	14,171	11,136
Infrastructure and Communities	4,340	2,170	3,107	3,214
Innovation, Science and Economic Development.....	–	–	7,369	5,495
Justice	–	–	443	431
National Defence.....	–	–	264	224
National Revenue	107,530	24,335	13,185	7,322
Natural Resources	–	–	695	793
Office of the Governor General's Secretary	–	–	–	–
Parliament	–	–	2	1
Privy Council	–	–	(12)	81
Public Safety and Emergency Preparedness	–	–	514	883
Public Services and Procurement	–	–	1	–
Transport.....	–	–	592	607
Treasury Board.....	–	–	1	1
Veterans Affairs ³	–	–	59	56
Women and Gender Equality.....	–	–	167	66
Provision for valuation and other items ³	–	–	(116)	(166)
Total expenses, excluding net actuarial losses.....	386,906	186,235	102,527	57,041
Net actuarial losses	–	–	–	–
Total expenses⁴.....	386,906	186,235	102,527	57,041

¹ Includes transfer payments of \$58,529 million (\$56,227 million in 2020) for old age security benefits, the guaranteed income supplement and the spouse's allowance; \$106,653 million (\$79,175 million in 2020) to other levels of government; \$58,356 million (\$21,750 million in 2020) for employment insurance and support measures, \$27,370 million (\$24,344 million in 2020) for children's benefits, \$55,832 million (\$4,739 million in 2020) for the Canada emergency response benefit and Canada recovery benefits and, \$80,166 million (nil in 2020) for the Canada emergency wage subsidy. Additional information is provided in Table 3.7 of this section.

² Includes transfer payments of \$4,566 million (\$2,636 million in 2020) for the proceeds for the pollution pricing framework returned, many of the other COVID-19 support measures, such as \$13,085 million for the Canada Emergency Business Account loan incentive; \$4,045 million for the Canada Emergency Rent Subsidy; \$2,880 million for the Canada Emergency Student Benefit; \$2,152 million to Canada Mortgage and Housing Corporation for the Canada Emergency Commercial Rent Assistance Program; and, \$2,455 million for the one-time tax-free payment for seniors.

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	
2021	2020	2021	2020	2021	2020	2021	2020
3,208	1,774	1,069	1,133	–	–	4,277	2,907
1,715	1,317	3,221	3,156	8	3	4,944	4,476
6,484	4,532	2,087	1,509	–	–	8,571	6,041
–	–	2,235	1,848	7	15	2,242	1,863
195,462	92,389	5,752	3,927	–	–	201,214	96,316
700	532	2,055	1,947	–	1	2,755	2,480
101,556	76,291	665	585	20,062	24,183	122,283	101,059
407	272	2,450	2,554	–	–	2,857	2,826
22,214	4,769	2,572	2,455	–	–	24,786	7,224
3,678	2,926	5,388	2,440	–	–	9,066	5,366
1,697	1,825	1,704	1,666	–	–	3,401	3,491
14,171	11,136	4,130	2,119	–	–	18,301	13,255
7,447	5,384	685	496	52	9	8,184	5,889
7,369	5,495	3,175	3,009	–	–	10,544	8,504
443	431	1,513	1,481	–	–	1,956	1,912
264	224	28,640	27,320	68	69	28,972	27,613
120,715	31,657	10,230	8,475	–	–	130,945	40,132
695	793	1,969	2,280	1	1	2,665	3,074
–	–	25	24	–	–	25	24
2	1	859	765	–	–	861	766
(12)	81	554	832	–	–	542	913
514	883	12,884	12,843	–	1	13,398	13,727
1	–	4,029	3,488	118	123	4,148	3,611
592	607	2,675	3,067	42	42	3,309	3,716
1	1	3,824	3,581	–	–	3,825	3,582
59	56	428	362	–	–	487	418
167	66	52	46	–	–	219	112
(116)	(166)	14,219	1,783	–	–	14,103	1,617
489,433	243,276	119,089	95,191	20,358	24,447	628,880	362,914
–	–	15,295	10,609	–	–	15,295	10,609
489,433	243,276	134,384	105,800	20,358	24,447	644,175	373,523

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 and support measures ²	COVID-19: Support measures ³	Fiscal arrangements	Quebec Abatement ⁴	Canada Health Transfer ⁵	Canada Social Transfer	Other major transfers ⁶	Children's benefits	Total
Newfoundland and Labrador.....	2021	1,177	1,713	–	10	–	578	207	738	–	4,423
	2020	1,139	1,266	–	10	–	568	203	80	–	3,266
Prince Edward Island ...	2021	288	423	–	455	–	176	63	101	–	1,506
	2020	277	373	–	420	–	171	61	38	–	1,340
Nova Scotia	2021	1,877	1,849	–	2,148	–	1,077	386	506	–	7,843
	2020	1,807	1,018	–	1,930	–	1,056	377	143	–	6,331
New Brunswick	2021	1,626	1,807	–	2,212	–	860	309	372	–	7,186
	2020	1,561	1,064	–	2,025	–	845	301	115	–	5,911
Quebec.....	2021	16,032	12,601	–	13,258	(5,582)	9,463	3,396	4,946	–	54,114
	2020	15,448	4,281	–	13,130	(5,811)	9,225	3,292	1,248	–	40,813
Ontario.....	2021	22,113	21,507	–	9	–	16,209	5,816	8,288	–	73,942
	2020	21,213	6,989	–	9	–	15,832	5,650	2,062	–	51,755
Manitoba.....	2021	1,963	1,900	–	2,513	–	1,520	545	739	–	9,180
	2020	1,886	770	–	2,258	–	1,490	532	185	–	7,121
Saskatchewan.....	2021	1,687	1,507	–	2	–	1,296	465	968	–	5,925
	2020	1,615	719	–	23	–	1,278	456	159	–	4,250
Alberta.....	2021	5,155	7,540	–	5	–	4,860	1,744	3,301	–	22,605
	2020	4,857	2,668	–	259	–	4,748	1,694	601	–	14,827
British Columbia.....	2021	8,384	7,339	–	3	–	5,701	2,042	3,146	–	26,615
	2020	7,970	2,498	–	3	–	5,523	1,971	708	–	18,673
Total provinces	2021	60,302	58,186	–	20,615	(5,582)	41,740	14,973	23,105	–	213,339
	2020	57,773	21,646	–	20,067	(5,811)	40,736	14,537	5,339	–	154,287
Northwest Territories ...	2021	37	65	–	1,413	–	50	18	54	–	1,637
	2020	35	37	–	1,309	–	49	17	34	–	1,481
Nunavut	2021	12	39	–	1,713	–	43	15	53	–	1,875
	2020	11	28	–	1,642	–	42	15	34	–	1,772
Yukon Territory	2021	35	59	–	1,055	–	47	17	52	–	1,265
	2020	34	32	–	997	–	45	16	34	–	1,158
International.....	2021	301	7	–	–	–	–	–	–	–	308
	2020	304	7	–	–	–	–	–	–	–	311
Total expenses for provinces and territories	2021	60,687	58,356	–	24,796	(5,582)	41,880	15,023	23,264	–	218,424
	2020	58,157	21,750	–	24,015	(5,811)	40,872	14,585	5,441	–	159,009
Accrual and other adjustments	2021	(2,158)	–	135,998	85	–	4,000	–	3,187	–	141,112
	2020	(1,930)	–	4,739	(174)	–	–	–	247	–	2,882
Subtotal.....	2021	58,529	58,356	135,998	24,881	(5,582)	45,880	15,023	26,451	–	359,536
	2020	56,227	21,750	4,739	23,841	(5,811)	40,872	14,585	5,688	–	161,891
Transfers made through the tax system	2021	–	–	–	–	–	–	–	–	27,370	27,370
	2020	–	–	–	–	–	–	–	–	24,344	24,344
Total major transfer payments ...	2021	58,529	58,356	135,998	24,881	(5,582)	45,880	15,023	26,451	27,370	386,906
	2020	56,227	21,750	4,739	23,841	(5,811)	40,872	14,585	5,688	24,344	186,235

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

² Includes the Employment Insurance emergency response benefit of \$24,644 million (\$1,761 million in 2020).

³ Includes \$55,832 million (\$4,739 million in 2020) for the Canada emergency response benefit and Canada recovery benefits, and \$80,166 million (nil in 2020) for the Canada emergency wage subsidy.

⁴ The Quebec Abatement is comprised of federal tax abated under the Alternative Payments for Standing Programs and the Youth Allowance Program of that province.

⁵ Includes an additional \$4,000 million, a one-time increase in response to the COVID-19.

⁶ Includes the contributions under the federal Canada Community-Building Fund (previously Gas Tax Fund) program of \$4,341 million (\$2,170 million in 2020), certain COVID-19 support measures such as \$12,977 million under the Safe Restart Agreement; \$2,884 million for the Essential Workers Wage Top-up; \$2,170 million for additional one-time payments under the Canada Community-Building Fund, and, \$2,000 million under the Safe Return to Class Fund.

Public debt charges

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

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

Table 3.8
Public debt charges¹

(in millions of dollars)

	2021	2020
Unmatured debt		
Interest on:		
Marketable bonds	14,072	13,348
Retail debt	(1)	10
Medium-term notes.....	3	36
	<u>14,074</u>	<u>13,394</u>
Amortization of discounts on Canada and Treasury bills		
Treasury bills.....	1,203	2,247
Canada bills.....	13	56
	<u>1,216</u>	<u>2,303</u>
Amortization of premiums and discounts on all other debts		
Marketable bonds	(197)	972
Foreign bonds	5	4
Real return bonds.....	(126)	(122)
Consumer price index adjustments on real return bonds	661	1,492
	<u>343</u>	<u>2,346</u>
Net interest on cross-currency swaps.....	(544)	(216)
Servicing costs and costs of issuing new borrowings.....	7	10
Interest on capital lease obligations	163	165
Interest on obligations under public-private partnerships.....	135	99
Total public debt charges related to unmatured debt	<u>15,394</u>	<u>18,101</u>
Pensions and other future benefits		
Interest on:		
Public sector pensions—Superannuation accounts.....	5,165	5,680
Allowance for pension adjustments	(3,200)	(2,791)
Consolidated Crown corporations and other entities pensions.....	(174)	(205)
	<u>1,791</u>	<u>2,684</u>
Other employee and veteran future benefits		
Public Service Health Care Plan and Pensioners' Dental Service Plan.....	575	746
Severance and other benefits	21	35
Accumulated sick leave entitlements.....	19	32
Worker's compensation	20	31
Veterans' disability and other future benefits.....	1,936	2,157
Royal Canadian Mounted Police disability and other future benefits.....	432	385
Consolidated Crown corporations and other entities.....	7	9
	<u>3,010</u>	<u>3,395</u>
Total public debt charges related to pensions and other future benefits.....	<u>4,801</u>	<u>6,079</u>
Other liabilities		
Canada Pension Plan	1	5
Government Annuities Account	5	6
Deposit and trust accounts.....	7	13
Other specified purpose accounts	141	149
Other liabilities.....	9	94
Total public debt charges related to other liabilities	<u>163</u>	<u>267</u>
Consolidated specified purpose accounts		
Interest	1	5
Total public debt charges related to consolidated specified purpose accounts.....	<u>1</u>	<u>5</u>
Total public debt charges before consolidation adjustments.....	20,359	24,452
Less: consolidation adjustments.....	1	5
Total public debt charges ^{1 2}	<u>20,358</u>	<u>24,447</u>

Table 3.8
Public debt charges¹—concluded

(in millions of dollars)

	2021	2020
Comprised of:		
Total public debt charges under statutory authorities before accrual and other adjustments and consolidation adjustments	20,425	23,789
Accrual and other adjustments	(66)	663
Consolidation adjustments	(1)	(5)
Total public debt charges	20,358	24,447

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	318,564	170,869	489,433
Other expenses			
Personnel, excluding net actuarial losses	52,984	6,639	59,623
Transportation and communications	2,149	(80)	2,069
Information	540	(118)	422
Professional and special services	14,720	(2,873)	11,847
Rentals	3,826	(965)	2,861
Repair and maintenance	3,570	15	3,585
Utilities, materials and supplies	10,499	(1,741)	8,758
Acquisition of land, buildings and works	2,362	(2,362)	–
Acquisition of machinery and equipment	6,624	(6,624)	–
Other subsidies and expenses	15,146	8,744	23,890
Amortization of tangible capital assets	–	5,969	5,969
Net loss on disposal of assets	–	65	65
Total other expenses, excluding net actuarial losses²	112,420	6,669	119,089
Public debt charges	20,663	(305)	20,358
Total gross expenses	451,647	177,233	628,880
Revenues netted against expenditures	(12,009)	12,009	–
Total expenses, excluding net actuarial losses²	439,638	189,242	628,880
Net actuarial losses ²	–	–	15,295
Total expenses	439,638	189,242	644,175

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)

	2021	2020
Payments for the Canada Emergency Response Benefit pursuant to the <i>Public Health Events of National Concern Payments Act</i>	62,162	4,756
Old Age Security payments (<i>Old Age Security Act</i>)	44,383	42,706
Canada Health Transfer (Part V.1— <i>Federal-Provincial Fiscal Arrangements Act</i>)	41,880	40,872
Benefit enhancement measures for the Employment Insurance Operating Account	27,331	–
Fiscal Equalization (Part I— <i>Federal-Provincial Fiscal Arrangements Act</i>)	20,573	19,837
Public debt charges	20,426	23,789
Payments related to <i>Canada Recovery Benefits Act</i>	16,850	–
Payments related to Significant and Systematic Economic and Financial Distress	16,656	–
Canada Social Transfer (Part V.1— <i>Federal-Provincial Fiscal Arrangements Act</i>)	15,023	14,585
Guaranteed Income Supplement payments (<i>Old Age Security Act</i>)	13,685	13,007
Climate action incentive payments	4,547	2,630
Territorial Financing (Part I.1— <i>Federal-Provincial Fiscal Arrangements Act</i>)	4,180	3,948
Canada Student Grants to qualifying full and part-time students pursuant to the <i>Canada Student Financial Assistance Act</i>	2,921	1,583
Gas Tax Fund	2,200	4,400
Canada Education Savings Grant payments to Registered Education Savings Plan (RESP) trustees on behalf of RESP beneficiaries to encourage Canadians to save for post-secondary education for their children	1,017	970
One time payment to persons with disabilities	797	–
Payments related to the direct financing arrangement under the <i>Canada Student Financial Assistance Act</i>	749	935
Losses on foreign exchange	735	112
Contribution payments for the AgriInsurance program	646	667
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	614	615
Allowance payments (<i>Old Age Security Act</i>)	572	556
Grants in support of the Farm Income payment	459	339
Payments to International Development Association	423	442
Canada disability savings grants	407	371
Electoral expenditures (<i>Canada Elections Act</i> and the <i>Referendum Act</i>)	144	517
Payments to Canada Infrastructure Bank	53	759
Contribution to the Federation of Canadian Municipalities for the Green Municipal Fund (<i>Budget Implementation Act, 2019</i>)	–	950
Youth Allowances Recovery (<i>Federal-Provincial Fiscal Revision Act, 1964</i>)	(1,013)	(1,044)
Alternative Payments for Standing Programs (Part VI— <i>Federal-Provincial Fiscal Arrangements Act</i>)	(4,570)	(4,767)
Total ²	293,850	173,535
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	2,774	2,467
Government's contribution to the Canada and the Quebec pension plans ²	1,084	871
Government's contribution to the Employment Insurance Operating Account	376	320
Government's contribution to the Death Benefit Account	15	16
Total	4,249	3,674

Table 3.10
Expenditures under statutory authorities—concluded

(in millions of dollars)

	2021	2020
Canadian Forces		
Government's contribution to the Canadian Forces Pension Plan and the Retirement Compensation Arrangements Account	3,652	1,029
Government's contribution to the Canada and the Quebec pension plans	271	215
Government's contribution as employer to the Employment Insurance Operating Account	90	76
Statutory payments under the <i>Supplementary Retirement Benefits Act</i>	1	1
Government's contribution to the Death Benefit Account	3	2
Total	4,017	1,323
Royal Canadian Mounted Police		
Government's contribution to the Royal Canadian Mounted Police Pension Plan and the Retirement Compensation Arrangements Account	266	1,223
Government's contribution to the Canada and the Quebec pension plans	70	59
Government's contribution as employer to the Employment Insurance Operating Account	23	21
Statutory payments under the <i>Supplementary Retirement Benefits Act</i>	5	6
Total	364	1,309
Shared Services Canada		
Government's contribution to the Canada and the Quebec pension plans	4	4
Government's contribution to the Royal Canadian Mounted Police Pension Plan and the Retirement Compensation Arrangements Account	1	1
Total	5	5
All other statutory expenditures ²	4,320	4,017
Total ministerial expenditures under statutory authorities ³	306,805	183,863

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 2020–2021

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, 2021

(in thousands of dollars)

Consolidated Crown corporations and other entities	Assets			Total assets
	Financial		Non-financial	
	Third parties	Government, Crown corporations and other entities		
Crown corporations¹				
Atomic Energy of Canada Limited	292,795	138,650	916,502	1,347,947
Canada Council for the Arts	563,156	654	33,319	597,129
Canada Development Investment Corporation				
Canada Enterprise Emergency Funding Corporation ²	416,646	–	–	416,646
Canada Infrastructure Bank	1,119,031	5,262	2,083	1,126,376
Canadian Air Transport Security Authority	114,921	116,139	501,482	732,542
Canadian Broadcasting Corporation	2,096,743	122,411	1,442,895	3,662,049
Canadian Commercial Corporation	72,635	781	2,531	75,947
Canadian Dairy Commission	30,160	–	75,158	105,318
Canadian Museum for Human Rights	21,902	64	265,458	287,424
Canadian Museum of History	109,686	4,132	204,901	318,719
Canadian Museum of Immigration at Pier 21	15,924	152	9,835	25,911
Canadian Museum of Nature	25,342	3	165,431	190,776
Canadian Race Relations Foundation	25,664	1,405	63	27,132
Canadian Tourism Commission	37,421	190	15,978	53,589
Defence Construction (1951) Limited	47,671	15,156	3,562	66,389
International Development Research Centre	78,792	3,993	3,774	86,559
Marine Atlantic Inc.	176,154	13,899	417,132	607,185
National Arts Centre Corporation	23,060	363	213,985	237,408
National Capital Commission	206,967	9,828	729,210	946,005
National Gallery of Canada	30,447	3,339	74,159	107,945
National Museum of Science and Technology	22,249	718	257,295	280,262
Standards Council of Canada	10,410	353	3,092	13,855
Telefilm Canada	3,644	67,986	6,274	77,904
The Federal Bridge Corporation Limited	5,694	1,069	381,387	388,150
The Jacques Cartier and Champlain Bridges Inc.	52,237	15,323	650,253	717,813
VIA Rail Canada Inc.	591,335	30,449	1,326,549	1,948,333
Windsor-Detroit Bridge Authority	153,071	12,050	2,085,487	2,250,608
Total—Crown corporations	6,343,757	564,369	9,787,795	16,695,921
Conversion to the government accounting basis for consolidation purposes	(68,175)	–	(86,080)	(154,255)
Net Crown corporations on the government accounting basis	6,275,582	564,369	9,701,715	16,541,666
Other entities³				
Canada Foundation for Innovation	164,636	25,363	2,467	192,466
Canada Foundation for Sustainable Development Technology	33,645	–	890	34,535
First Nations Market Housing Fund	326,583	51,275	240	378,098
St. Lawrence Seaway Management Corporation	222,949	17,482	14,323	254,754
Capital Fund Trust	2,502	11,318	–	13,820
Employee Termination Benefits Trust Fund	620	11	–	631
Total—Other entities	750,935	105,449	17,920	874,304
Conversion to the government accounting basis for consolidation purposes	1,310	81	(16)	1,375
Net other entities on the government accounting basis	752,245	105,530	17,904	875,679
Total	7,027,827	669,899	9,719,619	17,417,345

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

² Canada Enterprise Emergency Funding Corporation (CEEFC) is a federal Crown corporation, incorporated in May 2020 and is wholly owned by Canada Development Investment Corporation (CDEV), a parent Crown corporation. CEEFC is responsible for administering the Large Employer Emergency Funding Facility (LEEFF).

³ These entities, which are not Crown corporations or agents of the Crown, are considered other consolidated entities.

Liabilities								
Third parties		Government, Crown corporations and other entities	Total liabilities	Accumulated profits (losses)	Contributed surplus	Capital stock	Equity of Canada	Total liabilities and equity
Borrowings	Other							
–	8,381,008	234	8,381,242	(7,498,007)	449,712	15,000	(7,033,295)	1,347,947
–	207,002	1,087	208,089	389,040	–	–	389,040	597,129
–	1,363	71	1,434	415,212	–	–	415,212	416,646
–	10,792	1,943	12,735	1,113,641	–	–	1,113,641	1,126,376
–	166,447	543	166,990	565,552	–	–	565,552	732,542
237,204	775,981	45,228	1,058,413	2,603,636	–	–	2,603,636	3,662,049
–	42,534	10,987	53,521	12,426	10,000	–	22,426	75,947
9,671	45,458	50,189	105,318	–	–	–	–	105,318
–	143,803	132,008	275,811	11,613	–	–	11,613	287,424
–	29,886	217,411	247,297	71,422	–	–	71,422	318,719
–	10,257	9,676	19,933	5,978	–	–	5,978	25,911
–	36,585	153,975	190,560	216	–	–	216	190,776
–	374	–	374	26,758	–	–	26,758	27,132
–	10,990	59	11,049	42,540	–	–	42,540	53,589
–	51,505	820	52,325	14,064	–	–	14,064	66,389
–	59,115	10,800	69,915	16,644	–	–	16,644	86,559
–	108,920	29	108,949	498,236	–	–	498,236	607,185
–	16,587	215,792	232,379	5,029	–	–	5,029	237,408
–	162,942	11,911	174,853	771,152	–	–	771,152	946,005
–	8,700	91,824	100,524	7,421	–	–	7,421	107,945
–	6,298	261,929	268,227	12,035	–	–	12,035	280,262
–	7,006	22	7,028	6,827	–	–	6,827	13,855
–	40,861	244	41,105	36,799	–	–	36,799	77,904
48,862	16,897	102,870	168,629	219,521	–	–	219,521	388,150
–	107,845	–	107,845	609,968	–	–	609,968	717,813
–	231,885	1,258,848	1,490,733	448,300	–	9,300	457,600	1,948,333
–	827,416	–	827,416	1,423,192	–	–	1,423,192	2,250,608
295,737	11,508,457	2,578,500	14,382,694	1,829,215	459,712	24,300	2,313,227	16,695,921
–	(6,393)	(1,863,674)	(1,870,067)	2,199,824	(459,712)	(24,300)	1,715,812	(154,255)
295,737	11,502,064	714,826	12,512,627	4,029,039	–	–	4,029,039	16,541,666
–	2,321	190,145	192,466	–	–	–	–	192,466
–	3,866	30,669	34,535	–	–	–	–	34,535
–	72,994	305,216	378,210	(112)	–	–	(112)	378,098
–	108,369	8,856	117,225	137,529	–	–	137,529	254,754
–	10	13,810	13,820	–	–	–	–	13,820
–	10	621	631	–	–	–	–	631
–	187,570	549,317	736,887	137,417	–	–	137,417	874,304
–	(680)	(533,475)	(534,155)	535,530	–	–	535,530	1,375
–	186,890	15,842	202,732	672,947	–	–	672,947	875,679
295,737	11,688,954	730,668	12,715,359	4,701,986	–	–	4,701,986	17,417,345

Table 4.2
Revenues, expenses and other changes in equity of consolidated Crown corporations
and other entities for the year ended March 31, 2021

(in thousands of dollars)

Consolidated Crown corporations and other entities	Revenues			Total
	Third parties	Government, Crown corporations and other entities		
		Financial assistance	Other	
Crown corporations				
Atomic Energy of Canada Limited	95,003	940,741	3,733	1,039,477
Canada Council for the Arts	33,919	428,631	2,740	465,290
Canada Development Investment Corporation				
Canada Enterprise Emergency Funding Corporation	10,711	–	420,001	430,712
Canada Infrastructure Bank	28,348	274,220	–	302,568
Canadian Air Transport Security Authority	952	685,762	–	686,714
Canadian Broadcasting Corporation	505,139	1,366,915	1,851	1,873,905
Canadian Commercial Corporation	16,680	4,000	2,115	22,795
Canadian Dairy Commission	246,477	4,577	343	251,397
Canadian Museum for Human Rights	7,300	30,735	–	38,035
Canadian Museum of History	4,415	83,099	348	87,862
Canadian Museum of Immigration at Pier 21	665	12,381	93	13,139
Canadian Museum of Nature	3,454	40,698	525	44,677
Canadian Race Relations Foundation	(56)	–	80	24
Canadian Tourism Commission	705	95,666	24	96,395
Defence Construction (1951) Limited	445	–	129,384	129,829
International Development Research Centre	44,139	145,653	13,325	203,117
Marine Atlantic Inc.	83,242	141,121	–	224,363
National Arts Centre Corporation	12,392	63,008	1,980	77,380
National Capital Commission	32,140	149,385	6,342	187,867
National Gallery of Canada	18,810	52,762	67	71,639
National Museum of Science and Technology	2,578	47,475	720	50,773
Standards Council of Canada	8,387	18,576	875	27,838
Telefilm Canada	19,540	132,308	21	151,869
The Federal Bridge Corporation Limited	27,716	7,400	–	35,116
The Jacques Cartier and Champlain Bridges Inc.	1,141	234,161	–	235,302
VIA Rail Canada Inc.	52,659	515,876	1,497	570,032
Windsor-Detroit Bridge Authority	1,478	445,750	–	447,228
Total—Crown corporations	1,258,379	5,920,900	586,064	7,765,343
Conversion to the government accounting basis for consolidation purposes	24,149	(111,418)	(420,000)	(507,269)
Total on the government accounting basis	1,282,528	5,809,482	166,064	7,258,074
Consolidation adjustments	545	(5,809,482)	(166,064)	(5,975,001)
Net amount—Crown corporations	1,283,073	–	–	1,283,073
Other entities				
Canada Foundation for Innovation	1,692	387,172	1	388,865
Canada Foundation for Sustainable Development Technology	363	158,102	–	158,465
First Nations Market Housing Fund	14,563	439	845	15,847
St. Lawrence Seaway Management Corporation	79,943	1,859	60,465	142,267
Capital Fund Trust	43	69,000	(7,391)	61,652
Employee Termination Benefits Trust Fund	4	–	–	4
Total—Other entities	96,608	616,572	53,920	767,100
Conversion to the government accounting basis for consolidation purposes	(1,508)	(45,484)	81	(46,911)
Total on the government accounting basis	95,100	571,088	54,001	720,189
Consolidation adjustments	1,327	(571,088)	(54,001)	(623,762)
Net amount—Other entities	96,427	–	–	96,427
Total	1,379,500	–	–	1,379,500

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	
1,030,763	2,160	1,032,923	6,554	(7,039,669)	–	(180)	–	–	(7,033,295)
444,477	1,033	445,510	19,780	323,436	–	45,824	–	–	389,040
14,795	705	15,500	415,212	–	–	–	–	–	415,212
151,924	–	151,924	150,644	962,997	–	–	–	–	1,113,641
704,166	1,108	705,274	(18,560)	584,112	–	–	–	–	565,552
1,540,885	32,494	1,573,379	300,526	2,303,110	–	–	–	–	2,603,636
20,415	4,042	24,457	(1,662)	24,088	–	–	–	–	22,426
249,113	1,501	250,614	783	–	(783)	–	–	–	–
34,499	1,914	36,413	1,622	9,991	–	–	–	–	11,613
82,312	3,314	85,626	2,236	69,186	–	–	–	–	71,422
9,809	2,552	12,361	778	4,561	(163)	802	–	–	5,978
36,465	2,553	39,018	5,659	(5,443)	–	–	–	–	216
1,154	–	1,154	(1,130)	25,930	–	1,958	–	–	26,758
80,416	396	80,812	15,583	27,151	–	(194)	–	–	42,540
122,045	752	122,797	7,032	6,716	–	316	–	–	14,064
201,904	2,703	204,607	(1,490)	17,907	227	–	–	–	16,644
232,399	–	232,399	(8,036)	496,501	–	9,771	–	–	498,236
65,819	1,233	67,052	10,328	(5,299)	–	–	–	–	5,029
129,755	8,050	137,805	50,062	722,017	(927)	–	–	–	771,152
60,206	7,353	67,559	4,080	3,341	–	–	–	–	7,421
43,737	7,743	51,480	(707)	11,963	779	–	–	–	12,035
27,606	132	27,738	100	6,727	–	–	–	–	6,827
130,758	1,967	132,725	19,144	17,655	–	–	–	–	36,799
49,410	–	49,410	(14,294)	235,076	(710)	(551)	–	–	219,521
199,822	–	199,822	35,480	574,488	–	–	–	–	609,968
452,808	6,867	459,675	110,357	347,243	–	–	–	–	457,600
144,696	–	144,696	302,532	1,132,510	–	(11,850)	–	–	1,423,192
6,262,158	90,572	6,352,730	1,412,613	856,295	(1,577)	45,896	–	–	2,313,227
33,763	7,509	41,272	(548,541)	2,308,672	1,577	(45,896)	–	420,000	2,135,812
6,295,921	98,081	6,394,002	864,072	3,164,967	–	–	–	420,000	4,449,039
4,087	(98,081)	(93,994)	(5,881,007)	–	5,881,007	–	–	(420,000)	(420,000)
6,300,008	–	6,300,008	(5,016,935)	3,164,967	5,881,007	–	–	–	4,029,039
388,848	17	388,865	–	–	–	–	–	–	–
158,465	–	158,465	–	–	–	–	–	–	–
14,563	1,284	15,847	–	–	–	(112)	–	–	(112)
134,815	218	135,033	7,234	130,295	–	–	–	–	137,529
18	61,634	61,652	–	–	–	–	–	–	–
16	(12)	4	–	–	–	–	–	–	–
696,725	63,141	759,866	7,234	130,295	–	(112)	–	–	137,417
1,173	(1,157)	16	(46,927)	582,345	–	112	–	–	535,530
697,898	61,984	759,882	(39,693)	712,640	–	–	–	–	672,947
1,299	(61,984)	(60,685)	(563,077)	–	563,077	–	–	–	–
699,197	–	699,197	(602,770)	712,640	563,077	–	–	–	672,947
6,999,205	–	6,999,205	(5,619,705)	3,877,607	6,444,084	–	–	–	4,701,986

Borrowings by consolidated agent Crown corporations

Table 4.3

Borrowings by consolidated agent Crown corporations

(in thousands of dollars)

	April 1, 2020	Borrowings and other credits	Repayments and other charges	March 31, 2021
Canadian Broadcasting Corporation.....	265,430	16,286	44,512	237,204
Canadian Dairy Commission	3,789	85,968	80,086	9,671
The Federal Bridge Corporation Limited	56,440	–	7,578	48,862
Total	325,659	102,254	132,176	295,737

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)

	2021
Pending and threatened litigation and other claims—Provision accrued.....	31,183
Pending and threatened litigation and other claims—Disclosure only	33,622

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, 2021

(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	940,741	–	–	940,741
Canadian Air Transport Security Authority	686,325	–	–	686,325
Canadian Broadcasting Corporation	–	1,291,402	75,513	1,366,915
Canadian Commercial Corporation	4,000	–	–	4,000
Canadian Dairy Commission	4,577	–	–	4,577
Canadian Museum for Human Rights	29,187	–	–	29,187
Canadian Museum of History	81,526	–	–	81,526
Canadian Museum of Immigration at Pier 21	10,606	–	–	10,606
Canadian Museum of Nature	34,903	–	–	34,903
Canadian Tourism Commission	95,666	–	–	95,666
National Capital Commission	–	83,395	70,318	153,713
National Gallery of Canada	–	41,682	12,809	54,491
National Museum of Science and Technology	38,545	–	–	38,545
Telefilm Canada	132,308	–	–	132,308
The Federal Bridge Corporation Limited	6,061	–	–	6,061
The Jacques Cartier and Champlain Bridges Inc.	232,073	–	–	232,073
Total—Agent Crown corporations	2,296,518	1,416,479	158,640	3,871,637
Non-agent Crown corporations				
Canada Council for the Arts	428,631	–	–	428,631
Canada Infrastructure Bank	52,947	–	–	52,947
International Development Research Centre	145,653	–	–	145,653
Marine Atlantic Inc.	140,567	–	–	140,567
National Arts Centre Corporation	59,238	–	–	59,238
Standards Council of Canada	18,576	–	–	18,576
VIA Rail Canada Inc.	651,559	–	–	651,559
Windsor-Detroit Bridge Authority	440,674	–	–	440,674
Total—Non-agent Crown corporations	1,937,845	–	–	1,937,845
Total	4,234,363	1,416,479	158,640	5,809,482

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)

	April 1, 2020	Revenues and other credits		Expenses and other debits		March 31, 2021
		External transactions	Internal transactions	External transactions	Internal transactions	
Insurance accounts						
Agriculture and Agri-Food						
Department of Agriculture and Agri-Food						
Crop Reinsurance Fund	577,398,652	611,813	–	–	–	578,010,465
Less: Interest-bearing loans	277,514,751	–	–	–	–	277,514,751
	<i>299,883,901</i>	<i>611,813</i>	–	–	–	<i>300,495,714</i>
Agricultural Commodities Stabilization						
Accounts	646,510	–	–	–	–	646,510
	<i>300,530,411</i>	<i>611,813</i>	–	–	–	<i>301,142,224</i>
Employment, Workforce Development and Disability Inclusion						
Department of Employment and Social Development						
Employment Insurance Operating Account, Table 4.7	3,904,527,389	22,407,339,445	27,820,640,707	59,477,729,781	2,360,598,659	(7,705,820,899)
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	4,582,955	144,874	–	–	–	4,727,829
Transport						
Department of Transport						
Fund for railway accidents involving designated goods						
	66,609,195	15,031,708	261,854	898,334	393	81,004,030
Ship-Source Oil Pollution Fund	411,993,318	(68,099)	1,389,373	1,950,579	718,845	410,645,168
	<i>478,602,513</i>	<i>14,963,609</i>	<i>1,651,227</i>	<i>2,848,913</i>	<i>719,238</i>	<i>491,649,198</i>
Total insurance accounts	4,688,316,957	22,423,059,741	27,822,291,934	59,480,578,694	2,361,317,897	(6,908,227,959)

Table 4.6
Consolidated specified purpose accounts—concluded

(in dollars)

	Revenues and other credits		Expenses and other debits		March 31, 2021	
	April 1, 2020	External transactions	Internal transactions	External transactions		Internal transactions
Other consolidated specified purpose accounts						
Canadian Heritage						
The National Battlefields Commission						
Trust Fund.....	1,308,432	116,058	22,164	1,667	–	1,444,987
Crown-Indigenous Relations and Northern Affairs						
Department of Crown-Indigenous Relations and Northern Affairs						
Environmental Studies Research Fund	154,948	–	–	–	–	154,948
Environment and Climate Change						
Department of the Environment						
Court Award Deposits						
Other than Environmental Damages Fund .	509,193	5,486	–	1,702	4,688	508,289
Environmental Damages Fund	230,983,285	1,102,650	1,207,556	3,139,643	561,891	229,591,957
Parks Canada Agency						
New Parks and Historic Sites Account	79,151,790	6,141	19,292,000	6,974,261	1,435,812	90,039,858
	<i>310,644,268</i>	<i>1,114,277</i>	<i>20,499,556</i>	<i>10,115,606</i>	<i>2,002,391</i>	<i>320,140,104</i>
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	2,273,596	63,150	–	773	–	2,335,973
	<i>2,308,596</i>	<i>63,150</i>	–	<i>773</i>	–	<i>2,370,973</i>
Natural Resources						
Department of Natural Resources						
Environmental Studies Research Fund	5,874,937	127,040	–	423,737	1,697,293	3,880,947
Public Services and Procurement						
Department of Public Works and Government Services						
Seized Property Proceeds Account	31,904,547	19,168,669	–	7,829,868	–	43,243,348
Transport						
Department of Transport						
Fines for the Transportation of						
Dangerous Goods	4,153,754	–	–	–	–	4,153,754
Total other consolidated specified purpose accounts	602,572,946	20,589,194	20,521,720	18,371,651	3,699,684	621,612,525
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.....	5,466,510	76,619	–	–	–	5,543,129
W.G. Schneider Fund	30,000	–	–	–	–	30,000
	<i>5,496,510</i>	<i>76,619</i>	–	–	–	<i>5,573,129</i>
Science						
Social Sciences and Humanities						
Research Council						
Queen's Fellowship Fund	250,000	–	–	–	–	250,000
Total endowment principal	6,046,510	76,619	–	–	–	6,123,129
Total	5,296,936,413	22,443,725,554	27,842,813,654	59,498,950,345	2,365,017,581	(6,280,492,305)

Insurance accounts

Crop Reinsurance Fund

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

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

Agricultural Commodities Stabilization Accounts

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

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

Employment Insurance Operating Account

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

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

Employee premium rate for each \$100 of insurable earnings was \$1.58 from January 1, 2020, to December 31, 2020, for employees without a Provincial Parental Insurance Plan and \$1.20 for the others. From January 1, 2021, to March 31, 2021, the rate was \$1.58 for employees without a Provincial Parental Insurance Plan and \$1.18 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 2021 calendar year is \$56,300 (\$54,200 in 2020).

Table 4.7
Transactions in the Employment Insurance Operating Account

(in millions of dollars)

	2021	2020
Revenues		
Premiums		
Employers and employees ¹	22,881	22,637
Funding from the Government of Canada—Employment Insurance Emergency Response Benefit	27,331	—
Penalties and interest revenue	16	77
	<u>50,228</u>	<u>22,714</u>
Expenses		
Benefits	31,412	17,661
Transfers to the provinces—Part II	2,300	2,329
Employment Insurance Emergency Response Benefit	24,644	1,761
Administration costs	2,356	1,718
Administration cost transferred to provinces	192	191
Bad debts	935	65
	<u>61,839</u>	<u>23,725</u>
Net change	(11,611)	(1,011)
Balance at beginning of year	3,905	4,916
Balance at end of year	<u>(7,706)</u>	<u>3,905</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 \$489 million (\$417 million in 2020).

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

Canadian Commercial Bank and Northland Bank Holdback Account

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

Supplementary Fines Account—*Species at Risk Act*

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

Supplementary Fish Fines Account

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

Environmental Studies Research Fund—Department of Natural Resources

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

Seized Property Proceeds Account

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

Fines for the Transportation of Dangerous Goods

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

Endowment principal

Mackenzie King Trust Account

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

Endowments for health research

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

H.L. Holmes Fund

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

W.G. Schneider Fund

This account was established pursuant to paragraph 5(1)(f) of the *National Research Council Act*, to record 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

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

Gatineau, Canada
August 30, 2021

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 2021, and the statement of operations and accumulated **deficit**, 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 2021, and the results of its operations, changes to 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.

Emphasis of Matter – Impact of Employment Insurance Emergency Response Benefit

We draw attention to the Employment Insurance Emergency Response Benefit (EI-ERB), a measure introduced in the *Employment Insurance Act* through the *COVID-19 Emergency Response Benefit Act* which had a significant impact on the financial statements of the Account. The statement of operations and accumulated deficit presents the EI-ERB expense, Note 1 describes the EI-ERB, Note 4 presents the amount of the EI-ERB overpayments receivable recognized, and Note 9 presents the funding from the Government of Canada related to the EI-ERB. Our opinion is not modified in respect of this matter.

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
30 August 2021

Employment Insurance Operating Account—continued

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

(in thousands of dollars)

	2021	2020
Financial assets		
Balance of the account with Receiver General for Canada	–	4,212,337
Premiums receivable (Note 8)	2,125,550	1,341,830
Benefit overpayments and penalties receivable (Note 3)	408,972	546,475
Benefit repayments receivable from higher income claimants	381,471	376,519
Employment Insurance Emergency Response Benefit overpayments receivable (Note 4)	2,305,870	–
	5,221,863	6,477,161
Liabilities		
Balance of the account with Receiver General for Canada	11,378,507	–
Benefits payable	1,426,079	2,509,903
Other accounts payable (Note 5)	123,098	62,731
	12,927,684	2,572,634
Net financial assets (net debt) and accumulated surplus (deficit)	(7,705,821)	3,904,527

Contractual obligations (Note 12)

Contingent liabilities (Note 14)

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

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

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

(in thousands of dollars)

	Budget 2021	Actual 2021	Actual 2020
	(Note 7)		
Revenues			
Premiums (Note 8)	23,263,000	22,880,905	22,636,570
Interest (Note 3)	26,000	15,399	22,368
Penalties (Note 3)	69,000	244	54,719
	23,358,000	22,896,548	22,713,657
Expenses			
Benefits and support measures (Schedule I)			
Income benefits (Note 10).....	19,177,000	31,538,505	17,749,940
Employment Insurance Emergency Response Benefit	35,000,000	24,644,279	1,761,404
Transfers to provinces and territories related to Labour			
Market Development Agreements (LMDA).....	2,300,000	2,300,000	2,329,238
Support measures.....	154,870	143,419	146,934
Benefit repayments from higher income claimants	(294,000)	(269,848)	(237,048)
	56,337,870	58,356,355	21,750,468
Administration costs (Note 11).....	1,809,000	2,547,673	1,909,035
Bad debts.....	82,000	934,300	65,274
	58,228,870	61,838,328	23,724,777
Net deficit for the year before funding from the Government of Canada.....	(34,870,870)	(38,941,780)	(1,011,120)
Funding from the Government of Canada—Employment Insurance Emergency			
Response Benefit (Note 9)	36,800,000	27,331,432	–
Net surplus (deficit) for the year	1,929,130	(11,610,348)	(1,011,120)
Accumulated surplus—beginning of year	3,904,527	3,904,527	4,915,647
Accumulated surplus (deficit)—end of year.....	5,833,657	(7,705,821)	3,904,527

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 2021	Actual 2021	Actual 2020
	(Note 7)		
Net surplus (deficit) for the year	1,929,130	(11,610,348)	(1,011,120)
Net financial assets—beginning of year	3,904,527	3,904,527	4,915,647
Net financial assets (net debt)—end of year	5,833,657	(7,705,821)	3,904,527

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)

	2021	2020
Operating activities		
Cash receipts		
Funding from the Government of Canada—Employment Insurance Emergency Response Benefit.....	27,331,432	–
Premiums.....	22,097,185	23,414,793
Benefit repayments received from higher income claimants	264,895	292,813
Recoveries of Employment Insurance Emergency Response	122,913	–
Benefit overpayments, Recoveries of benefit overpayments, penalties and interest	108,274	350,372
	<u>49,924,699</u>	<u>24,057,978</u>
Cash payments		
Income benefits.....	(31,029,229)	(18,107,347)
Employment Insurance Emergency Response Benefit	(29,583,528)	–
Administration costs	(2,460,137)	(1,899,411)
Transfers to provinces and territories related to LMDA	(2,300,000)	(2,388,688)
Support measures.....	(142,649)	(148,514)
	<u>(65,515,543)</u>	<u>(22,543,960)</u>
Net change in balance of the account with Receiver General for Canada.....	(15,590,844)	1,514,018
Balance of the account with Receiver General for Canada		
Beginning of year.....	4,212,337	2,698,319
End of year	(11,378,507)	4,212,337

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, 2021****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. Annual changes to the premium rate are subject to a legislated limit of 5 cents. As a result of the economic impact of the COVID-19 pandemic, on September 14, 2020, the Government of Canada used its authority under the Act to temporarily limit the change in the premium rate to zero for 2021 and 2022 in order to freeze the EI premium rate at the 2020 level.

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

The Act authorizes the Commission, with the approval of the Minister responsible for ESDC, to enter into Labour Market Development Agreements (LMDA) with each province and territory. Under these agreements, the Government of Canada provides contributions to provincial and territorial governments to be used to pay for all or a portion of the costs of their benefits and measures provided they are similar to the 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 of the *COVID-19 Emergency Response Act* enacted the *Canada Emergency Response Benefit Act* to authorize 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 (EI-ERB) was created using this new authority and the EI-ERB was added in the new Part VIII.4 of the Act. EI-ERB payments are made pursuant to Part III of the Act. The EI-ERB was available from March 15, 2020 to October 3, 2020 with a deadline of December 2, 2020 to apply.

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

Employment Insurance Operating Account—*continued*

Notes to the financial statements for the year ended March 31, 2021—*continued*

2. Significant accounting policies

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

a) Basis of accounting

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

b) Premiums

Premiums are recognized as revenue in the period in which they are earned, when workers, through their employment, generate these premiums and the related employer's contribution. Premiums earned in the 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.

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

Pursuant to section 153.111 of the Act, the Account shall be credited an amount determined by the Minister of Finance that corresponds to the total cost of the EI-ERB, including all costs related to the benefit and its administration. Provision for this section came into force in September 2020. The funding from the Government of Canada is recognized in the period in which the transfer is authorized. Funding recognized for the fiscal year 2021 is comprised of current year and previous year EI-ERB expenses, incremental costs related to the administration of the EI-ERB and bad debts related expenses.

d) Benefits and support measures

Income benefits

Income benefits (or benefits under Part I of the Act) 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 and 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. Effective January 1, 2021, the maximum rate is \$595 per week, and \$573 per week for January to December 2020 (\$562 per week for 2019). Benefits are paid at the lesser of 55% of average insurable earnings and the maximum rate. For claimants who qualify as a low-income family with children, the rate may be increased up to the lesser of 80% of average insurable earnings and the maximum rate. The Government transitioned to a simplified EI program, effective September 27 2020. As a result of these temporary measures, eligible claimants could be entitled for regular income support of at least \$500 per week for up to 50 weeks for the period of September 27, 2020 to September 25, 2021.

Employment Insurance Emergency Response Benefit

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

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

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

Employment Insurance Operating Account—continued**Notes to the financial statements for the year ended March 31, 2021—continued***Support measures*

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

Benefit repayments from higher income claimants

Claimants with income levels higher than those stated in the Act have to repay a portion of the 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 Deficit and Schedule I as benefit repayments from higher income claimants. EI-ERB is not subject to these repayments.

e) Administration costs

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

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

f) Balance of the account with Receiver General for Canada

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

g) Employment Insurance Emergency Response Benefit overpayments receivable

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

h) Related party transactions

Inter-entity transactions

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

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

Other related party transactions

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

*Public Accounts of Canada 2020–2021***Employment Insurance Operating Account—continued****Notes to the financial statements for the year ended March 31, 2021—continued**

i) Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires that management makes estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and revenues and expenses during the reporting period. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant estimates are related to premium revenues and receivable, administration costs, benefits payable, benefit repayments from higher income claimants, allowance for doubtful accounts, estimated overpayments and underpayments of benefits disclosed in Note 10, 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)

	2021	2020
Benefit overpayments receivable	754,373	751,143
Penalties receivable.....	183,592	194,290
	937,965	945,433
Less: allowance for doubtful accounts	528,993	398,958
	408,972	546,475

Overpayments on EI income benefit 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.

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

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

	2021	2020
Benefit overpayments receivable—beginning of year	751,143	706,263
Benefit overpayments established.....	137,440	390,144
Interest accrued	13,553	18,973
Reimbursement	(101,445)	(305,886)
Uncollectible benefit overpayments receivable written off	(46,318)	(58,351)
Benefit overpayments receivable—end of year	754,373	751,143
Penalties receivable—beginning of year	194,290	188,724
Penalties imposed.....	245	54,719
Interest accrued	6,337	8,648
Reimbursement	(6,830)	(44,486)
Uncollectible penalties written off.....	(10,450)	(13,315)
Penalties receivable—end of year	183,592	194,290

During 2021, the Account charged a total \$19.9 million (\$27.6 million in 2020) of interest. The interest revenue presented in the Statement of operations and accumulated deficit (\$15.4 million in 2021 and \$22.4 million in 2020) is net of interest charged on accounts receivable deemed unrecoverable (\$4.5 million in 2021 and \$5.2 million in 2020). The allowance for doubtful accounts was increased by this amount.

Employment Insurance Operating Account—continued

Notes to the financial statements for the year ended March 31, 2021—continued

4. Employment Insurance Emergency Response Benefit overpayments receivable

(in thousands of dollars)

	2021	2020
EI-ERB Overpayments receivable—beginning of year	–	–
Benefit overpayments established.....	3,180,771	–
Reimbursement	(122,913)	–
Uncollectible benefit overpayments receivable written off	(9,694)	–
	<u>3,048,164</u>	<u>–</u>
Less: allowance for doubtful accounts	742,294	–
EI-ERB Overpayments receivable—end of year	2,305,870	–

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

5. Other accounts payable

	2021	2020
Related parties		
Administration costs payable to federal government departments	110,790	17,501
Tax deductions on benefits due to CRA.....	10,112	35,398
Other deductions	345	167
Amounts payable to ESDC related to LMDA	–	5,753
	<u>121,247</u>	<u>58,819</u>
External parties		
Tax deductions on benefits due to Quebec.....	1,661	2,645
Assignments of benefits due to social services organizations.....	190	1,267
	<u>1,851</u>	<u>3,912</u>
	<u>123,098</u>	<u>62,731</u>

6. Financial assets and liabilities

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

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

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

7. Comparison of results against budget

The budget amounts included in the Statement of operations and accumulated deficit and Schedule I—Benefits and support measures are part of the amounts reported in Employment and Social Development Canada's future oriented consolidated financial statements. The budget amounts are included in the 2020-2021 Departmental Plan except for the EI-ERB which is included in the 2020 Fall Economic Statement and the funding from the Government of Canada which is directly associated with the total EI-ERB expenses for 2021 and 2020 as included in the 2020 Fall Economic Statement.

Employment Insurance Operating Account—continued

Notes to the financial statements for the year ended March 31, 2021—continued

8. Premiums receivable and revenues

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

Premium revenue of \$22,881 million (\$22,637 million in 2020) 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 2021 includes \$8,106 million in forecasted premium revenue for the 3-month period from January to March 2021 (\$7,217 million in 2020), or approximately 34.50% (33.21% in 2020) of the total forecast premium revenue of \$23,495 million for calendar year 2021 (\$21,732 million for 2020), net of reductions and refunds. This estimate is based on the forecasted total insurable earnings of \$693,146 million in calendar year 2021 (\$637,847 million in 2020). The total insurable earnings forecasts are mainly dependent upon the projected growth in both employment (5.34% in 2021 and -4.73% in 2020) and average wages (1.36% in 2021 and 2.64% in 2020).

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 2021
Employment growth	+/- 0.1%	+/- \$7 million
Average wages.....	+/- 0.1%	+/- \$3 million

Actual premium revenue for calendar years 2020 and 2021 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 2019, as known and recorded at the time of the preparation of these financial statements is an increase in revenue of \$99.2 million (\$336.8 million decrease for calendar year 2018 in 2020 financial statements).

For the 2021 calendar year, premium rate for each \$100 of insurable earnings was set under section 66 of the Act at 1.58 (1.58 in 2020 and 1.62 in 2019) 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 1.18 for 2021 (1.20 in 2020 and 1.25 in 2019). The employers must pay 1.4 times the amount of the employee's premiums. The annual maximum insurable earnings for 2021 is \$56,300 (\$54,200 in 2020 and \$53,100 in 2019).

Employment Insurance premiums include the employer's share of premiums paid by the federal government of \$489.2 million (\$417.4 million in 2020).

9. Funding from the Government of Canada—Employment Insurance Emergency Response Benefit

The following table summarizes what the total amount of Funding from the Government of Canada – EI-ERB recognized during the year is comprised of:

	2021	2020
Employment Insurance Emergency Response Benefit		
Expenses for the year ended March 31, 2021	24,644,279	–
Expenses for the year ended March 31, 2020	1,761,404	–
	26,405,683	–
Bad debts expense.....	751,988	–
Administration costs	173,761	–
	27,331,432	–

Employment Insurance Operating Account—continued

Notes to the financial statements for the year ended March 31, 2021—continued

10. Estimated overpayments and underpayments of benefits*Income Benefits*

The verification of income benefits 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 income benefits paid during the twelve months ended March 31, 2021 these undetected overpayments and underpayments are estimated to be \$1,235.4 million and \$149.4 million respectively (\$862.6 million and \$193.2 million in 2020). 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.

Employment Insurance Emergency Response Benefit

EI-ERB claims are subject to integrity measures post payment. Any detected overpayments and underpayments will be recognized as appropriate as integrity measures are completed. Overpayments established during the year are indicated in Note 4.

11. Administration costs

(in thousands of dollars)

	2021	2020
Related parties		
Employment and Social Development Canada		
Personnel related costs	1,361,912	973,371
Non-personnel related costs	600,111	432,750
Canada Revenue Agency		
Collection of premiums and rulings	280,310	212,653
Treasury Board Secretariat		
Health Insurance Plan and Public Service Insurance	103,264	88,983
Administrative Tribunals Support Service of Canada		
Social Security Tribunal	13,990	14,069
Courts Administration Services		
Courts Administration Services	1,012	1,138
	2,360,599	1,722,964
Deduct: Recovery of costs from the Canadian Pension Plan for maintaining the social insurance number registry	4,682	4,609
	2,355,917	1,718,355
External parties		
Administration costs incurred by provinces and territories under the LMDA	191,756	190,680
	2,547,673	1,909,035

Administration costs include an amount of \$173.8 million for the incremental cost related to the administration of the EI-ERB, which are recovered from the Government of Canada.

Employment Insurance Operating Account—continued

Notes to the financial statements for the year ended March 31, 2021—continued

12. 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)

	2022	2023	2024	2025	2026 and thereafter	Total
Related parties						
Administration costs.....	2,513,198	–	–	–	–	2,513,198
External parties						
Transfers to provinces and territories, including administration costs, related to LMDA.....	2,566,756	–	–	–	–	2,566,756
Other transfer payments	131,023	123,863	122,634	121,517	486,068	985,105
Total.....	5,210,977	123,863	122,634	121,517	486,068	6,065,059

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

LMDA with seven of the provinces and one territory require a two year notice for cancellation of the agreements, other provinces and territories require a one year notice. The obligations for 2023 cannot be reasonably estimated.

13. 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 5, Note 8, Note 9, Note 11 and Note 12.

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.

14. Contingent liabilities

In the normal course of the operations, numerous appeals against or by the Commission are presently outstanding. The outcome of these appeals is not presently determinable. Any claims resulting from the resolution of these appeals will be accounted for as an expense in the period in which the outcome of the claim will be determinable. However, in the opinion of management, the result of these appeals should not have a significant impact on the operations of the Account as the total contingent liability amount, including claims related to the EI-ERB, is estimated at \$14.6 million as at March 31, 2021 (\$23.4 million as at March 31, 2020).

Employment Insurance Operating Account—continued

Notes to the financial statements for the year ended March 31, 2021—concluded

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

	Budget 2021 (Note 7)	Actual 2021	Actual 2020
Part I—Income benefits			
Income support			
Regular.....	12,035,000	24,407,359	11,131,343
Fishing.....	353,000	349,213	341,976
Work-sharing.....	99,000	173,404	16,747
	12,487,000	24,929,976	11,490,066
Special benefits			
Parental.....	3,246,000	3,129,736	2,952,142
Sickness.....	1,958,000	1,990,884	1,904,756
Maternity.....	1,324,000	1,303,261	1,229,011
Family caregiver.....	96,000	104,084	92,451
Compassionate care.....	54,000	51,008	49,641
Adoption.....	—	17,153	20,507
Self-employment.....	12,000	12,403	11,366
	6,690,000	6,608,529	6,259,874
Total income benefits.....	19,177,000	31,538,505	17,749,940
Less: benefit repayments from higher income claimants.....	294,000	269,848	237,048
Total part I.....	18,883,000	31,268,657	17,512,892
Part II—Employment benefits and support measures			
Employment benefits			
Transfer payments to provinces and territories related to LMDA.....	2,300,000	2,300,000	2,329,238
Support measures			
Labour market partnerships.....	153,637	141,235	144,225
Research and innovation.....	1,233	2,184	2,709
	154,870	143,419	146,934
Total part II.....	2,454,870	2,443,419	2,476,172
Part VIII—Employment Insurance Emergency Response Benefit			
Employment Insurance Emergency Response Benefit.....	35,000,000	24,644,279	1,761,404
Total benefits and support measures.....	56,337,870	58,356,355	21,750,468

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

(in thousands of dollars)

	2020	2019
Revenues		
Premiums	21,846,803	23,168,609
Penalties	13,257	55,031
Interest	18,115	22,460
	21,878,175	23,246,100
Expenses		
Employment Insurance Emergency Response Benefit	26,426,412	–
Income benefits	23,592,638	17,207,672
Transfers to provinces and territories related to LMDA	2,308,630	2,290,078
Support measures	143,428	174,121
Benefit repayments from higher income claimants	(197,914)	(288,980)
	52,273,194	19,382,891
Administration costs	2,436,465	1,889,641
Bad debts	896,951	73,702
	55,606,610	21,346,234
Net surplus (deficit) for the year before funding from the Government of Canada	(33,728,435)	1,899,866
Funding from the Government of Canada—Employment Insurance Emergency Response Benefit	27,300,631	–
Net surplus (deficit) for the period	(6,427,804)	1,899,866
Accumulated surplus—beginning of period	5,173,873	3,274,007
Accumulated surplus (deficit)—end of period	(1,253,931)	5,173,873

The estimates provided in this Schedule for calendar year 2020 which is prepared in accordance with Canadian public sector accounting standards are used by the Commission to establish the Employment Insurance premium rate for the following calendar year.

Section 5

*Public Accounts of Canada
2020–2021*

Accounts payable and accrued liabilities as at March 31

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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)

	2021	2020
Other accounts payable and accrued liabilities, Table 5.2	61,459,516,832	49,055,139,904
Deferred revenues, Table 5.5	10,424,444,825	10,521,738,148
Amounts payable related to tax, Table 5.6	71,515,701,859	60,186,063,749
Provision for contingent liabilities	44,814,963,052	24,928,489,281
Environmental liabilities and asset retirement obligations, Table 5.7	14,483,522,867	14,645,749,293
Interest and matured debt, Table 5.9	4,698,671,072	4,495,597,460
Total	207,396,820,507	163,832,777,835

Other accounts payable and accrued liabilities

Table 5.2
Other accounts payable and accrued liabilities

(in dollars)

	2021	2020
Accounts payable.....	42,863,434,922	37,168,676,111
Add: consolidation adjustment ¹	1,540,829,927	1,461,472,460
	<i>44,404,264,849</i>	<i>38,630,148,571</i>
Accrued salaries and benefits	6,347,465,893	7,306,980,972
Notes payable to international organizations, Table 5.3	84,212,629	150,375,319
Provincial, Territorial and Indigenous Tax Agreements Account, Table 5.4	10,049,310,923	2,358,189,879
Miscellaneous payroll deductions	130,861,426	112,259,829
Other	443,401,111	497,185,334
Total	61,459,516,832	49,055,139,904

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, 2020	Receipts and other credits		Payments and other charges		March 31, 2021
		Note issuances	Revaluation ¹	Note encashment	Revaluation ¹	
Department of Finance						
Asian Infrastructure Investment Bank	112,101,264	–	–	50,365,690	11,694,000	50,041,574
International Bank for Reconstruction and Development (World Bank)	33,758,291	–	–	–	3,619,000	30,139,291
Multilateral Investment Guarantee Agency	4,515,764	–	–	–	484,000	4,031,764
Total	150,375,319	–	–	50,365,690	15,797,000	84,212,629

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, 2020	Receipts and other credits	Payments and other charges	March 31, 2021
Total personal income tax administered by the Government of Canada	2,730,389,922	81,728,102,461		84,458,492,383
Less: payments to provinces, territories and Indigenous governments				
Newfoundland and Labrador			1,480,613,675	1,480,613,675
Prince Edward Island			417,615,165	417,615,165
Nova Scotia			2,865,582,025	2,865,582,025
New Brunswick			1,838,084,516	1,838,084,516
Ontario			39,671,294,070	39,671,294,070
Manitoba			3,502,964,312	3,502,964,312
Saskatchewan			2,419,908,530	2,419,908,530
Alberta			10,202,779,615	10,202,779,615
British Columbia			10,437,258,803	10,437,258,803
Yukon			75,030,301	75,030,301
Northwest Territories			77,620,717	77,620,717
Nunavut			22,878,885	22,878,885
Indigenous governments			31,040,214	31,040,214
			73,042,670,828	73,042,670,828
Total personal income tax on hand	2,730,389,922	81,728,102,461	73,042,670,828	11,415,821,555
Total corporate income tax administered by the Government of Canada	3,690,200,779	22,728,570,428		26,418,771,207
Less: payments to provinces and territories				
Newfoundland and Labrador			333,143,084	333,143,084
Prince Edward Island			70,569,474	70,569,474
Nova Scotia			415,759,310	415,759,310
New Brunswick			352,175,570	352,175,570
Ontario			16,851,252,813	16,851,252,813
Quebec			77,272,027	77,272,027
Manitoba			480,405,010	480,405,010
Saskatchewan			605,162,271	605,162,271
Alberta			158,572,813	158,572,813
British Columbia			3,874,505,609	3,874,505,609
Yukon			16,185,878	16,185,878
Northwest Territories			8,034,182	8,034,182
Nunavut			21,727,923	21,727,923
			23,264,765,964	23,264,765,964
Total corporate income tax on hand	3,690,200,779	22,728,570,428	23,264,765,964	3,154,005,243
Total harmonized sales tax administered by the Government of Canada	(4,174,446,354)	30,944,188,439		26,769,742,085
Less: payments to provinces and territories				
Newfoundland and Labrador			1,065,933,220	1,065,933,220
Prince Edward Island			322,757,721	322,757,721
Nova Scotia			2,049,041,612	2,049,041,612
New Brunswick			1,531,473,134	1,531,473,134
Ontario			26,540,941,484	26,540,941,484
			31,510,147,171	31,510,147,171
Total harmonized sales tax on hand	(4,174,446,354)	30,944,188,439	31,510,147,171	(4,740,405,086)

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

(in dollars)

	April 1, 2020	Receipts and other credits	Payments and other charges	March 31, 2021
Total cannabis tax administered by the Government of Canada	112,045,532	395,763,093		507,808,625
Less: payments to provinces and territories				
Newfoundland and Labrador			4,513,346	4,513,346
Prince Edward Island			1,406,278	1,406,278
Nova Scotia			7,436,836	7,436,836
New Brunswick			6,529,414	6,529,414
Ontario			67,440,815	67,440,815
Quebec			57,354,022	57,354,022
Saskatchewan			11,357,164	11,357,164
Alberta			98,808,178	98,808,178
British Columbia			32,261,951	32,261,951
Yukon			412,697	412,697
Northwest Territories			331,838	331,838
Nunavut			66,875	66,875
			<i>287,919,414</i>	<i>287,919,414</i>
Total cannabis tax on hand	112,045,532	395,763,093	287,919,414	219,889,211
Total First Nations sales tax administered by the Government of Canada	–	8,861,170	–	8,861,170
Less: payments to Indigenous governments	–	–	8,861,170	8,861,170
Total First Nations sales tax on hand	–	8,861,170	8,861,170	–
Total First Nations goods and services sales tax administered by the Government of Canada	–	21,107,507	–	21,107,507
Less: payments to Indigenous governments	–	–	21,107,507	21,107,507
Total First Nations goods and services sales tax on hand	–	21,107,507	21,107,507	–
Total	2,358,189,879	135,826,593,098	128,135,472,054	10,049,310,923

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, 2020	Receipts and other credits	Payments and other charges	March 31, 2021
Deferred revenues				
Immigration, Refugees and Citizenship				
Department of Citizenship and Immigration				
Service fees for immigration and citizenship	593,793,199	1,075,568,759	748,325,744	921,036,214
Innovation, Science and Economic Development				
Department of Industry				
Canadian Intellectual Property Office Revolving Fund	87,473,091	182,468,672	157,361,380	112,580,383
Spectrum licence fees	9,304,232,514	208,334,834	628,425,057	8,884,142,291
	9,391,705,605	390,803,506	785,786,437	8,996,722,674
Other deferred revenues	472,823,991	792,216,001	829,537,354	435,502,638
Total	10,458,322,795	2,258,588,266	2,363,649,535	10,353,261,526
Other deferred revenues—Specified purpose accounts				
Donation and bequest accounts				
Agriculture and Agri-Food				
Department of Agriculture and Agri-Food				
Shared-cost agreements—Research	13,254,385	5,496,451	3,421,972	15,328,864
Canadian Heritage				
Library and Archives of Canada				
Special Operating Account	1,017,955	672,627	590,809	1,099,773
National Film Board				
Gift to the Crown	15,870	–	670	15,200
	1,033,825	672,627	591,479	1,114,973
Environment and Climate Change				
Department of the Environment				
Endangered species—Donations	10,962	1,365	–	12,327
Miscellaneous projects deposits	35,300,772	15,448,174	8,285,680	42,463,266
	35,311,734	15,449,539	8,285,680	42,475,593
Families, Children and Social Development				
Canadian Centre for Occupational Health and Safety				
Donations	113,452	–	–	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	1,791,376	4,239,571	4,281,495	1,749,452
Innovation, Science and Economic Development				
Department of Industry				
Deposits from non-government organizations	4,371,776	2,210,270	2,810,569	3,771,477
Prime Minister's Awards	100,680	–	100,000	680
	4,472,456	2,210,270	2,910,569	3,772,157
Canadian Space Agency				
RADARSAT-2	2,198	–	–	2,198
RADARSAT-2—Data satellite	99,423	985,747	1,042,947	42,223
	101,621	985,747	1,042,947	44,421
Social Sciences and Humanities Research Council				
Trust Fund	200,237	1,867	10,000	192,104
	4,774,314	3,197,884	3,963,516	4,008,682
National Defence				
Department of National Defence				
Corporate sponsorships and donations	41,946	2,556	22,708	21,794

Table 5.5
Deferred revenues—concluded

(in dollars)

	April 1, 2020	Receipts and other credits	Payments and other charges	March 31, 2021
Office of the Governor General's Secretary				
Cost-sharing agreements and other collaborative agreements	143,672	1,510	–	145,182
Donations—Rideau Hall	19,821	–	–	19,821
	<i>163,493</i>	<i>1,510</i>	<i>–</i>	<i>165,003</i>
Public Safety and Emergency Preparedness				
Royal Canadian Mounted Police				
Civil Remedies Grant Program	429	–	429	–
Mounted Police Foundation	468,561	158,289	–	626,850
Royal Canadian Mounted Police Pipe Band (NCR)	7,163	–	–	7,163
Sponsorship Agreement—Contributions	168,653	–	200	168,453
	<i>644,806</i>	<i>158,289</i>	<i>629</i>	<i>802,466</i>
Transport				
Department of Transport				
Shared-cost agreements—Transportation research and development	1,785,982	1,820,016	2,497,838	1,108,160
Veterans Affairs				
Department of Veterans Affairs				
Restricted donations				
Visitor Education Centre, Vimy Memorial	4,399,228	–	198,498	4,200,730
Wounded Warrior Fund	700	–	–	700
	<i>4,399,928</i>	<i>–</i>	<i>198,498</i>	<i>4,201,430</i>
Total—Donation and bequest accounts	<i>63,316,488</i>	<i>31,038,443</i>	<i>23,263,815</i>	<i>71,091,116</i>
Endowment interest accounts				
Environment and Climate Change				
Parks Canada Agency				
Laurier House—Interest (Mackenzie King Trust Account)	–	2,115	2,115	–
Health				
Canadian Institutes of Health Research				
Endowments for health research	5,221	139	–	5,360
Innovation, Science and Economic Development				
National Research Council of Canada				
H.L. Holmes Fund	–	50,000	50,000	–
Social Sciences and Humanities Research Council				
Queen's Fellowship Fund	93,644	3,179	10,000	86,823
	<i>93,644</i>	<i>53,179</i>	<i>60,000</i>	<i>86,823</i>
Total—Endowment interest accounts	<i>98,865</i>	<i>55,433</i>	<i>62,115</i>	<i>92,183</i>
Total—Other deferred revenues—Specified purpose accounts	<i>63,415,353</i>	<i>31,093,876</i>	<i>23,325,930</i>	<i>71,183,299</i>
Total—Deferred revenues	<i>10,521,738,148</i>	<i>2,289,682,142</i>	<i>2,386,975,465</i>	<i>10,424,444,825</i>

Service fees for immigration and citizenship

This account was established to record immigration and citizenship service fees, and rights and privileges derived from the *Immigration and Refugee Protection Act* and regulations and the *Citizenship Act* and regulations for services that have yet to be rendered by Immigration, Refugees and Citizenship Canada.

Canadian Intellectual Property Office Revolving Fund

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

Spectrum licence fees

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

Shared-cost agreements—Research

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

Special Operating Account

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

Gift to the Crown

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

Endangered species—Donations

This account was established to record donations, gifts or bequests received from individuals and organizations to finance various studies related to endangered species.

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.

H.L. Holmes Fund

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

Queen's Fellowship Fund

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

Amounts payable related to tax

Amounts payable related to tax are based on assessments as well as estimates of refunds owing for assessments not completed by year-end.

Table 5.6
Amounts payable related to tax

(in dollars)

	2021	2020
Personal and non-resident income tax	39,435,423,518	34,144,018,147
Corporate income tax	17,882,454,603	12,867,493,157
Goods and services tax	14,129,787,504	12,982,736,362
Customs import duties and excise taxes and duties	68,036,234	191,816,083
Total	71,515,701,859	60,186,063,749

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)

	2021	2020
Remediation liabilities for contaminated sites		
Agriculture and Agri-Food		
Department of Agriculture and Agri-Food	9,253,200	9,284,096
Canadian Heritage		
Canadian Broadcasting Corporation.....	137,000	273,000
Crown-Indigenous Relations and Northern Affairs		
Department of Crown-Indigenous Relations and Northern Affairs.....	4,095,477,846	4,361,394,318
Environment and Climate Change		
Department of the Environment.....	199,630,886	206,021,558
Parks Canada Agency	98,411,274	96,177,742
	<i>298,042,160</i>	<i>302,199,300</i>
Fisheries, Oceans and the Canadian Coast Guard		
Department of Fisheries and Oceans.....	281,036,487	268,022,078
Global Affairs		
Department of Foreign Affairs, Trade and Development	16,578	16,253
Indigenous Services		
Department of Indigenous Services	402,742,158	379,387,007
Infrastructure and Communities		
The Jacques Cartier and Champlain Bridges Inc.	31,157,000	34,396,000
Windsor-Detroit Bridge Authority	4,477,000	9,088,000
	<i>35,634,000</i>	<i>43,484,000</i>
Innovation, Science and Economic Development		
National Research Council of Canada.....	2,242,853	2,358,615
National Defence		
Department of National Defence.....	581,294,610	541,307,536
Natural Resources		
Department of Natural Resources	1,950,271	1,866,717
Atomic Energy of Canada Limited	790,190,000	877,196,000
	<i>792,140,271</i>	<i>879,062,717</i>
Public Safety and Emergency Preparedness		
Canada Border Services Agency.....	1,444,350	1,770,812
Correctional Service of Canada.....	2,656,531	2,649,382
Royal Canadian Mounted Police.....	10,807,149	11,260,019
	<i>14,908,030</i>	<i>15,680,213</i>
Public Services and Procurement		
Department of Public Works and Government Services.....	234,190,334	253,480,574
National Capital Commission	64,049,000	63,901,000
	<i>298,239,334</i>	<i>317,381,574</i>
Transport		
Department of Transport.....	233,473,423	250,208,263
VIA Rail Canada Inc.....	6,140,000	5,090,000
	<i>239,613,423</i>	<i>255,298,263</i>
Gross remediation liability for contaminated sites.....	7,050,777,950	7,375,148,970
Less expected recoveries—Department of Crown-Indigenous Relations and Northern Affairs.....	25,244,271	25,655,597
Net remediation liability of contaminated sites.....	<i>7,025,533,679</i>	<i>7,349,493,373</i>
Other environmental liabilities		
National Defence		
Department of National Defence (unexploded explosive ordnance affected sites)	94,731,929	110,313,796
Asset retirement obligations		
Natural Resources		
Atomic Energy of Canada Limited (nuclear facility decommissioning)	7,362,192,000	7,184,910,000
Others.....	1,065,260	1,032,124
Total asset retirement obligations	<i>7,363,257,260</i>	<i>7,185,942,124</i>
Total environmental liabilities and asset retirement obligations	<i>14,483,522,867</i>	<i>14,645,749,293</i>

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

(in dollars)

	2021	2020
Opening balance	7,375,148,970	6,478,074,737
Less: Expenditures reducing opening liabilities	502,052,317	585,673,239
Add:		
Changes in estimated remediation costs	137,904,208	1,428,328,494
New liability for sites not previously recorded	39,777,089	54,418,978
Closing balance (gross)	7,050,777,950	7,375,148,970
Expected recoveries	25,244,271	25,655,597
Closing balance (net)	7,025,533,679	7,349,493,373

In addition to expenditures reducing liabilities previously recorded, the government spent another \$32,594,162 (\$14,889,737 in 2020) in remediation costs on its contaminated sites when these costs became known in the year.

Interest and matured debt**Table 5.9**
Interest and matured debt

(in dollars)

	2021	2020
Interest due	330,400,169	356,331,884
Interest accrued	3,929,763,228	3,667,732,195
Matured debt	438,507,675	471,533,381
Total	4,698,671,072	4,495,597,460

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 2020–2021

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, 2020	Receipts and other credits	Payments and other charges	March 31, 2021
Unmatured debt¹				
Payable in Canadian currency				
Marketable bonds, Table 6.2.....	596,864,101,250	371,253,685,750	92,811,433,000	875,306,354,000
Treasury bills, Table 6.3.....	151,867,000,000	671,475,001,000	604,567,000,000	218,775,001,000
Retail debt, Table 6.4.....	497,219,882	–	198,246,663	298,973,219
	<u>749,228,321,132</u>	<u>1,042,728,686,750</u>	<u>697,576,679,663</u>	<u>1,094,380,328,219</u>
Payable in foreign currencies				
Marketable bonds, Table 6.2.....	12,668,400,000	–	1,358,100,000	11,310,300,000
Canada bills, Table 6.5.....	2,159,673,642	34,195,388,335	32,301,468,051	4,053,593,926
Medium-term notes, Table 6.6.....	1,112,580,000	–	1,049,745,000	62,835,000
	<u>15,940,653,642</u>	<u>34,195,388,335</u>	<u>34,709,313,051</u>	<u>15,426,728,926</u>
Total—Market debt.....	765,168,974,774	1,076,924,075,085	732,285,992,714	1,109,807,057,145
Unamortized discounts and premiums on market debt, Table 6.7.....	2,486,918,067	11,665,725,831	4,462,156,996	9,690,486,902
Total—Market debt including unamortized discounts and premiums.....	767,655,892,841	1,088,589,800,916	736,748,149,710	1,119,497,544,047
Cross-currency swap revaluation.....	10,592,217,622	(10,141,905,248)	–	450,312,374
Obligation related to capital leases, Table 6.12.....	2,912,899,392	29,163,993	234,360,262	2,707,703,123
Obligation under public-private partnerships.....	2,590,029,904	68,013,718	127,047,048	2,530,996,574
Total—Unmatured debt.....	783,751,039,759	1,078,545,073,379	737,109,557,020	1,125,186,556,118
Pensions, other future benefits and other liabilities				
Public sector pensions, Table 6.15.....	168,596,591,007	24,561,324,933	24,396,897,288	168,761,018,652
Other employee and veteran future benefits, Table 6.28.....	126,377,621,000	23,707,415,000	5,899,257,000	144,185,779,000
Other liabilities				
Canada Pension Plan Accounts, Table 6.29.....	278,626,259	90,246,355,723	90,385,647,499	139,334,483
Government Annuities Account.....	114,761,241	5,470,739	22,433,356	97,798,624
Deposit and trust accounts, Table 6.30.....	1,334,625,463	1,580,557,447	899,697,069	2,015,485,841
Other specified purpose accounts, Table 6.33.....	4,322,597,264	1,375,998,414	1,239,880,183	4,458,715,495
	<u>6,050,610,227</u>	<u>93,208,382,323</u>	<u>92,547,658,107</u>	<u>6,711,334,443</u>
Total—Pensions, other future benefits and other liabilities.....	301,024,822,234	141,477,122,256	122,843,812,395	319,658,132,095
Total.....	1,084,775,861,993	1,220,022,195,635	859,953,369,415	1,444,844,688,213

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 unmaturred 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, 2021.

Table 6.2
Marketable bonds

(in dollars)

	April 1, 2020	Receipts and other credits ¹	Payments and other charges ¹	March 31, 2021
Payable in Canadian currency				
Matured 2020–2021	92,037,289,000	–	92,037,289,000	–
Maturing				
2021–2022	104,890,049,250	86,370,750	110,000,000	104,866,420,000
2022–2023	76,706,022,000	105,000,000,000	–	181,706,022,000
2023–2024	40,466,232,000	52,500,000,000	–	92,966,232,000
2024–2025	47,065,381,000	28,000,000,000	–	75,065,381,000
2025–2026	15,233,858,000	77,500,000,000	–	92,733,858,000
2026–2027	21,648,770,000	82,950,000	–	21,731,720,000
2027–2028	18,735,841,000	–	375,000,000	18,360,841,000
2028–2029	13,500,000,000	–	–	13,500,000,000
2029–2030	22,975,378,000	–	76,419,000	22,898,959,000
2030–2031	10,200,000,000	74,000,000,000	–	84,200,000,000
2031–2032	8,681,788,000	88,044,000	–	8,769,832,000
2033–2034	12,058,905,000	–	70,000,000	11,988,905,000
2036–2037	7,769,619,000	78,799,500	–	7,848,418,500
2037–2038	11,730,774,000	–	–	11,730,774,000
2041–2042	21,894,286,000	81,678,500	–	21,975,964,500
2044–2045	9,111,256,000	92,400,000	–	9,203,656,000
2045–2046	16,300,000,000	–	–	16,300,000,000
2047–2048	8,542,919,000	86,625,000	–	8,629,544,000
2048–2049	14,900,000,000	–	–	14,900,000,000
2050–2051	6,525,376,000	1,554,564,000	–	8,079,940,000
2051–2052	10,816,529,000	32,000,000,000	–	42,816,529,000
2064–2065	4,750,000,000	–	–	4,750,000,000
	596,540,272,250	371,151,431,750	92,668,708,000	875,022,996,000
Less:				
Government holdings of unmatured debt	–	–	–	–
Consolidation adjustment ²	(323,829,000)	(102,254,000)	(142,725,000)	(283,358,000)
	(323,829,000)	(102,254,000)	(142,725,000)	(283,358,000)
Total marketable bonds payable in Canadian currency	596,864,101,250	371,253,685,750	92,811,433,000	875,306,354,000
Payable in foreign currencies				
Maturing				
2021–2022	4,222,800,000	–	452,700,000	3,770,100,000
2022–2023	4,222,800,000	–	452,700,000	3,770,100,000
2024–2025	4,222,800,000	–	452,700,000	3,770,100,000
Total marketable bonds payable in foreign currencies	12,668,400,000	–	1,358,100,000	11,310,300,000
Total	609,532,501,250	371,253,685,750	94,169,533,000	886,616,654,000

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 \$12,379,000 of securities held by consolidated Crown corporations and other entities and \$295,737,000 of borrowings by consolidated agent Crown corporations. Additional information on consolidated Crown corporations and other entities is provided in Section 4 of this volume.

Treasury bills

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

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

The balance at March 31, 2021 consists of \$47,600 million in three-month bills; \$37,800 million in six-month bills; \$133,400 million in 364-day bills; and no odd-issue bill.

Table 6.3
Treasury bills

(in dollars)

	April 1, 2020	Receipts and other credits	Payments and other charges	March 31, 2021
Three-month bills.....	43,700,000,000	370,800,000,000	366,900,000,000	47,600,000,000
Six-month bills	27,500,000,000	137,600,000,000	127,300,000,000	37,800,000,000
Other bills	80,667,000,000	163,100,000,000	110,367,000,000	133,400,000,000
	151,867,000,000	671,500,000,000	604,567,000,000	218,800,000,000
Less: Consolidation adjustment ¹	–	24,999,000	–	24,999,000
Total	151,867,000,000	671,475,001,000	604,567,000,000	218,775,001,000

¹ Represents securities held by consolidated Crown corporations and other entities. Additional information is provided in Section 4 of this volume.

Retail debt

Retail debt 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, 2020	Receipts and other credits	Payments and other charges	March 31, 2021
Canada savings bonds (CSB)				
Matured 2020–2021	94,932,703	–	94,932,703	–
Maturing				
2021–2022	180,466,237	–	17,346,207	163,120,030
	<i>275,398,940</i>	–	<i>112,278,910</i>	<i>163,120,030</i>
Canada premium bonds (CPB)				
Matured 2020–2021	79,741,764	–	79,741,764	–
Maturing				
2021–2022	142,079,178	–	6,225,989	135,853,189
	<i>221,820,942</i>	–	<i>85,967,753</i>	<i>135,853,189</i>
Total	497,219,882	–	198,246,663	298,973,219

Canada bills

Canada bills are short-term certificates of indebtedness issued by the Government of Canada in the United States money market under the government's foreign currency borrowing program. Canada bills provide Canada with an additional source of short-term US funds and have the following characteristics:

- issued at a discount in lieu of interest payments;
- term to maturity of not more than 270 days;
- transferable;
- bought and sold on the open market.

The year-end balance of Canada bills payable in US dollars was translated into Canadian dollars using the closing rate of exchange at March 31, 2021.

Table 6.5
Canada bills

(in dollars)

	April 1, 2020	Receipts and other credits	Payments and other charges	March 31, 2021
Canada bills before revaluation.....	1,894,906,846	34,195,388,335	32,265,246,947	3,825,048,234
Exchange valuation adjustment.....	264,766,796	–	36,221,104	228,545,692
Total	2,159,673,642	34,195,388,335	32,301,468,051	4,053,593,926

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 balance of medium-term notes payable in US dollars was translated into Canadian dollars using the closing rate of exchange at March 31, 2021.

Table 6.6
Medium-term notes

(in dollars)

	April 1, 2020	Receipts and other credits	Payments and other charges	March 31, 2021
Payable in foreign currencies				
Matured 2020–2021	1,042,200,000	–	1,042,200,000	–
Maturing				
2021–2022	70,380,000	–	7,545,000	62,835,000
Total	1,112,580,000	–	1,049,745,000	62,835,000

Unamortized discounts and premiums on market debt

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

- unamortized discounts on Canada bills: records the portion of the discounts on outstanding Canada bills which has not yet been charged to expenses. Discounts are amortized over the life of the bills;
- unamortized discounts on treasury bills: records the portion of the discounts on outstanding treasury bills which has not yet been charged to expenses. Discounts are amortized over the life of the bills; 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, 2020	Receipts and other credits	Payments and other charges	March 31, 2021
Unamortized discounts on Canada bills	(4,071,243)	13,225,757	9,518,026	(363,512)
Unamortized discounts on treasury bills.....	(582,149,682)	1,203,301,668	732,256,058	(111,104,072)
Unamortized discounts and premiums on marketable bonds	3,073,138,992	10,449,198,406	3,720,382,912	9,801,954,486
Total	2,486,918,067	11,665,725,831	4,462,156,996	9,690,486,902

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 2017 to 2021 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 2017 to 2021, 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 %
2021...	886,616	1.63	218,775	0.21	299	0.71	4,054	0.07	63	0.18	1,109,807	1.35
2020...	609,532	2.19	151,867	1.39	497	0.79	2,160	1.56	1,113	0.99	765,169	2.03
2019...	580,542	2.28	134,300	1.79	1,237	0.71	2,699	2.44	2,296	2.23	721,074	2.18
2018...	585,870	2.18	110,700	1.16	2,585	0.63	2,591	1.61	2,557	1.70	704,303	2.01
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

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			
2021	0.30	0.06	0.12
2020	1.69	0.38	0.38
2019	1.73	1.12	1.65
2018	1.21	0.52	1.09
2017	0.55	0.46	0.51
Six-month bills			
2021	0.43	0.10	0.17
2020	1.75	0.38	0.38
2019	1.93	1.33	1.68
2018	1.37	0.56	1.28
2017	0.58	0.51	0.55
364-day bills			
2021	0.50	0.13	0.21
2020	1.76	0.38	0.38
2019	2.17	1.64	1.70
2018	1.63	0.62	1.60
2017	0.65	0.50	0.64
Other bills			
2021	0.23	0.19	0.19
2020	1.77	0.30	0.30
2019	1.76	1.10	1.71
2018	1.20	0.48	1.20
2017	0.58	0.46	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 %
2022.....	108,636	1.65	218,800	0.21	299	0.71	4,054	0.07	63	0.18	331,852	0.68
2023.....	185,476	0.90	–	–	–	–	–	–	–	–	185,476	0.90
2024.....	92,966	1.66	–	–	–	–	–	–	–	–	92,966	1.66
2025.....	78,835	1.18	–	–	–	–	–	–	–	–	78,835	1.18
2026.....	92,734	0.86	–	–	–	–	–	–	–	–	92,734	0.86
2027–2031	160,692	1.80	–	–	–	–	–	–	–	–	160,692	1.80
2032–2036	20,759	5.01	–	–	–	–	–	–	–	–	20,759	5.01
2037–2041	19,579	4.20	–	–	–	–	–	–	–	–	19,579	4.20
2042–2046	47,480	3.00	–	–	–	–	–	–	–	–	47,480	3.00
2047–2051	31,609	1.77	–	–	–	–	–	–	–	–	31,609	1.77
2052–2056	42,817	2.00	–	–	–	–	–	–	–	–	42,817	2.00
2061–2066	4,750	2.75	–	–	–	–	–	–	–	–	4,750	2.75
	886,333	1.63	218,800	0.21	299	0.71	4,054	0.07	63	0.18	1,109,549	1.35
Less: Government's holdings and consolidation adjustment	(283)		25		–		–		–		(258)	
Total	886,616	1.63	218,775	0.21	299	0.71	4,054	0.07	63	0.18	1,109,807	1.35

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, 2020	Issues/ Borrowings	Retirements	March 31, 2021
Market debt of the Government of Canada ¹	765,169	1,076,924	732,286	1,109,807
Cross-currency swap revaluation	10,592	(10,142)	–	450
Unamortized discounts and premiums on market debt ¹	2,487	11,666	4,462	9,691
Obligation related to capital leases ¹	2,913	29	234	2,708
Obligation under public-private partnerships	2,590	68	127	2,531
	783,751	1,078,545	737,109	1,125,187
Borrowings of enterprise Crown corporations designated as agents of Her Majesty	309,909	91,671	86,853	314,727
Total	1,093,660	1,170,216	823,962	1,439,914

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, 2020	Net changes	March 31, 2021
Land	114,272	(114,270)	2
Buildings	2,312,161,555	(112,806,866)	2,199,354,689
Works and infrastructure	414,846,202	(26,287,327)	388,558,875
Machinery and equipment	182,280,577	(62,491,019)	119,789,558
Vehicles	3,496,787	(3,496,787)	–
Total	2,912,899,393	(205,196,269)	2,707,703,124

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	1.67	4,722	119	4,603
Maison de Radio-Canada.....	Feb 2020	30	2.95	270,505	87,171	183,334
				275,227	87,290	187,937
Canadian Museum of Nature						
Natural Heritage Building, Gatineau.....	Sept 1996	35	9.88	36,750	13,982	22,768
National Film Board						
Capital leases less than \$10,000,000.....				343	8	335
Digital Government						
Shared Services Canada						
IBM—Mainframes.....	Jan 2018	4	1.89	15,300	120	15,180
Supercomputer—Meteorological Service of Canada.....	July 2017	8	1.44	106,880	2,787	104,093
				122,180	2,907	119,273
National Defence						
Department of National Defence						
Edmonton Armoury—South.....	May 2001	20	6.07	75	—	75
Longue Pointe Supply Depot.....	Nov 1994	35	11.89	34,531	12,951	21,580
Montfort Hospital—Health Services.....	Oct 2003	17	5.26	19,112	351	18,761
				53,718	13,302	40,416
Natural Resources						
Department of Natural Resources						
183 Longwood Drive, Hamilton.....	Nov 2010	25	1.65	63,902	7,156	56,746
Public Safety and Emergency Preparedness						
Royal Canadian Mounted Police						
RCMP Detachment, Cornwall.....	Aug 2009	25	5.54	15,375	4,543	10,832
Other capital leases less than \$10,000,000.....				807	238	569
				16,182	4,781	11,401
Public Services and Procurement						
Department of Public Works and Government Services						
111 Lombard Avenue, Winnipeg.....	Nov 2014	20	2.69	15,711	2,563	13,148
1501 Bleury Street, Montreal.....	Oct 2019	20	4.50	60,403	19,461	40,942
1550 d'Estimauville Avenue, Quebec.....	Nov 2011	20	8.24	46,182	15,435	30,747
181 Queen Street, Ottawa.....	March 2004	20	10.65	11,195	1,607	9,588
2 Victoria Avenue, Miramichi.....	Jan 2018	20	3.46	51,141	12,375	38,766
200 Promenade du Portage, Gatineau.....	Nov 2019	10	4.36	13,044	2,178	10,866
22 Eddy Street, Gatineau.....	May 2013	25	7.89	205,140	92,951	112,189
2575 Sainte-Anne Boulevard, Quebec.....	April 2015	20	10.32	30,819	14,548	16,271
30 Victoria Street, Gatineau.....	June 2013	25	7.89	206,115	93,690	112,425
351 Saint-Joseph Boulevard, Gatineau (Lease 1 of 3)....	July 2011	25	5.28	55,226	17,419	37,807
351 Saint-Joseph Boulevard, Gatineau (Lease 2 of 3)....	Dec 2011	25	7.33	14,329	5,772	8,557
351 Saint-Joseph Boulevard, Gatineau (Lease 3 of 3)....	Aug 2014	12	2.45	5,325	338	4,987
395 Terminal Avenue, Ottawa.....	Jan 2013	15	2.67	30,068	2,584	27,484
455 de la Carrière Boulevard, Gatineau.....	Nov 2012	25	6.86	154,750	62,985	91,765
90 Elgin Street, Ottawa.....	Nov 2014	25	7.23	363,061	163,661	199,400
Canada Place Building, Edmonton.....	Oct 2007	25	4.44	233,249	52,754	180,495

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	5,798	298	5,500
Guy Favreau Complex, Montreal	Jan 2004	30	3.17	32,072	5,716	26,356
Harry Hays Building, Calgary	Oct 2007	25	4.44	230,982	52,248	178,734
Joseph Shepard Building, Toronto	Oct 2007	25	4.44	159,721	36,130	123,591
Judicial Complex, Toronto	April 2006	20	11.40	32,814	8,005	24,809
Maritime Centre, Halifax	Jan 2010	15	6.26	6,194	687	5,507
Mercury Centre, Ottawa	Jan 2007	25	4.50	69,888	14,571	55,317
Montcalm Place, Tower II, Gatineau	April 2012	15	2.64	10,812	823	9,989
Queen Square, Dartmouth	Sept 2011	10	3.18	556	4	552
RCMP Building, Montreal	Oct 2007	25	4.44	40,263	9,126	31,137
Revenue Canada Building, Montreal	Oct 2007	25	4.44	81,701	18,486	63,215
Skyline Complex, Ottawa	Oct 2007	25	4.44	180,923	40,962	139,961
Thomas D'Arcy McGee Building, Ottawa	Oct 2007	25	4.44	140,813	31,841	108,972
Trusco Building, Ottawa	Sept 2006	20	4.28	37,627	4,096	33,531
Other capital leases less than \$10,000,000				153,461	25,105	128,356
				2,679,383	808,419	1,870,964
Defence Construction (1951) Limited						
Capital leases less than \$10,000,000				21	–	21
Transport						
Department of Transport						
Confederation Bridge, Borden-Carleton	May 1997	35	6.16	782,154	393,595	388,559
Other ministries						
Capital leases less than \$10,000,000				12,873	3,590	9,283
Total				4,042,733	1,335,030	2,707,703

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
	2022	2023	2024	2025	2026	2027 and subsequent	
Canadian Heritage							
Canadian Broadcasting Corporation							
Remaining payments	10,079	13,407	9,382	9,382	9,382	223,595	275,227
Imputed interest	5,359	5,162	5,015	4,886	4,753	62,115	87,290
	<i>4,720</i>	<i>8,245</i>	<i>4,367</i>	<i>4,496</i>	<i>4,629</i>	<i>161,480</i>	<i>187,937</i>
Canadian Museum of Nature							
Remaining payments	3,500	3,500	3,500	3,500	3,500	19,250	36,750
Imputed interest	570	2,203	2,068	1,919	2,325	4,897	13,982
	<i>2,930</i>	<i>1,297</i>	<i>1,432</i>	<i>1,581</i>	<i>1,175</i>	<i>14,353</i>	<i>22,768</i>
National Film Board							
Remaining payments	116	92	92	43	–	–	343
Imputed interest	5	2	1	–	–	–	8
	<i>111</i>	<i>90</i>	<i>91</i>	<i>43</i>	–	–	<i>335</i>
Digital Government							
Shared Services Canada							
Remaining payments	47,090	28,090	26,857	20,143	–	–	122,180
Imputed interest	1,419	874	494	120	–	–	2,907
	<i>45,671</i>	<i>27,216</i>	<i>26,363</i>	<i>20,023</i>	–	–	<i>119,273</i>
National Defence							
Department of National Defence							
Remaining payments	7,985	7,910	7,907	7,908	7,592	14,416	53,718
Imputed interest	2,611	2,389	2,143	1,870	1,565	2,724	13,302
	<i>5,374</i>	<i>5,521</i>	<i>5,764</i>	<i>6,038</i>	<i>6,027</i>	<i>11,692</i>	<i>40,416</i>
Natural Resources							
Department of Natural Resources							
Remaining payments	4,372	4,372	4,372	4,372	4,372	42,042	63,902
Imputed interest	910	853	794	735	674	3,190	7,156
	<i>3,462</i>	<i>3,519</i>	<i>3,578</i>	<i>3,637</i>	<i>3,698</i>	<i>38,852</i>	<i>56,746</i>
Public Safety and Emergency							
Preparedness							
Royal Canadian Mounted Police							
Remaining payments	1,206	1,206	1,206	1,206	1,206	10,152	16,182
Imputed interest	617	583	548	510	471	2,052	4,781
	<i>589</i>	<i>623</i>	<i>658</i>	<i>696</i>	<i>735</i>	<i>8,100</i>	<i>11,401</i>
Public Services and Procurement							
Department of Public Works and Government Services							
Remaining payments	220,285	217,141	217,646	211,293	208,178	1,604,840	2,679,383
Imputed interest	99,800	93,408	86,621	79,686	72,730	376,174	808,419
	<i>120,485</i>	<i>123,733</i>	<i>131,025</i>	<i>131,607</i>	<i>135,448</i>	<i>1,228,666</i>	<i>1,870,964</i>

Table 6.14
Minimum lease payments related to capital leases—concluded

(in thousands of dollars)

	Payments due by March 31						Total
	2022	2023	2024	2025	2026	2027 and subsequent	
Defence Construction (1951) Limited							
Remaining payments	19	2	–	–	–	–	21
Imputed interest	–	–	–	–	–	–	–
	<i>19</i>	<i>2</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>21</i>
Transport							
Department of Transport							
Remaining payments	64,836	65,815	66,809	67,819	68,844	448,031	782,154
Imputed interest	37,351	37,080	36,766	36,408	36,002	209,988	393,595
	<i>27,485</i>	<i>28,735</i>	<i>30,043</i>	<i>31,411</i>	<i>32,842</i>	<i>238,043</i>	<i>388,559</i>
Other ministries							
Remaining payments	2,067	2,031	1,980	1,862	1,550	3,383	12,873
Imputed interest	578	511	436	353	285	1,427	3,590
	<i>1,489</i>	<i>1,520</i>	<i>1,544</i>	<i>1,509</i>	<i>1,265</i>	<i>1,956</i>	<i>9,283</i>
Total	212,335	200,501	204,865	201,041	185,819	1,703,142	2,707,703
Summary							
Remaining payments	361,555	343,566	339,751	327,528	304,624	2,365,709	4,042,733
Imputed interest	149,220	143,065	134,886	126,487	118,805	662,567	1,335,030
Net obligation	212,335	200,501	204,865	201,041	185,819	1,703,142	2,707,703

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) 2021: 9.5% (9.6% in 2020) of salary up to the Yearly Maximum Pensionable Earnings (YMPE) for the CPP or QPP and 11.7% (11.8% in 2020) of salary above the YMPE; and
- for the last three months of FY 2021: 9.8% (9.5% in 2020) of salary up to the YMPE and 12.3% (11.7% in 2020) of salary above the YMPE.

Public service Group 2 pension plan members contributed:

- for the first nine months of FY 2021: 8.7% (8.7% in 2020) of salary up to the YMPE for the CPP or QPP and 10.2% (10.2% in 2020) of salary above the YMPE; and
- for the last three months of FY 2021: 8.9% (8.7% in 2020) of salary up to the YMPE and 10.6% (10.2% in 2020) 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 2021, the employer contribution rates were about 1.0, 1.5, 2.2 and 1.2 (1.0, 1.5, 2.1 and 1.2 respectively in 2020) times the current year's employee contribution for the plans under the Public Service Superannuation Act, the Canadian Forces Superannuation Act (Regular Force and Reserve Force pension plans) and the Royal Canadian Mounted Police Superannuation Act, respectively.

The superannuation accounts, which record the transactions that pertain to pre-April 1, 2000 service, are credited with interest at rates that are based on the Government of Canada long-term bond rate. The average interest rate credited to the superannuation accounts was approximately 3.5% (3.7% in 2020).

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 2021 fiscal year, plan members contributed at a rate of 19.7% (19.5% in 2020) of their salary for the first nine months and a rate of approximately 23.3% (19.7% in 2020) 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:

	2021	2020
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 2021 was approximately 2.4% (3.3% in 2020).

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 \$188 million (\$179 million in 2020). At March 31, 2021, the portion of the pension liability recorded through an allowance account for the judges' pension plan amounted to \$3,984 million (\$3,505 million in 2020).

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:

Public Service—March 31, 2017;

Royal Canadian Mounted Police —March 31, 2018;

Canadian Forces—Regular Force and Reserve Force—March 31, 2019;

Members of Parliament—March 31, 2019; and,

Federally appointed judges—March 31, 2019.

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

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

- \$2,605 million (nil in 2020) to the Canadian Forces Superannuation Account;
- no adjustment (\$145 million in 2020) to the Canadian Forces Pension Fund Account;
- \$17.4 million (\$5.3 million in 2020) to the Reserve Force Pension Fund Account;
- no adjustment (\$956 million in 2020) to the Royal Canadian Mounted Police Superannuation Account;
- \$70 million (nil in 2020) to the Members of Parliament Retiring Allowances Account; and,
- \$75.4 million (nil in 2020) to the Members of Parliament Retirement Compensation Arrangements Account.

The actuarial adjustments recorded in pension fund accounts are transferred to the PSPIB for investment. To address actuarial deficiencies, the consolidated Crown corporations and other entities made special funding payments of \$1 million (\$1 million in 2020).

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, 2020	Receipts and other credits	Payments and other charges	March 31, 2021
Funded pension benefits				
Public Service Pension Fund Account, Table 6.18	24	5,972	5,762	234
Allowance for pension adjustments	(2,029)	1,462	3,134	(3,701)
<i>Subtotal</i>	(2,005)	7,434	8,896	(3,467)
Canadian Forces Pension Fund Account, Table 6.20	126	1,612	1,535	203
Allowance for pension adjustments	292	31	157	166
<i>Subtotal</i>	418	1,643	1,692	369
Reserve Force Pension Fund Account, Table 6.21	(137)	101	97	(133)
Allowance for pension adjustments	73	28	38	63
<i>Subtotal</i>	(64)	129	135	(70)
Royal Canadian Mounted Police Pension Fund Account, Table 6.23	(11)	505	491	3
Allowance for pension adjustments	(12)	164	23	129
<i>Subtotal</i>	(23)	669	514	132
Total pension fund accounts	2	8,190	7,885	307
Total allowance for pension adjustments	(1,676)	1,685	3,352	(3,343)
Net pension benefit liabilities related to government-sponsored funded plans	(1,674)	9,875	11,237	(3,036)
Pension benefit assets related to funded plans sponsored by consolidated Crown corporations and other entities	(2,506)	94	371	(2,783)
Net pension benefit liabilities related to funded plans	(4,180)	9,969	11,608	(5,819)
Unfunded pension benefits				
Public Service Superannuation Account, Table 6.17	91,516	3,095	5,600	89,011
Allowance for pension adjustments	4,912	3,199	1,675	6,436
<i>Subtotal</i>	96,428	6,294	7,275	95,447
Canadian Forces Superannuation Account, Table 6.19	44,742	4,123	2,543	46,322
Allowance for pension adjustments	4,041	1,954	3,375	2,620
<i>Subtotal</i>	48,783	6,077	5,918	48,942
Royal Canadian Mounted Police Superannuation Account, Table 6.22	13,621	462	730	13,353
Allowance for pension adjustments	8	556	242	322
<i>Subtotal</i>	13,629	1,018	972	13,675
Members of Parliament Retiring Allowances Account, Table 6.24	561	101	31	631
Allowance for pension adjustments	134	55	72	117
<i>Subtotal</i>	695	156	103	748
Members of Parliament Retirement Compensation Arrangements Account, Table 6.25	201	97	20	278
Allowance for pension adjustments	352	40	76	316
<i>Subtotal</i>	553	137	96	594
Retirement Compensation Arrangements Accounts, Table 6.26	2,438	221	210	2,449
Allowance for pension adjustments	1,785	307	47	2,045
<i>Subtotal</i>	4,223	528	257	4,494
Supplementary Retirement Benefits Account (Judges), Table 6.27	258	9	–	267
Allowance for pension adjustments	3,505	479	–	3,984
<i>Subtotal</i>	3,763	488	–	4,251
Supplementary Retirement Benefits Account (Others), Table 6.27	1	–	–	1
Total superannuation accounts	153,338	8,108	9,134	152,312
Total allowance for pension adjustments	14,737	6,590	5,487	15,840
Pension benefit liabilities related to government-sponsored unfunded plans	168,075	14,698	14,621	168,152
Pension benefit liabilities related to unfunded plans sponsored by consolidated Crown corporations and other entities	103	11	6	108
Pension benefit liabilities related to unfunded plans	168,178	14,709	14,627	168,260
Net pension benefit liabilities	163,998	24,678	26,235	162,441
The net pension benefit liabilities were recognized and presented in the Consolidated Statement of Financial Position as follows:				
Public sector pension liabilities ¹	168,596	24,561	24,396	168,761
Public sector pension assets ²	(4,598)	117	1,839	(6,320)
Net pension benefit liabilities	163,998	24,678	26,235	162,441

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 \$5,165 million (\$5,680 million in 2020) credited to the superannuation accounts in accordance with the pension legislation, a provision of \$5,353 million (\$5,129 million in 2020) and interest of \$452 million (\$451 million in 2020) on the consolidated Crown corporations and other entities' obligations, shown net of \$9,179 million (\$8,576 million in 2020) 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)

	2021										2020	
	Government contributions and other ¹	Adjustment	Net benefits earned	Actuarial adjustments ²	Costs recorded in previous years ³	Valuation allowance	Pension expense included in personnel expense	Actuarial losses (gains) recognized	Total pension expense	Net interest expense	Total pension expense	Net interest expense
Funded pension benefits												
Public Service												
Pension Fund												
Account	2,725	(363)	2,362	–	–	–	2,362	(742)	1,620	(567)	1,288	(684)
Canadian Forces												
Pension Fund												
Account	941	(120)	821	–	–	–	821	31	852	(26)	734	(71)
Reserve Force												
Pension Fund												
Account	55	(15)	40	17	(17)	–	40	6	46	5	38	2
Royal Canadian Mounted Police												
Pension Fund												
Account	269	126	395	–	–	–	395	7	402	8	240	(44)
Consolidated Crown corporations and other entities												
	88	(7)	81	3	(3)	13	94	(101)	(7)	(179)	(66)	(209)
Total funded pension benefits.....	4,078	(379)	3,699	20	(20)	13	3,712	(799)	2,913	(759)	2,234	(1,006)

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

(in millions of dollars)

	2021								2020			
	Government contributions and other ¹	Adjustment	Net benefits earned	Actuarial adjustments ²	Costs recorded in previous years ³	Valuation allowance	Pension expense included in personnel expense	Actuarial losses (gains) recognized	Total pension expense	Net interest expense	Total pension expense	Net interest expense
Unfunded pension benefits												
Public Service												
Superannuation Account ⁴	3	(6)	(3)	–	–	–	(3)	3,199	3,196	1,420	2,803	2,104
Canadian Forces												
Superannuation Account ⁴	2	(4)	(2)	2,605	(2,605)	–	(2)	1,954	1,952	748	1,647	1,063
Defence Services												
Pension Continuation Act	1	–	1	–	–	–	1	–	1	–	1	–
Royal Canadian Mounted Police												
Superannuation Account	–	(1)	(1)	–	–	–	(1)	556	555	220	437	312
Royal Canadian Mounted Police Continuation Act	5	–	5	–	–	–	5	–	5	–	6	–
Members of Parliament												
Retiring Allowances Account	9	23	32	70	(70)	–	32	32	64	11	45	14
Members of Parliament												
Retirement Compensation Arrangements Account	8	16	24	76	(76)	–	24	21	45	8	31	11
Retirement Compensation Arrangement Accounts	78	105	183	–	–	–	183	153	336	67	217	88
Supplementary Retirement Benefits Account .	4	–	4	–	–	–	4	–	4	–	4	–
Judges Act	188	148	336	–	–	–	336	261	597	71	488	94
Other (diplomatic services, lieutenant governors, etc.)	3	–	3	–	–	–	3	–	3	–	3	–
Consolidated Crown corporations and other entities	–	3	3	–	–	–	3	3	6	5	6	4
Subtotal	301	284	585	2,751	(2,751)	–	585	6,179	6,764	2,550	5,688	3,690

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

(in millions of dollars)

	2021									2020		
	Government contributions and other ¹	Adjustment	Net benefits earned	Actuarial adjustments ²	Costs recorded in previous years ³	Valuation allowance	Pension expense included in personnel expense	Actuarial losses (gains) recognized	Total pension expense	Net interest expense	Total pension expense	Net interest expense
Contributions from the Judges' plan recorded to revenues..	(18)	–	(18)	–	–	–	(18)	–	(18)	–	(17)	–
Total unfunded pension benefits.....	283	284	567	2,751	(2,751)	–	567	6,179	6,746	2,550	5,671	3,690
Total reported in the Consolidated Statement of Operations and Accumulated Deficit .	4,361	(95)	4,266	2,771	(2,771)	13	4,279	5,380	9,659	1,791	7,905	2,684

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)

	2021	2020
Opening balance	91,516,183,543	93,700,183,799
Receipts and other credits		
Employee contributions		
Government employees	598,683	826,359
Retired employees	2,514,360	3,311,300
Public Service corporation employees	56,591	46,425
Employer contributions		
Government	2,642,151	3,461,289
Public Service corporations	46,087	22,384
Transfers from other pension funds	5,817	70,680
Interest	3,088,785,626	3,410,432,517
Total receipts and other credits	3,094,649,315	3,418,170,954
Subtotal	94,610,832,858	97,118,354,753
Payments and other charges		
Benefit payments		
Annuities	5,518,628,324	5,512,288,490
Minimum benefits	12,791,544	13,821,878
Pension division payments	9,505,848	14,494,277
Pension transfer value payments	4,735,428	11,887,896
Return of contributions		
Government employees	4,267	37,214
Public Service corporation employees	75,500	1,813
Transfers to other pension funds	1,668,002	2,749,315
Administrative expenses	52,594,987	46,890,327
Total payments and other charges	5,600,003,900	5,602,171,210
Closing balance	89,010,828,958	91,516,183,543

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)

	2021	2020
Opening balance	24,214,915	16,598,579
Receipts and other credits		
Employee contributions		
Government employees	2,731,144,271	2,409,721,286
Retired employees	54,601,422	52,795,966
Public Service corporation employees	203,768,991	192,703,710
Employer contributions		
Government	2,724,790,877	2,397,195,812
Public Service corporations	192,104,544	182,668,152
Transfers from other pension funds	65,699,585	67,132,149
Total receipts and other credits	5,972,109,690	5,302,217,075
Payments and other charges		
Benefit payments		
Annuities	2,792,620,336	2,528,738,856
Minimum benefits	19,828,809	17,749,633
Pension division payments	38,866,122	39,380,048
Pension transfer value payments	260,986,147	387,976,907
Return of contributions		
Government employees	16,291,883	14,346,409
Public Service corporation employees	4,642,766	4,059,208
Transfers to other pension funds	41,493,071	48,103,462
Administrative expenses	69,576,876	56,895,258
Total payments and other charges	3,244,306,010	3,097,249,781
Receipts and other credits less payments and other charges	2,727,803,680	2,204,967,294
Transfers to PSPIB	2,517,613,496	2,197,350,958
Closing balance	234,405,099	24,214,915

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)

	2021	2020
Opening balance	44,741,718,117	45,607,472,272
Receipts and other credits		
Contributions from personnel	2,133,694	2,103,211
Contributions by the Government	2,133,694	2,103,211
Actuarial adjustment	2,605,000,000	–
Transfers from other pension funds	5,588	–
Interest	1,513,596,941	1,681,327,281
Other ¹	566,985	1,096,951
Total receipts and other credits	4,123,436,902	1,686,630,654
Subtotal	48,865,155,019	47,294,102,926
Payments and other charges		
Benefit payments		
Pensions and retiring allowances	2,510,053,993	2,512,115,493
Minimum benefits	38,088	569,521
Pension division payments	14,261,478	22,696,098
Pension transfer value payments	963,232	1,334,167
Return of contributions	13	–
Administrative expenses	17,860,272	15,669,530
Total payments and other charges	2,543,177,076	2,552,384,809
Closing balance	46,321,977,943	44,741,718,117

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)

	2021	2020
Opening balance	126,049,325	110,785,906
Receipts and other credits		
Contributions from personnel	609,692,707	532,100,764
Contributions by the Government.....	941,684,641	799,430,985
Actuarial adjustment	–	145,000,000
Transfers from other pension funds	59,592,182	56,547,957
Other ¹	576,157	1,286,683
Total receipts and other credits.....	1,611,545,687	1,534,366,389
Payments and other charges		
Benefit payments		
Pensions and retiring allowances	854,984,526	774,383,487
Minimum benefits.....	1,194,515	1,836,369
Pension division payments	34,564,190	46,518,428
Pension transfer value payments.....	243,360,285	214,753,994
Return of contributions.....	1,430,947	1,968,670
Transfers to other pension funds.....	1,489,940	1,906,688
Administrative expenses.....	20,253,838	15,563,339
Total payments and other charges.....	1,157,278,241	1,056,930,975
Receipts and other credits less payments and other charges	454,267,446	477,435,414
Transfers to PSPIB.....	377,652,696	462,171,995
Closing balance.....	202,664,075	126,049,325

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)

	2021	2020
Opening balance	(136,662,719)	(123,565,062)
Receipts and other credits		
Contributions from personnel	28,769,809	22,442,708
Contributions by the Government	54,841,331	50,910,434
Actuarial adjustment	17,400,000	5,300,000
Total receipts and other credits	101,011,140	78,653,142
Payments and other charges		
Benefit payments		
Pensions and retiring allowances	11,074,327	9,963,024
Minimum benefits	98,073	52,760
Pension transfer value payments	20,847,324	17,080,698
Return of contributions	120,559	69,735
Transfers to other pension funds	59,592,182	56,547,957
Administrative expenses	5,499,701	8,036,625
Total payments and other charges	97,232,166	91,750,799
Closing balance	(132,883,745)	(136,662,719)

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)

	2021	2020
Opening balance	13,620,704,204	12,916,633,815
Receipts and other credits		
Contributions from personnel (current services and arrears).....	508,012	357,693
Contributions by the Government.....	346,205	314,550
Actuarial adjustment	–	956,000,000
Interest	461,062,789	470,927,017
Total receipts and other credits	461,917,006	1,427,599,260
Subtotal.....	14,082,621,210	14,344,233,075
Payments and other charges		
Benefit payments		
Annuities and allowances	719,533,834	711,720,812
Cash termination allowance and gratuities	337,705	313,410
Pension division payments	4,435,160	6,226,186
Pension transfer value payments.....	15,564	17,513
Return of contributions.....	–	309,323
Administrative expenses.....	5,672,942	4,941,627
Total payments and other charges.....	729,995,205	723,528,871
Closing balance.....	13,352,626,005	13,620,704,204

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)

	2021	2020
Opening balance	(11,550,086)	1,480,904
Receipts and other credits		
Contributions from personnel (current services and arrears).....	219,982,349	220,776,751
Contributions by the Government.....	268,749,681	269,968,417
Transfers from other pension funds	16,227,684	9,523,174
Total receipts and other credits	504,959,714	500,268,342
Payments and other charges		
Benefit payments		
Annuities and allowances	268,200,173	244,497,074
Minimum benefits.....	483,905	1,021,098
Pension division payments	14,830,451	12,149,424
Pension transfer value payments.....	59,449,443	39,402,060
Return of contributions		
Personnel	442,897	317,106
Interest.....	117,571	172,261
Transfers to other pension funds.....	2,459,836	371,907
Administrative expenses.....	4,565,177	3,973,449
Total payments and other charges.....	350,549,453	301,904,379
Receipts and other credits less payments and other charges	154,410,261	198,363,963
Transfers to PSPIB.....	140,094,757	211,394,953
Closing balance.....	2,765,418	(11,550,086)

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)

	2021	2020
Opening balance	560,954,167	559,955,950
Receipts and other credits		
Members' contributions		
Current services	8,915,934	8,434,314
Arrears of principal, interest and mortality insurance	350,027	20,002
Government contributions (current services)	8,915,934	8,434,314
Actuarial adjustment	70,000,000	–
Interest	13,040,804	17,789,464
Total receipts and other credits	101,222,699	34,678,094
Subtotal	662,176,866	594,634,044
Payments and other charges		
Benefit payments		
Annual allowances	30,068,999	29,451,936
Pension division payments	188,586	244,279
Return of contributions		
Withdrawals	540,702	3,881,217
Interest	16,725	102,445
Total payments and other charges	30,815,012	33,679,877
Closing balance	631,361,854	560,954,167

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)

	2021	2020
Opening balance	201,024,276	202,643,898
Receipts and other credits		
Members' contributions		
Current services	7,769,786	6,976,832
Arrears of principal, interest and mortality insurance	74,606	45,517
Government contributions (current services)	7,769,786	6,976,832
Actuarial adjustment	75,400,000	–
Refundable tax	792,416	–
Interest	4,659,674	6,773,423
Total receipts and other credits	96,466,268	20,772,604
Subtotal	297,490,544	223,416,502
Payments and other charges		
Benefit payments		
Annual allowances	19,069,957	17,981,308
Pension division payments	120,148	287,936
Return of contributions		
Withdrawals	371,172	3,191,829
Interest	17,201	117,053
Refundable tax	43,289	814,100
Total payments and other charges	19,621,767	22,392,226
Closing balance	277,868,777	201,024,276

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		Total	
	Public Service		Canadian Forces		Royal Canadian Mounted Police		Public Service		2021	2020
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Opening 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
Receipts and other credits										
Employee contributions										
Government										
employees.....	12,339,032	17,690,955	5,436,304	4,985,512	200,753	211,851	–	–	17,976,089	22,888,318
Retired employees..	421,477	344,102	–	–	37,400	2,057	–	–	458,877	346,159
Public Service corporation employees.....	2,256,583	2,600,842	–	–	–	–	–	–	2,256,583	2,600,842
Employer contributions										
Government	46,199,020	66,025,001	31,452,041	25,647,473	485,292	707,550	–	–	78,136,353	92,380,024
Public Service corporations.....	8,241,238	8,689,443	–	–	–	–	–	–	8,241,238	8,689,443
Transfers from other pension funds	–	216,870	–	–	–	–	–	–	–	216,870
Refundable tax.....	–	–	–	–	–	–	31,877,729	30,456,797	31,877,729	30,456,797
Interest	45,360,136	47,240,725	16,055,349	16,856,237	1,208,665	1,304,107	20,602,663	23,374,139	83,226,813	88,775,208
	114,817,486	142,807,938	52,943,694	47,489,222	1,932,110	2,225,565	52,480,392	53,830,936	222,173,682	246,353,661
	1,429,608,164	1,408,446,767	513,380,852	490,063,447	37,309,988	37,412,935	680,419,652	712,961,015	2,660,718,656	2,648,884,164
Payments and other charges										
Benefit payments										
Annuities.....	61,039,592	56,408,899	10,965,975	10,094,799	1,644,567	1,559,459	84,720,723	85,021,755	158,370,857	153,084,912
Minimum benefits..	184,975	855	–	–	–	–	–	–	184,975	855
Pension division payments.....	725,621	383,971	68,620	1,182,524	–	24,290	–	–	794,241	1,590,785
Pension transfer value payments	903,484	2,267,492	1,131,013	1,624,293	3,116	2,649	–	–	2,037,613	3,894,434
Return of contributions										
Government employees.....	7,346	35,279	–	–	–	–	–	–	7,346	35,279
Public Service corporation employees.....	4,164	40,795	–	–	–	–	–	–	4,164	40,795
Transfers to other pension funds	213,362	816,795	–	–	–	–	–	–	213,362	816,795
Refundable tax.....	34,974,908	33,702,003	14,400,565	16,724,673	149,590	448,659	–	–	49,525,063	50,875,335
	98,053,452	93,656,089	26,566,173	29,626,289	1,797,273	2,035,057	84,720,723	85,021,755	211,137,621	210,339,190
Closing balance.....	1,331,554,712	1,314,790,678	486,814,679	460,437,158	35,512,715	35,377,878	595,698,929	627,939,260	2,449,581,035	2,438,544,974

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	
	2021	2020	2021	2020	2021	2020
Opening balance	258,108,691	246,666,011	1,012,710	967,693	259,121,401	247,633,704
Receipts and other credits						
Employee contributions						
Government	4,112,096	3,995,595	25,370	30,979	4,137,466	4,026,574
Employer contributions						
Government	4,112,096	3,995,595	27,527	28,823	4,139,623	4,024,418
Interest	795,660	3,451,490	3,239	14,156	798,899	3,465,646
Total receipts and other credits ...	9,019,852	11,442,680	56,136	73,958	9,075,988	11,516,638
Subtotal	267,128,543	258,108,691	1,068,846	1,041,651	268,197,389	259,150,342
Payments and other charges						
Annuities	–	–	26,802	28,941	26,802	28,941
Closing balance	267,128,543	258,108,691	1,042,044	1,012,710	268,170,587	259,121,401

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 \$5,478 million (\$4,127 million in 2020), due to plan experience and changes in actuarial assumptions, were recognized in this account and increased pension expenses for the year.

An amount of \$2,768 million (\$1,106 million in 2020) 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 \$91 million was debited (\$31 million credited in 2020) from this account and decreased (increased in 2020) pension costs to adjust for the difference between the government contributions and the net cost of benefits earned.

An amount of \$5,353 million (\$5,129 million in 2020) 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 \$8,553 million (\$7,920 million in 2020) was debited from this account to record the expected return on the pension investments.

As well, a consolidation adjustment of \$17 million (\$21 million in 2020) was credited to this account and debited against personal tax revenues to eliminate the effect of internal transactions resulting from tax amounts debited from the RCA accounts that were previously recorded as tax revenues.

The unrecognized net actuarial loss of \$6,162 million (\$38,230 million in 2020) will be recognized in this account and will affect expenses in future years.

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Due to annual actuarial valuations for accounting purposes, the accrued pension obligations of \$360,027 million (\$374,797 million in 2020) minus the pension assets of \$188,749 million (\$170,166 million in 2020) were \$18,659 million (\$51,291 million in 2020) higher than the balance of the pension fund accounts of \$307 million (\$2 million in 2020) and the superannuation accounts of \$152,312 million (\$153,338 million in 2020). The excess or shortfall is made up of the following:

(in millions of dollars)

	(Shortfall) excess	
	2021	2020
Public Service Pension Plan		
Public Service Superannuation Account	(20,864)	(31,636)
Public Service Pension Fund	19,366	11,769
Retirement Compensation Arrangements	(1,708)	(2,472)
Total allowance for Public Service Pension Plan	(3,206)	(22,339)
Canadian Forces Pension Plan		
Canadian Forces Superannuation Account	(7,958)	(17,381)
Canadian Forces Pension Fund	2,063	789
Reserve Force Pension Fund	(581)	(658)
Retirement Compensation Arrangements	(204)	(287)
Total allowance for Canadian Forces Pension Plan	(6,680)	(17,537)
Royal Canadian Mounted Police Pension Plan		
Royal Canadian Mounted Police Superannuation Account	(3,155)	(4,888)
Royal Canadian Mounted Police Pension Fund	439	(88)
Retirement Compensation Arrangements	(53)	(81)
Total allowance for Canadian Mounted Police Pension Plan	(2,769)	(5,057)
Members of Parliament Pension Plan		
Members of Parliament Retiring Allowances	(159)	(286)
Retirement Compensation Arrangements	(340)	(469)
Total allowance for Members of Parliament Pension Plan	(499)	(755)
Pension plan for federally appointed judges	(5,505)	(5,603)
Total	(18,659)	(51,291)

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, 2020	Receipts and other credits	Payments and other charges	March 31, 2021
Veterans' disability and other future benefits	73,462	15,512	4,312	84,662
Royal Canadian Mounted Police disability and other future benefits	11,565	4,030	396	15,199
Public Service Health Care Plan	31,036	2,763	404	33,395
Pensioners' Dental Services Plan	4,730	506	72	5,164
Severance and other benefits	1,754	146	190	1,710
Accumulated sick leave entitlements	1,924	426	311	2,039
Workers' compensation	1,566	299	186	1,679
Consolidated Crown corporations and other entities	341	25	28	338
Total	126,378	23,707	5,899	144,186

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)

	2021				2020	
	Accrued benefit obligations	Other future benefit assets	Unrecognized net actuarial (losses) gains	Benefits paid after measurement date up to March 31	Future benefit liabilities	Future benefit liabilities
Veterans' disability and other future benefits	136,580	–	(51,918)	–	84,662	73,462
Royal Canadian Mounted Police disability and other future benefits	28,514	–	(13,315)	–	15,199	11,565
Public Service Health Care Plan	32,830	–	565	–	33,395	31,036
Pensioners' Dental Services Plan	5,510	–	(346)	–	5,164	4,730
Severance and other benefits	2,121	–	(411)	–	1,710	1,754
Accumulated sick leave entitlements	1,838	–	201	–	2,039	1,924
Workers' compensation	1,839	–	(160)	–	1,679	1,566
Consolidated Crown corporations and other entities	312	(1)	29	(2)	338	341
Total	209,544	(1)	(65,355)	(2)	144,186	126,378

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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)

	2021				2020	
	Benefits earned included in personnel expense	Actuarial losses (gains) recognized	Total benefit expense	Interest expense	Total	Total
Veterans' disability and other future benefits	6,057	7,519	13,576	1,936	15,512	12,328
Royal Canadian Mounted Police disability and other future benefits ...	1,898	1,700	3,598	432	4,030	2,397
Public Service Health Care Plan	1,810	458	2,268	495	2,763	2,533
Pensioners' Dental Services Plan	264	162	426	80	506	453
Severance and other benefits	79	46	125	21	146	136
Accumulated sick leave entitlements	399	8	407	19	426	381
Workers' compensation	252	27	279	20	299	108
Consolidated Crown corporations and other entities	18	(5)	13	7	20	29
Total	10,777	9,915	20,692	3,010	23,702	18,365

Other liabilities

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

Canada Pension Plan

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

The CPP is administered by the Government of Canada and the provinces. As such, CPP's financial activities are not part of the Government of Canada's reporting entity because 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 consolidated assets available for benefit payments of the CPP. At March 31, 2021, the fair value of the CPP's consolidated assets available for benefit payments is \$496,073 million (\$413,022 million in 2020) for the CPP Account and \$6,755 million (\$2,615 million in 2020) 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 \$139 million (\$279 million in 2020) corresponds to the balance in the CPP Accounts and is reported as the government's liability to the CPP at March 31, 2021. The CPP's deposit with the Receiver General for Canada is comprised of the CPP Account balance of \$119 million (\$260 million in 2020) and the Additional CPP Account balance of \$20 million (\$19 million in 2020).

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, 2020	Receipts and other credits	Payments and other charges	March 31, 2021
Canada Pension Plan balance per audited consolidated financial statements				
Assets available for benefit payments.....	413,022,059,156	136,349,993,466	53,299,734,940	496,072,317,682
Less:				
Receivables, net of liabilities	5,512,650,311	5,046,135,195	5,512,650,311	5,046,135,195
Accumulated net income from Canada Pension Plan				
Investment Board's operations	259,706,000,000	84,942,000,000	1,406,000,000	343,242,000,000
	<i>147,803,408,845</i>	<i>46,361,858,271</i>	<i>46,381,084,629</i>	<i>147,784,182,487</i>
Less: transfers to Canada Pension Plan Investment Board	147,543,703,050	40,415,304,443	40,536,541,151	147,664,939,758
Total Canada Pension Plan.....	259,705,795	86,777,162,714	86,917,625,780	119,242,729
Additional Canada Pension Plan balance per audited consolidated financial statements				
Assets available for benefit payments.....	2,615,383,089	4,342,931,787	202,898,177	6,755,416,699
Less:				
Receivables, net of liabilities	257,984,797	454,738,778	257,984,797	454,738,778
Accumulated net income from Canada Pension Plan				
Investment Board's operations	15,000,000	419,000,000	11,000,000	423,000,000
	<i>2,342,398,292</i>	<i>3,469,193,009</i>	<i>(66,086,620)</i>	<i>5,877,677,921</i>
Less: transfers to Canada Pension Plan Investment Board	2,323,477,828	–	3,534,108,339	5,857,586,167
Total Additional Canada Pension Plan	18,920,464	3,469,193,009	3,468,021,719	20,091,754
Deposit with the Receiver General for Canada.....	278,626,259	90,246,355,723	90,385,647,499	139,334,483

Receipts and other credits include:

- contributions from employees, employers and those who are self-employed;
- income from the average daily operating balance deposited with the Receiver General for Canada;
- funds received from the CPPIB;
- gains on investments held by the CPPIB;
- payments received on overpayments established.

Payments and other charges include:

- 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;
- pensions and benefits paid and recovered from the CPP, in accordance with an agreement with a province providing a comprehensive pension plan;
- payments that are required to be charged to the CPP, in accordance with reciprocal agreements with other countries;
- costs of administration of the CPP;
- funds transferred to the CPPIB;
- 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 \$882,798 was transferred to the government's revenues to reduce the balance of the account to \$75.8 million and the allowance account was adjusted at \$22.0 million to increase the pension obligations to \$97.8 million as at March 31, 2021.

As of March 31, 2021, the annuitants held 19,476 active contracts, representing a decrease of 2,473 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, 2020	Receipts and other credits	Payments and other charges	March 31, 2021
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.....	–	22,156,166	21,768,627	387,539
	26,293	22,156,166	21,794,920	387,539
Crown-Indigenous Relations and Northern Affairs				
Department of Crown-Indigenous Relations and Northern Affairs				
Field British Columbia and Yukon Operations of the				
Northern Canada Power Commission	992,587	–	–	992,587
Guarantee deposits	10,792,769	–	191,463	10,601,306
	11,785,356	–	191,463	11,593,893
Employment, Workforce Development and Disability Inclusion				
Department of Employment and Social Development				
Canada Labour Code—Other	23,436	615,130	544,499	94,067
Canada Labour Code—Wage recovery request for review or appeal.....	3,939,438	401,780	1,490,502	2,850,716
	3,962,874	1,016,910	2,035,001	2,944,783
Environment and Climate Change				
Parks Canada Agency				
Contractor security deposits—Cash.....	855,237	295,808	715,959	435,086
Finance				
Department of Finance				
Canada Development Investment Corporation				
Holdback—Privatization	12,271,451	21,268	–	12,292,719
Canada Hibernia Holding Corporation				
Abandonment Reserve Fund.....	101,904,810	176,616	–	102,081,426
Swap collateral guarantee deposits.....	151,954,787	1,305,085,523	627,667,320	829,372,990
	266,131,048	1,305,283,407	627,667,320	943,747,135
Fisheries, Oceans and the Canadian Coast Guard				
Department of Fisheries and Oceans				
Contractor security deposits—Cash.....	192,475	171,571	151,090	212,956
Guarantee deposits—Fish habitat preservation.....	370,106	–	–	370,106
	562,581	171,571	151,090	583,062
Health				
Canadian Food Inspection Agency				
Contractor security deposits—Cash.....	73,672	–	–	73,672
Indigenous Services				
Department of Indigenous Services				
Guarantee deposits	2,320,380	157,830	–	2,478,210
Innovation, Science and Economic Development				
Department of Industry				
Deposits from spectrum auctions.....	–	1,225,000	–	1,225,000
Justice				
Courts Administration Service				
Security for costs.....	79,130	4,637	24,045	59,722
Registrar of the Supreme Court of Canada				
Security for costs.....	392,515	40	–	392,555
	471,645	4,677	24,045	452,277
National Defence				
Department of National Defence				
Contractor security deposits—Cash.....	2,838,110	4,474,467	4,008,374	3,304,203

Table 6.30
Deposit and trust accounts—continued

(in dollars)

	April 1, 2020	Receipts and other credits	Payments and other charges	March 31, 2021
National Revenue				
Canada Revenue Agency				
Guarantee deposits	296,977,858	55,610,413	26,956,064	325,632,207
Less: securities held in trust	35,000	–	–	35,000
	296,942,858	55,610,413	26,956,064	325,597,207
Natural Resources				
Department of Natural Resources				
Contractor security deposits—Cash	12,865	3,500	8,400	7,965
Guarantee deposits—Oil and gas	13,511,120	3,021,570	2,308,295	14,224,395
Canadian Energy Regulator				
Guarantee deposits	495,773	90,786	54,000	532,559
	14,019,758	3,115,856	2,370,695	14,764,919
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
	2,602,000	–	102,000	2,500,000
Public Safety and Emergency Preparedness				
Canada Border Services Agency				
General security deposits	7,975,488	–	63,504	7,911,984
Guarantee deposits	11,115,373	196,080	715,899	10,595,554
Immigration Guarantee Fund	24,644,587	3,606,113	2,638,350	25,612,350
Temporary deposits received from importers	1,025,253	212,514	57,516	1,180,251
	44,760,701	4,014,707	3,475,269	45,300,139
Royal Canadian Mounted Police				
Contractor security deposits—Cash	106,341	230,420	108,561	228,200
	44,867,042	4,245,127	3,583,830	45,528,339
Public Services and Procurement				
Department of Public Works and Government Services				
Contractor security deposits—Cash	3,396,776	2,091,178	1,553,563	3,934,391
Deposits on disposals	6,173,056	934,416	716,735	6,390,737
Seized property—Cash	41,403,145	21,327,025	21,848,317	40,881,853
	50,972,977	24,352,619	24,118,615	51,206,981
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	118,285	16,618	323	134,580
	118,285	16,618	323	134,580
Total—Deposits accounts	698,550,116	1,422,126,469	713,719,699	1,406,956,886

Table 6.30
Deposit and trust accounts—concluded

(in dollars)

	April 1, 2020	Receipts and other credits	Payments and other charges	March 31, 2021
Trust accounts				
Employment, Workforce Development and Disability Inclusion				
Department of Employment and Social Development				
Indian Residential Schools Settlement Agreement				
Common experience payments	15,367,267	16,528	13,426,443	1,957,352
Indigenous Services				
Department of Indigenous Services				
Indian band funds				
Capital accounts, Table 6.31	382,067,200	37,376,598	62,556,144	356,887,654
Revenue accounts, Table 6.32	161,904,828	67,458,415	60,593,179	168,770,064
	543,972,028	104,835,013	123,149,323	525,657,718
Indian estate accounts	31,083,977	8,318,780	6,781,020	32,621,737
Indian savings accounts	23,126,274	1,562,786	2,162,860	22,526,200
	598,182,279	114,716,579	132,093,203	580,805,655
Innovation, Science and Economic Development				
Department of Industry				
Restitutions under the <i>Competition Act</i>	4,534	18,277	–	22,811
National Defence				
Department of National Defence				
Estates—Armed services	1,255,795	1,427,408	1,786,168	897,035
Public Safety and Emergency Preparedness				
Canadian Security Intelligence Service				
Scholastic awards	26,487	46	–	26,533
Correctional Service of Canada				
Inmate Trust Fund	17,500,199	41,904,162	38,329,594	21,074,767
Royal Canadian Mounted Police				
Benefit Trust Fund	2,470,155	264,800	126,020	2,608,935
	19,996,841	42,169,008	38,455,614	23,710,235
Veterans Affairs				
Department of Veterans Affairs				
Administered accounts	256,000	51,044	206,912	100,132
Veterans Administration and Welfare Trust Fund	1,012,630	32,135	9,030	1,035,735
	1,268,630	83,179	215,942	1,135,867
Total—Trust accounts	636,075,346	158,430,979	185,977,370	608,528,955
Total—Deposit and trust accounts	1,334,625,462	1,580,557,448	899,697,069	2,015,485,841

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.

Canada Labour Code—Other

This account was established to record amounts received under the provisions of section 251.01 of the *Canada Labour Code* Part III. The receipts are payment of wages or other amounts prescribed under the Code that a labour affairs officer determined to be owed following a complaint or an inspection. Employers can pay the amount owed to the Head of Compliance and Enforcement instead of paying them directly to the employee. These amounts are then paid out to the employees.

Canada Labour Code—Wage recovery request for review or appeal

This account was established to record amounts following the issuance of a payment order under section 251.1 of the *Canada Labour Code* Part III. This account contains amounts that were remitted by an employer or a director who request a review or an appeal of a payment order issued by a labour affairs officer regarding wages or amounts that are owed to employees. This account also includes, in the case of an employer, the administrative fees specified in the payment order. One of the conditions to allow for a review or an appeal is that the employer or director must pay the amounts indicated in the payment order, and in the case of an employer, the administrative fees specified, or the amount indicated in the Head of Compliance and Enforcement's (the Head) review decision, to the Head for deposit. This amount is held until the review or the appeal is completed after which it will be remitted to the employee, the employer, the director or both where applicable, less any administrative fees as they are a debt due to Her Majesty in right of Canada. However, if the review or appeal is overturned in favour of the employer, the administrative fees may be refunded in whole or in part, to the employer, depending on the appeal decision. The deposits in this account, with the exception of the administrative fees, are interest-bearing at the rate set by the Minister of Finance for contractor's deposits.

Contractor security deposits—Cash—Parks Canada Agency

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

Holdback—Privatization—Canada Development Investment Corporation

This account was established pursuant to subsection 129(1) of the *Financial Administration Act*. This special purpose money is to be used to meet costs incurred on the sale of Crown corporations and demand for payment by purchasers pursuant to the acquisition agreement and costs incurred by the Canada Development Investment Corporation in connection with their sale. No transaction during fiscal year 2020-2021.

Abandonment Reserve Fund—Canada Hibernia Holding Corporation

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

Swap collateral guarantee deposits

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

Included in the balance is an amount of \$133,083 million US held at year-end.

Contractor security deposits—Cash—Department of Fisheries and Oceans

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

Guarantee deposits—Fish habitat preservation

This account was established to record cash and securities deposited as guarantees for preservation of fish habitat as required by permits, leases or authorizations, 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.

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)

	2021	2020
Opening balance	382,067,200	400,301,654
Receipts and other credits		
Gas royalties.....	28,899,634	18,317,828
Oil royalties.....	6,615,429	19,331,135
Sundries	1,861,535	4,943,137
	37,376,598	42,592,100
	419,443,798	442,893,754
Payments and other charges		
Per capita cash distribution.....	7,716,900	4,388,051
Transfer pursuant to section 64 of the <i>Indian Act</i>	53,671,193	51,238,926
Sundries	1,168,051	5,199,577
	62,556,144	60,826,554
Closing balance.....	356,887,654	382,067,200

Table 6.32
Indian band funds—Revenue accounts

(in dollars)

	2021	2020
Opening balance	161,904,828	179,299,566
Receipts and other credits		
Government interest	6,386,699	9,268,911
Land and other claim settlements	635	5,299,461
Sundries	61,071,081	70,485,584
	67,458,415	85,053,956
	229,363,243	264,353,522
Payments and other charges		
Per capita cash distribution.....	1,106,598	—
Transfer pursuant to section 69 of the <i>Indian Act</i>	52,465,877	89,722,587
Sundries	7,020,704	12,726,107
	60,593,179	102,448,694
Closing balance.....	168,770,064	161,904,828

Indian estate accounts

These accounts were established to record funds received and disbursed for estates of deceased Indians and dependent adult Indians pursuant to sections 42 to 51 of the *Indian Act* and for absent or missing heirs pursuant to the *Indian Estates Regulations*.

Indian savings accounts

These accounts were established to record funds received and disbursed for individual Indians pursuant to sections 52 to 52.5 of the *Indian Act*.

Restitutions under the *Competition Act*

This account was established to facilitate judgements rendered under section 52 of the *Competition Act*, and account for funds received in trust for restitution and for subsequent payment.

Estates—Armed services

This account was established to record payments made to settle the service estates of officers and non-commissioned members who die during their service in the Canadian Armed Forces in accordance with section 42 of the *National Defence Act*. Under the administration of the Judge Advocate General, in her capacity as Director of Estates, the net assets of a deceased member's service estate are distributed to the legal representative of the member's estate.

Scholastic awards

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

Inmate Trust Fund

Pursuant to section 111 of the Corrections and Conditional Release Regulations, this account is credited with all moneys brought into the institution by an inmate on admission or readmission, and all moneys that are received on the inmate's behalf while in custody, including, monetary gifts from a third party, payments for program participation, pay earned while on work release or conditional release in the community, moneys received from a third party for work performed in an institution or a Correctional Service of Canada approved inmate operated business enterprise, sale of hobby craft or custom work, a payment, allowance or income paid by either a private or government source. Deductions may be made from this account for issues such as debts to the Crown, the Inmate Welfare Fund, canteen expenditures, telephone calls, payments to assist in the rehabilitation of the inmate, and any other payments for which the inmate is liable.

Benefit Trust Fund

This account was established by section 23 of the *Royal Canadian Mounted Police Act*, to record funds received by personnel of the Royal Canadian Mounted Police (RCMP), in connection with the performance of duties, over and above their pay and allowances, including forfeitures of pay. The money paid to the Benefit Trust Fund is used for the benefit of RCMP members, former members and their dependants; use of the funds is governed by the Royal Canadian Mounted Police Regulations, 2014.

Administered accounts

Pursuant to section 41 of the *Pension Act*, section 15 of the *War Veterans Allowance Act*, section 55 of the Veterans Treatment Regulations and section 8 of the Guardianship of Veterans Property Regulations, these accounts are under the jurisdiction of the Department of Veterans Affairs. Funds held in these accounts include: (a) pensions, war veterans allowances and treatment allowances placed under the administration of the Department of Veterans Affairs; and (b) benefits from other sources such as Old Age Security, Guaranteed Income Supplement or Canada Pension Plan, placed under administration with the consent of the client. These persons have demonstrated their inability to manage their own affairs.

Payments are made out of the accounts to provide food, shelter, clothing, comforts and other necessities.

Veterans Administration and Welfare Trust Fund

This account was established to record donations, legacies, gifts, bequests, etc., received, to be disbursed for the benefit of veterans or their dependants under certain conditions, and for the benefit of patients in institutions, in accordance with section 9 of the Guardianship of Veterans' Property Regulations.

Other specified purpose accounts

There are a number of other specified purpose accounts operated by the government, such as insurance, death benefit and pension accounts. Certain accounts earn interest which is charged to interest on the public debt.

Table 6.33
Other specified purpose accounts

(in dollars)

	April 1, 2020	Receipts and other credits	Payments and other charges	March 31, 2021
Insurance and death benefit accounts				
Employment, Workforce Development and Disability Inclusion Department of Employment and Social Development				
Civil Service Insurance Fund	1,102,071	–	175,285	926,786
National Defence				
Department of National Defence				
Regular Force Death Benefit Account, Table 6.34	172,222,899	29,358,035	30,682,900	170,898,034
Treasury Board				
Treasury Board Secretariat				
Public Service Death Benefit Account, Table 6.35	3,880,168,916	272,720,195	176,001,835	3,976,887,276
Veterans Affairs				
Department of Veterans Affairs				
Returned Soldiers' Insurance Fund	5,728	–	1,860	3,868
Veterans' Insurance Fund	854,061	33,549	70,409	817,201
	859,789	33,549	72,269	821,069
Total—Insurance and death benefit accounts	4,054,353,675	302,111,779	206,932,289	4,149,533,165
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	10,905,126	336,914	2,480,848	8,761,192
Total—Pension accounts	10,985,692	336,914	2,480,848	8,841,758
Other accounts				
Agriculture and Agri-Food				
Department of Agriculture and Agri-Food				
AgriInvest Program	3,974,455	215,393,717	215,840,563	3,527,609
AgriStability Program	52,386,564	37,236,791	35,969,850	53,653,505
Collaborative Institution	656,200	357,252	626,285	387,167
Federal/provincial collaborative agreement—Dam transfer	–	1,117,982	779,913	338,069
Foreign missions to advance Canadian agriculture	–	3,300	3,300	–
	57,017,219	254,109,042	253,219,911	57,906,350
Canadian Heritage				
Department of Canadian Heritage				
Miscellaneous projects deposits	523,557	865,069	100,992	1,287,634
Shared-cost/joint project agreements	753,947	208,403	–	962,350
Library and Archives of Canada				
Special Operating Account	–	425,000	–	425,000
Telefilm Canada				
Advance Account	56,974,211	26,772,448	15,761,130	67,985,529
	58,251,715	28,270,920	15,862,122	70,660,513

Table 6.33
Other specified purpose accounts—continued

(in dollars)

	April 1, 2020	Receipts and other credits	Payments and other charges	March 31, 2021
Employment, Workforce Development and Disability Inclusion				
Department of Employment and Social Development				
Federal/provincial collaborative agreement	3,030,129	68,306,039	65,418,718	5,917,450
Federal/provincial shared-cost project	395,498	21,724	11,997	405,225
Federal/provincial/territorial shared-cost project				
Interprovincial Computerized Examination				
Management System	2,765,911	731,508	462,350	3,035,069
Labour Standards Suspense Account	1,907,679	21,605	–	1,929,284
	8,099,217	69,080,876	65,893,065	11,287,028
Environment and Climate Change				
Parks Canada Agency				
Miscellaneous projects deposits	5,787,823	2,030,302	2,095,632	5,722,493
Finance				
Department of Finance				
Common school funds—Ontario and Quebec	2,677,771	–	–	2,677,771
Foreign Claims Fund	179,020	–	–	179,020
War Claims Fund—World War II	4,236	–	–	4,236
	2,861,027	–	–	2,861,027
Fisheries, Oceans and the Canadian Coast Guard				
Department of Fisheries and Oceans				
Federal/provincial cost-sharing agreements	26,084,601	33,215,596	7,898,043	51,402,154
Miscellaneous projects deposits	15,842,226	3,630,003	7,599,844	11,872,385
Sales of seized assets	2,007,032	386,088	480,214	1,912,906
	43,933,859	37,231,687	15,978,101	65,187,445
Global Affairs				
Department of Foreign Affairs, Trade and Development				
Canada Foundation Account	380,559	13,624	–	394,183
Less:				
Deposits in a special bank account	12,271	–	8,067	20,338
Securities held in trust	368,288	–	5,557	373,845
	–	13,624	13,624	–
Financial assistance to Canadians abroad	88,794	277,305	316,021	50,078
Funds from non-governmental organizations	715,046	2,182,165	1,379,540	1,517,671
Shared-cost projects	8,910,113	9,760,386	9,463,670	9,206,829
Shared-cost projects—Support to various programs	230,505	–	–	230,505
	9,944,458	12,233,480	11,172,855	11,005,083
Health				
Department of Health				
Collaborative research projects	3,547,253	1,023,342	568,383	4,002,212
Miscellaneous federal/provincial projects	1,921,824	123,811	432,335	1,613,300
World Health Organization	105,908	–	–	105,908
Canadian Food Inspection Agency				
Shared-cost agreements	872,470	1,241,052	336,712	1,776,810
Public Health Agency of Canada				
Collaborative research projects	640,406	308,290	281,547	667,149
Miscellaneous federal/provincial projects	972,870	–	–	972,870
	8,060,731	2,696,495	1,618,977	9,138,249
Immigration, Refugees and Citizenship				
Department of Citizenship and Immigration				
Immigrant Investor Program	3,200,000	21,018,924	22,000,000	2,218,924
Indigenous Services				
Department of Indigenous Services				
Fines— <i>Indian Act</i>	424,483	1,380	–	425,863
Indian band funds—Shares and certificates	20,000	–	–	20,000
Less: securities held in trust	20,000	–	–	20,000
	–	–	–	–
Indian Moneys Suspense Account	42,035,592	12,016,261	4,026,781	50,025,072
Indian special accounts	3,202	–	–	3,202
Miscellaneous federal/provincial projects	9,599,256	4,750,000	–	14,349,256
Less: securities held in trust	9,500,000	–	4,750,000	14,250,000
	99,256	4,750,000	4,750,000	99,256
	42,562,533	16,767,641	8,776,781	50,553,393

Table 6.33
Other specified purpose accounts—continued

(in dollars)

	April 1, 2020	Receipts and other credits	Payments and other charges	March 31, 2021
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	2,091,029	789,191	355,168	2,525,052
Unclaimed dividends and undistributed assets				
<i>Bankruptcy and Insolvency Act</i>	33,503,551	1,723,673	350,714	34,876,510
<i>Canada Business Corporations Act</i>	9,616,709	343,467	119,604	9,840,572
<i>Winding-up and Restructuring Act</i>	5,018,318	–	–	5,018,318
Atlantic Canada Opportunities Agency				
Federal/Provincial agreement—Advance account	1,263,743	1,234,667	1,134,673	1,363,737
Canadian Space Agency				
Solar Wind Magnetosphere Ionosphere Link Explorer				
Ultra-Violet Imager (SMILE-UVI)	415,542	6,558,000	6,973,542	–
Statistics Canada				
Project deposits	614,437	140,261,101	140,726,450	149,088
	53,262,227	150,910,099	149,660,151	54,512,175
Justice				
Administrative Tribunals Support Service of Canada				
Yukon Public Service Labour Relations Board	–	20,000	–	20,000
Yukon Teachers Labour Relations Board	–	20,000	–	20,000
Courts Administration Service				
Special Account	5,430,687	1,639,273	1,056,759	6,013,201
	5,430,687	1,679,273	1,056,759	6,053,201
National Defence				
Department of National Defence				
Joint research and development projects	2,152,704	–	91,223	2,061,481
Non-government agencies	2,503,452	980,839	1,154,734	2,329,557
	4,656,156	980,839	1,245,957	4,391,038
National Revenue				
Canada Revenue Agency				
Deposits/Disbursements—Workers' Compensation Board.....	80,912	302,868,687	302,716,334	233,265
Natural Resources				
Department of Natural Resources				
Market development incentive payments—Alberta	207,251	–	160,836	46,415
Newfoundland and Labrador Offshore Petroleum Revenue Account	–	170,185,283	170,185,283	–
Nova Scotia Offshore Revenue Account	–	16,963,293	16,963,293	–
Shared-cost agreements—Research.....	5,954,067	1,694,756	1,025,875	6,622,948
Shared-cost projects	376,869	5,705,101	1,117,018	4,964,952
	6,538,187	194,548,433	189,452,305	11,634,315
Office of the Governor General's Secretary				
Cost-sharing collaborate agreements.....	977	–	–	977
Privy Council				
Privy Council Office				
Shared-cost projects—Media travel expenses.....	990,868	–	68,982	921,886
Public Safety and Emergency Preparedness				
Royal Canadian Mounted Police				
Joint research and development projects	1,302,454	146,914	–	1,449,368
Public Services and Procurement				
Department of Public Works and Government Services				
Military purchases excess funds deposit	140,807,466	5,340,909	–	146,148,375
Less: securities held in trust.....	140,807,466	–	5,340,909	146,148,375
	–	5,340,909	5,340,909	–

Table 6.33
Other specified purpose accounts—concluded

(in dollars)

	April 1, 2020	Receipts and other credits	Payments and other charges	March 31, 2021
Transport				
Department of Transport				
Shared-cost agreements—Security projects.....	2,251,058	–	65,713	2,185,345
Treasury Board				
Treasury Board Secretariat				
Association of Canadian Financial Officers shared-cost agreement..	–	407,648	3,622	404,026
Total	314,232,108	1,100,322,169	1,046,228,176	368,326,101
Less: consolidation adjustment ¹	56,974,211	26,772,448	15,761,130	67,985,529
Total—Other accounts	257,257,897	1,073,549,721	1,030,467,046	300,340,572
Total—Other specified purpose accounts.....	4,322,597,264	1,375,998,414	1,239,880,183	4,458,715,495

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, 2021, was 80 and the average age of the policyholders was 94.7 years. Death benefits, settlement annuities and premium refunds of \$66,153 were paid during 2021. There are no more premiums to be collected.

According to the actuarial valuation and with the prescribed actuarial assumptions, the liabilities in respect of the benefits provided under the Act are estimated at \$926,786 as at March 31, 2021. The surplus as at March 31, 2021, is \$109,132. Pursuant to subsection 16(4) of the Civil Service Insurance Regulations, an amount of \$109,132 has therefore been debited from the account in 2021.

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)

	2021	2020
Opening balance	172,222,899	179,510,719
Receipts and other credits		
Employee contributions.....	20,017,843	19,094,611
Employer contributions		
Government		
General.....	2,002,798	2,346,881
Single premiums payable by the government in respect of Regular Force participants who became entitled to a basic benefit of \$5,000 without contribution	1,429,849	–
Interest	5,907,545	6,656,375
Total receipts and other credits	29,358,035	28,097,867
Subtotal.....	201,580,934	207,608,586
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	30,682,900	35,385,687
Closing balance.....	170,898,034	172,222,899

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)

	2021	2020
Opening balance	3,880,168,916	3,799,864,724
Receipts and other credits		
Employee contributions		
Active members		
Public Service employees	88,589,273	80,877,905
Public Service corporations	6,501,689	6,136,047
Retired employees	27,630,130	27,473,405
Employer contributions		
Public Service corporations	1,715,552	1,615,620
Death benefit—general	11,521,842	12,482,150
Death benefit—single premium for \$10,000	3,245,641	3,193,021
Interest	133,516,068	140,761,844
Total receipts and other credits	272,720,195	272,539,992
Subtotal	4,152,889,111	4,072,404,716
Payments and other charges		
Benefit payments		
General	138,242,099	149,747,301
Life coverage for \$10,000	37,739,736	42,450,000
Other death benefit payments	20,000	38,499
Total payments and other charges	176,001,835	192,235,800
Closing balance	3,976,887,276	3,880,168,916

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, 2020, of \$1,054 was charged to the account during the year and was credited to revenues. The final date on which application for this insurance could have been received was 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, 2020, of \$33,549 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.

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.

Federal/provincial collaborative agreement

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

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

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

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

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

Labour Standards Suspense Account

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

Miscellaneous projects deposits—Parks Canada Agency

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

Common school funds—Ontario and Quebec

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

Foreign Claims Fund

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

War Claims Fund—World War II

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

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

Federal/provincial cost-sharing agreements

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

Miscellaneous projects deposits—Department of Fisheries and Oceans

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

Sales of seized assets

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

Canada Foundation Account

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

Financial assistance to Canadians abroad

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

Funds from non-governmental organizations

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

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

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

Shared-cost projects—Support to various programs

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

Collaborative research projects—Department of Health

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

Miscellaneous federal/provincial projects—Department of Health

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

World Health Organization

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

Shared-cost agreements—Canadian Food Inspection Agency

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

Collaborative research projects—Public Health Agency of Canada

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

Miscellaneous federal/provincial projects—Public Health Agency of Canada

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

Immigrant Investor Program

This account was established to record the receipt and disbursement of amounts received under the federal Immigrant Investor Program in accordance with section 12(2) of the *Immigration and Refugee Protection Act* and section repealed 91(d) of the *Immigration and Refugee Protection Regulations*. This program allowed qualified immigrants to gain permanent residence in Canada by making an investment in the Canadian economy. The investment is returned to the investor, without interest, five years and two months after initial payment.

The *Economic Action Plan 2014 Act, No. 1* (Bill C-31) has put an end to requests for applications in the federal Immigrant Investor Program for which a selection decision has not been made before February 11, 2014. While the program has been terminated, outstanding investments will continue to be returned to investors until May 2024.

Fines—Indian Act

Until 2014, fines collected as defined in section 104 of the *Indian Act*, were credited to this account for the benefit of the bands. This account is non-interest bearing.

Indian band funds—Shares and certificates

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

Indian Moneys Suspense Account

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

Indian special accounts

Indian special accounts represent a number of non-interest bearing accounts which are maintained for specific purpose. No activity was reported in the current year.

Miscellaneous federal/provincial projects—Department of Indigenous Services

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

Income from securities in trust—Bankruptcy and Insolvency Act

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

Petro-Canada Enterprises Inc.—Unclaimed shares

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

Shared-cost projects—Department of Industry

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

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

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

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

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

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

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

Federal/provincial agreement—Advance Account

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

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).

Project deposits—Statistics Canada

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

Yukon Public Service Labour Relations Board

This specified purpose account was created to cover expenses incurred by the Administrative Tribunals Support Service of Canada (ATSSC) for the government of Yukon. A ATSSC tribunal provides mediation services to the Yukon Public Services Labour Relations Board and to the Yukon Teachers Labour Relations Board. There is a total of \$20,000 for each board that was advanced to the ATSSC from the government of Yukon.

Yukon Teachers Labour Relations Board

This specified purpose account was created to cover expenses incurred by the Administrative Tribunals Support Service of Canada (ATSSC) for the government of Yukon. A ATSSC tribunal provides mediation services to the Yukon Public Services Labour Relations Board and to the Yukon Teachers Labour Relations Board. There is a total of \$20,000 for each board that was advanced to the ATSSC from the government of Yukon.

Special Account—Courts Administration Service

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

Joint research and development projects—Department of National Defence

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

Non-government agencies

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

Deposits/Disbursements—Workers' Compensation Board

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

Market development incentive payments—Alberta

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

In 2009–2010, a strategy for the expenditure of these funds was agreed upon. This strategy consists of expending the remaining funds in support of expanding the use of natural gas in transportation and combined heat and power applications across Canada. All remaining funds have been allocated by March 31, 2021, and will be disbursed by August 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.

Association of Canadian Financial Officers shared-cost agreement

This account was established to record funds received from the Association of Canadian Financial Officers (ACFO) as part of a cost sharing agreement between the Treasury Board of Canada Secretariat and the ACFO to cover the costs of a joint pay equity study.

Shared-cost 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

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

Gatineau, Canada
August 30, 2021

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 2021, 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 2021 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
30 August 2021

Canada Pension Plan—continued

Consolidated statement of financial position
as at March 31

(in millions of dollars)

	2021	2020 ¹
Financial assets		
Cash (Note 3)	364	473
Receivables (Note 4)	6,159	6,393
Investments (Note 6)	595,952	535,464
Pending trades receivable (Note 6)	2,663	6,944
	605,138	549,274
Liabilities		
Payables and accrued liabilities (Note 8)	1,466	1,368
Investment liabilities (Note 6)	98,158	127,062
Pending trades payable (Note 6)	3,191	5,702
	102,815	134,132
Financial assets available for benefit payments	502,323	415,142
Non-financial assets		
Premises, equipment and others	505	495
Assets available for benefit payments	502,828	415,637

¹ Certain comparatives have been reclassified to conform to the current year's presentation (Note 19).

Actuarial obligation in respect of benefits (Note 14)
 Contractual obligations and commitments (Note 15)
 Contingent liabilities (Note 16)

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

Approved by:

Graham Flack
 Deputy Minister
 Employment and Social Development Canada

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

Canada Pension Plan—continued

Consolidated statement of operations
for the year ended March 31

(in millions of dollars)

	Budget 2021	Actual 2021	Actual 2020 ¹
	(Note 9)		
Revenues			
Contributions.....	56,777	55,331	56,142
Net investment income			
Investment income (Note 10).....		87,548	15,726
Investment-related expenses (Note 10).....		(2,186)	(2,370)
	20,662	85,362	13,356
	77,439	140,693	69,498
Expenses			
Pensions and benefits			
Retirement.....	40,936	40,281	38,333
Survivor.....	4,809	4,808	4,745
Disability.....	4,495	4,441	4,277
Disabled contributor's child.....	342	318	316
Death.....	425	432	408
Orphan.....	220	211	217
Post-retirement.....	–	799	683
Post-retirement disability.....	–	37	17
Net overpayments (Note 4).....	–	(112)	(95)
	51,227	51,215	48,901
Operating expenses (Note 12).....	1,961	2,287	1,976
	53,188	53,502	50,877
Net increase in assets available for benefit payments.....	24,251	87,191	18,621
Assets available for benefit payments, beginning of year.....	415,637	415,637	397,016
Assets available for benefit payments, end of year.....	439,888	502,828	415,637

¹ Certain comparatives have been reclassified to conform to the current year's presentation (Note 19).

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 2021	Actual 2021	Actual 2020
	(Note 9)		
Net increase in assets available for benefit payments.....	24,251	87,191	18,621
Changes in non-financial assets.....	–	(10)	(46)
Increase in financial assets available for benefit payments.....	24,251	87,181	18,575
Financial assets available for benefit payments, beginning of year.....	415,142	415,142	396,567
Financial assets available for benefit payments, end of year.....	439,393	502,323	415,142

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)

	2021	2020 ¹
Cash flows from operating activities		
Net increase in assets available for benefit payments	87,191	18,621
Adjustments for non-cash items:		
Amortization of premises and equipment	60	50
(Gains) losses on debt financing liabilities (Note 6i)	(3,751)	2,857
Adjustments for net changes in operating assets and liabilities:		
(Increase) in investments	(60,488)	(40,015)
Decrease (increase) in pending trades receivable	4,281	(2,477)
(Decrease) increase in investment-related liabilities	(26,958)	15,309
(Decrease) increase in pending trades payable	(2,511)	1,999
Decrease (increase) in other assets and receivable	209	(862)
Increase in accounts payable and accrued liabilities	98	95
Net cash flows provided by operating activities	(1,869)	(4,423)
Cash flows from financing activities		
Proceeds from debt financing liabilities (Note 6i)	12,839	29,507
Repayments of debt financing liabilities (Note 6i)	(11,034)	(24,830)
Net cash flows provided by financing activities	1,805	4,677
Cash flows from capital activities		
Acquisition of premises and equipment	(45)	(32)
Net cash flows (used in) capital activities	(45)	(32)
Net (decrease) increase in cash	(109)	222
Cash, beginning of year	473	251
Cash, end of year	364	473

¹ Certain comparatives have been reclassified to conform to the current year's presentation (Note 19).

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, 2021****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), known as CPP Investments in the CPPIB Annual Report, 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 are owned by Her Majesty the Queen in right of Canada.

CPPIB is designed to operate at arm's length from the government. It is required to be accountable to the public, 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 increases the amount of CPP contributions and the corresponding pensions and post-retirement benefits that will be paid on CPP contributions made after December 31, 2018.

As a result, the CPP comprises of two separate accounts, one for the base CPP (CPP Account) and one for the additional CPP (Additional CPP Account), collectively referred to as the CPP Accounts, where the financial activities are recorded in the Account to which they relate (Note 18). 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, 2021—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 2021 is \$1,203.75 (2020 – \$1,175.83).

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 2021 is \$30.09 (2020 – \$29.40).

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 2021 is \$1,413.66 (2020 – \$1,387.66).

Post-retirement disability benefits – According to the provisions of the *Canada Pension Plan*, a post-retirement disability benefit is payable to an individual under the age of 65 in receipt of a retirement pension who meets the same medical and contributory criteria as the disability pension. The post-retirement disability benefit is equal to the flat rate portion of the disability pension and is added to individual's retirement pension. Like the disability pension, the post-retirement disability benefit ends automatically at age 65, when the recipient becomes eligible for benefits under the Old Age Security program. The maximum monthly post-retirement disability benefit in 2021 is \$510.85 (2020 – \$505.79).

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 2021 is \$650.72 (2020 – \$638.28) and to a survivor 65 and over in 2021 is \$722.25 (2020 – \$705.50).

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 2021 is \$257.58 (2020 – \$255.03).

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 2021 (2020 – 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 2021 is 1.0% (2020 – 1.9%).

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2021—continued****2. Significant accounting policies****(a) Basis of accounting**

These financial statements have been prepared in accordance with the significant accounting policies described below in compliance with the *Canada Pension Plan*. The financial statements are presented on a consolidated basis to include the accounts of the CPP and CPPIB and include a consolidated statement of financial position, a consolidated statement of operations, a consolidated statement of changes in financial assets available for benefit payments and a consolidated statement of cash flow.

The CPP, which is managed by both the GoC and the provinces, is not considered to be part of the reporting entity of the GoC. Accordingly, its financial activities are not consolidated with those of the GoC.

(b) International Financial Reporting Standards

CPPIB, which is a significant component of the CPP consolidated financial statements, prepares its financial statements in accordance with International Financial Reporting Standards (IFRS). CPPIB qualifies as an investment entity and reports the results of its operations in accordance with IFRS 10 - *Consolidated Financial Statements*. As a consequence, CPPIB's consolidated financial statements represent the results of operations of CPPIB and its wholly owned subsidiaries that were created to provide investment-related services to support its operations. Operating subsidiaries of this nature include those that provide investment advisory services or subsidiaries that were created to provide financing to CPPIB.

Subsidiaries that are managed by CPPIB to hold investments are referred to herein as investment holding subsidiaries. Such subsidiaries are not consolidated in CPPIB's consolidated financial statements but instead are measured at fair value in accordance with IFRS 9, *Financial Instruments*, and reported as investments in CPPIB's Consolidated Balance Sheet.

There is no impact on financial assets available for benefit payments and net increase in assets available for benefit payments as a result of CPPIB preparing its financial statements in accordance with IFRS. Certain incremental financial statement disclosures from CPPIB financial statements related to investments and investment liabilities are included as supplementary information in these consolidated financial statements.

(c) Financial instruments

The CPP, through CPPIB, classifies its financial assets and financial liabilities, in accordance with IFRS 9, *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 under the following situations: (a) when the contractual rights to receive the cash flows from the financial asset expire, (b) when CPP, through CPPIB, has transferred the financial asset and substantially all the risks and rewards of the asset, or (c) in cases where CPP, through CPPIB, has neither retained nor transferred substantially all risks and rewards of the asset, it no longer retains control over the asset. CPP, through CPPIB, derecognizes a financial liability when the obligation under the liability is discharged, cancelled or expires.

Upon initial recognition, financial instruments are measured at fair value. They continue to be measured at fair value or amortized cost. Subsequent changes in the fair value are recorded as realized and unrealized gains and losses on investments and included in net investment income (loss), along with the interest and dividend incomes from such financial instruments.

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2021—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) Investment-related expenses

Investment-related expenses include borrowing costs, investment management fees and transactions 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.

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.

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.

Borrowing costs, investment management fees and transaction costs borne by the investment holding subsidiaries are recognized as part of the unrealized gain or loss on investment holding subsidiaries.

(h) Foreign currency translation

Transactions, including purchases and sales of investments, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Investments and monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing on the year-end date. Non-monetary items in a foreign currency are measured at historical cost 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 investment income.

(i) Pensions and benefits

Pensions and benefits expenses are recorded when incurred and are net of overpayments established during the year. Accruals are recorded at year-end for pensions and benefits owed to beneficiaries but not paid, based on management's best estimate.

(j) Tax deductions due to the Canada Revenue Agency

Tax deductions due to the CRA consist primarily of voluntary and non-resident taxes withheld from pensions and benefit payments to CPP beneficiaries (refer to Note 8).

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2021—continued**

(k) Net overpayments

Net overpayments comprise overpayments of pensions and benefits that were established during the year less remissions of debts granted.

(l) Operating expenses

Operating expenses are recorded as incurred.

(m) Other claims and legal actions

The CPP records an allowance for claims and legal proceedings when it is likely that there will be a future payment and a reasonable estimate can be made.

(n) Related party transactions

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions are recorded on a gross basis and are measured at the carrying amount, except for the following:

- i. Inter-entity transactions are measured at the exchange amount when undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length, or when the costs of goods or services are provided on a recovery basis.
- ii. Goods or services received without charge between commonly controlled entities are not recorded.

Related parties include key management personnel having authority and responsibility for planning, directing and controlling the activities of the CPP, including their close family members. Related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

(o) Measurement uncertainty

The preparation of the consolidated financial statements in accordance with the *Canada Pension Plan* requires management to make estimates, judgments and assumptions that affect the amounts recognized for assets and liabilities, principally the valuation of financial instruments, which are not actively traded. The COVID-19 pandemic continues to have widespread impact around the world, despite the equity markets having rebounded since their initial decline. Uncertainty about these estimates, judgments, assumptions and continuous impacts from the COVID-19 pandemic may result in outcomes that could require a material adjustment to the carrying amount of the affected assets or liabilities in the future.

Significant estimates, judgments and assumptions are also required for the revenues and expenses during the reporting period, principally in determining the estimated contributions, 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 14, management makes estimates, judgments and assumptions based on the best information available at the time of the preparation of these financial statements. Measurement uncertainty exists in these consolidated financial statements. Actual results could significantly differ from those estimates.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2021—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, 2021, the deposit with the Receiver General for Canada in the CPP Accounts is \$139 million (2020 – \$279 million) and CPPIB's cash is \$225 million (2020 – \$194 million) for a total of \$364 million (2020 – \$473 million).

4. Receivables

Receivables comprise the following, as at March 31:

(in millions of dollars)

	2021	2020
Contributions	5,899	6,124
Québec Pension Plan	114	138
Beneficiaries		
Balance of pensions and benefits overpayments	193	159
Allowance for doubtful accounts	(113)	(83)
Others	66	55
	6,159	6,393

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 (2020 – \$122 million) were established and debts totalling \$9 million (2020 – \$28 million) were forgiven as per the remission provisions of the *Canada Pension Plan*. A further \$79 million (2020 – \$89 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 Investment 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 in accordance with the mandate of CPPIB.

Upper and lower absolute risk limits and the absolute risk operating range are included within the Investment Risk Management Policy, and these govern the amount of total investment risk that CPPIB can take in the base CPP Investment Portfolio and additional CPP Investment Portfolio (collectively the CPPIB Investment Portfolios). CPPIB monitors potential investment losses in CPPIB Investment Portfolios daily and reports to the Board of Directors on at least a quarterly basis.

The COVID-19 pandemic continues to have widespread impact around the world, despite the equity markets having rebounded since their initial decline. Throughout this volatile environment, CPP, through CPPIB, continues to remain within all risk limits established by its Board of Directors, including limits related to market, credit, liquidity and leverage risks.

As part of the ongoing monitoring, CPP, through CPPIB, perform scenarios analysis to quantify the impact of potential stress events and identify potential vulnerabilities that may not be fully captured by the standard risk models, including how severe market or geopolitical events could affect its portfolios, which are run on a regular basis. In addition to the standard stress scenarios, CPP, through CPPIB, also performs more bespoke analysis on scenarios, including identifying and assessing the impact of the key investment risk drivers in two years from a macro-economic, financial market and geopolitical perspective, to develop a view on what the world may look like post COVID-19.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2021—continued**

- i. *Market risk:* Market risk (including equity risk, interest rate risk, credit spread risk and currency risk) is the risk that the fair value of an investment or investment liability will fluctuate because of changes in market prices and rates.

Equity risk: Equity risk is the risk that the fair value will fluctuate because of changes in equity prices. It is a significant source of risk of the CPPIB Investment Portfolios.

The CPP, through CPPIB, invests in both publicly traded and private equities. With all other variables held constant, a 1% decrease/increase in the S&P 500 Index would result in a loss/profit of \$1,184 million (2020 – \$944 million) on public equity investments. This calculation assumes that equities other than the S&P 500 Index would move in accordance with their historical behaviour conditional on a 1% decrease/increase in the S&P 500 Index.

Interest rate risk: Interest rate risk is the risk that the fair value of an investment or investment-related liability will fluctuate because of changes in market interest rates.

Applicable to debt instruments and interest-rate-sensitive derivatives, with all other variables held constant, a 1 basis point increase/decrease in nominal risk-free rates would result in a decrease/increase of \$89 million (2020 – \$98 million) in the value of investments directly impacted by interest rate changes. Please note that the comparative information of \$98 million in 2020 has been reclassified to conform to the current year's presentation (25 basis point vs 1 basis point).

Credit Spread risk: Credit spread risk is the difference in yield on certain securities compared to a comparable risk-free security (i.e government issued) with the same maturity date. Credit spread risk is the risk that the fair value of these securities will fluctuate because of changes in credit spread.

With all other variables held constant, a 1 basis point widening of credit spread rates would result in a decrease in net assets by \$34 million (2020 – \$37 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	2021		2020	
	Net exposure	% of total	Net exposure	% of total
United States dollar	280,198	56	230,536	56
Euro	31,580	6	25,921	6
Chinese renminbi	23,391	5	14,954	4
British pound sterling	16,238	3	15,438	4
Hong Kong dollar	14,596	3	11,526	3
Australian dollar	13,829	3	12,669	3
Indian rupee	10,340	2	7,897	2
Japanese yen	6,407	1	8,153	2
Brazilian real	5,439	1	3,813	1
Mexican peso	4,325	1	1,948	–
Swiss franc	3,546	1	3,286	1
Korean won	3,453	1	1,818	–
Other	11,701	2	9,658	3
Total foreign exposure	425,043	85	347,617	85
Canadian dollar	72,223	15	62,027	15
	497,266	100	409,644	100

As at March 31, 2021, with all other variables and underlying values held constant, a 10% appreciation/depreciation of the Canadian dollar against all other currencies would result in a decrease/increase in net investments by \$42,504 million (March 31, 2020 – \$34,762 million).

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2021—continued

- ii. *Credit risk:* Credit risk is the risk of the potential permanent loss of investment value due to direct or indirect counterparty exposure to a defaulted entity and/or financial losses due to deterioration of an entity's credit quality. The CPP's, through CPPIB, credit risk exposure arises primarily through its investment in debt securities and over-the-counter derivatives (as discussed in Note 6g). The carrying amounts of the investments are presented in Note 6.
- iii. *Liquidity and leverage risk:* Liquidity and leverage risk is the risk of being unable to generate sufficient cash or its equivalent in a timely and cost-effective manner to meet pensions and benefit payments, investment commitments and investment liabilities as they come due. Leverage risk increases when excessive 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 18). 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 \$3,000 million (2020 – \$6,482 million) of unsecured credit facilities to meet potential liquidity requirements. There were no credit facilities drawn as at March 31, 2021 and March 31, 2020. 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, 2021—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.

In an active market, the fair value is best evidenced by an independent quoted market price. In the absence of an active market, valuation can be significantly more complex and often subjective, requiring judgment. As a result, CPPIB categorizes the fair value of its investments and investment liabilities within the three levels of the fair value hierarchy:

- Level 1 – Quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of Level 3 investments are determined using valuation techniques that use models with unobservable inputs while maximizing the use of inputs observed from market and therefore, are particularly judgmental. As each investment holding subsidiary is largely composed of Level 3 investments, the entire subsidiary is classified as Level 3.

The total of CPPIB's net investments not actively traded as at March 31, 2021 consists of investments categorized in Level 2 and Level 3, and is valued at \$346,099 million (2020 – \$302,348 million), of which \$265,706 million (2020 – \$220,229 million) are all investments held by investment holding subsidiaries.

Significant changes in the unobservable inputs would result in a significantly higher or lower value measurement. As at March 31, 2021, with all other variable held constant, the use of reasonable alternative assumptions would result in a decrease of \$9,000 million at March 31, 2021 (2020 – \$11,100 million) or increase of \$9,500 million (2020 – \$10,600 million) in net assets.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2021—continued**

The Consolidated Schedule of Investment Portfolio below provides information on CPPIB's investments and investment liabilities, as at March 31:

(in millions of dollars)

	2021	2020
Equities		
Public equities	175,083	118,241
Private equities	139,444	105,381
Total equities	314,527	223,622
Fixed income		
Bonds	98,560	103,658
Other debt	28,879	27,214
Cash and cash equivalents ²	14,532	23,555
Money market securities ²	143	1,353
Total fixed income	142,114	155,780
Absolute return strategies	29,008	27,922
Real assets		
Infrastructure	39,954	34,679
Real estate	38,078	43,718
Power and renewables	9,627	8,711
Energy and resources	9,518	7,281
Total real assets	97,177	94,389
Investment receivables		
Securities purchased under reverse repurchase agreements and cash collateral pledged on securities borrowed	7,127	18,658
Derivative assets	3,636	9,730
Other	2,764	6,212
Total investment receivables	13,527	34,600
Total investments¹	596,353	536,313
Investment liabilities		
Debt financing liabilities	(36,449)	(38,395)
Securities sold under repurchase agreements and cash collateral received on securities lent	(33,150)	(52,347)
Securities sold short	(22,275)	(20,776)
Derivative liabilities	(3,004)	(10,023)
Short-term secured debt	(1,234)	(1,430)
Other	(2,052)	(4,104)
Total investment liabilities¹	(98,164)	(127,075)
Pending trades receivable ¹	3,077	7,025
Pending trades payable ¹	(4,000)	(6,619)
Net investments	497,266	409,644

¹ Consists of all the financial assets and liabilities held by both CPPIB and its investment holding subsidiaries. In contrast, the CPP's Consolidated Statement of Financial Position presents all financial assets and liabilities held by investment holding subsidiaries at fair value as investments. This results in a difference of \$401 million (March 31, 2020 – \$849 million), \$6 million (March 31, 2020 – \$13 million), \$414 million (March 31, 2020 – \$81 million) and \$809 million (March 31, 2020 – \$917 million) as compared to investments, investment liabilities, pending trades receivable and pending trades payable, respectively, as presented in the CPP's Consolidated Statement of Financial Position. Refer to Note 2b) for further details.

² Presented as Money market securities in 2019-2020.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2021—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, 2021, private equities included direct investments with a fair value of \$78,131 million (2020 – \$55,893 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. Cash and cash equivalents includes cash on hand and short-term deposits, commercial paper, bank accepted bills, floating rate deposit notes and treasury bills with a maturity of 90 days or less. Fair value is determined using cost, which, together with accrued interest income, approximates fair value due to the short-term or floating rate nature of these assets.
- iv. Money market securities consist of term deposits, treasury bills, commercial paper and floating rate note, all of which have a maturity of over 90 days. Fair value is determined using cost, which, together with accrued interest income, approximates fair value due to the short-term or floating rate nature of these securities.

(c) Absolute return strategies

Absolute return strategies include investments in hedge funds whose objective is to generate returns regardless of market conditions, that is, returns with a low correlation to broad market indexes. The underlying securities of the funds could include, but are not limited to, equities, fixed income securities and derivatives. Fair value for 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, 2021, real estate investments include assets of \$38,078 million (2020 – \$43,718 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, 2021, infrastructure, energy and resources, and power and renewables include direct investments with a fair value of \$59,073 million (2020 – \$50,641 million) and \$26 million in fund investments (2020 – \$30 million).

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2021—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, 2021, are all within 1 year from the reporting date, \$6,062 million (2020 – \$17,665 million).

The fair value of the securities sold under repurchase agreements, as at March 31, 2021, are all within 1 year from the reporting date, \$30,502 million (2020 – \$52,261 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, 2021, are all within 1 year from the reporting date, \$1,065 million (2020 – \$993 million).

The fair value of the cash collateral pledged on securities lent as at March 31, 2021, are all within 1 year from the reporting date, \$2,661 million (2020 – \$158 million).

(g) Derivative assets and liabilities

A derivative is a financial contract, the value of which is derived from the value of underlying assets, indexes, interest rates, currency exchange rates or other market-based factors. Derivatives are transacted through regulated exchanges 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, 2021, securities sold short of \$22,275 million (2020 – \$20,776 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, 2021—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, 2021, are all within 1 year from the reporting date, nil million (2020 – \$5,775 million).

The fair value of the term debt as at March 31, 2021, are as follows: within 1 year, \$5,374 million (2020 – \$5,626 million), 1 year to 5 years, \$13,530 million (2020 – \$13,969 million), and 6 years to over 10 years, \$16,719 million (2020 – \$11,557 million).

The following table provides a reconciliation of debt financing liabilities arising from financing activities in the Consolidated Statement of Cash Flow:

(in millions of dollars)

	For the year ended March 31, 2021				
	As at April 1, 2020	Proceeds	Repayments	Non-cash changes in fair value ¹	As at March 31, 2021
Debt financing liabilities.....	38,395	12,839	(11,034)	(3,751)	36,449
Total	38,395	12,839	(11,034)	(3,751)	36,449

(in millions of dollars)

	For the year ended March 31, 2020				
	As at April 1, 2019	Proceeds	Repayments	Non-cash changes in fair value ¹	As at March 31, 2020
Debt financing liabilities.....	30,861	29,507	(24,830)	2,857	38,395
Total	30,861	29,507	(24,830)	2,857	38,395

¹ Includes foreign exchange gains of \$3,211 million (March 31, 2020 – losses of \$1,824 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, 2021, are \$1,234 million (2020 – \$1,430 million).

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2021—continued

7. Collateral

Collateral transactions are conducted to support CPPIB's investment activities under the terms and conditions that are common and customary to collateral arrangements. These arrangements may be transacted by CPPIB or its investment holding subsidiaries in their normal course of business.

The net fair value of collateral held and pledged directly by CPPIB as at March 31 was as follows:

(in millions of dollars)

	2021	2020 ⁷
Third-party assets held as collateral on:¹		
Reverse repurchase agreements	6,056	17,606
Derivative transactions	2,049	3,709
Securities lent ^{2, 4}	3,292	613
Own and third-party assets pledged as collateral on:		
Repurchase agreements	(30,457)	(52,072)
Securities borrowed ^{3, 4}	(25,027)	(23,265)
Short-term secured debt ⁵	(1,502)	(1,879)
Derivative transactions	(3,545)	(3,855)
Loans liability ⁶	—	(3,607)
	(49,134)	(62,750)

¹ The fair value of the collateral held that may be sold or repledged as at March 31, 2021 was \$6,781 million (2020 – \$18,025 million).

The fair value of collateral sold or repledged as at March 31, 2021 was \$3,148 million (2020 – \$11,145 million).

² The fair value of securities lent as at March 31, 2021 was \$3,252 million (2020 – \$675 million).

³ The fair value of securities borrowed as at March 31, 2021 was \$20,670 million (2020 – \$16,953 million) of which \$20,091 million was used (2020 – \$16,160 million) for short selling activity.

⁴ Cash collateral payable of \$2,661 million (2020 – \$158 million) as at March 31, 2021 consists of collateral receivable of nil and collateral payable of \$2,661 million that qualify for netting (2020 – \$98 million and \$256 million, respectively).

⁵ Represents securities pledged as collateral on short-term cash borrowings from prime brokers.

⁶ Represents investment assets pledged by CPPIB on loan liabilities held by its investment holding subsidiaries.

⁷ The net fair value of collateral held and pledged by CPPIB and its investment holding subsidiaries was presented on consolidated basis in 2020.

In aligning with CPPIB's IFRS 10 presentation (refer to Note 19), the net fair value of collateral held and pledged directly by investment holding subsidiaries has been removed and presented in the table below, as at March 31 was as follows:

(in millions of dollars)

	2021	2020 ⁵
Third-party assets held as collateral on:¹		
Other debt	—	987
Own and third-party assets pledged as collateral on:		
Securities borrowed ^{2, 3}	(4,752)	—
Derivative transactions ³	(347)	—
Loans liability ⁴	(17,357)	(10,762)
	(22,456)	(9,775)

¹ The fair value of the collateral held that may be sold or repledged as at March 31, 2021 was nil (March 31, 2020 – \$987 million).

The fair value of collateral sold or repledged as at March 31, 2021 was nil (March 31, 2020 – nil).

² The fair value of securities borrowed as at March 31, 2021 was \$2,976 million (March 31, 2020 – nil) of which \$2,976 million (March 31, 2020 – nil) was sold for securities sold short.

³ The cash collateral at the prime brokers may be used for securities borrowed and derivatives transacted by broker.

⁴ The loans liability is included in the fair value of investment holding subsidiaries.

⁵ The net fair value of collateral held and pledged by CPPIB and its investment holding subsidiaries was presented on consolidated basis in 2020.

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2021—continued

8. Payables and accrued liabilities

Payables and accrued liabilities are comprised of the following, as at March 31:

(in millions of dollars)

	2021	2020
Operating expenses	865	816
Pensions and benefits payable	330	296
Tax deductions on benefits due to Canada Revenue Agency	271	256
	1,466	1,368

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 *2020–2021 Employment and Social Development Canada Departmental Plan*, tabled in Parliament in March 2020 and amounts forecasted by the Office of the Superintendent of Financial Institutions.

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2021—continued

10. Investment income and investment-related expenses

CPPIB qualifies as an investment entity as defined under IFRS 10 - *Consolidated Financial Statements*. As a result, investment income on investments made through investment holding subsidiaries and not directly held by CPPIB is presented as unrealized gains or losses. Investment-related expenses borne by the investment holding subsidiaries are a reduction in the net asset values of the investment holding subsidiaries and thus are a component of the unrealized gains or loss on investment holding subsidiaries.

The following table provides further details on investment income and investment-related expenses of CPPIB, for the year ended March 31:

(in millions of dollars)

	2021	2020
Investment income of CPP		
Interest income	1	5
Investment income of CPPIB		
Interest, dividends and other investment income	8,884	13,476
Realized gains on private equities and real assets	258	705
Unrealized gains (losses) on private equities and real assets	1,863	(1,846)
Unrealized gains (losses) on investment holding subsidiaries (see details in the table below)	43,500	(2,784)
Realized and unrealized gains on public and other investments	33,042	6,170
Total investment income	87,548	15,726
Investment-related expenses of CPPIB		
Borrowing costs	(1,036)	(1,523)
Investment management fees	(968)	(603)
Transaction costs	(182)	(244)
Total	(2,186)	(2,370)

The following table presents supplemental information on unrealized gains (losses) on investment holding subsidiaries, for the year ended March 31:

(in millions of dollars)

	2021	2020
Interest, dividends and other investment income	4,455	4,742
Realized gains on private equities and real assets	9,484	7,346
Unrealized gains (losses) on private equities and real assets	26,118	(2,889)
Realized and unrealized gains (losses) on public and other investments	9,084	(3,297)
Dividends paid to CPPIB	(3,777)	(7,335)
Total investment income (loss)	45,364	(1,433)
Investment management fees	(1,755)	(1,205)
Transaction costs	(109)	(146)
Total investment-related expenses	(1,864)	(1,351)
Unrealized gains (losses) on investment holding subsidiaries	43,500	(2,784)

11. 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, 2021, undetected overpayments and underpayments are estimated to be \$53.3 million and \$20.4 million respectively (2020 – \$15.4 million and \$55.6 million). 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, 2021—continued****12. Operating expenses**

CPP's operating expenses are composed of costs incurred by various GoC departments (refer to Note 17) for the administration of the CPP's activities as well as CPPIB's operating expenses. Operating expenses are as follows, for the year ended March 31:

(in millions of dollars)

	2021			2020		
	GoC	CPPIB	Total	GoC	CPPIB	Total
Personnel related costs	408	938	1,346	332	837	1,169
Collection of contributions and investigation services	289	–	289	237	–	237
Information technology and data services	–	158	158	–	139	139
Program policy and delivery	148	–	148	129	–	129
Professional and consulting fees	–	124	124	–	93	93
Tax on international operations	–	60	60	–	32	32
Premises and equipment	–	21	21	–	22	22
Amortization of premises and equipment	–	60	60	–	50	50
Support services of the Social Security Tribunal	17	–	17	15	–	15
Cheque issue and computer services	5	–	5	6	–	6
Others	3	56	59	3	81	84
	870	1,417	2,287	722	1,254	1,976

13. 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, 2021—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 *Additional Canada Pension Plan Sustainability Regulations* and came into force on February 1, 2021. Since the minimum additional contribution rates from the most recent *30th Actuarial Report* as at December 31, 2018 fall within the no action ranges there is no impact on the financial statements as at March 31, 2021.

Triennial actuarial report

As stipulated in the *Canada Pension Plan*, a triennial actuarial report is prepared by the Chief Actuary every three years and when there is any legislative changes to the Plan between triennial updates. The most recent triennial report, the *30th Actuarial Report* on the CPP as at December 31, 2018, was tabled in Parliament on December 10, 2019. 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.

In the shorter term, some trends may affect the CPP cash flows and financial status. For example, over the last fiscal year, many workers were forced out of the workforce due to the lockdowns and net migration was greatly reduced. On the other hand, financial markets performed very well after an initial decline at the end of the previous fiscal year. There is also much uncertainty surrounding the short-term economic recovery and other variables such as mortality, inflation and wages. The uncertainty over the longer term is even higher, and the assessment of the long-term implications of the pandemic on the CPP will require significant research and analysis. As a result, the impact of the COVID-19 pandemic on the assumptions, actuarial obligation and other financial information disclosed in Note 13 and Note 14 cannot be estimated.

Given the legislative framework of the CPP, the next triennial report will be prepared as at 31 December 2021 and expected to be tabled in Parliament in late 2022. The assumptions included in this report will reflect the expected impacts of the pandemic in both the short term and the long term.

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2021—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.

	30th Actuarial Report (As at December 31, 2018) ¹		27th Actuarial Report (As at December 31, 2015) ¹	
	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	
Total fertility rate.....	1.62 (2027+)		1.65 (2019+)	
Mortality.....				
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 of the 30th Actuarial Report and the 27th Actuarial Report are expected to gradually converge to their ultimate value. Years in the brackets indicate when the ultimate assumptions value is expected to be reached.

² The ultimate disability incidence rates assumption of the 27th Actuarial Report has been adjusted based on the 2018 eligible population in order to compare with the assumption for this 30th Actuarial Report on the same basis.

³ The expected 75-year (2019–2093) average real rate of return on the additional CPP assets was determined under the 28th and 29th CPP Actuarial Reports, supplementing the 27th Actuarial Report.

According to the 30th CPP Actuarial Report, with the legislated contribution rate of 9.9% for the base CPP, assuming all assumptions are realized, the base CPP assets are expected to increase significantly, with the asset/expenditure ratio remaining relatively stable at a level of 7.6 over the period 2021 to 2031 and then growing to reach 8.8 in 2050 and 9.5 in 2095.

The minimum contribution rate, which is the lowest rate to sustain the base CPP, 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, 2021, the value of base CPP assets available for benefit payments is \$496.1 billion (2020 – \$413.0 billion). This amount represents approximately 8.6 times the 2022 planned expenditures of \$58.0 billion (2020 – 7.5 times the 2021 planned expenditures of \$55.0 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.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2021—continued**

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.

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, 2021, the value of additional CPP assets available for benefit payments is \$6.7 billion (2020 – \$2.6 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.

		Low-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	Additional CPP	
		Minimum	Minimum contribution rates (%)	
		contribution rate (%)	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, 2021—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.

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2021—continued

14. 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, 2021*¹) 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.

¹ The minimum contribution rates stated in the 30th *CPP Actuarial Report* as at 31 December 2018 were determined in accordance with the *Calculation of Contribution Rates Regulations, 2018*, which are identical to the 2021 Regulations that subsequently received formal provincial and federal approval.

Canada Pension Plan—continued**Notes to consolidated financial statements for the year ended March 31, 2021—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 13. 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)

	30 th Actuarial Report as at December 31, 2018		27 th Actuarial Report as at December 31, 2015	
	Open group	Closed group	Open group	Closed group
Assets ¹	2,691.1	371.7	2,547.4	285.4
Actuarial obligation ²	2,674.4	1,257.1	2,546.1	1,171.1
Asset excess (shortfall)	16.7	(885.4)	1.3	(885.7)
Assets to actuarial obligation ratio	100.6%	29.6%	100.1%	24.4%

¹ Includes only current assets for closed group but also includes future contributions for the open group.

² Obligations include operating expenses.

The base CPP was never intended to be a fully funded plan and the financial sustainability of the base CPP is not assessed based on its actuarial obligation in respect of benefits. According to the 30th CPP Actuarial Report, the CPP is intended to be long-term and enduring in nature, a fact that is reinforced by the federal and provincial governments' joint stewardship through the established strong governance and accountability framework of the CPP. Therefore, if the base CPP's financial sustainability is to be measured based on its asset excess or shortfall, it should be done on an open group basis that reflects the partially funded nature of the base CPP, that is, its reliance on both future contributions and invested assets as a means of financing its future expenditures.

Additional CPP

For the additional CPP, with the first and second legislated contribution rates of 2.0% and 8.0%, respectively, the table below presents the asset excess (shortfall) and the assets to actuarial obligation ratio under open and closed group approaches at the valuation date:

(in billions of dollars)

	As at January 1, 2019 ¹	
	Open group	Closed group
Assets ²	740.3	–
Actuarial obligation ³	686.6	–
Asset excess (shortfall)	53.7	–
Assets to actuarial obligation ratio	107.8%	N/A ⁴

¹ Commencement date of the additional CPP and the last measurement date for the 30th Actuarial Report.

² Includes only current assets for closed group but also includes future contributions for the open group.

³ Obligations include operating expenses.

⁴ As at December 31, 2018, under the closed group approach, the actuarial obligations, assets, and assets excess/shortfall of the additional CPP are all \$0.

Using the open group approach, the Chief Actuary confirms that both the base CPP and additional CPP, based on the best-estimate assumptions selected and under the legislative contribution rates, will continue to meet their financial obligations and are sustainable in the long term.

Canada Pension Plan—*continued*

Notes to consolidated financial statements for the year ended March 31, 2021—*continued*

15. 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 17). The MoUs require written notice of termination at least one year before the termination date. Therefore, as at March 31, 2021, the operating costs of \$811 million (2020 – \$673 million) are an estimation of the costs, based on the MoUs, that will be charged to the CPP Accounts in the next fiscal year. Operating costs are expected to continue to be charged to the CPP Accounts in the upcoming fiscal years, but cannot be reasonably estimated beyond one year.

The CPP, through CPPIB, has entered into commitments related to the funding of investments. These commitments are generally payable on demand based on the funding needs of the investment subject to the terms and conditions of each agreement. As at March 31, 2021, the unfunded commitments for CPPIB and its investment holding subsidiaries totalled \$1,057 million (2020 – \$1,940 million) and \$44,244 million (2020 – \$53,453 million), respectively.

16. Contingent liabilities

(a) Appeals relating to the payment of pensions and benefits

At March 31, 2021, there were 5,112 appeals (2020 – 5,074) relating to the payment of CPP disability pensions. These contingencies are reasonably estimated, using historical information, at an amount of \$43.4 million (2020 – \$37.7 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 2021 and 2020 fiscal years for these claims and legal proceedings.

(c) Guarantees

As part of certain investment transactions, the CPP, through CPPIB and its investment holding subsidiaries, agreed to guarantee, as at March 31, 2021, up to \$505 million (2020 – \$263 million) and \$6,128 million (2020 – \$4,832 million), respectively, 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, 2021—continued****17. 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 12 and contractual obligations in Note 15.

Expenses for the year are comprised of the following, for the year ended March 31:

(in millions of dollars)

	2021	2020
Employment and Social Development Canada		
Program policy and delivery.....	527	427
Canada Revenue Agency		
Collection of contributions and investigation services.....	289	237
Treasury Board Secretariat		
Health Insurance Plan.....	29	34
Administrative Tribunals Support Service of Canada		
Support services of the Social Security Tribunal.....	17	15
Public Services and Procurement Canada		
Cheque issue and computer services.....	5	6
Office of the Superintendent of Financial Institutions and Department of Finance		
Actuarial and other services.....	3	3
	870	722

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, 2021—continued

18. 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)

	As at March 31, 2021					
	Base CPP			Additional CPP		
	GoC	CPPIB	Total	GoC	CPPIB	Total
Financial assets and liabilities						
Cash	119	222	341	20	3	23
Receivables	5,642	40	5,682	477	–	477
Net Investments.....	–	490,994	490,994	–	6,272	6,272
Payables and accrued liabilities	(595)	(842)	(1,437)	(22)	(7)	(29)
	5,166	490,414	495,580	475	6,268	6,743
Non-financial assets	–	493	493	–	12	12
Assets available for benefit payments	5,166	490,907	496,073	475	6,280	6,755

(in millions of dollars)

	For the year ended March 31, 2021					
	Base CPP			Additional CPP		
	GoC	CPPIB	Total	GoC	CPPIB	Total
Revenues						
Contributions.....	51,407	–	51,407	3,924	–	3,924
Net investment income						
Investment income.....	1	87,116	87,117	–	431	431
Investment-related expenses	–	(2,174)	(2,174)	–	(12)	(12)
	51,408	84,942	136,350	3,924	419	4,343
Expenses						
Pensions and benefits	(51,201)	–	(51,201)	(14)	–	(14)
Operating expenses	(692)	(1,406)	(2,098)	(178)	(11)	(189)
	(51,893)	(1,406)	(53,299)	(192)	(11)	(203)
Net increase in assets available for benefit payments	(485)	83,536	83,051	3,732	408	4,140

Canada Pension Plan—continued

Notes to consolidated financial statements for the year ended March 31, 2021—continued

(in millions of dollars)

	As at March 31, 2020 ¹					
	Base CPP			Additional CPP		
	GoC	CPPIB	Total	GoC	CPPIB	Total
Financial assets and liabilities						
Cash	260	193	453	19	1	20
Receivables	6,075	47	6,122	271	–	271
Net Investments.....	–	407,317	407,317	–	2,327	2,327
Payables and accrued liabilities	(563)	(789)	(1,352)	(13)	(3)	(16)
	5,772	406,768	412,540	277	2,325	2,602
Non-financial assets	–	482	482	–	13	13
Assets available for benefit payments	5,772	407,250	413,022	277	2,338	2,615

(in millions of dollars)

	For the year ended March 31, 2020 ¹					
	Base CPP			Additional CPP		
	GoC	CPPIB	Total	GoC	CPPIB	Total
Revenues						
Contributions.....	53,922	–	53,922	2,220	–	2,220
Net investment income						
Investment income.....	5	15,699	15,704	–	22	22
Investment-related expenses	–	(2,365)	(2,365)	–	(5)	(5)
	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

¹ Certain comparatives have been reclassified to conform to the current year's presentation (Note 19).

Canada Pension Plan—concluded**Notes to consolidated financial statements for the year ended March 31, 2021—concluded**

Pursuant to Section 108.1 and 108.3 of the *Canada Pension Plan* and the Agreement dated as of April 1, 2004, amounts not required to meet specified obligations of the CPP are transferred weekly to CPPIB. The funds originate from employer and employee contributions to the CPP and interest income generated from the deposit with the Receiver General.

CPPIB remits cash to the CPP as required, including the periodic return, on at least a monthly basis, of funds required to meet CPP pensions, benefits and operating expenses obligations.

The accumulated transfers to/from CPPIB, since inception, are as follows:

(in millions of dollars)

	2021		
	Base CPP	Additional CPP	Total
Accumulated transfers to CPPIB, beginning of year	572,812	2,323	575,135
Transfers of funds to CPPIB	40,537	3,534	44,071
Accumulated transfers to CPPIB, end of year	613,349	5,857	619,206
Accumulated transfers from CPPIB, beginning of year	(425,268)	–	(425,268)
Transfers of funds from CPPIB	(40,416)	–	(40,416)
Accumulated transfers from CPPIB, end of year	(465,684)	–	(465,684)
Net accumulated transfers to CPPIB	147,665	5,857	153,522

(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

19. Comparative information

Starting in fiscal year 2021, CPP aligned with CPPIB's IFRS 10 presentation. Certain comparative figures have been reclassified to conform to the current year's presentation in its Consolidated Financial Statements and in the notes disclosure, more specifically in Note 7 and Note 10.

Consolidated statement of financial position

All financial assets and liabilities of CPPIB's investment holding subsidiaries are reported as investments, whereas in fiscal year 2020, they were presented on a consolidated basis. This results in a difference of \$849 million, \$13 million, \$81 million and \$917 million as compared to investments, investment liabilities, pending trades receivable and pending trades payable, respectively, as presented in fiscal year 2020.

Consolidated statement of operations

The net investment income of CPPIB's investment holding subsidiaries has been reclassified as unrealized gains and losses and reported as part of the investment income. This results in \$1,433 million of investment loss and \$1,351 million of investment-related expenses being reclassified as unrealized losses on investment holding subsidiaries, as shown in Note 10, compared to fiscal year 2020. In addition, CPP simplified the presentation of its investment income and investment-related expenses with additional note disclosures in Note 10.

Consolidated statement of cash flow

CPP changed the presentation from the direct method to the indirect method.

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

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

Gatineau, Canada
August 30, 2021

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 2021. The purpose of this valuation is to determine the actuarial liabilities and financial position of the Account as at 31 March 2021. 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 2021, 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 2021 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 30 August 2021, we have not learned of any events that would have a material impact on the results as at 31 March 2021. The next valuation will be performed as at 31 March 2022.

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
30 August 2021

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 2021, 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 2021, 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
30 August 2021

Government Annuities Account—continued**Statement of financial position
as at March 31**

(in thousands of Canadian dollars)

	2021	2020
Net assets available for benefits		
Accounts receivable	36	56
Pension obligations (Note 3)	97,799	114,761
Deficit to be financed by the Government of Canada (Note 4).....	97,763	114,705

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

Approved by:

Graham Flack
Deputy Minister
Employment and Social Development Canada

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

**Statement of changes in net assets available for benefits
for the year ended March 31**

(in thousands of Canadian dollars)

	2021	2020
Received or paid by the Government of Canada		
Annuity payments (Note 4)	14,137	15,749
Premium refunds and other (Note 4).....	(18)	14
	14,119	15,763
Amount paid through the Consolidated Revenue Fund.....	(14,119)	(15,763)
Administrative expenses		
Services received without charge (Note 5)	1,784	1,559
Services contributed by Employment and Social Development Canada (Note 5)	(1,784)	(1,559)
Change in accounts receivable and (decrease) increase in net assets available for benefits	(20)	6
Net assets available for benefits at beginning of year.....	56	50
Net assets available for benefits at end of year.....	36	56

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)

	2021	2020
Pension obligations at beginning of year	114,761	122,943
Interest (Note 4)	995	1,966
Annuity payments and other items (Note 4)	(14,208)	(15,809)
Experience gains (Note 4)	(3)	(345)
(Gains) losses due to change in discount rate assumptions (Note 4)	(3,746)	5,944
Losses due to change in mortality assumptions (Note 4)	—	62
Pension obligations at end of year (Note 3)	97,799	114,761

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, 2021****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, 2021 were authorized for issue by the signatories on August 30, 2021.

(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, 2021. 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, 2021—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)

	2021	2020
Pension obligations:		
Deferred annuities	2,413	3,359
Mature annuities.....	95,386	111,402
	97,799	114,761

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:

	2021	2020
Pension obligations	1.49%	0.93%
Interest.....	0.93%	1.72%

The average age of annuitants was estimated to be 86.4 years and the remaining duration of the Account was estimated at 38 years as at March 31, 2021.

The next actuarial valuation will be performed as at March 31, 2022.

Government Annuities Account—continued

Notes to the financial statements for the year ended March 31, 2021—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)

	2021	2020
Deficit to be financed by the Government of Canada at beginning of year	114,705	122,893
Interest	995	1,966
Reclaimed annuities	7	32
Unclaimed annuities	(76)	(84)
Annuity payments	(14,137)	(15,749)
Premium refunds and other.....	18	(14)
Experience gains	(3)	(345)
(Gains) losses due to change in discount rate assumptions	(3,746)	5,944
Losses due to change in mortality assumptions	–	62
	(16,942)	(8,188)
Deficit to be financed by the Government of Canada at end of year	97,763	114,705

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.

Gains or losses due to experience and changes in actuarial assumptions

At the end of any fiscal year, the amount of the pension obligations may be different than expected due to changes resulting from experience adjustment and the effects of changes in actuarial assumptions.

As there are no new contracts purchased under the *Government Annuities Act*, the main sources of experience gains or losses are mortality and retirements of existing members. Mortality gains and losses include changes in expected future payments due to death or survival of annuitants and the difference between actual and expected benefit payments during the year.

Management's best estimates of the pension obligations are based on mortality rates, used for the actuarial assessments of the Canada Pension Plan, and discount rates. The pension obligations as at March 31, 2021 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, 2021—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)

	2021	2020
Salaries	1,249	1,047
Operating costs	411	389
Actuarial services.....	124	123
Services received without charge	1,784	1,559

6. Pension obligations calculated as per the *Government Annuities Improvement Act* and *Government Annuities Regulations*

As per the *Government Annuities Improvement Act* and *Government Annuities Regulations*, expected future payments are to be discounted using an annual interest rate of seven percent. Future payments are to be estimated using the mortality rates from the 1983 mortality tables published by the Society of Actuaries, for individual and group annuities respectively, modified by Projection Scale G. Pension obligations are to be initially recorded through the Government Annuities Account established within the Public Accounts of Canada. Based on the Act and Regulations, the pension obligations as at March 31, 2021 are estimated at \$75.8 million (\$85.4 million in 2020).

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 26, 2021

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 2021, 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 2021, 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 26, 2021

Royal Canadian Mounted Police (Dependants) Pension Fund—continued**Statement of financial position
as at March 31**

(in Canadian dollars)

	2021	2020
Liabilities		
Pension benefits payable (Note 3)	200,558	975,016
Net assets available for benefits	(200,558)	(975,016)
Pension obligations (Note 4)	8,217,708	9,196,307
Deficit to be financed by the Government of Canada (Note 5)	(8,418,266)	(10,171,323)

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

Approved by:

Brenda Lucki
CommissionerJen O'Donoghue
Chief Financial Officer

August 26, 2021

**Statement of changes in net assets available for benefits
year ended March 31**

(in Canadian dollars)

	2021	2020
Net assets available for benefits, beginning of year	(975,016)	(268,672)
Decrease (Increase) in pension benefits payable	774,458	(706,344)
Net assets available for benefits, end of year	(200,558)	(975,016)

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

**Statement of changes in pension obligations
year ended March 31**

(in Canadian dollars)

	2021	2020
Pension obligations, beginning of year	9,196,307	11,456,528
Net interest accrued on benefits	303,065	378,463
Past service contributions from participants	739	1,510
Experience losses.....	115,797	247,887
Changes in actuarial Assumptions (Note 6)	–	135,552
Survivor benefit payments and transfers to pension benefits payable.....	(1,706,389)	(3,023,633)
Benefit increases (Note 4).....	445,803	–
Valuation data correction - Prior year	(137,614)	–
Pension obligations, end of year	8,217,708	9,196,307

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, 2021****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, 2021—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, 2021, were authorized for issue by the signatories on August 26, 2021.

(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, 2021—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, 2021, the pension benefits payable were \$200,558 (2020 – \$975,016).

4. Pension obligations

The pension obligations are determined based on the actuarial valuation for funding purposes as at March 31, 2019 and the actuarial update for the Fund as at March 31, 2021. Actuarial valuations are to be performed not more than five years apart. The last actuarial valuation for funding purposes was conducted as of March 31, 2019 and tabled in Parliament on June 16, 2021. The actuarial valuation for funding purposes as of March 31, 2022 will be tabled in Parliament later in 2023.

The actuarial valuation for funding purposes as of March 31, 2019, disclosed an actuarial surplus of \$901,000.

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, 2021, the average age of members was estimated to be 96.6 years and the average age of widows was estimated to be 91.7 years. The remaining life of the Fund was estimated at 27 years based on the statutory actuarial valuation as at March 31, 2019.

Management's best estimate assumptions used in the determination of the pension obligations include economic and non-economic assumptions. The non-economic assumptions include considerations such as mortality rates, proportion of members married, and age of new widows. Mortality rates for members and widows are consistent with the actuarial valuation for funding purposes as at March 31, 2019 and are based on mortality rates for male and female Regular Members from the actuarial report on the pension plan for the Royal Canadian Mounted Police as at March 31, 2018. Mortality rates are reduced in the future with the same mortality improvement assumptions made for the actuarial report on the pension plan for the Royal Canadian Mounted Police as at March 31, 2018. The primary economic assumptions relate to future interest rates used to credit the Fund. The interest rate is derived from the yield on a notional long-term portfolio of 20-year Government of Canada bonds issued at prescribed interest rates and held to maturity, as at the date of the actuarial valuation for funding purposes. The assumptions are evaluated for continued relevancy.

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, 2021. At that date, the present value of pension obligations was \$8,217,708 (2020 – \$9,196,307).

The interest rate for the year-ended March 31, 2021 is 3.5% (2020 – 3.7%) per annum. The interest rate is estimated to decline to 2.4% per annum by the year 2032 (2020 – 2.4% by the year 2032) and to rise to an ultimate level of 4.5% (2020 – 4.5%). Variations in any of these assumptions can result in a significantly higher, or lower, estimate of the liability.

The benefits increase represents an integration of a 2% increase at April 1, 2020, April 1, 2021, and April 1, 2022 as per the recommendation in the actuarial report for the funding purposes as at March 31, 2019. Payments related to the benefits increase will be made when the Order in Council approval is obtained.

Royal Canadian Mounted Police (Dependants) Pension Fund—concluded

Notes to the financial statements for the year ended March 31, 2021—concluded

During the year, no amendments were made to the Fund (2020 – nil).

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)

	2021	2020
Opening balance, specified purpose account	10,905,125	12,777,676
Receipts and other credits	336,914	444,736
Payments and other charges	(2,480,848)	(2,317,287)
Closing balance, specified purpose account	8,761,191	10,905,125
Deficit to be financed by the Government of Canada.....	(8,418,266)	(10,171,323)
Excess owed to beneficiaries	342,925	733,802

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, 2021, there were no new changes in actuarial assumptions (2020 – \$135,552).

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.

Section 7

*Public Accounts of Canada
2020–2021*

**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)

	2021	2020
Cash and cash equivalents, Table 7.2.....	64,101,162,375	37,242,425,375
Taxes receivable, Table 7.3.....	142,541,997,585	121,098,145,465
Other accounts receivable, Table 7.5.....	17,553,226,286	15,374,487,292
Total cash and accounts receivable	224,196,386,246	173,715,058,132

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)

	2021	2020
Cash in bank		
Canadian currency ¹	57,531,993,462	30,438,068,251
Foreign currencies ²	416,080,008	841,539,942
Special deposits ³	75,000,000	75,000,000
Total cash in bank	58,023,073,470	31,354,608,193
Cash in transit		
Cash in hands of collectors and in transit.....	11,393,611,013	6,418,087,547
Other cash—Consolidated Crown corporations and other entities ⁴	1,416,378,000	1,208,059,000
Total cash in transit.....	12,809,989,013	7,626,146,547
Less: Outstanding cheques and warrants		
Outstanding cheques ⁵	6,731,942,233	5,088,360,084
Imprest account cheques ⁶	(6,125)	5,281
Total outstanding cheques and warrants.....	6,731,936,108	5,088,365,365
Total cash	64,101,126,375	33,892,389,375
Cash equivalents	36,000	3,350,036,000
Total cash and cash equivalents	64,101,162,375	37,242,425,375

¹ Included in Canadian currency is \$20 billion (\$20 billion in 2020) 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 \$70,399,552 (\$70,300,062 in 2020) 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)

	2021			2020		
	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.....	80,976,815,176	9,353,656,319	71,623,158,857	67,818,595,915	8,264,901,856	59,553,694,059
Employers.....	25,406,516,734	1,379,231,981	24,027,284,753	20,848,406,922	1,191,585,487	19,656,821,435
Corporations.....	24,285,108,281	3,820,472,042	20,464,636,239	19,597,523,028	2,834,220,756	16,763,302,272
Non-residents.....	2,122,364,507	314,188,603	1,808,175,904	2,135,586,916	130,261,556	2,005,325,360
Goods and services taxes receivable.....	26,756,183,819	3,848,806,981	22,907,376,838	24,147,888,754	2,950,739,582	21,197,149,172
Customs import duties receivable.....	621,842,159	112,340,600	509,501,559	646,869,344	94,981,789	551,887,555
Other excise taxes and duties receivable.....	1,445,006,677	243,143,242	1,201,863,435	1,561,019,448	191,053,836	1,369,965,612
Total.....	161,613,837,353	19,071,839,768	142,541,997,585	136,755,890,327	15,657,744,862	121,098,145,465

Table 7.4
Aging of taxes receivable

(in dollars)

	2021	2020
Taxes receivable		
Less than one year.....	102,266,822,779	82,880,807,553
1 to 2.....	8,131,796,625	10,045,430,309
2 to 3.....	8,169,380,605	6,110,969,526
3 to 4.....	6,069,513,043	5,326,623,950
4 to 5.....	5,455,941,527	5,755,789,452
Over 5 years.....	31,520,382,774	26,636,269,537
Total.....	161,613,837,353	136,755,890,327

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)

	2021			2020		
	Gross receivables	Allowance for doubtful accounts	Net receivables	Gross receivables	Allowance for doubtful accounts	Net receivables
Other receivables	18,740,388,094	2,492,508,971	16,247,879,123	6,953,802,627	1,526,746,827	5,427,055,800
Cash collateral pledged to counterparties ¹	1,365,914,163	–	1,365,914,163	9,974,647,492	–	9,974,647,492
Less: Consolidation adjustment	60,567,000	–	60,567,000	27,216,000	–	27,216,000
Total	20,045,735,257	2,492,508,971	17,553,226,286	16,901,234,119	1,526,746,827	15,374,487,292

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)

	2021	2020
Other receivables		
Not past due	14,684,478,956	3,858,866,653
Number of days past due		
1 to 30	123,977,371	160,524,709
31 to 60	86,422,119	83,248,738
61 to 90	91,306,827	62,416,050
91 to 365	305,825,358	305,043,929
Over 365	955,868,492	956,955,721
Sub-total	16,247,879,123	5,427,055,800
Cash collateral pledged to counterparties	1,365,914,163	9,974,647,492
Less: Consolidation adjustment	60,567,000	27,216,000
Total	17,553,226,286	15,374,487,292

Section 8

Public Accounts of Canada
2020–2021

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 \$15,427 million as at March 31, 2021 (\$15,941 million as at March 31, 2020); 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, 2020	Payments and other charges	Receipts and other credits	March 31, 2021
International reserves held in the Exchange Fund Account, Table 8.2.....	112,016,528,163	48,264,028,738	62,691,147,076	97,589,409,825
International Monetary Fund—Subscriptions.....	21,178,014,300	–	1,545,600,000	19,632,414,300
International Monetary Fund—Loans	368,466,980	–	171,111,573	197,355,407
	<i>133,563,009,443</i>	<i>48,264,028,738</i>	<i>64,407,858,649</i>	<i>117,419,179,532</i>
Less:				
International Monetary Fund—Notes payable	17,156,601,944	3,484,847,030	460,801,387	14,132,556,301
Special drawing rights allocations	11,503,701,240	839,500,000	–	10,664,201,240
	<i>28,660,303,184</i>	<i>4,324,347,030</i>	<i>460,801,387</i>	<i>24,796,757,541</i>
Total	104,902,706,259	52,588,375,768	64,868,660,036	92,622,421,991

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, 2021, are found at the end of this section.

In 2021, payments and other charges consisted of advances to the Exchange Fund Account in the amount of \$45,723 million and an adjustment of \$2,541 million to recognize the net income of the Exchange Fund Account for the period April 1, 2020, to March 31, 2021. Receipts and other credits consisted of repayments of advances of \$53,680 million and a net valuation adjustment of \$9,011 million.

Table 8.2
International reserves held in the Exchange Fund Account

(in millions of dollars)

	2021	2020
US dollar cash and cash equivalents	1,390	6,014
US dollar marketable securities	53,571	62,636
Euro cash and cash equivalents	674	488
Euro marketable securities	17,376	17,538
British pound sterling cash and cash equivalents.....	196	168
British pound sterling marketable securities.....	8,055	8,045
Japanese yen cash and cash equivalents	60	14
Japanese yen marketable securities	5,427	5,266
Special drawing rights.....	10,840	11,848
Total	97,589	112,017
Advances by the Consolidated Revenue Fund were denominated as follows:		
US dollar	61,192	74,116
Euro	17,848	17,666
British pound sterling	7,768	7,840
Japanese yen.....	5,446	5,266
Special drawing rights (2021, SDR 3,435 million; 2020, SDR 3,435 million).....	6,118	6,599
Canadian dollar	(3,324)	(1,753)
Total advances from the Consolidated Revenue Fund	95,048	109,734
Total net revenue for the year	2,541	2,283
Total	97,589	112,017

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 2021, receipts and other credits consisted of a valuation adjustment of \$1,546 million.

Loans

This account records the value of interest-bearing loans made under Canada's multilateral and bilateral lending arrangements with the IMF. The purpose of these arrangements is to provide temporary resources to the IMF, which works to promote economic growth and safeguard the stability of the international monetary system.

There are two outstanding lending arrangements with the IMF outside of the quota system: the New Arrangements to Borrow (NAB) and the temporary bilateral borrowing agreements (BBAs).

Canada's current participation in the NAB is governed by the October 2020 NAB Decision, effective from January 2021 to December 2025, which almost doubled the size of the NAB. As a result, Canada's maximum commitment under the NAB is 7,747 million SDR. As of March 31, 2021, SDR 111 million or \$197 million in lending has been provided by Canada to the IMF under the NAB (SDR 192 million or \$368 million in 2020).

Canada also participates in the BBAs, which further increase the financial resources the IMF can borrow from member countries. In early 2017, Canada extended an SDR 8,200 million time-bound precautionary credit line to the IMF that was in effect until 2020, and was not drawn upon. A successor BBA, which took effect on January 1, 2021, lowered BBA commitments to offset the increase in the NAB. Canada's commitment was lowered to SDR 3,532 million.

Collectively, pursuant to the *Bretton Woods and Related Agreements Act*, the outstanding loans under multilateral and bilateral arrangements with the IMF cannot exceed SDR 13,000 million, or any other amount that may be fixed by the Governor in Council, at any given time. Canada's maximum commitments under the NAB and BBA of SDR 11,279 million fall within this limit.

At March 31, 2021, a total of SDR 111 million or \$197 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 2021, notes payable to the IMF decreased by \$3,024 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 2021, payments and other charges consisted of a valuation adjustment of \$840 million.

Supplementary statement

Exchange Fund Account

Statement of financial position (unaudited) as at March 31

(in millions of Canadian dollars)

	2021	2020
Financial assets		
Cash and cash equivalents (Note 3)	2,320	6,684
Investments (Note 3)		
Marketable securities	84,429	93,485
Special drawing rights	10,840	11,848
Total investments	95,269	105,333
Total financial assets	97,589	112,017
Liabilities		
Due to the Consolidated Revenue Fund (Note 4)	97,589	112,017

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

Michael Sabia
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)

	2021	2020
Net revenue from investments		
Marketable securities		
Interest	1,011	1,458
Net gains on sale of marketable securities	1,159	702
Transaction costs and other	(2)	(2)
Interest on cash and cash equivalents	–	99
Interest on special drawing rights	8	96
Total net revenue from investments	2,176	2,353
Other		
Net foreign exchange gain (loss)	365	(70)
Net revenue for the year	2,541	2,283

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, 2021 (unaudited)

1. Authority and objectives

The Exchange Fund Account (the Account) is governed by Part II of the *Currency Act*. The Account is in the name of the Minister of Finance and is administered by the Bank of Canada (the Bank) as fiscal agent. The *Financial Administration Act* does not apply to the Account.

The legislative purposes of the Account, as specified in the *Currency Act*, are to aid in the control and protection of the external value of the Canadian dollar and to provide a source of liquidity for the Government of Canada (the Government), if required. Under the *Currency Act*, the Minister of Finance has the authority to acquire, borrow, sell or lend assets held in the Account deemed appropriate for these purposes, in accordance with the *Statement of Investment Policy for the Government of Canada*.

Assets held in the Account are managed to provide liquidity to the Government and to promote orderly conditions for the Canadian dollar in foreign exchange markets, if required. Canada's current policy is to intervene in foreign exchange markets on a discretionary, rather than a systematic, basis and only in the most exceptional of circumstances. Since September 1998, no transactions have been aimed at moderating movements in the value of the Canadian dollar.

In accordance with the *Currency Act*, within three months after the end of the fiscal year the net revenue for the year is paid to the Consolidated Revenue Fund (CRF) of the Government if the amount is positive, or charged to the CRF if the amount is negative. The Minister of Finance reports to Parliament on the operations of the Account within the first 60 days in which Parliament is sitting after the end of the fiscal year. These statements have been prepared by the Department of Finance.

2. Significant accounting policies

As stipulated in the *Currency Act*, the financial statements of the Account are prepared in a manner consistent with the accounting policies used by the Government to prepare its financial statements.

a) Revenue recognition

Revenue from investments is recognized on an accrual basis and includes interest earned (including the amortization of premiums and discounts), gains or losses on sales of securities, and revenues from securities-lending activities. Interest is accrued on short-term deposits, deposits held under repurchase agreements, marketable securities, and special drawing rights (SDRs).

b) Expense recognition

The Account's administrative, custodial, and fiscal agency services are provided and paid for by the Bank and the Department of Finance. These costs have not been recognized in the statements.

In addition, the notional cost of the funding of the Account's assets and advances from the CRF is not recognized in these statements.

c) Financial assets

Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and short-term deposits. Short-term deposits are measured at cost and are generally held to maturity. The resulting revenue is included in Interest on cash and cash equivalents in the Statement of operations.

Deposits held under repurchase agreements

Deposits held under repurchase agreements are measured at cost. The resulting revenue is included in Net revenue from investments in the Statement of operations. As at March 31, 2021, the Account did not hold any deposits held under repurchase agreements (\$nil at March 31, 2020).

Marketable securities

Marketable securities are mainly comprised of sovereign, sovereign-linked and supranational issued securities, including, but not limited to treasury bills and nominal bonds. Purchases and sales of securities are recognized at the settlement dates. Marketable securities are measured at cost and are adjusted for the amortization of purchase discounts and premiums on a straight-line basis over the term to maturity of the security. The carrying amount of marketable securities includes accrued interest.

On derecognition of a security, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in Net revenue from investments in the Statement of operations.

Exchange Fund Account—continued**Notes to the financial statements for the year ended March 31, 2021 (unaudited)—continued***Impairment*

The Bank assesses at the end of each reporting period whether there has been a loss in the carrying value of short-term deposits, deposits held under repurchase agreements, and marketable securities. When conditions indicate that the decline in value is other-than temporary, these assets are re-measured at their recoverable amount with the amount of the impairment loss recognized in Net revenue from investments in the Statement of operations.

Securities-lending program

Under the securities-lending program, the Account has agency agreements with two major financial institutions. Loans of securities are effected on behalf of the Account by these agents, who guarantee the loans and obtain collateral of equal or greater value from approved counterparties. These transactions can range from 1 to 31 days in duration. The securities loaned continue to be accounted for as investment assets. Income on securities-lending transactions is included in Interest in the Statement of operations.

Special drawing rights

Special drawing rights (SDRs) serve as the unit of account for the International Monetary Fund (IMF). The value of SDRs is based on a “basket” of five major currencies: the euro, the US dollar, the British pound sterling, the Japanese yen, and the Chinese renminbi.

SDRs are initially recognized at cost and are subsequently re-measured at each reporting date into Canadian dollars at market exchange rates.

Translation of foreign currencies and SDRs

Assets denominated in foreign currencies and SDRs are translated into Canadian-dollar equivalents at the rates prevailing as at March 31, which were as follows:

	2021	2020
US dollars	1.2567	1.4076
Euros	1.4736	1.5522
Japanese yen	0.0113	0.0131
British pound sterling.....	1.7324	1.7485
SDRs	1.7809	1.9211

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 these statements requires the Bank’s management to make estimates and assumptions based on information available as of the date of the statements. Significant judgements and estimates are primarily applied in the determination of whether an impairment exists and in the measurement of fair value where quoted prices do not exist (Note 3).

Exchange Fund Account—continued

Notes to the financial statements for the year ended March 31, 2021 (unaudited)—continued

3. Financial instruments

Fair value of financial assets

(in millions of Canadian dollars)

	March 31, 2021		March 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents				
US dollar	1,390	1,390	6,014	6,014
Euro	674	674	488	488
Japanese yen	60	60	14	14
British pound sterling	196	196	168	168
Total cash and cash equivalents	2,320	2,320	6,684	6,684
Investments				
Marketable securities				
US dollar	53,571	54,792	62,636	67,021
Euro	17,376	17,478	17,538	17,655
Japanese yen	5,427	5,449	5,266	5,259
British pound sterling	8,055	8,245	8,045	8,403
Total marketable securities	84,429	85,964	93,485	98,338
SDRs	10,840	10,840	11,848	11,848
Total investments	95,269	96,804	105,333	110,186
Total financial assets	97,589	99,124	112,017	116,870

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 reporting date, the carrying amount approximates fair value as at that date.

There were no impairments recognized in 2021 (\$nil in 2020).

Collateral pledged

As part of its operations, the Account is required to pledge collateral in respect to credit facilities granted by its European clearing house. Collateral pledged must have a fair value of a minimum of US \$250 million, post-haircut, in equivalent securities. The clearing house applies a haircut on all securities pledged.

As at March 31, 2021, the Account had pledged collateral of marketable securities having a carrying amount and fair value of \$411 million (no collateral pledged as at March 31, 2020).

Securities lending

As at March 31, 2021, there were no loaned securities in the Account's investments (\$nil at March 31, 2020).

Exchange Fund Account—continued**Notes to the financial statements for the year ended March 31, 2021 (unaudited)—continued****Credit risk**

Credit risk is the risk that a counterparty to a financial contract will cause a loss to the Account by failing to discharge its obligations in accordance with agreed upon terms.

To ensure that the Account's asset portfolio is prudently diversified with respect to credit risk, the *Statement of Investment Policy* prescribed by the Minister of Finance specifies limits on holdings by class of issuer (sovereign, agency, supranational, corporation or commercial financial institution), by individual issuer or counterparty, and by type of instrument.

The *Statement of Investment Policy* also specifies the treatment of holdings that do not meet eligibility criteria or limits due to exceptional circumstances such as ratings downgrades.

With respect to the *Statement of Investment Policy*, the Account may hold fixed income securities of highly rated sovereigns, central banks, government-supported entities and supranational organizations. To be eligible for investment, an entity must have an acceptable credit rating informed by external credit ratings and internal credit analysis. The Account may also make deposits and execute other transactions, up to prescribed limits, with commercial financial institutions that meet the same rating criteria.

As stipulated in the *Currency Act*, the Minister of Finance may appoint agents to perform services concerning the Account. Through the securities-lending program, agents can lend securities only up to a prescribed maximum amount and only to approved counterparties. Each borrower must enter into a Securities Loan Agreement with at least one of the agents. Borrowers are also required to provide collateral for securities borrowed according to a specific list approved by the Government, with collateral limited to specific security types, terms to maturity, and credit ratings.

The agents also provide an indemnity in the event of default by the borrower. The Account enters into securities lending transactions in order to increase its return on investments.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, and other price risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk. The Account is not exposed to significant other price risk.

Interest rate and currency risks are managed, with due consideration of the risk to the Government, through an asset-liability management policy. This policy utilizes a strategy of matching the duration structure and the currency of the Account's assets with the foreign currency borrowings of the Government which notionally finance the Account's assets. Other price risks are mitigated by holding high quality liquid assets.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk is minimized by limiting the portion of the Government foreign liabilities that needs to be renewed within a one-year period. In addition, liquidity risk is mitigated by holding short-term investments that are matched to the Government's maturing liabilities in foreign currencies.

Exchange Fund Account—concluded

Notes to the financial statements for the year ended March 31, 2021 (unaudited)—concluded

4. Due to the Consolidated Revenue Fund (CRF)

The Account is funded by the Government through interest-free advances from the CRF. Advances to the Account from the CRF are authorized by the Minister of Finance under the terms and conditions prescribed by the Minister of Finance. Pursuant to Section 19 of the *Currency Act*, these advances are limited to US \$150 billion by order of the Minister of Finance effective March 26, 2015.

The CRF advances the proceeds of the Government's borrowings in foreign currencies and allocations of SDRs by the IMF to the Account. Subsequent repayments of foreign currency debt are made using the assets of the Account and result in reductions of foreign currency advances from the CRF.

The Account requires Canadian-dollar advances to settle its purchases of foreign currencies. Canadian dollars received from sales of foreign currencies are remitted to the CRF. This, together with foreign currency payments made on behalf of the Government, causes reductions in the level of outstanding Canadian-dollar advances and can result in overall net deposits of Canadian-dollars by the Account with the CRF.

As at March 31, advances from the CRF were composed of the following currencies:

Currency composition of advances from the CRF

(in millions of Canadian dollars)

	2021	2020
US dollars	61,192	74,116
Euros	17,848	17,666
British pound sterling.....	7,768	7,840
Japanese yen	5,446	5,266
SDRs	6,118	6,599
Subtotal—Foreign currencies.....	98,372	111,487
Canadians dollars.....	(3,324)	(1,753)
Net revenue.....	2,541	2,283
Total	97,589	112,017

Section 9

Public Accounts of Canada 2020–2021

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, 2020	Payments and other charges	Receipts and other credits	March 31, 2021
Enterprise Crown corporations and other government business enterprises, Table 9.2.....	125,107,694,853	37,828,052,936	42,941,991,187	119,993,756,602
Portfolio investments, Table 9.10.....	68,424,709	53,060,500	356,649	121,128,560
National governments including developing countries, Table 9.11.....	450,146,668	35,998,445	144,671,881	341,473,232
International organizations, Table 9.12.....	24,924,233,900	1,532,216,903	300,801,991	26,155,648,812
Provincial and territorial governments, Table 9.13.....	346,448,905	31,940,250	22,949,188	355,439,967
Other loans, investments and advances, Table 9.14.....	31,343,489,021	52,894,557,117	5,137,665,618	79,100,380,520
	182,240,438,056	92,375,826,151	48,548,436,514	226,067,827,693
Less: allowance for valuation.....	29,739,108,582	17,523,151,172	472,109,696	46,790,150,058
Total.....	152,501,329,474	74,852,674,979	48,076,326,818	179,277,677,635

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, 2020	Payments and other charges	Receipts and other credits	March 31, 2021
Investments				
Investments and accumulated profits/losses, Table 9.4.....	50,738,738,950	(11,294,812,000)	(4,902,318,000)	44,346,244,950
Loans and advances¹				
Employment, Workforce Development and Disability Inclusion				
Canada Mortgage and Housing Corporation				
Housing.....	1,134,958,490	–	144,505,740	990,452,750
Joint projects.....	364,841,995	–	17,761,175	347,080,820
Real estate.....	7,722,868	–	573,435	7,149,433
Sewage treatment projects.....	5,151,014	–	2,271,179	2,879,835
Student housing projects.....	15,782,002	–	5,799,539	9,982,463
	<i>1,528,456,369</i>	–	<i>170,911,068</i>	<i>1,357,545,301</i>
Finance				
Department of Finance				
Business Development Bank of Canada.....	23,405,000,000	22,001,000,000	27,180,000,000	18,226,000,000
Canada Lands Company Limited.....	431,870,000	7,570,000	–	439,440,000
Canada Mortgage and Housing Corporation.....	12,848,436,531	9,644,808,000	8,567,108,305	13,926,136,226
Farm Credit Canada.....	32,653,500,000	13,607,000,000	11,919,000,000	34,341,500,000
	<i>69,338,806,531</i>	<i>45,260,378,000</i>	<i>47,666,108,305</i>	<i>66,933,076,226</i>
Global Affairs				
Export Development Canada				
Canada Development Investment Corporation.....	6,255,000,000	3,725,000,000	–	9,980,000,000
Total—Loans and advances.....	77,122,262,900	48,985,378,000	47,837,019,373	78,270,621,527
Less:				
Loans expected to be repaid from future appropriations.....	2,718,499,158	115,566,000	–	2,602,933,158
Unamortized discounts and premiums.....	34,807,839	21,920,936	7,289,814	20,176,717
	<i>2,753,306,997</i>	<i>137,486,936</i>	<i>7,289,814</i>	<i>2,623,109,875</i>
Total.....	125,107,694,853	37,828,052,936	42,941,991,187	119,993,756,602

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 7.44% 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 0.07% 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, a new note have been issued for an amount of \$7.6 million and an amount of \$4.1 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 0.08% 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 0.07% to 3.25% 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, 2021 and 2020 is as follows:

(in millions of dollars)

	2021	2020
Business Development Bank of Canada.....	92.4	371.5
Canada Development Investment Corporation.....	381.4	261.4
Canada Mortgage and Housing Corporation.....	354.0	303.0
Farm Credit Canada.....	239.8	512.9
Total.....	1,067.6	1,448.8

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, 2021

(in thousands of dollars)

	Assets			Total assets
	Financial		Non-financial	
	Third parties	Government, Crown corporations and other entities		
Enterprise Crown corporations and other government business enterprises ¹				
Atlantic Pilotage Authority	8,008	–	14,391	22,399
Bank of Canada	135,070,283	416,578,850	736,379	552,385,512
Business Development Bank of Canada.....	36,889,341	7,682	251,094	37,148,117
Canada Deposit Insurance Corporation.....	1,735,888	4,758,119	18,164	6,512,171
Canada Development Investment Corporation.....	698,180	139,012	11,511,520	12,348,712
Canada Lands Company Limited.....	528,459	64,612	589,071	1,182,142
Canada Mortgage and Housing Corporation	292,666,183	14,174,709	782,584	307,623,476
Canada Post Corporation	3,765,790	1,465,110	4,920,489	10,151,389
Export Development Canada	66,746,703	40,000	297,958	67,084,661
Farm Credit Canada.....	43,529,110	46,000	285,054	43,860,164
Freshwater Fish Marketing Corporation.....	8,975	–	38,636	47,611
Great Lakes Pilotage Authority.....	7,489	–	849	8,338
Halifax Port Authority ²	11,222	–	240,655	251,877
Hamilton-Oshawa Port Authority ²	23,886	–	155,250	179,136
Laurentian Pilotage Authority.....	22,225	421	17,690	40,336
Montreal Port Authority ²	225,183	10,551	555,057	790,791
Pacific Pilotage Authority.....	15,064	1,207	14,090	30,361
Prince Rupert Port Authority ²	135,358	–	252,500	387,858
Quebec Port Authority ²	30,063	5,668	207,086	242,817
Royal Canadian Mint.....	129,287	28,530	250,953	408,770
Saint John Port Authority ²	23,562	–	114,499	138,061
Sept-Îles Port Authority ²	19,210	210	316,087	335,507
Toronto Port Authority ²	83,133	–	237,693	320,826
Vancouver Fraser Port Authority ²	158,950	9,619	2,179,943	2,348,512
Other Canada Port Authorities ^{2,3}	117,258	276	261,982	379,516
Total	582,648,810	437,330,576	24,249,674	1,044,229,060
Elimination adjustments.....		(18,746,301)	(272,560)	(19,018,861)
Total	582,648,810	418,584,275	23,977,114	1,025,210,199

¹ All enterprise Crown corporations listed at the margin in this table are parent Crown corporations. Although a Crown corporation, Canada Pension Plan Investment Board is designed to operate at arm's length from the government and manages, on behalf of the Canada Pension Plan, funds not belonging to the government, therefore, it is considered external to the government reporting entity. The Public Sector Pension Investment Board is not included in the above list since its activities are included in the government's results through pension accounting.

² Canada Port Authorities, which are not Crown corporations but considered other government business enterprises, are agents of the Crown for their port activities.

³ Consists of the combined figures of the Canada Port Authorities of Belledune, Nanaimo, Port Alberni, Saguenay, St. John's, Thunder Bay, Trois-Rivières and Windsor.

Liabilities								
Third parties		Government, Crown corporations and other entities	Total liabilities	Accumulated profits (losses)	Contributed surplus	Capital stock	Equity of Canada	Total liabilities and equity
Borrowings	Other							
4,097	6,135	–	10,232	12,167	–	–	12,167	22,399
–	493,377,517	58,446,431	551,823,948	531,564	25,000	5,000	561,564	552,385,512
127,662	769,582	18,246,778	19,144,022	6,464,417	27,778	11,511,900	18,004,095	37,148,117
–	2,669,429	1,237	2,670,666	3,841,505	–	–	3,841,505	6,512,171
–	1,769,432	10,415,445	12,184,877	(439,460)	603,294	1	163,835	12,348,712
29,200	73,738	420,375	523,313	477,659	181,170	–	658,829	1,182,142
265,191,379	9,992,873	19,286,574	294,470,826	13,127,640	25,010	–	13,152,650	307,623,476
997,554	6,989,405	129,962	8,116,921	879,297	1,155,171	–	2,034,468	10,151,389
47,531,540	2,628,843	4,280,000	54,440,383	344,278	–	12,300,000	12,644,278	67,084,661
851,864	591,010	34,404,668	35,847,542	7,512,622	500,000	–	8,012,622	43,860,164
20,886	8,829	17,896	47,611	–	–	–	–	47,611
–	12,024	267	12,291	(3,953)	–	–	(3,953)	8,338
19,559	15,288	813	35,660	165,360	50,857	–	216,217	251,877
–	20,285	–	20,285	135,811	23,040	–	158,851	179,136
–	15,245	–	15,245	25,091	–	–	25,091	40,336
181,674	180,944	988	363,606	193,103	234,082	–	427,185	790,791
3,482	12,925	196	16,603	13,758	–	–	13,758	30,361
–	90,175	–	90,175	261,470	36,213	–	297,683	387,858
35,152	44,047	48,274	127,473	58,082	57,262	–	115,344	242,817
6,006	219,175	2,621	227,802	140,968	–	40,000	180,968	408,770
12,498	16,177	–	28,675	47,727	61,659	–	109,386	138,061
39,453	160,355	–	199,808	123,992	11,707	–	135,699	335,507
30,753	85,091	–	115,844	204,982	–	–	204,982	320,826
30,876	233,892	2,360	267,128	1,931,125	150,259	–	2,081,384	2,348,512
35,555	39,249	6,203	81,007	155,439	143,070	–	298,509	379,516
315,149,190	520,021,665	145,711,088	980,881,943	36,204,644	3,285,572	23,856,901	63,347,117	1,044,229,060
		(17,988)	(17,988)	(19,000,873)			(19,000,873)	(19,018,861)
315,149,190	520,021,665	145,693,100	980,863,955	17,203,771	3,285,572	23,856,901	44,346,244	1,025,210,199

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, 2021

(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	24,844	–	24,844	26,137	2	26,139
Bank of Canada	1,095,764	2,695,557	3,791,321	1,409,706	192,201	1,601,907
Business Development Bank of Canada.....	2,498,235	–	2,498,235	752,299	98,288	850,587
Canada Deposit Insurance Corporation.....	770,237	58,877	829,114	455,017	12,179	467,196
Canada Development Investment Corporation.....	544,049	199	544,248	458,986	171,383	630,369
Canada Lands Company Limited	136,974	–	136,974	158,983	(4,992)	153,991
Canada Mortgage and Housing Corporation	7,456,344	5,880,440	13,336,784	10,253,072	1,115,562	11,368,634
Canada Post Corporation	9,553,640	241,799	9,795,439	10,231,484	24,385	10,255,869
Export Development Canada	2,540,808	–	2,540,808	2,393,202	(3,184)	2,390,018
Farm Credit Canada	1,601,985	–	1,601,985	541,461	247,808	789,269
Freshwater Fish Marketing Corporation.....	59,427	–	59,427	59,581	–	59,581
Great Lakes Pilotage Authority	38,122	18	38,140	37,423	1,421	38,844
Halifax Port Authority	43,177	–	43,177	30,005	1,917	31,922
Hamilton-Oshawa Port Authority	33,064	–	33,064	24,438	–	24,438
Laurentian Pilotage Authority	92,065	–	92,065	95,164	–	95,164
Montreal Port Authority	115,885	763	116,648	96,614	4,462	101,076
Pacific Pilotage Authority	84,880	–	84,880	84,215	667	84,882
Prince Rupert Port Authority	69,342	–	69,342	34,564	3,376	37,940
Quebec Port Authority	37,689	3,420	41,109	36,901	1,829	38,730
Royal Canadian Mint	2,845,615	87,770	2,933,385	2,821,330	62,250	2,883,580
Saint John Port Authority	18,085	–	18,085	14,789	458	15,247
Sept-Îles Port Authority	36,556	–	36,556	19,678	–	19,678
Toronto Port Authority	31,920	–	31,920	45,696	–	45,696
Vancouver Fraser Port Authority	278,512	1,471	279,983	151,273	7,854	159,127
Other Canada Port Authorities	48,858	1,075	49,933	43,199	529	43,728
Total	30,056,077	8,971,389	39,027,466	30,275,217	1,938,395	32,213,612
Elimination adjustments.....						
Total net results	30,056,077	8,971,389	39,027,466	30,275,217	1,938,395	32,213,612
Less equity adjustments						
Share of annual loss						

The accompanying notes for Table 9.3 are an integral part of this table.

¹ Revenues with government, Crown corporations and other entities include amounts generated from the sale of goods and services, investment income, financial assistance as well as grants where the corporations qualify as a member of a general class of recipients. Additional amounts representing capital investments received by the corporations are included under “Equity transactions with the government”.

Net income (loss)	Equity beginning of year	Equity adjustments and other	Other comprehensive income (loss)	Equity transactions with the government		Equity end of year
				Dividends	Capital	
(1,295)	13,563	–	(101)	–	–	12,167
2,189,414	582,589	–	85,908	(2,296,347)	–	561,564
1,647,648	8,891,660	–	(38,213)	–	7,503,000	18,004,095
361,918	3,479,691	–	(104)	–	–	3,841,505
(86,121)	354,289	42,021	(38,354)	(108,000)	–	163,835
(17,017)	685,846	–	–	(10,000)	–	658,829
1,968,150	15,430,287	–	(350,787)	(3,895,000)	–	13,152,650
(460,430)	2,204,561	–	290,337	–	–	2,034,468
150,790	8,721,661	(9)	85,036	(7,280,000)	10,966,800	12,644,278
812,716	7,252,469	–	(52,563)	–	–	8,012,622
(154)	–	154	–	–	–	–
(704)	(3,249)	–	–	–	–	(3,953)
11,255	205,697	–	(735)	–	–	216,217
8,626	151,798	–	(1,573)	–	–	158,851
(3,099)	28,190	–	–	–	–	25,091
15,572	414,001	(35)	(2,353)	–	–	427,185
(2)	13,827	–	(67)	–	–	13,758
31,402	267,436	–	(1,155)	–	–	297,683
2,379	117,073	–	(4,108)	–	–	115,344
49,805	151,757	–	(594)	(20,000)	–	180,968
2,838	108,145	(1,088)	(509)	–	–	109,386
16,878	118,821	–	–	–	–	135,699
(13,776)	224,943	–	(6,185)	–	–	204,982
120,856	1,963,376	–	(2,848)	–	–	2,081,384
6,205	292,937	99	(732)	–	–	298,509
6,813,854	51,671,368	41,142	(39,700)	(13,609,347)	18,469,800	63,347,117
	(932,630)	(18,468,744)	382,657	17,844		(19,000,873)
6,813,854	50,738,738	(18,427,602)	342,957	(13,591,503)	18,469,800	44,346,244
(18,451,623)		18,451,623				–
(11,637,769)	50,738,738	24,021	342,957	(13,591,503)	18,469,800	44,346,244

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, 2020	Borrowings and other credits	Repayments and other charges	March 31, 2021
Agent enterprise Crown corporations				
Business Development Bank of Canada	141,621	(15)	13,944	127,662
Canada Mortgage and Housing Corporation.....	244,642,588	54,920,677	34,371,886	265,191,379
Canada Post Corporation.....	997,339	215	–	997,554
Export Development Canada.....	63,249,217	29,145,375	44,863,052	47,531,540
Farm Credit Canada	833,152	7,584,139	7,565,427	851,864
Freshwater Fish Marketing Corporation	35,964	20,886	35,964	20,886
Royal Canadian Mint.....	8,995	170	3,159	6,006
Total—Agent enterprise Crown corporations	309,908,876	91,671,447	86,853,432	314,726,891
Non-agent enterprise Crown corporations and other government business enterprises				
Atlantic Pilotage Authority.....	4,779	–	682	4,097
Canada Lands Company Limited ¹	37,500	12,500	20,800	29,200
Halifax Port Authority ²	21,624	16,904	18,969	19,559
Montreal Port Authority ²	13,158	210,000	41,484	181,674
Pacific Pilotage Authority	1,317	2,573	408	3,482
Quebec Port Authority ²	11,986	35,152	11,986	35,152
Saint John Port Authority ²	–	12,498	–	12,498
Sept-Îles Port Authority ²	38,379	7,000	5,926	39,453
Toronto Port Authority ²	32,463	–	1,710	30,753
Vancouver Fraser Port Authority ²	103,034	28,242	100,400	30,876
Other Canada Port Authorities ²	38,843	1,908	5,196	35,555
Total—Non-agent enterprise Crown corporations and other government business enterprises	303,083	326,777	207,561	422,299
Total	310,211,959	91,998,224	87,060,993	315,149,190
Borrowings expected to be repaid by enterprise Crown corporations and other government business enterprises	310,211,959	–	–	315,149,190
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
2022.....	63,732,003	152,704	63,884,707
2023.....	52,920,262	10,100	52,930,362
2024.....	53,488,761	10,132	53,498,893
2025.....	47,559,270	10,605	47,569,875
2026.....	41,189,232	9,410	41,198,642
Subsequent years	55,837,363	229,348	56,066,711
Total	314,726,891	422,299	315,149,190 ¹

¹ The borrowings are composed in Canadian dollar equivalent of 27,972,149 USD, 8,607,745 GBP, 3,046,172 AUD, 3,982,691 EUR, 939,302 NZD, 477,647 NOK, 254,829 HKD, 23,496 CLP, 85,864 ZAR, 106,899 TRY, 6,817 MXN, 268,079,372 CAD and 1,566,207 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)

	2021
Loan guarantees.....	4,352,238
Letters of credit.....	265,935
Performance guarantees and callable shares.....	95,848
Pending and threatened litigation and other claims	3,681
Total	4,717,702

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, 2021

(in thousands of dollars)

	Transfer payment agreements	Loans	Capital expenditures	Operating leases and other	Total
Bank of Canada	–	–	23,715	150,803	174,518
Business Development Bank of Canada.....	–	4,727,325	–	185,360	4,912,685
Canada Deposit Insurance Corporation	–	–	558	13,411	13,969
Canada Development Investment Corporation.....	–	–	150,421	69,204	219,625
Canada Lands Company Limited	–	–	72,800	1,200	74,000
Canada Mortgage and Housing Corporation	9,304,000	5,709,298	–	182,000	15,195,298
Canada Post Corporation	–	–	–	3,000	3,000
Export Development Canada	–	16,909,049	–	424,000	17,333,049
Farm Credit Canada	–	9,903,700	1,800	175,916	10,081,416
Great Lakes Pilotage Authority	–	–	–	1,226,482	1,226,482
Halifax Port Authority	–	–	3,541	–	3,541
Pacific Pilotage Authority	–	–	4,050	–	4,050
Prince Rupert Port Authority	–	–	38	–	38
Royal Canadian Mint	5,769	–	–	126,756	132,525
Vancouver Fraser Port Authority	–	–	392,811	14,935	407,746
Total	9,309,769	37,249,372	649,734	2,573,067	49,781,942

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, 2021

(in thousands of dollars)

	Financial assistance
Canada Mortgage and Housing Corporation	5,530,500
Canada Post Corporation	22,210
Total	5,552,710

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, 2020	Payments and other charges ¹	Receipts and other credits	March 31, 2021
Environment and Climate Change				
Parks Canada Agency				
Co-operative Housing Project.....	337,106	100	337,106	100
Finance				
Department of Finance				
Canada Pension Plan Investment Board.....	100	–	–	100
Global Affairs				
Department of Foreign Affairs, Trade and Development				
Canada Investment Fund for Africa	46,529,888	–	17,195	46,512,693
Land Degradation Neutrality Fund.....	–	53,060,400	–	53,060,400
	46,529,888	53,060,400	17,195	99,573,093
Innovation, Science and Economic Development				
Atlantic Canada Opportunities Agency				
Equity investment	6,807,511	–	2,348	6,805,163
Department of Western Economic Diversification				
North Portage Development Corporation.....	1	–	–	1
National Research Council of Canada				
Equity ownership.....	3	–	–	3
	6,807,515	–	2,348	6,805,167
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	68,424,709	53,060,500	356,649	121,128,560

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.

Land Degradation Neutrality Fund

The investment consists of a contribution to the Land Degradation Neutrality Fund (LDN), an investment fund initiated to support sustainable land management and land restoration.

Equity investment

In order to help fulfill its mandate to promote economic development in the Cape Breton Region of Nova Scotia, Enterprise Cape Breton Corporation (ECBC) had taken equity interests in several companies to help the organizations expand or innovate.

Upon ECBC's dissolution on June 19, 2014, all of ECBC assets and obligations, except real property, were transferred to Atlantic Canada Opportunities Agency (ACOA). ACOA has been given the authority to hold or exercise, or surrender, sell, assign or otherwise dispose of, a stock option, share or other similar financial instruments that it acquired from ECBC or any of its subsidiaries.

North Portage Development Corporation

The Corporation was incorporated under *The Corporations Act* of Manitoba, to foster the social and economic development of the North Portage area in the core area of Winnipeg. The objective of the government's participation is to stimulate economic recovery in Canada and Manitoba.

The government's holding of common shares represents 33.3% of the shares outstanding. The Corporation is owned equally by the City of Winnipeg, the Province of Manitoba and the Government of Canada. There are 3 common shares issued, having a par value of \$1 each.

Equity ownership

In order to help fulfill its mandate to promote industrial innovation in Canada, the National Research Council of Canada (NRC) has taken equity interests in several new firms based on NRC technology. NRC provides financial assistance at better than market conditions to firms through access to equipment, intellectual property and incubation space in laboratories and in the organization's Industry Partnership Facilities.

Since these companies often cannot afford to pay the full cost of the assistance received from the NRC, the NRC takes an equity position in a company in order to help the firms survive the critical development stage. In turn, it allows NRC to earn a return that somewhat reflects the risk taken should the company become successful.

This investment in equity is authorized under subsection 92(1)(b) of the *Financial Administration Act* which allows for the acquisition or the sale or other disposal of shares or assets in the ordinary course of a business of providing financial assistance to publicly and privately held companies and are recorded at cost.

The government's holdings of shares represent a minority interest in two publicly traded companies and one privately held company.

Lower Churchill Development Corporation Limited

The Lower Churchill Development Corporation (LCDC) was incorporated in 1978 under the *Companies Act* of Newfoundland, with the objective of developing all or part of the hydroelectric potential of the Lower Churchill Basin. It is owned 51% by Newfoundland and Labrador Hydro, the designate for the Government of Newfoundland and Labrador, and 49% by Canada. LCDC is not an active operating company.

Canada owns 1,475 class A shares, which it purchased for \$10,000 per share in the initial years of the corporation. Funds were used to finance feasibility studies for proposed Lower Churchill projects. The corporation's only asset was an Option Right to purchase the Gull Island Production Company's assets and acquire hydroelectric development rights on the Lower Churchill River, granted by the Government of Newfoundland and Labrador in exchange for its initial ownership stake, valued at \$5,200,000.

The option expired on November 24, 2006, and has not been extended by the province, resulting in an investment write-down for LCDC.

Public Sector Pension Investment Board

The Public Sector Pension Investment Board (PSPIB) is a Canadian Crown corporation established pursuant to the *Public Sector Pension Investment Board Act*. Its statutory objective is to manage, in the best interests of the contributors and beneficiaries, the funds transferred to it by the Government of Canada since April 1, 2000. These funds represent contributions less benefits payments and other charges related to the Public Service, Canadian Forces—Regular Force and Royal Canadian Mounted Police pension plans, and since 2007 for the Canadian Forces—Reserve Force pension plan, that fall within the *Income Tax Act* limits. The goal of the PSPIB is to maximize returns on investments without undue risk of loss, while having regard to the funding, policies and requirements and financial obligations of each of the pension plans.

The government holds 100% of the share capital of the PSPIB that consists of 10 shares having a par value of \$10 each issued as per legislation. The assets managed by the PSPIB are recorded against the pension obligations since April 1, 2000.

National governments including developing countries

Loans to national governments consist mainly of loans for financial assistance, international development assistance to developing countries, and loans for development of export trade (administered by Export Development Canada).

Table 9.11
National governments including developing countries

(in dollars)

	April 1, 2020	Payments and other charges	Receipts and other credits	March 31, 2021
Global Affairs				
Department of Foreign Affairs, Trade and Development				
International development assistance—Developing countries.....	70,709,912	13,169,159	24,074,043	59,805,028
Export Development Canada				
Development of export trade—National governments	379,436,756	22,799,288	120,567,840	281,668,204
	<i>450,146,668</i>	<i>35,968,447</i>	<i>144,641,883</i>	<i>341,473,232</i>
National Defence				
Department of National Defence				
Damage claims recoverable—North Atlantic Treaty Organization	–	29,998	29,998	–
Total	450,146,668	35,998,445	144,671,881	341,473,232

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 has 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, 2020	Payments and other charges	Receipts and other credits ¹	March 31, 2021
(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	31,700,985	–	4,239,967	27,461,018
(b) 50 year term, 10 year grace period, non-interest bearing, with final repayments between March 2015 and September 2035:				
Algeria	1,487,435	–	391,471	1,095,964
Bolivia	84,805	–	42,410	42,395
Dominican Republic	909,300	–	236,045	673,255
Ecuador	629,488	–	273,808	355,680
Guatemala	681,250	–	100,000	581,250
Indonesia	64,126,574	–	9,360,685	54,765,889
Malaysia	742,394	–	53,028	689,366
Malta	99,980	–	25,000	74,980
Morocco	1,799,870	–	275,295	1,524,575
Pakistan	20,162,020	–	–	20,162,020
Philippines	431,777	–	97,159	334,618
Sri Lanka	32,807,652	–	4,076,707	28,730,945
Thailand	6,345,298	–	674,621	5,670,677
Tunisia	12,489,003	–	2,982,756	9,506,247
	<i>142,796,846</i>	–	<i>18,588,985</i>	<i>124,207,861</i>
(c) 50 year term, 13 year grace period, non-interest bearing, with final repayment in March 2023:				
Algeria	3,735,274	–	1,245,091	2,490,183
Subtotal	178,233,105	–	24,074,043	154,159,062
Less: portion expensed due to concessionary terms	107,523,193	–	13,169,159	94,354,034
Total	70,709,912	–	10,904,884	59,805,028

Grace period refers to interval from date of issuance of the loan to first repayment of loan principal.

¹ Receipts and other credits may include transactions such as repayments, forgiveness, adjustments, etc.

Development of export trade—National governments

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

Loan transactions with longer repayment terms or low or zero interest rates are recorded in part as expenses when the economic value is reduced due to such concessionary terms.

Table 11.4 and Table 11.6 in Section 11 of this volume present additional information on contractual obligations and guarantees that are disclosed in the notes to the audited consolidated financial statements in Section 2 of this volume.

(in dollars)

	Payments and other charges		Receipts and other credits		March 31, 2021	
	April 1, 2020	Payments or other charges ¹	Revaluation	Receipts or other credits ²		Revaluation
Non-budgetary loans³						
(a) 1 to 5 year term, 3.0% to 9.0% interest per annum, with final repayments in May 2019:						
Argentina	36,086,802	–	–	–	1,886,656	34,200,146
(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	96,175,217	–	–	11,287,700	9,755,753	75,131,764
(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	223,790	–	–	165,560	58,230	–
(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	154,881	–	–	94,590	11,957	48,334
Venezuela	2,752,787	–	–	–	295,109	2,457,678
	2,907,668	–	–	94,590	307,066	2,506,012
(e) 21 to 25 year term, 9.0% to 10.0% interest per annum, with final repayments in September 2000:						
Sudan	5,436,162	–	–	–	582,777	4,853,385
(f) 21 to 25 year term, interest based on LIBOR, plus 0.55% per annum, with final repayments in November 2024:						
Pakistan	5,652,596	–	–	–	605,979	5,046,617
(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	12,359,077	–	–	–	1,324,939	11,034,138
Total—Non-budgetary loans.....	158,841,312	–	–	11,547,850	14,521,400	132,772,062

(in dollars)

	Payments and other charges		Receipts and other credits			
	April 1, 2020	Payments or other charges ¹	Revaluation	Receipts or other credits ²	Revaluation	March 31, 2021
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	365,714,786	–	–	24,075,601	38,023,107	303,616,078
Egypt	6,359,794	–	–	350,040	236,385	5,773,369
Gabon	7,159,467	–	–	327,834	751,490	6,080,143
India	42,573,804	–	–	1,695,188	4,480,783	36,397,833
Jamaica	4,764,875	–	–	241,831	498,931	4,024,113
Morocco	67,538,407	–	–	3,392,234	7,073,703	57,072,470
Turkey	86,384,201	–	–	3,604,824	9,083,597	73,695,780
	580,495,334	–	–	33,687,552	60,147,996	486,659,786
(b) 31 to 55 year term, comprised of several loans with fixed or variable interest rates currently ranging from 0% to 2.21% per annum, with final repayments between December 2018 and December 2033:						
Kenya	3,941,434	–	–	264,300	398,742	3,278,392
Total—Budgetary loans	584,436,768	–	–	33,951,852	60,546,738	489,938,178
Subtotal	743,278,080	–	–	45,499,702	75,068,138	622,710,240
Less: portion expensed due to concessionary terms	363,841,324	–	–	–	22,799,288	341,042,036
Total	379,436,756	–	–	45,499,702	52,268,850	281,668,204

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/\$1.2567 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 \$84,212,629 (\$150,375,319 in 2020) are reported in Table 5.3 in Section 5 of this volume.

Table 9.12
International organizations

(in dollars)

	Payments and other charges		Receipts and other credits		March 31, 2021
	Participation or other charges	Revaluation	Reimburse- ments or other credits	Revaluation	
	April 1, 2020				
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 (World Bank)	805,062,415	–	–	–	805,062,415
International Development Association ²	12,939,018,061	423,240,000	–	–	13,362,258,061
International Finance Corporation	104,801,033	–	–	–	104,801,033
Multilateral Investment Guarantee Agency	13,827,431	–	–	–	13,827,431
	<i>14,398,458,174</i>	<i>423,240,000</i>	–	–	<i>14,821,698,174</i>
Global Affairs					
Department of Foreign Affairs, Trade and Development					
African Development Bank	331,751,280	40,240,255	–	29,240,748	342,750,787
Asian Development Bank	393,924,211	–	–	19,279,666	374,644,545
Caribbean Development Bank	54,552,855	–	–	5,179,179	49,373,676
Inter-American Development Bank	348,000,915	–	–	36,951,257	311,049,658
Inter-American Investment Corporation	74,952,925	10,037,065	–	8,880,209	76,109,781
	<i>1,203,182,186</i>	<i>50,277,320</i>	–	<i>99,531,059</i>	<i>1,153,928,447</i>
Total—Capital subscriptions	15,601,640,360	473,517,320	–	99,531,059	15,975,626,621

Table 9.12
International Organizations—concluded

(in dollars)

	Payments and other charges			Receipts and other credits		
	April 1, 2020	Participation or other charges	Revaluation	Reimburse- ments or other credits	Revaluation	March 31, 2021
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	685,561,433	798,468,764	–	27,429,259	104,500,000	1,352,100,938
	<i>770,561,433</i>	<i>798,468,764</i>	–	<i>27,429,259</i>	<i>104,500,000</i>	<i>1,437,100,938</i>
Global Affairs						
Department of Foreign Affairs, Trade and Development						
International Finance Corporation						
Financial Mechanisms for Climate Change Facility	199,653,633	–	–	17,423,269	–	182,230,364
Global Agriculture and Food Security Program	23,439,645	–	–	2,139,096	–	21,300,549
	<i>223,093,278</i>	–	–	<i>19,562,365</i>	–	<i>203,530,913</i>
International financial institutions ²						
African Development Bank	93,895	–	–	93,895	–	–
African Development Fund.....	3,206,890,870	118,400,000	–	–	11,317,491	3,313,973,379
Asian Development Bank—Special.....	27,027,000	–	–	–	–	27,027,000
Asian Development Fund	2,452,446,010	32,956,919	–	–	–	2,485,402,929
Caribbean Development Bank						
Agricultural Development Fund.....	2,000,000	–	–	–	–	2,000,000
Commonwealth Caribbean Regional.....	5,630,400	–	–	–	603,600	5,026,800
Special	409,215,755	17,585,000	–	–	1,893,795	424,906,960
Global Environment Facility Trust Fund	1,054,820,000	54,750,000	–	–	–	1,109,570,000
Inter-American Development Bank						
Fund for Special Operations.....	417,448,197	552,250	–	–	27,264,336	390,736,111
International Bank for Reconstruction and						
Development.....	28,152,000	–	–	–	3,018,000	25,134,000
International Fund for Agriculture Development ...	504,383,396	25,000,000	–	–	–	529,383,396
International Monetary Fund	15,440,573	–	–	–	1,655,287	13,785,286
Montreal Protocol Multilateral Fund.....	143,324,787	7,854,071	–	–	4,026,683	147,152,175
Multilateral Investment Fund.....	55,573,546	3,132,579	–	–	–	58,706,125
	<i>8,322,446,429</i>	<i>260,230,819</i>	–	<i>93,895</i>	<i>49,779,192</i>	<i>8,532,804,161</i>
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
	<i>6,586,179</i>	–	–	–	–	<i>6,586,179</i>
Total—Loans and advances	<i>9,322,687,319</i>	<i>1,058,699,583</i>	–	<i>47,085,519</i>	<i>154,279,192</i>	<i>10,180,022,191</i>
Subtotal.....	<i>24,924,327,679</i>	<i>1,532,216,903</i>	–	<i>47,085,519</i>	<i>253,810,251</i>	<i>26,155,648,812</i>
Less: portion expensed due to concessionary terms	<i>93,779</i>	–	–	<i>93,779</i>	–	–
Total	<i>24,924,233,900</i>	<i>1,532,216,903</i>	–	<i>46,991,740</i>	<i>253,810,251</i>	<i>26,155,648,812</i>

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, 2021, Canada has subscribed to 9,954 shares (9,954 in 2020). The total value of these shares is \$995.4 million USD (\$995.4 million USD in 2020), of which \$199.1 million USD (\$199.1 million USD in 2020) 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, 2021, 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, 2021, 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, 2021, Canada's total participation in IDA amounted to \$13,362,258,061 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.

The 2020 general capital increase at the International Finance Corporation included a re-basing of the shareholding by converting \$17 billion USD from its retained earnings into new shares. These new shares were provided on a pro rata basis at no charge to all shareholders, increasing Canada's shareholding from 81,342 shares to 620,199 shares.

As at March 31, 2021, Canada has subscribed to 620,199 shares (81,342 as at March 31, 2020). These shares have a total value of \$620,199,000 USD, of which \$81,342 000 USD has been paid-in.

Multilateral Investment Guarantee Agency

This account records Canada's subscriptions to the capital of the Multilateral Investment Guarantee Agency, as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts.

As at March 31, 2021, 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 36,643 paid-in shares and 522,598 callable shares. Paid-in shares are purchased using direct payments.

As at March 31, 2021, Canada's participation to the paid-in capital is \$342,750,787 CAD for 20,458 paid-in shares and of these paid-in shares, 15,930 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 \$6,526,068,554 USD for a total value of \$8,201,310,351 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, 2021, Canada's participation to the paid-in capital is \$374,644,545 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 \$7,996,854,135 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, 2021, Canada's participation to the paid-in capital is \$49,373,676 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 \$153,830,299 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, 2021, Canada's participation to the paid-in capital is \$311,049,658 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 \$8,292,658,964 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, 2021, Canada's participation to the paid-in capital is \$76,109,781 CAD for 3,800 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, 2021, 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, 2021, 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 1.5 billion special drawing rights (SDR) or such greater amount as may be fixed by the Governor in Council.

As at March 31, 2021, SDR 759,205,000 of Canada's SDR 1,000,000,000 revolving loan commitment to the Poverty Reduction and Growth Trust was outstanding.

This outstanding balance was translated into Canadian dollars at the year-end closing rate of exchange (1 SDR /\$1.7809 CAD). During the year, transactions included issuances, repayments and an exchange valuation adjustment.

International Finance Corporation—Financial Mechanisms for Climate Change Facility

This account records Canada's financial support of the International Finance Corporation's—Financial Mechanisms for Climate Change Facility (FMCC) as authorized by the *Bretton Woods and Related Agreements Act*, and various appropriation acts. The FMCC supports private sector engagement in climate change mitigation and adaptation activities through the provision of concessional and commercial financing arrangements.

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, 2021, advances to the FMCC amounted to \$182,230,364 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, 2021, advances to the Global Agriculture Food and Security Program amounted to \$21,300,549 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, 2020	Payments and other charges ¹	Receipts and other credits ²	March 31, 2021
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	30,072,968	–	15,036,504	15,036,464
Prince Edward Island				
Federal-provincial fiscal arrangements	217,704	–	108,912	108,792
Winter Capital Projects Fund	63,079	–	–	63,079
	280,783	–	108,912	171,871
Quebec				
Federal-provincial fiscal arrangements	–	31,940,250	–	31,940,250
Saskatchewan				
Federal-provincial fiscal arrangements	79,733,840	–	13,288,992	66,444,848
Subtotal	379,908,275	31,940,250	28,434,408	383,414,117
Less: portion expensed due to concessionary terms	33,459,370	–	5,485,220	27,974,150
Total	346,448,905	31,940,250	22,949,188	355,439,967

¹ Payments or other charges may include transactions such as loans, adjustments, etc.

² Receipts or other credits may include transactions such as repayments, forgiveness, etc.

Federal-provincial fiscal arrangements

These amounts represent net overpayments in respect of transfer payments to provinces under the *Constitution Acts 1867 to 1982*, the *Federal-Provincial Fiscal Arrangements Act*, and other statutory authorities.

The overpayments are non-interest bearing and will be repaid by reducing transfer payments in subsequent years.

Municipal Development and Loan Board

Loans have been made to provinces and municipalities, to augment or accelerate municipal capital works programs.

The loans bear interest at rates from 5.25% to 5.375% per annum, and are repayable in annual or semi-annual instalments over 15 to 50 years.

Winter Capital Projects Fund

Loans have been made to provinces, provincial agencies and municipalities, to assist in the creation of employment.

The loans bear interest at rates from 7.4% to 9.5% per annum, and are repayable either in annual instalments over 5 to 20 years, or at maturity.

Other loans, investments and advances

Table 9.14
Other loans, investments and advances

(in dollars)

	April 1, 2020	Payments and other charges	Receipts and other credits	March 31, 2021
Unconditionally repayable contributions				
Agriculture and Agri-Food				
Department of Agriculture and Agri-Food	152,311,886	18,857,144	16,058,918	155,110,112
Finances				
Department of Finance.....	–	200,000,000	–	200,000,000
Fisheries, Oceans and the Canadian Coast Guard				
Department of Fisheries and Oceans.....	4,324,831	11,233,083	38,892	15,519,022
Global Affairs				
Department of Foreign Affairs, Trade and Development	1,549,111,719	830,400,000	19,810,200	2,359,701,519
Innovation, Science and Economic Development				
Department of Industry.....	1,481,105,998	172,871,136	12,739,507	1,641,237,627
Atlantic Canada Opportunities Agency.....	405,813,067	204,102,732	18,932,617	590,983,182
Canadian Northern Economic Development Agency.....	3,248,000	1,646,184	–	4,894,184
Department of Western Economic Diversification.....	165,113,645	349,413,539	9,012,782	505,514,402
Economic Development Agency of Canada for the Regions of Quebec.....	582,665,738	177,732,561	38,560,147	721,838,152
Federal Economic Development Agency for Southern Ontario.....	398,139,306	350,877,929	33,254,742	715,762,493
	<i>3,036,085,754</i>	<i>1,256,644,081</i>	<i>112,499,795</i>	<i>4,180,230,040</i>
Natural Resources				
Department of Natural Resources	–	19,329,162	–	19,329,162
Subtotal.....	4,741,834,190	2,336,463,470	148,407,805	6,929,889,855
Less: portion expensed due to concessionary terms	506,745,235	(38,527,802)	(277,054,710)	745,272,143
Total—Unconditionally repayable contributions.....	4,235,088,955	2,374,991,272	425,462,515	6,184,617,712
Loans and accountable advances				
Global Affairs				
Department of Foreign Affairs, Trade and Development				
Missions abroad	49,344,326	82,383,648	89,341,791	42,386,183
Personnel posted abroad.....	20,514,287	5,485,373	10,355,301	15,644,359
	<i>69,858,613</i>	<i>87,869,021</i>	<i>99,697,092</i>	<i>58,030,542</i>
National Defence				
Department of National Defence				
Working Capital Fund.....	50,758,344	301,841,799	304,578,388	48,021,755
Miscellaneous accountable advances.....	66,427,686	19,021,840	24,982,242	60,467,284
Miscellaneous accountable imprest funds and standing advances.....	31,748,150	59,607	119,331	31,688,426
	<i>98,175,836</i>	<i>19,081,447</i>	<i>25,101,573</i>	<i>92,155,710</i>
Total—Loans and accountable advances.....	218,792,793	408,792,267	429,377,053	198,208,007

Table 9.14
Other loans, investments and advances—continued

(in dollars)

	April 1, 2020	Payments and other charges	Receipts and other credits	March 31, 2021
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	45,470,531	–	15,189,001	30,281,530
National Marketing Programs	225,656,205	38,205,631	27,448,753	236,413,083
Western Livestock Price Insurance Program	–	51,645,901	26,357,470	25,288,431
	271,162,329	89,851,532	68,995,224	292,018,637
Crown-Indigenous Relations and Northern Affairs				
Department of Crown-Indigenous Relations and Northern Affairs				
Council of Yukon First Nations—Elders.....	576,747	–	–	576,747
Inuit Loan Fund.....	71,457	–	–	71,457
Indigenous Claimants.....	108,389,857	18,572,316	11,058,368	115,903,805
Stoney Band Perpetual Loan	389,615	–	–	389,615
	109,427,676	18,572,316	11,058,368	116,941,624
Employment, Workforce Development and Disability Inclusion				
Department of Employment and Social Development				
Canada apprentice loans.....	270,776,436	44,461,302	35,005,920	280,231,818
Canada Student Loans Program.....	22,080,826,300	4,042,995,316	2,650,974,420	23,472,847,196
Provincial workers' compensation boards.....	16,092,001	–	500,000	15,592,001
	22,367,694,737	4,087,456,618	2,686,480,340	23,768,671,015
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.....	241,937,000	–	241,937,000	–
	284,139,293	11,000,000	252,937,000	42,202,293
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 - Canada Account				
Canada Emergency Business Account.....	–	45,282,056,043	400,971,220	44,881,084,823
Support and development of trade	1,028,232,044	34,754,082	723,059,218	339,926,908
	1,028,232,044	45,316,810,125	1,124,030,438	45,221,011,731
Immigration, Refugees and Citizenship				
Department of Citizenship and Immigration				
Immigration loans	85,409,320	8,452,327	19,857,938	74,003,709
Indigenous Services				
Department of Indigenous Services				
Indian Economic Development Guarantee Loans Program	303,820	–	3,734	300,086
Reserve Housing Guarantee Loans Program	780,604	–	–	780,604
	1,084,424	–	3,734	1,080,690
Innovation, Science and Economic Development				
Department of Industry				
Other business loans.....	61,444,169	86,108,346	52,643,261	94,909,254
Economic Development Agency of Canada for the Regions of Quebec				
Advances for the working capital fund of entrepreneurs' assistance centers	572,158	1,739,317	1,364,756	946,719
National Research Council of Canada				
H.L. Holmes Fund.....	5,466,510	76,619	–	5,543,129
	67,482,837	87,924,282	54,008,017	101,399,102
Public Services and Procurement				
Department of Public Works and Government Services				
Seized Property Working Capital Account.....	(6,758,669)	23,222,819	28,361,604	(11,897,454)

Table 9.14
Other loans, investments and advances—concluded

(in dollars)

	April 1, 2020	Payments and other charges	Receipts and other credits	March 31, 2021
Transport				
Department of Transport				
Greater Victoria Harbour Authority	1,937,669	–	42,720	1,894,949
St. Lawrence Seaway Management Corporation	173,698	–	–	173,698
	2,111,367	–	42,720	2,068,647
Treasury Board				
Treasury Board Secretariat				
Federal Public Service Health Care Administration Authority	855,252	2,559,227	2,604,308	810,171
Joint Learning Program	42,382	2,953,480	1,076,123	1,919,739
	897,634	5,512,707	3,680,431	2,729,910
Veterans Affairs				
Department of Veterans Affairs				
Commonwealth War Graves Commission	52,455	–	483	51,972
Miscellaneous loans, investments and advances	351,381	7,568,433	7,710,760	209,054
Transition payments—Pay in arrears	569,528,660	31,419	27,058,462	542,501,617
	569,880,041	7,599,852	34,769,222	542,710,671
Subtotal—Other	24,782,287,140	49,656,402,578	4,285,697,171	70,152,992,547
Less: portion expensed due to concessionary terms and other discounts	33,254,867	–	2,871,121	30,383,746
	24,749,032,273	49,656,402,578	4,282,826,050	70,122,608,801
Add: consolidation adjustment ¹	2,140,575,000	454,371,000	–	2,594,946,000
Total—Other	26,889,607,273	50,110,773,578	4,282,826,050	72,717,554,801
Total	31,343,489,021	52,894,557,117	5,137,665,618	79,100,380,520

¹ Additional information on consolidated Crown corporations and other entities is also provided in Section 4 of this volume.

Unconditionally repayable contributions

Unconditionally repayable contributions are in substance loans, and are generally made to businesses pursuant to various acts of Parliament, with various amounts outstanding.

These loans are aimed at stimulating economic development or for assistance and accomplishing sustainable development goals. They bear various interest rates, some of which have concessional terms, and are repayable at various due dates with final instalments generally due within 37 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 concessional 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, \$9,361,871; advances for medical expenses, \$1,111,653; advances for workmen's compensation, \$ 11,407; security and other deposits under Foreign Service Directives, \$2,307,957 and, school and club debentures, \$2,851,471.

The loans to employees bear interest at rates from 0.25% to 1.75% per annum. These rates are established by the Department of Finance and are repayable within 4 years, with final instalments between April 1, 2020, and March 31, 2024.

Working Capital Fund

A Working Capital Fund was established to finance temporary advances to departmental personnel within Canada and abroad for: (a) salary and benefits; (b) standing advances; and (c) travel and miscellaneous claims. The name of the account was modified in order to reflect the use of the account by National Defence.

The authorized ceiling is \$120,000,000, as last amended by the Department of National Defence Vote L11b, *Appropriation Act No. 4, 2001–2002*.

Miscellaneous accountable advances

The closing balance reflects amounts outstanding in the hands of departments, agencies and individuals, at year end, to be expended in the following year.

Miscellaneous accountable imprest funds and standing advances

This account is operated to provide imprest funds, accountable advances and recoverable advances to departments and agencies.

The total amount authorized to be outstanding at any time is \$22,000,000.

Construction of multi-purpose exhibition buildings

The remaining loan has been made to finance the construction of a multi-purpose exhibition building.

Hog Industry Loan Loss Reserve Program

Loans made by financial institutions under the Hog Industry Loan Loss Reserve Program are partially guaranteed by the Crown. Where the producers have defaulted and the lenders have carried out regular collection activities, the Crown becomes subrogated to the lender's rights against the producer in default, to the extent of an amount equal to the withdrawal from the Reserve Fund.

National Marketing Programs

Loans made by financial institutions under the *Canadian Agricultural Loans Act* and advances made by producer organizations under the *Agricultural Marketing Programs Act* are guaranteed by the Crown. Where the guarantee is honoured, the Crown becomes subrogated to the financial institution's or producer organization's rights to outstanding principal, interest and costs.

Western Livestock Price Insurance Program

The deficit financing clause under the Western Livestock Price Insurance Program multilateral agreement allows for advances from the Consolidated Revenue Fund to the Western Livestock Price Insurance Program account. The Western Livestock Price Insurance Program enables livestock producers to purchase price protection on specific cattle and hogs in the form of an insurance policy. When the balance in the account is insufficient for the payment of amounts to be charged to it, repayable advances are made as per section 17(1) of the *Farm Income Protection Act*.

Council of Yukon First Nations—Elders

Loans were issued to the Council of Yukon First Nations to provide interim benefits to Yukon Elders pending the settlement of a future comprehensive land claim agreement. These loans were issued along with loans for comprehensive claim negotiations. The Department is no longer issuing these loans.

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

The Department issues loans to Indigenous groups to support their participation in Specific claims negotiations. These loans are payable upon the settlement of the claim.

Stoney Band Perpetual Loan

In 1946, loans were made to Stoney Band of Alberta (Band) for land acquisition beyond their treaty entitlement.

A loan not exceeding \$500,000 was made to purchase additional land. Under the terms of the agreement, as stated in Treasury Board Minutes, P.C. 2/1437 dated April 11, 1946, the Band assigned monies accruing to them, from the rental of their water resources, to provide interest payments at the rate of 3.00% annually on the amount of the loan that had actually been expended. In the same agreement, the Band resolved that the department allots \$200,000 to the Pekisko Group, and \$300,000 for the additions to Morley Reserve.

This loan will be removed from the departmental books in fiscal year 2022 after the funding approval via a voted Act of Parliament. A Treasury Board submission to forgive this loan was approved on February 25, 2021.

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. Since November 1, 2019, the loans bear interest at either a variable rate (prime rate) or a fixed rate (prime rate plus 2.0%). Apprentices are not required to pay interest on their loans while they are still in their apprenticeship program and during the 6-month grace period where interests are no longer accrued since November 1, 2019. In addition, as an economic response plan to the COVID-19 pandemic, the Government of Canada put in place a 6-month moratorium on repayments from March 30 to September 30, 2020. 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, 2021, amounts to \$280,231,818 (\$270,776,436 as at March 31, 2020). During the year, loans and interest receivable on these loans totaling \$796 (nil as at March 31, 2020) were written off by the Department of Employment and Social Development Vote 15c from the *Appropriation Act No. 6, 2020-21* and \$455,817 (\$93,713 as at March 31, 2020) were forgiven as per the *Apprentice Loans Act*.

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. Since November 1, 2019, the loans bear interest at either a variable rate (prime rate) or a fixed rate (prime rate plus 2.0 %). Students are not required to pay interest on their loans while they are still studying and during the 6-month grace period where interests are no longer accrued since November 1, 2019. In addition, as an economic response plan to the COVID-19 pandemic, the Government of Canada put in place a 6-month moratorium on repayments from March 30 to September 30, 2020. During this period, interest was not accrued and loan repayments were suspended. The typical repayment period is 10 years, but the maximum period is 15 years. Borrowers having difficulty repaying their loans may be eligible for assistance under the Repayment Assistance Plan.

The total amount of direct loans issued under the authority of the *Canada Student Financial Assistance Act* and outstanding risk-shared loans bought-back by the Department of Employment and Social Development may not exceed 34 billion dollars.

During the year, loans and interest receivable on these loans totaling \$185,535,677 (\$179,127,425 as at March 31, 2020) were written off by the Department of Employment and Social Development Vote 15c from the *Appropriation Act No. 6, 2020-21* and \$12,522,877 (\$25,927,956 as at March 31, 2020) were written off pursuant to Section 25(1) of the *Financial Administration Act*. In addition, loans and interest receivable on these loans totalling \$183,360,220 (\$371,074,479 as at March 31, 2020) were forgiven as per the *Canada Student Financial Assistance Act* and \$1,450,751 (\$2,041,103 as at March 31, 2020) 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, 2021, amounts to \$23,378,593,789 (\$21,985,612,395 as at March 31, 2020).

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, 2021, amounts to \$41,727,203 (\$38,103,832 as at March 31, 2020) for loans owned by the Department of Employment and Social Development and \$733,778,793 (\$753,080,322 as at March 31, 2020) for loans under the current ownership of the financial institutions. During fiscal year 2020-21, the Department of Employment and Social Development proceeded with the buy-back of Risk-shared loans owned by financial institutions, which increased the total value of loans with the department and therefore decreasing the value of loans under the ownership of the financial institutions.

Guaranteed student loans

Loans issued prior to August 1, 1995, are amounts related to student loans subrogated to the Crown under the authority of the *Canada Student Loans Act*. The total amount of loans outstanding as at March 31, 2021, amounts to \$52,526,204 (\$57,110,074 as at March 31, 2020) for loans owned by the Department of Employment and Social Development and \$192,734 (\$1,280,357 as at March 31, 2020) for loans under the current ownership of the financial institutions. During fiscal year 2021, the Department of Employment and Social Development proceeded with the buy-back of Guaranteed loans owned by financial institutions, which considerably decreased the value of loans under the ownership of the financial institutions.

Provincial workers' compensation boards

This account 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*.

During the year, all amounts were recovered.

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 were deemed unrecoverable and parliamentary authority to write off the balance was granted in fiscal year 2020-2021.

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 were deemed unrecoverable and parliamentary authority to write off the balance was granted in fiscal year 2021.

Canada Account

Export Development Canada (EDC) was created in 1944 as Canada’s export credit agency (ECA). On October 1, 1969, EDC was established as a Crown corporation by a statute of the Parliament of Canada, the *Export Development Act (Act)*. EDC’s mandate is to support and develop, directly or indirectly, Canada’s export trade, and Canadian capacity to engage in that trade and respond to international business opportunities, as well as to provide development financing and other forms of development support in a manner consistent with Canada’s international development priorities. EDC is named in Part I of Schedule III to the *Financial Administration Act (FA Act)* and is accountable for its affairs to Parliament through the Minister of Small Business, Export Promotion and International Trade.

Pursuant to Section 23 of the Act, the Minister of Small Business, Export Promotion and International Trade (“the Minister”), with the concurrence of the Minister of Finance, may authorize EDC to enter into certain transactions or class of transactions where the Minister is of the opinion it is in the national interest and where EDC has advised the Minister that it will not enter into such transactions without such authorization. Funding for such transactions is provided by the Minister of Finance out of the Consolidated Revenue Fund and the transactions are administered by EDC on behalf of the Government of Canada. Collectively these transactions are known as the Canada Account. Prior to March 25, 2020, Section 24(1) of the Act allowed Canada Account to have up to an aggregate of \$20 billion (the “Statutory Limit”) in contingent liabilities (i.e.: insurance policies, guarantees and other contingent arrangements), outstanding commitments to borrowers and outstanding principal amounts owed by borrowers. In response to the coronavirus disease 2019 (“Covid-19 pandemic”), on March 25, 2020, the Act was amended to provide that the Statutory Limit is an amount notified by the Minister of Finance. On September 30, 2020, the Statutory Limit was increased to \$115 billion.

In March 2020, EDC was issued a directive (PC 2020-206) pursuant to Section 89 of the *FA Act* to perform any activity consistent with any authorization obtained from the Minister pursuant to Section 23 of the Act as part of the response to the COVID-19 pandemic; to support and develop domestic business in accordance with paragraph 10(1)(a) of the Act as part of that response; and to take any ancillary or other measures that may be advisable or necessary to give effect to the directive. EDC received such authorizations and amendments thereto in respect of the Canada Emergency Business Account (CEBA) and have implemented and are continuing to implement transactions there under pursuant to authorizations dated April 5, April 8, April 13, April 16, May 12 and October 20, 2020.

Canada Emergency Business Account

A Ministerial Authorization was signed authorizing up to \$25 billion in Canada Account funds to provide emergency liquidity to Canadian businesses through the Canada Emergency Business Account (CEBA), and subsequent Ministerial Authorizations increased that limit to ultimately \$73 billion. Under CEBA in its initial form, loans of up to \$40 thousand were made available to qualifying businesses at 0% interest and are repayable by December 31, 2022, subject to a one-time extension of three years and 5% interest per annum commencing on January 1, 2023. Up to 25% of the loan may be forgiven only if the borrower repays their obligation by December 31, 2022. Since December 4, 2020, new eligible applicants can now receive an upto \$60 thousand CEBA loan., CEBA applicants who have received the \$40 thousand CEBA loan may apply for the CEBA expansion, which provides eligible businesses with an additional \$20 thousand CEBA loan. In both cases, these loans are at 0% interest, repayable by December 31, 2022 and subject to a one-time extension of three years and 5% interest per annum commencing on January 1, 2023. Up to 33% of the \$60 thousand CEBA loan (25% of the first \$40 thousand, plus 50% on amounts above \$40 thousand) may be forgiven if the borrower repays their obligation by December 31, 2022.

Support and development of trade

EDC’s mandate is to support and develop, directly or indirectly, Canada’s export trade, and Canadian capacity to engage in that trade and respond to international business opportunities.

Loan transactions with longer repayment terms or low or zero interest rates are recorded in part as expenses when the economic value is reduced due to such concessionary terms.

Tables 11.4 and Table 11.6 of Section 11 of this volume present additional information on contractual obligations and guarantees that are disclosed in the notes to the audited consolidated financial statements of Section 2 of this volume.

(in dollars)

	April 1, 2020	Payments and other charges		Receipts and other credits		March 31, 2021
		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	18,254,082	–	–	–	25,847,338
(c) 16 to 20 year term, comprised of a loan with 8.08% interest rate per annum, with final repayments in December 2036:						
Canada.....	–	16,500,000	–	–	–	16,500,000
(d) 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.....	153,597,999	–	–	43,626,588	14,322,807	95,648,604
(e) 31 to 55 year term, 2.26% interest per annum, with final repayment in August 2048:						
Canada.....	10,000,000	–	–	–	–	10,000,000
(f) 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.....	208,614,254	–	–	–	15,164,081	193,450,173
Subtotal.....	1,029,805,509	34,754,082	–	693,626,588	29,486,888	341,446,115
Less: portion expensed due to concessionary terms	1,573,465	–	–	–	54,258	1,519,207
Total—Export trade	1,028,232,044	34,754,082	–	693,626,588	29,432,630	339,926,908

Final repayment dates may change if loan amounts are rescheduled or restructured.

¹ Payments or other charges may include transactions such as loans, adjustments, etc.

² Receipts or other credits may include transactions such as repayments, forgiveness, etc.

Immigration loans

In accordance with the *Immigration and Refugee Protection Act*, Immigration, Refugees and Citizenship Canada can issue immigration loans up to a maximum of \$126,600,000. The Immigration Loans Program provides eligible immigrants, who are mainly refugees selected for resettlement to Canada, with access to funding that would otherwise not be available to them. Loans are used to cover a number of expenses, including travel to Canada and other costs associated with resettlement, specifically:

- defraying the cost of transportation to Canada;
- assisting with the establishment in Canada;
- defraying the cost of the right of permanent residence fees;

Starting February 28, 1995, all immigration loans bore interest at a rate determined by the Minister of Finance at the beginning of each calendar year. Regulations provided for a period of up to six years for the repayment of the loans and the interest rate on outstanding interest-bearing loans varied from 0.76% to 9.06%. Since February 21, 2018, loans are non-interest bearing and are repayable over one to eight years with a possible deferment of two years.

Indian Economic Development Guarantee Loans Program

The Indian Economic Development Guarantee Loans Program, established under Vote L53b, *Appropriation Act No. 1, 1970*, amended under P.C. 1977-3608, authorized the Department to guarantee loans for non-incorporated Indian businesses on a risk-sharing basis with commercial lenders because security restrictions in the *Indian Act* prevent the mortgage and seizure of property located on reserves. Guarantees are provided for various types of borrowers whose activities contribute to the economic development of Indians and enable them to develop long-term credit relationships with mainstream financial institutions. The guarantee level is not to exceed at any time \$60,000,000, less the total amount of payments made to implement previous guarantees under that authority.

If a loan made under the Minister's guarantee goes into default, the lender has recourse to the Minister for reimbursement. In 1987, a reserve for losses of \$2 million per annum was established within the department's reference levels to cover all Guarantee Loan Programs administered by the department. Simple interest, usually based on a percentage plus the prime rate, will accrue on the debt after payout. All payments, including accrued interest, remain as a debt of the client until recovered in full.

Reserve Housing Guarantee Loans Program

This program authorizes the Department to guarantee loans to individuals and Indian bands to assist in the purchase of housing on reserves because security restrictions in the *Indian Act* prevent the mortgage and seizure of property located on reserves. These loan guarantees enable status Indians residing on reserves, Band councils, or their delegated authorities, to secure housing loans without giving the lending institution rights to the property.

The total guarantee loans amount authorized by the Department cannot exceed \$2.2 billion.

If a loan made under the Minister's guarantee goes into default, the lender has recourse to request the defaulted loan balance be reimbursed by ISC. In 1987, a reserve for losses of \$2 million per annum was established within the department's reference levels to cover all Guarantee Loan Programs administered by the department. Such payments remain a debt of the First Nation to the Crown and interest is accrued and capitalized on these debts at the contract interest rate applicable at the time the loan was assigned to the Minister. Recovery of the debt is made to the extent possible, from the security used as collateral, such as land claim funds, or through repayment agreements.

Other business loans

This account records money owed to the government by borrowers upon default of loans that are subject to statutory authorities, pursuant to the *Canada Small Business Financing Act*. This authority provide for the payment of claims or the sharing of loan losses between lenders and the government.

Advances for the Working Capital Fund of entrepreneurs' assistance centers

Advances have been made to support the Working Capital Fund of entrepreneurs' assistance centers providing services to start-up companies, future entrepreneurs and small and medium-sized enterprises.

H.L. Holmes Fund

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

Seized Property Working Capital Account

This account was established by Section 12 of the *Seized Property Management Act*. Expenses incurred, and advances made, to maintain and manage any seized or restrained property and other properties subject to a management order or forfeited to Her Majesty, are charged to this account. This account is credited when expenses and advances to third parties are repaid or recovered and when revenues from these properties or proceeds of their disposal are received and credited with seized cash upon forfeiture.

The total amount authorized to be outstanding at any time is \$50,000,000.

Any shortfall between the proceeds from the disposition of any property forfeited to Her Majesty and the amounts that were charged to this account and that are still outstanding, is charged to a Seized Property Proceeds Account and credited to this account.

Greater Victoria Harbour Authority

The Victoria Harbour loan receivable relates to the sale of a parcel of Victoria Harbour land.

The loan bears interest at the rate of 4.9% per annum, repayable over an initially planned period of 15 years. A 3 year extension was granted in 2020-2021, with a final instalment planned on May 9, 2023.

St. Lawrence Seaway Management Corporation

This account was established by subsection 80(1) of the *Canada Marine Act*. Loans previously managed by the St. Lawrence Seaway Authority are now managed by the St. Lawrence Seaway Management Corporation in accordance with an agreement between the Department of Transport and the Corporation. The repayments of these loans are recorded in this account.

The loan bore interest at a rate of prime plus 2.0% per annum. The final instalment of the existing terms was anticipated for March 2013.

Legal procedures are currently underway to obtain reimbursement. If deemed unrecoverable, parliamentary authority will be 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, 2014 and subsequently of 2018, a Memorandum of Understanding between the Treasury Board and PSAC was included in the collective bargaining agreements to provide funding for a JLP. The JLP is a negotiated partnership between PSAC and the Treasury Board of Canada Secretariat (TBS). The objective of the JLP is to improve labour relations in the Public Service. It is intended to provide joint union-management learning opportunities in areas where both parties have roles and responsibilities.

Payments are made to PSAC under Vote 20 and are authorized under the terms of reference of the Program. The terms of reference include the program costs, funding conditions, payment conditions, timelines, as well as a schedule of payments. The schedule of payments provides for a 3-month advance from TBS to PSAC to provide for program delivery costs. When actual expenses are reported every three months, the advance is reversed and the expense is recorded.

Commonwealth War Graves Commission

Advances have been made to the Working Capital Fund of the Commonwealth War Graves Commission, to maintain graves and cemeteries.

At year end, the balance of the advances was 30,000 British pound sterling. This balance was converted to Canadian dollars, using the year-end rate of exchange. The advances are non-interest bearing and have no fixed terms of repayments.

Miscellaneous loans, investments and advances

This account represents amounts outstanding in the hands of agencies and individuals, at year end. This group records loans, investments and advances not classified elsewhere.

Transition payments—Pay in arrears

During the 2015 fiscal year, a one-time payment was issued to employees as a result of the implementation of pay in arrears. This amount will be recovered from the employees upon their departure from the Public Service. The amount at year-end represents the balance to be recovered in the future.

Consolidation adjustment

The consolidation adjustment reflects the total loans, investments and advances held by consolidated Crown corporations and other entities. These mainly include investments such as bonds, money market funds and fixed income securities.

Canada Enterprise Emergency Funding Corporation (“CEEFC”) was incorporated on May 11, 2020 and is wholly owned by Canada Development Investment Corporation (“CDEV”), an enterprise Crown corporation. CEEFC is a non-agent Crown corporation and is not subject to the Income Tax Act of Canada.

As part of Canada’s COVID-19 Economic Response Plan, CEEFC has been mandated to implement the Large Employer Emergency Financing Facility (“LEEFF”) along with Innovation, Science and Economic Development Canada (“ISED”) and the Department of Finance. The LEEFF program is intended to provide bridge financing to Canada’s largest employers, whose needs during the COVID-19 pandemic are not being met through conventional financing. LEEFF will not be used to resolve insolvencies or restructure firms, nor will it provide financing to companies that otherwise have the capacity to manage through the crisis. Instead, the additional liquidity made available through LEEFF provides emergency funding support for large Canadian enterprises facing financial challenges due to the economic impact of the COVID-19 pandemic, allowing these businesses and their suppliers to remain active during this difficult time and positioning them for a rapid economic recovery.

Allowance for valuation

In accordance with the comprehensive policy on valuation, assets are subject to an annual valuation to reflect reductions from the recorded value to the estimated net recoverable value.

The allowance for valuation, for loans, investments and advances, represents the estimated losses on the realization of the loans, investments and advances included in the accounts of Canada at year end. In 2018, the provisioning methodology used in the government’s allowance calculation was updated for its sovereign exposures. The most significant change is the introduction of obligor-specific loss given default rates that replace a general rate used for all obligors. This change is designed to provide more accurate credit loss estimates for sovereign loan exposures. The change in the methodology has been accounted for as a change in estimate and did not result in a significant impact to the allowance for valuation.

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Section 10

*Public Accounts of Canada
2020–2021*

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)

	2021	2020
Net tangible capital assets, Table 10.2		
Land	2,237,358	2,120,738
Buildings	17,762,074	17,819,649
Works and infrastructure	12,378,252	12,155,553
Machinery and equipment	13,238,894	11,997,787
Vehicles, Table 10.3	15,270,563	15,291,790
Leasehold improvements	1,528,971	1,450,730
Assets under construction	22,577,764	20,131,134
Assets under capital leases, Table 10.4	2,588,800	2,714,268
	<i>87,582,676</i>	<i>83,681,649</i>
Inventories	9,764,323	6,171,108
Prepaid expenses and other	3,732,268	1,678,405
Total	101,079,267	91,531,162

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 ³	80,603	1,984,456	402,530	1,630,691
Digital Government	–	156,389	1,310	2,956,079
Environment and Climate Change	298,259	1,340,211	4,955,398	1,035,230
Fisheries, Oceans and the Canadian Coast Guard	23,252	937,307	3,275,504	623,433
Global Affairs	559,914	1,929,862	10,111	255,577
Infrastructure and Communities	197,617	–	3,663,985	20,763
Innovation, Science and Economic Development	14,971	1,151,193	84,847	3,771,064
National Defence	86,950	12,297,317	2,879,267	21,889,436
Natural Resources	9,965	876,459	165,070	786,796
Public Safety and Emergency Preparedness	92,162	5,323,885	964,810	2,549,940
Public Services and Procurement ³	617,906	8,346,236	2,439,277	993,132
Transport	237,630	1,513,404	4,390,053	1,661,799
Other ministries	18,129	1,527,884	52,780	4,067,114
Gross total capital assets	2,237,358	37,384,603	23,284,942	42,241,054
Accumulated amortization				
Canadian Heritage ³	–	968,573	187,093	1,266,286
Digital Government	–	10,689	333	2,148,945
Environment and Climate Change	–	827,251	2,284,282	717,094
Fisheries, Oceans and the Canadian Coast Guard	–	566,036	1,635,907	417,527
Global Affairs	–	1,163,341	2,237	209,550
Infrastructure and Communities	–	–	428,549	12,918
Innovation, Science and Economic Development	–	750,371	37,512	2,318,830
National Defence	–	5,705,744	1,801,823	14,608,519
Natural Resources	–	418,739	53,519	528,022
Public Safety and Emergency Preparedness	–	2,825,026	592,371	2,023,892
Public Services and Procurement ³	–	4,373,903	1,244,269	693,594
Transport	–	911,874	2,613,054	994,818
Other ministries	–	1,100,982	25,741	3,062,165
Total accumulated amortization	–	19,622,529	10,906,690	29,002,160
Total net capital assets				
Canadian Heritage ³	80,603	1,015,883	215,437	364,405
Digital Government	–	145,700	977	807,134
Environment and Climate Change	298,259	512,960	2,671,116	318,136
Fisheries, Oceans and the Canadian Coast Guard	23,252	371,271	1,639,597	205,906
Global Affairs	559,914	766,521	7,874	46,027
Infrastructure and Communities	197,617	–	3,235,436	7,845
Innovation, Science and Economic Development	14,971	400,822	47,335	1,452,234
National Defence	86,950	6,591,573	1,077,444	7,280,917
Natural Resources	9,965	457,720	111,551	258,774
Public Safety and Emergency Preparedness	92,162	2,498,859	372,439	526,048
Public Services and Procurement ³	617,906	3,972,333	1,195,008	299,538
Transport	237,630	601,530	1,776,999	666,981
Other ministries	18,129	426,902	27,039	1,004,949
Total net capital assets	2,237,358	17,762,074	12,378,252	13,238,894

¹ Details can be found in Table 10.3.² Details can be found in Table 10.4.³ Comparative figures have been reclassified to conform to the current year's presentation.

Vehicles ¹	Leasehold improvements	Assets under construction	Assets under capital leases ²	Total 2021	Total 2020
30,047	306,746	282,730	250,028	4,967,831	4,851,585
3,233	69,334	123,140	312,216	3,621,701	3,237,038
194,129	30,152	1,312,824	37,404	9,203,607	8,670,445
3,632,607	593,788	2,047,515	5,341	11,138,747	10,491,286
75,056	307,265	283,648	–	3,421,433	3,321,629
116	14,331	1,744,847	258,897	5,900,556	5,440,509
40,078	69,739	591,473	63,700	5,787,065	5,588,843
38,143,967	233,846	10,832,855	806,611	87,170,249	83,817,556
21,515	96,984	188,377	95,993	2,241,159	2,134,916
863,443	259,646	1,627,169	16,265	11,697,320	11,165,226
12,200	1,274,978	1,985,034	2,132,258	17,801,021	16,808,418
2,103,584	194,310	771,814	818,820	11,691,414	11,341,403
147,809	706,993	786,338	465	7,307,512	6,872,391
45,267,784	4,158,112	22,577,764	4,797,998	181,949,615	173,741,245
24,103	121,188	–	36,521	2,603,764	2,479,154
1,115	41,695	–	191,316	2,394,093	2,000,204
129,835	26,272	–	23,314	4,008,048	3,818,443
1,832,567	387,389	–	506	4,839,932	4,642,771
44,053	231,071	–	–	1,650,252	1,570,068
100	6,712	–	–	448,279	354,643
28,261	42,093	–	41,138	3,218,205	3,079,557
25,897,260	69,713	–	781,484	48,864,543	46,969,649
14,084	50,009	–	38,796	1,103,169	1,049,790
497,791	176,740	–	7,435	6,123,255	5,717,990
7,572	794,562	–	893,227	8,007,127	7,618,608
1,424,738	127,218	–	195,152	6,266,854	6,139,957
95,742	554,479	–	309	4,839,418	4,618,762
29,997,221	2,629,141	–	2,209,198	94,366,939	90,059,596
5,944	185,558	282,730	213,507	2,364,067	2,372,431
2,118	27,639	123,140	120,900	1,227,608	1,236,834
64,294	3,880	1,312,824	14,090	5,195,559	4,852,002
1,800,040	206,399	2,047,515	4,835	6,298,815	5,848,515
31,003	76,194	283,648	–	1,771,181	1,751,561
16	7,619	1,744,847	258,897	5,452,277	5,085,866
11,817	27,646	591,473	22,562	2,568,860	2,509,286
12,246,707	164,133	10,832,855	25,127	38,305,706	36,847,907
7,431	46,975	188,377	57,197	1,137,990	1,085,126
365,652	82,906	1,627,169	8,830	5,574,065	5,447,236
4,628	480,416	1,985,034	1,239,031	9,793,894	9,189,810
678,846	67,092	771,814	623,668	5,424,560	5,201,446
52,067	152,514	786,338	156	2,468,094	2,253,629
15,270,563	1,528,971	22,577,764	2,588,800	87,582,676	83,681,649

Vehicles

Table 10.3
Vehicles by sub-category

(in thousands of dollars)

	Cost	Accumulated amortization	2021	2020
Ships and boats	17,302,532	12,389,511	4,913,021	4,963,175
Aircraft	21,592,614	13,531,915	8,060,699	8,049,775
Motor vehicles (Non-military)	2,570,838	1,655,979	914,859	876,738
Military vehicles	2,203,605	1,391,353	812,252	842,509
Other vehicles	1,598,195	1,028,463	569,732	559,593
Total	45,267,784	29,997,221	15,270,563	15,291,790

Assets under capital leases

Table 10.4
Assets under capital leases by main category

(in thousands of dollars)

	Cost	Accumulated amortization	2021	2020
Land.....	273,698	–	273,698	184,741
Buildings	2,692,489	1,126,709	1,565,780	1,689,128
Works and infrastructure.....	826,640	198,761	627,879	636,669
Machinery and equipment.....	313,885	192,442	121,443	179,290
Vehicles	691,286	691,286	–	24,440
Total	4,797,998	2,209,198	2,588,800	2,714,268

Section 11

*Public Accounts of Canada
2020–2021*

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	117,618	59,915	4,703	–	182,236
International contractual obligations, Table 11.4	–	–	–	5,754	5,754
Total	117,618	59,915	4,703	5,754	187,990

Table 11.2 summarizes the information presented in Table 11.1 to indicate the minimum amounts required to satisfy contractual obligations each year from 2022 to 2026 inclusively, and a total for amounts due in the year 2027 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
2022	35,419	18,868	537	1,942	56,766
2023	21,482	10,573	542	1,665	34,262
2024	14,602	8,314	508	505	23,929
2025	10,614	4,796	460	302	16,172
2026	7,770	3,796	433	171	12,170
2027 and subsequent years	27,731	13,568	2,223	1,169	44,691
Total	117,618	59,915	4,703	5,754	187,990

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, 2021

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2022	2023	2024	2025	2026	2027 and subsequent years
Transfer payment agreements										
Agriculture and Agri-Food										
Department of Agriculture and Agri-Food										
AgriAssurance Program										
Aggregate.....	44	44	24	20	12	8	–	–	–	–
Agri-Recovery Program										
Government of Quebec	13	13	–	13	13	–	–	–	–	–
Agri-Risk Program										
Aggregate.....	21	21	11	10	5	5	–	–	–	–
AgriScience Program										
Aggregate.....	172	172	102	70	40	30	–	–	–	–
Canadian Agricultural Partnership Contribution Agreement										
Aggregate.....	87	87	49	38	19	19	–	–	–	–
Government of Alberta.....	209	209	116	93	46	47	–	–	–	–
Government of British Columbia	62	62	36	26	13	13	–	–	–	–
Government of Manitoba	95	95	54	41	20	21	–	–	–	–
Government of Ontario	237	237	132	105	52	53	–	–	–	–
Government of Quebec	151	151	84	67	33	34	–	–	–	–
Government of Saskatchewan	209	209	120	89	44	45	–	–	–	–
Dairy Farm Investment Program										
Aggregate.....	221	221	187	34	34	–	–	–	–	–
	<i>1,521</i>	<i>1,521</i>	<i>915</i>	<i>606</i>	<i>331</i>	<i>275</i>	–	–	–	–
Canadian Heritage										
Department of Canadian Heritage										
Building Communities through Arts and Heritage										
Aggregate.....	16	16	4	12	11	1	–	–	–	–
Canada Arts Presentation Fund										
Aggregate.....	72	72	30	42	24	13	4	1	–	–
Canada Arts Training Fund										
Aggregate.....	28	28	12	16	16	–	–	–	–	–
Canada Cultural Spaces Fund										
Aggregate.....	87	87	43	44	31	12	1	–	–	–
The Canadian Canoe Museum.....	10	10	–	10	2	4	4	–	–	–
Canada Music Fund										
Foundation to Assist Canadian Talent on Records.....										
	82	82	7	75	31	16	14	14	–	–
La Fondation Musicaction.....	57	57	5	52	21	11	10	10	–	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
Development of Official Languages										
Communities Program										
Aggregate.....	191	191	87	104	65	35	4	–	–	–
Community life, aggregate.....	11	11	–	11	4	4	3	–	–	–
Council of Ministers of Education.....	81	81	18	63	–	32	31	–	–	–
Government of Alberta.....	58	58	18	40	19	21	–	–	–	–
Government of Nunavut, Department of Education.....	16	16	3	13	9	4	–	–	–	–
Government of New Brunswick.....	98	98	50	48	25	23	–	–	–	–
Government of Ontario.....	321	321	112	209	102	101	6	–	–	–
Government of Saskatchewan.....	34	34	15	19	9	10	–	–	–	–
Government of the Northwest Territories.....	30	30	12	18	9	9	–	–	–	–
Province of British Columbia, Ministry of Finance.....	55	55	17	38	19	19	–	–	–	–
Province of Manitoba.....	40	40	14	26	13	13	–	–	–	–
Province of Nova Scotia.....	28	28	10	18	10	8	–	–	–	–
Enhancement of Official Languages Program										
Aggregate.....	53	53	22	31	19	12	–	–	–	–
Exchanges Canada Program										
Aggregate.....	41	41	27	14	14	–	–	–	–	–
Harbourfront Centre										
Operational Support.....	33	33	–	33	7	7	7	6	6	–
Hosting Program										
Aggregate.....	29	29	10	19	14	4	1	–	–	–
2023 Canada Winter Games.....	13	13	–	13	6	7	–	–	–	–
Local Journalism Initiative										
Canada News Media Association.....	21	21	–	21	7	7	7	–	–	–
Museum Assistance Program, Young Canada Works										
Canada Museums Association.....	27	27	7	20	7	6	7	–	–	–
Sport Support Program										
Aggregate.....	107	107	36	71	68	3	–	–	–	–
Canada Council for the Arts										
Grants.....	737	737	395	342	152	132	58	–	–	–
	2,376	2,376	954	1,422	714	514	157	31	6	–
Crown-Indigenous Relations and Northern Affairs										
Department of Crown-Indigenous Relations and Northern Affairs										
Aboriginal recipient funding agreement (Other)										
Arctic Co-Operatives Ltd.....	56	56	24	32	16	16	–	–	–	–
British Columbia Treaty Commission.....	54	54	27	27	27	–	–	–	–	–
Congress of Aboriginal Peoples.....	24	24	9	15	5	5	5	–	–	–
Cree-Naskapi Commission.....	11	11	1	10	1	1	1	1	1	5
Eeyou Marine Region Wildlife Board.....	15	15	2	13	1	1	1	1	2	7
Fédération des coopératives du Nouveau Québec.....	39	39	–	39	13	13	13	–	–	–
Gwich'in Land & Water Board.....	15	15	4	11	1	1	1	1	1	6
Gwich'in Renewable Resource Board.....	16	16	4	12	1	1	1	1	1	7
Joint Secretariat.....	54	54	14	40	4	4	4	4	4	20
Les Consultants de L'Arctique Inc.....	12	12	–	12	4	4	4	–	–	–
Mackenzie Valley Environmental Impact Review Board.....	55	55	14	41	4	4	4	4	4	21
Mackenzie Valley Land and Water Board.....	48	48	13	35	3	3	3	3	4	19
Marche Daoust Inc.....	10	10	–	10	3	3	4	–	–	–
Minister of Finance - Quebec.....	2,575	2,575	202	2,373	218	222	226	230	235	1,242
Nunavik Marine Region Wildlife Board.....	48	48	15	33	3	3	3	3	3	18

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
Nunavut Impact Review Board	126	126	73	53	5	5	5	5	5	28
Nunavut Planning Commission (Npc)	122	122	59	63	6	6	6	6	6	33
Nunavut Water Board	104	104	52	52	5	5	5	5	5	27
Nunavut Wildlife Management Board	234	234	106	128	12	12	12	12	13	67
Sahtu Land and Water Board	21	21	6	15	1	1	1	2	2	8
Sahtu Renewable Resources Board	18	18	5	13	1	1	1	1	2	7
Sahtu Secretariat Incorporated	27	27	7	20	2	2	2	2	2	10
The North West Company	150	150	—	150	50	50	50	—	—	—
Wek'Eezhii Land and Water Board	32	32	10	22	2	2	2	2	2	12
Yukon Environmental Socio-Economic Assessment Board	55	55	36	19	6	6	7	—	—	—
Funding agreements for provincial governments and territories										
Government of Nunavut	214	214	83	131	44	44	5	5	5	28
Government of the Northwest Territories	157	157	71	86	36	5	5	5	6	29
Government of Yukon	92	92	19	73	7	7	7	7	7	38
Grant										
Government of the Northwest Territories										
Health and Social Services	165	165	66	99	33	33	33	—	—	—
Government of Nunavut										
Department of Health	128	128	51	77	26	26	25	—	—	—
Indian Self-Government										
Carcross/Tagish First Nation	174	174	4	170	18	18	18	19	15	82
Champagne and Aishihik First Nations	175	175	—	175	16	16	16	17	17	93
Cree Nation Government	1,612	1,612	142	1,470	139	136	139	142	145	769
Deline Got'Ine Government	87	87	9	78	7	7	7	7	8	42
First Nation of Nacho Nyak Dun	155	155	—	155	14	14	14	15	15	83
Government of Nunavut	10	10	—	10	5	5	—	—	—	—
Gwich'in Tribal Council	30	30	3	27	3	3	3	2	2	14
Huu-Ay-Aht First Nations	90	90	9	81	7	7	7	8	8	44
Inuvialuit Regional Corporation	18	18	4	14	4	4	3	3	—	—
Ka:Yu:'K'T'H'/Che:K:Tles7E'H' First Nations	103	103	10	93	8	8	9	9	9	50
Kinoomaadziwin Education Body Inc.	623	623	—	623	59	58	59	60	61	326
Kluane First Nation	118	118	2	116	12	12	12	13	10	57
Kwanlin Dun First Nation	258	258	5	253	25	26	26	27	23	126
Little Salmon/Carmacks First Nation	168	168	—	168	15	15	16	16	16	90
Makivik Corporation	15	15	3	12	3	3	3	3	—	—
Metis Nation of Alberta Association	25	25	12	13	6	7	—	—	—	—
Metis Nation of Saskatchewan	22	22	11	11	5	6	—	—	—	—
Mi'Kmaq Kina'Matnewey	750	750	62	688	63	64	65	67	68	361
Naskapi Nation of Kawawachikamach	149	149	—	149	14	14	14	14	15	78
Nisga'a Nation	1,193	1,193	110	1,083	107	107	110	113	100	546
Nunatsiavut Government	858	858	100	758	83	76	78	79	68	374
Nunavut Tunngavik Inc.	56	56	11	45	11	11	11	12	—	—
Sahtu Secretariat Incorporated	17	17	4	13	3	3	3	4	—	—
Sechelt Indian Band	134	134	12	122	11	11	11	12	12	65
Selkirk First Nation	163	163	—	163	14	15	15	16	16	87
Sioux Valley Dakota Nation	306	306	27	279	25	25	26	27	27	149
Ta'An Kwach'An Council	117	117	3	114	12	12	12	13	10	55
Teslin Tlingit Council	163	163	—	163	14	15	15	15	16	88
Tla'Amin Nation	171	171	15	156	14	14	14	15	15	84
Tlicho Government	322	322	33	289	30	30	31	31	26	141
Toquaht Indian Band	63	63	6	57	5	5	5	5	6	31
Tr'Ondek Hwëch'In	186	186	3	183	18	18	19	19	17	92
Tsawwassen First Nation	108	108	10	98	9	9	9	9	10	52
Uchucklesaht Tribe	66	66	6	60	5	5	6	6	6	32
Ucluelet First Nation	97	97	9	88	8	8	8	8	9	47

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
Vuntut Gwitchin First Nation	165	165	–	165	15	15	15	16	16	88
Westbank First Nation	114	114	11	103	9	9	10	10	10	55
Aggregate of various transfer payment agreements under \$10 million										
Aggregate	839	839	494	345	125	68	46	31	12	63
	14,397	14,397	2,103	12,294	1,481	1,365	1,291	1,163	1,098	5,896
Employment, Workforce Development and Disability Inclusion										
Department of Employment and Social Development										
Adult Learning, Literacy and Essential Skills										
Aggregate	205	205	175	30	18	9	3	–	–	–
Canada Service Corps										
Aggregate	262	262	213	49	47	2	–	–	–	–
Early Learning and Child Care										
Aggregate	11	11	–	11	11	–	–	–	–	–
Enabling Fund for the Official Language Minority Communities										
Aggregate	116	116	87	29	14	15	–	–	–	–
Foreign Credential Recognition Program										
Aggregate	139	139	105	34	21	10	3	–	–	–
Future Skills										
Ryerson University	360	360	142	218	73	73	72	–	–	–
Indigenous Early Learning and Child Care										
Aggregate	196	196	151	45	42	2	–	–	–	1
Kakivak Association	35	35	9	26	3	3	4	4	12	–
Kitikmeot Inuit Association	17	17	5	12	1	2	2	2	5	–
Kivalliq Inuit Association	21	21	5	16	2	2	2	2	8	–
Indigenous Skills and Employment Training Program										
Aggregate	291	291	79	212	36	31	29	23	86	7
Aboriginal Community Career Employment Services Society	49	49	10	39	5	5	5	5	19	–
Aboriginal Labour Force Development Circle	108	108	21	87	11	11	11	11	43	–
Akaiicho Territory Government	20	20	4	16	2	2	2	2	8	–
Akwesasne Area Management Board	36	36	7	29	3	3	4	4	15	–
Anishinabek Employment & Training Services	17	17	3	14	1	2	2	2	7	–
Atikameksheng Anishnawbek	19	19	3	16	2	2	2	2	3	5
Bigstone Cree Nation	16	16	4	12	2	2	1	1	6	–
Cariboo Chilcotin Aboriginal Training Employment Centre	22	22	4	18	2	2	2	3	9	–
Centre for Aboriginal Human Resource Development Inc.	79	79	21	58	7	8	7	7	29	–
Coast Salish Employment & Training Society	50	50	10	40	5	5	5	5	20	–
Commission de développement des ressources humaines	219	219	44	175	22	22	22	22	87	–
Community Futures Treaty Seven	107	107	35	72	9	9	9	9	36	–
Congress of Aboriginal Peoples	31	31	6	25	3	3	4	3	3	9
Dehcho First Nations	13	13	3	10	1	1	1	1	6	–
First Peoples Development Inc.	129	129	30	99	12	12	12	13	50	–
Gabriel Dumont Institute Training and Employment Inc	139	139	27	112	14	14	14	14	56	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
Grand River Employment & Training Inc.	59	59	11	48	6	6	6	6	24	–
Inuvialuit Regional Corporation	25	25	5	20	2	2	3	3	10	–
Island Lake Tribal Council	30	30	6	24	3	3	3	3	12	–
Kakivak Association	65	65	13	52	6	6	7	7	26	–
Kativik Regional Government	149	149	34	115	14	14	14	15	58	–
Kiikenomaga Kikenjigewen Employment and Training Services	22	22	4	18	2	2	2	3	9	–
Kitikmeot Inuit Association	26	26	5	21	2	3	3	3	10	–
Kivalliq Inuit Association	38	38	7	31	4	4	4	4	15	–
Lesser Slave Lake Indian Regional Council ... Mamaweswen, The North Shore	18	18	5	13	1	2	2	2	6	–
Tribal Council	21	21	4	17	2	2	2	2	9	–
Manitoba Keewatinowi Okimakanak Inc.	118	118	23	95	12	12	12	12	47	–
Manitoba Métis Federation Inc.	157	157	31	126	15	16	16	16	63	–
Mawiw Council Corporate	23	23	5	18	2	2	2	3	9	–
Métis Nation of Ontario	84	84	17	67	8	8	8	9	34	–
Métis Provincial Council of British Columbia	81	81	16	65	8	8	8	8	33	–
Métis Settlements Strategic Training Initiatives Society	19	19	4	15	2	2	2	2	7	–
Mi'kmaq Employment/Training Secretariat	56	56	11	45	5	6	6	6	22	–
Mushkegowuk Council	27	27	5	22	2	3	3	3	11	–
Musqueam Squamish Tsleil-Waututh Employment & Training Society	25	25	5	20	2	2	3	3	10	–
Native Council of Nova Scotia	18	18	3	15	2	2	2	2	7	–
Native Women's Association of Canada	32	32	7	25	3	4	3	3	3	9
North East Native Advancing Society	24	24	5	19	2	2	2	3	10	–
North Peace Tribal Council	17	17	6	11	1	1	1	2	6	–
North Vancouver Island Aboriginal Training Society	24	24	5	19	2	2	2	3	10	–
Northwest Territory Métis Nation	16	16	3	13	2	2	2	1	6	–
NunatuKavut Community Council Inc	16	16	3	13	1	2	2	2	6	–
Nuu-chah-nulth Tribal Council	16	16	3	13	1	2	2	2	6	–
Okanagan Training & Development Council ...	20	20	4	16	2	2	2	2	8	–
Oneida Nation of the Thames	12	12	2	10	1	1	1	2	5	–
Ontario Federation of Indigenous Friendship Centres	97	97	19	78	9	10	10	10	39	–
Oteenow Employment and Training Society ...	40	40	8	32	4	4	4	4	16	–
Prince George Nechako Aboriginal Employment & Training Association	38	38	7	31	4	4	4	4	15	–
Qalipu Mi'kmaq First Nation Band	15	15	3	12	2	1	1	1	1	6
Rupertsland Institute	170	170	33	137	17	17	17	17	69	–
Sagkeeng Employment and Training	15	14	1	13	1	2	2	2	6	–
Saskatchewan Indian Training Assessment Group Inc.	303	303	60	243	30	30	30	31	122	–
Shooniyaa Wa-Biitong	47	47	9	38	5	5	5	5	18	–
Shuswap Nation Tribal Council Society	29	29	8	21	2	3	3	3	10	–
Sioux Lookout Area Aboriginal Management Board	59	59	12	47	6	6	6	6	23	–
Skanehionkwaioteh Incorporated	29	29	6	23	3	3	3	3	11	–
Southeast Resource Development Council Corporation	18	18	3	15	2	2	2	2	7	–
Southern First Nations Secretariat	21	21	4	17	2	2	2	2	9	–
Stó:Lo Nation	43	43	9	34	4	4	4	4	18	–
The Cree Nation Government	19	19	4	15	2	2	2	2	7	–
Tribal Chiefs Employment & Training Services Association	29	29	7	22	3	3	3	3	10	–
Tribal Resources Investment Corporation	58	58	11	47	6	6	6	6	23	–
Union of Ontario Indians	40	40	8	32	4	4	4	4	16	–
Wikwemikong Unceded Indian Reserve	21	21	4	17	2	2	2	2	9	–
Wolastoqey Tribal Council Inc.	14	14	3	11	1	1	1	2	6	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
Yellowhead Tribal Development Foundation.....	12	12	–	12	1	1	2	2	6	
Labour Market Development Agreements										
Aggregate.....	27	27	13	14	14	–	–	–	–	–
Government of Alberta.....	402	402	192	210	210	–	–	–	–	–
Government of British Columbia	668	668	329	339	339	–	–	–	–	–
Government of Manitoba	125	125	62	63	63	–	–	–	–	–
Government of New Brunswick	225	225	112	113	113	–	–	–	–	–
Government of Newfoundland and Labrador ..	301	301	150	151	151	–	–	–	–	–
Government of Nova Scotia	205	205	101	104	104	–	–	–	–	–
Government of Ontario	1,510	1,510	741	769	769	–	–	–	–	–
Government of Prince Edward Island.....	60	60	30	30	30	–	–	–	–	–
Government of Quebec	1,423	1,423	706	717	717	–	–	–	–	–
Government of Saskatchewan	111	111	54	57	57	–	–	–	–	–
New Horizons for Seniors Program										
Aggregate.....	81	81	42	39	13	12	10	4	–	–
Opportunities Fund for Persons with Disabilities										
Aggregate.....	393	393	351	42	38	4	–	–	–	–
Reaching Home										
Aggregate.....	484	484	302	182	64	59	59	–	–	–
Calgary Homeless Foundation.....	82	82	50	32	11	11	10	–	–	–
City of Hamilton	38	38	20	18	6	6	6	–	–	–
City of Ottawa.....	58	58	32	26	9	9	8	–	–	–
City of Toronto.....	180	180	103	77	26	26	25	–	–	–
End Homelessness Winnipeg Inc.	60	60	30	30	10	10	10	–	–	–
Homeward Trust Foundation.....	67	67	38	29	11	9	9	–	–	–
Lu'ma Native BCH Housing Society	125	125	70	55	19	18	18	–	–	–
Ontario Federation of Indigenous Friendship Centres.....	28	28	18	10	4	3	3	–	–	–
Sectoral Initiatives Program										
Colleges and Institutes Canada.....	35	35	23	12	12	–	–	–	–	–
Skilled Trades Awareness and Readiness Program										
Aggregate.....	31	31	20	11	8	2	1	–	–	–
Skills / Compétences Canada	24	24	2	22	4	6	4	4	4	–
Social Development Partnerships Program										
Aggregate.....	229	229	197	32	21	8	3	–	–	–
Student Work Placement Program										
Aggregate.....	179	179	122	57	57	–	–	–	–	–
Environmental Careers Organization of Canada.....	44	44	33	11	11	–	–	–	–	–
Information and Communications Technology Council.....	84	84	48	36	36	–	–	–	–	–
Information Technology Association of Canada.....	118	118	81	37	37	–	–	–	–	–
Ryerson University.....	223	223	210	13	13	–	–	–	–	–
The Ontario Chamber of Commerce.....	27	27	16	11	11	–	–	–	–	–
Supports for Student Learning Program										
Indspire	35	35	12	23	12	4	4	3	–	–
Union Training and Innovation Program										
Aggregate.....	241	241	168	73	21	20	14	11	7	–
Workforce Development Agreements										
Aggregate.....	45	45	29	16	8	8	–	–	–	–
Government of Alberta.....	518	518	305	213	107	106	–	–	–	–
Government of British Columbia	606	606	358	248	124	124	–	–	–	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
Government of Manitoba	163	163	97	66	33	33	–	–	–	–
Government of New Brunswick	95	95	57	38	19	19	–	–	–	–
Government of Newfoundland and Labrador ..	65	65	40	25	13	12	–	–	–	–
Government of Nova Scotia	120	120	73	47	24	23	–	–	–	–
Government of Ontario	1,721	1,721	1,010	711	355	356	–	–	–	–
Government of Quebec	896	896	482	414	207	207	–	–	–	–
Government of Saskatchewan	144	144	88	56	28	28	–	–	–	–
Youth Employment and Skills Strategy										
Aggregate	1,039	1,039	641	398	181	169	48	–	–	–
Ministère du Travail, de l'Emploi et de la Solidarité Sociale, Quebec	138	138	35	103	35	34	17	17	–	–
Tamarack Institute for Community Engagement	21	21	9	12	6	5	1	–	–	–
The Canadian Council on Rehabilitation and Work	22	22	12	10	4	5	1	–	–	–
	18,578	18,577	9,388	9,189	4,759	1,823	707	421	1,442	37
Environment and Climate Change										
Department of the Environment										
Canada Nature Fund										
Aggregate	202	202	118	84	48	35	1	–	–	–
Nature Conservancy of Canada	100	100	50	50	25	25	–	–	–	–
Conserving Nature										
Aggregate	51	51	24	27	16	7	2	2	–	–
Low Carbon Economy										
Aggregate	203	203	41	162	141	12	9	–	–	–
Canadian Natural Upgrading Limited	22	22	–	22	1	5	16	–	–	–
Government of Alberta	148	148	39	109	101	8	–	–	–	–
Government of British Columbia	162	162	108	54	54	–	–	–	–	–
Government of Manitoba	67	67	2	65	65	–	–	–	–	–
Government of New Brunswick	51	51	19	32	11	11	10	–	–	–
Government of Newfoundland and Labrador ..	45	45	7	38	21	9	8	–	–	–
Government of the Northwest Territories	31	31	8	23	22	1	–	–	–	–
Government of Nova Scotia	57	57	37	20	20	–	–	–	–	–
Government of Nunavut	31	31	5	26	14	12	–	–	–	–
Government of Prince Edward Island	34	34	20	14	6	8	–	–	–	–
Government of Quebec	261	261	135	126	53	40	33	–	–	–
Government of Yukon	31	31	8	23	8	7	8	–	–	–
Zellstoff Celgar	14	14	–	14	14	–	–	–	–	–
Preventing and Managing Pollution										
Aggregate	34	34	19	15	13	2	–	–	–	–
Taking Action on Clean Growth and Climate Change										
Aggregate	42	42	22	20	10	4	3	3	–	–
Canadian Institute for Clean Growth and Climate Change	20	20	7	13	4	5	4	–	–	–
	1,606	1,606	669	937	647	191	94	5	–	–
Global Affairs										
Department of Foreign Affairs, Trade and Development										
Development, Peace and Security Programming										
Aggregate	885	885	582	303	152	89	39	15	4	4
Action against Hunger	81	81	31	50	25	19	3	3	–	–
Adventist Development and Relief Agency of Canada	32	32	21	11	5	3	3	–	–	–
Aga Khan Foundation Canada	186	186	87	99	24	31	27	17	–	–
Agriteam Canada	143	143	70	73	27	25	17	4	–	–
Canadian Bureau for International Education	16	16	6	10	5	3	2	–	–	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
Canadian Executive Service										
Organization	68	68	11	57	13	11	10	7	8	8
Canadian Red Cross	75	75	35	40	21	11	8	—	—	—
CARE Canada	112	112	71	41	20	13	7	1	—	—
Centre de coopération internationale en santé et développement	90	90	24	66	11	14	12	14	8	7
Centre for International Studies and Cooperation	114	114	32	82	19	21	18	8	7	9
Colleges and Institutes Canada	113	113	47	66	14	20	15	10	6	1
Consortium UPA-CECI-SOCODEVI	17	17	1	16	4	4	4	3	1	—
Co-Operative Development Foundation of Canada	32	32	10	22	6	6	4	3	2	1
CowaterSogema International Inc	209	209	103	106	40	25	22	13	6	—
Crossroads International	44	44	5	39	7	7	7	6	6	6
Cuso International	83	83	21	62	11	14	12	9	8	8
Développement international Desjardins	52	52	34	18	8	5	5	—	—	—
Digital Opportunity Trust	28	28	14	14	7	5	2	—	—	—
Doctors Without Borders Canada	43	43	13	30	15	15	—	—	—	—
Equitas - International Centre for Human Rights Education	37	37	9	28	7	7	6	2	4	2
Federation of Canadian Municipalities	81	81	43	38	9	8	8	5	5	3
Fondation Paul Gérin-Lajoie	54	54	10	44	10	9	9	5	6	5
Forum of Federations	29	29	13	16	7	8	1	—	—	—
Grand Challenges Canada	347	347	128	219	29	51	52	45	25	17
International Bureau for Children's Rights	18	18	1	17	3	2	4	3	3	2
Lawyers Without Borders Canada	46	46	29	17	9	6	2	—	—	—
Manitoba Council for International Cooperation	19	19	7	12	5	5	2	—	—	—
Mennonite Economic Development Associates	141	141	84	57	29	15	8	2	3	—
Nutrition International	293	293	93	200	50	50	50	50	—	—
Oxfam Canada	90	90	38	52	20	17	14	1	—	—
Oxfam-Québec	156	156	29	127	27	29	20	20	15	16
Plan International Canada Inc	218	218	152	66	32	26	8	—	—	—
Right To Play International	48	48	27	21	8	10	3	—	—	—
Save the Children Canada	86	86	51	35	19	12	4	—	—	—
Société de coopération pour le développement international	112	112	46	66	19	21	13	8	5	—
Solidarité Union Coopération	38	38	4	34	7	7	6	5	5	4
University of Montreal	37	37	16	21	7	5	5	4	—	—
UPA Développement international	23	23	10	13	4	2	2	2	2	1
World University Service of Canada	203	203	76	127	31	34	29	14	11	8
World Vision Canada	108	108	57	51	15	12	12	11	1	—
Youth Challenge International	19	19	3	16	3	2	2	3	3	3
	4,626	4,626	2,144	2,482	784	679	477	293	144	105
Health										
Department of Health										
<i>Canadian Thalidomide Survivors Support Program</i>										
Epiq Class Action Services Canada Inc	64	64	14	50	12	13	13	12	—	—
<i>Contribution agreements</i>										
Brain Canada Foundation	31	31	11	20	20	—	—	—	—	—
Canada Health Infoway	312	312	227	85	85	—	—	—	—	—
Canadian Agency for Drugs and Technologies in Health	124	124	69	55	29	26	—	—	—	—
Canadian Institute for Health Information	376	376	275	101	101	—	—	—	—	—
Canadian Partnership Against Cancer	237	237	185	52	52	—	—	—	—	—
Healthcare Excellence Canada	125	125	—	125	26	25	25	25	24	—
<i>Health Care Policy and Strategies Program</i>										
Aggregate	73	73	32	41	19	13	7	2	—	—
Terry Fox Research Institute	150	150	13	137	20	33	46	38	—	—

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
Home and Community Care and Mental Health and Addictions Services										
Funding Agreement										
Aggregate	35	35	23	12	11	1	–	–	–	–
Government of Alberta	547	547	372	175	175	–	–	–	–	–
Government of British Columbia	629	629	432	197	197	–	–	–	–	–
Government of Manitoba	171	171	116	55	55	–	–	–	–	–
Government of New Brunswick	97	97	66	31	31	–	–	–	–	–
Government of Newfoundland and Labrador ..	66	66	44	22	22	–	–	–	–	–
Government of Nova Scotia	122	122	83	39	39	–	–	–	–	–
Government of Ontario	1,819	1,819	1,239	580	580	–	–	–	–	–
Government of Quebec	1,066	1,066	723	343	343	–	–	–	–	–
Government of Saskatchewan	147	147	100	47	47	–	–	–	–	–
Official Languages Health Program										
Aggregate	98	98	58	40	20	20	–	–	–	–
Community Health and Social Services										
Network	30	30	18	12	6	6	–	–	–	–
Société Santé en français inc.	35	35	21	14	7	7	–	–	–	–
University of Ottawa	25	25	15	10	5	5	–	–	–	–
Organs, Tissues, and Blood Program										
Canadian Blood Services	46	46	32	14	9	5	–	–	–	–
Substance Use and Addictions Program										
Aggregate	240	240	92	148	71	54	22	1	–	–
Canadian Centre on Substance Use and Addiction										
Government of Quebec	29	29	15	14	7	7	–	–	–	–
Canadian Institutes of Health Research										
Canada 150 Research Chairs										
Social Sciences and Humanities Research										
Council of Canada	19	19	7	12	3	3	3	3	–	–
Canada Excellence Research Chairs										
Social Sciences and Humanities Research										
Council of Canada	40	40	20	20	5	4	4	3	3	1
Canada First Research Excellence Fund										
Social Sciences and Humanities Research										
Council of Canada	280	280	208	72	44	28	–	–	–	–
Canada Graduate Scholarships										
Aggregate	51	51	15	36	17	13	6	–	–	–
Centres of Excellence for Commercialization and Research										
Aggregate	33	33	22	11	7	4	–	–	–	–
Grants for research projects and personnel support										
Aggregate	293	293	135	158	57	44	32	17	8	–
Baycrest Centre for Geriatric Care	39	39	18	21	7	7	7	–	–	–
Centre for Addiction and Mental Health	52	52	27	25	10	7	4	3	1	–
Centre hospitalier de l'Université de Montréal	64	64	32	32	12	8	6	4	2	–
Centre hospitalier universitaire Sainte-Justine	49	49	25	24	9	6	5	3	1	–
Children's Hospital of Eastern Ontario Research Institute	25	25	12	13	4	3	3	2	1	–
Dalhousie University	60	60	35	25	12	6	4	2	1	–
Douglas Hospital Research Centre	46	46	27	19	8	6	3	1	1	–
Hôpital Maisonneuve-Rosemont	22	22	9	13	4	3	3	2	1	–
Hospital for Sick Children	227	227	127	100	34	27	20	13	5	1
Institut de recherches cliniques de Montréal	54	54	33	21	7	6	5	2	1	–
Jewish General Hospital	76	76	49	27	12	8	4	2	1	–
McGill University	250	250	135	115	42	31	22	13	6	1

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
McMaster University.....	256	256	165	91	39	26	15	8	3	–
Montreal Heart Institute.....	27	27	11	16	5	4	3	3	1	–
Ottawa Hospital Research Institute.....	102	102	61	41	17	13	7	3	1	–
Queen's University.....	65	65	30	35	11	9	6	5	2	2
Research Institute of the McGill University Health Centre.....	142	142	84	58	24	16	10	6	2	–
Simon Fraser University.....	37	37	22	15	7	5	2	1	–	–
Sinai Health System.....	98	98	70	28	10	8	5	3	2	–
Social Sciences and Humanities Research Council of Canada.....	656	656	308	348	100	84	68	51	28	17
Sunnybrook Research Institute.....	76	76	43	33	12	8	7	4	2	–
Unity Health Toronto.....	107	107	56	51	19	12	10	5	3	2
Université de Montréal.....	82	82	44	38	14	9	7	5	3	–
Université de Sherbrooke.....	62	62	33	29	11	7	6	3	2	–
Université Laval.....	179	179	97	82	28	21	15	11	6	1
University Health Network.....	211	211	114	97	35	27	20	11	4	–
University of Alberta.....	188	188	93	95	34	27	19	12	3	–
University of British Columbia.....	497	497	273	224	81	62	45	26	10	–
University of Calgary.....	235	235	120	115	43	33	22	12	5	–
University of Guelph.....	20	20	9	11	4	3	2	1	1	–
University of Manitoba.....	87	87	43	44	16	13	9	4	2	–
University of Ottawa.....	73	73	38	35	13	9	7	4	2	–
University of Saskatchewan.....	46	46	18	28	10	9	5	3	1	–
University of Toronto.....	281	281	163	118	43	31	23	14	6	1
University of Victoria.....	20	20	10	10	4	3	2	1	–	–
University of Waterloo.....	33	33	19	14	6	5	2	1	–	–
University of Western Ontario.....	110	110	59	51	18	14	10	7	2	–
Institute support grants										
Aggregate.....	77	77	53	24	12	7	4	1	–	–
Networks of Centres of Excellence										
Aggregate.....	65	65	42	23	18	5	–	–	–	–
Vanier Canada Graduate Scholarships										
Aggregate.....	23	23	7	16	7	6	3	–	–	–
Public Health Agency of Canada										
Chronic Disease Prevention										
Aggregate.....	80	80	45	35	17	13	4	1	–	–
Communicable Disease and Infection Control										
Aggregate.....	280	280	158	122	114	2	2	1	1	2
City of Windsor.....	18	18	–	18	18	–	–	–	–	–
McGill University.....	20	20	6	14	14	–	–	–	–	–
Evidence for Health Promotion, and Chronic Disease and Injury Prevention										
Aggregate.....	95	95	54	41	13	9	7	3	3	6
Foodborne and Zoonotic Diseases										
Aggregate.....	15	15	5	10	3	2	1	1	1	2
Health Promotion										
Aggregate.....	892	892	533	359	141	123	76	19	–	–
Centre for Addiction and Mental Health (Queen Street West).....	21	21	4	17	4	4	4	5	–	–
	13,701	13,701	8,101	5,600	3,259	1,068	682	393	162	36
Immigration, Refugees and Citizenship Department of Citizenship and Immigration										
Resettlement Assistance Program										
Aggregate.....	141	141	37	104	32	25	24	23	–	–
Settlement Program										
Aggregate.....	2,034	2,034	461	1,573	426	404	369	374	–	–
Achev.....	35	35	7	28	7	7	7	7	–	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2022	2023	2024	2025	2026	2027 and subsequent years
Action for Healthy Communities Society of Edmonton	14	14	3	11	3	2	3	3	—	—
Afghan Women's Counselling and Integration Community Support Organization	13	13	2	11	2	3	3	3	—	—
Archway Community Services	17	17	3	14	3	3	4	4	—	—
Board of Education School District # 36	14	14	2	12	3	3	3	3	—	—
Board of Governors of Red River College	28	28	6	22	6	6	5	5	—	—
Bow Valley College	33	33	7	26	6	6	7	7	—	—
Brampton Multicultural Community Centre	18	18	3	15	3	4	4	4	—	—
Calgary Bridge Foundation for Youth	21	21	4	17	4	4	4	5	—	—
Calgary Catholic Immigration Society	27	27	5	22	5	5	6	6	—	—
Calgary Immigrant Educational Society	22	22	5	17	4	4	4	5	—	—
Calgary Immigrant Women's Association	33	33	7	26	6	6	7	7	—	—
Catholic Centre for Immigrants	17	17	2	15	3	4	4	4	—	—
Catholic Community Services of York Region	26	26	5	21	5	5	5	6	—	—
Catholic Crosscultural Services	38	38	7	31	7	8	8	8	—	—
Catholic Social Services	33	33	7	26	6	6	7	7	—	—
Central Alberta Refugee Effort Committee	17	17	3	14	4	3	3	4	—	—
Centre for Immigrant & Community Services of Ontario	41	41	8	33	8	8	8	9	—	—
Centre for Newcomers	39	39	8	31	7	8	8	8	—	—
Collège Boréal	21	21	4	17	4	4	4	5	—	—
Colleges Ontario	16	16	3	13	3	3	3	4	—	—
Community Development Council	14	14	3	11	2	3	3	3	—	—
Conestoga College Institute of Technology & Advanced Learning	22	22	4	18	4	4	5	5	—	—
COSTI Immigrant Services	26	26	5	21	5	5	5	6	—	—
CultureLink	17	17	3	14	4	3	3	4	—	—
DIVERSEcity Community Resources Society	15	15	3	12	3	3	3	3	—	—
Dixie Bloor Neighbourhood Centre	32	32	6	26	6	6	7	7	—	—
Edmonton Catholic Schools	27	27	6	21	6	5	5	5	—	—
Edmonton Immigrant Services	17	17	3	14	3	3	4	4	—	—
Edmonton Mennonite Centre for Newcomers	47	47	10	37	9	9	10	9	—	—
Folk Arts Council of St Catharines	13	13	2	11	2	3	3	3	—	—
Global Gathering Place	15	15	3	12	3	3	3	3	—	—
Halton Catholic District School Board	16	16	3	13	3	3	3	4	—	—
Halton District School Board	20	20	3	17	4	4	4	5	—	—
Halton Multicultural Council	18	18	4	14	3	3	4	4	—	—
Holland College	16	16	3	13	3	3	3	4	—	—
Immigrant Services Association of Nova Scotia	53	53	11	42	10	10	11	11	—	—
Immigrant Services Calgary	30	30	7	23	6	6	5	6	—	—
Immigrant Services Society of BC	54	54	10	44	11	11	11	11	—	—
Immigrants Working Centre	21	21	4	17	4	4	4	5	—	—
Indus Community Services	18	18	4	14	3	3	4	4	—	—
Inter-cultural Association of Greater Victoria	21	21	4	17	4	4	4	5	—	—
International Women of Saskatoon	15	15	3	12	3	3	3	3	—	—
London Cross Cultural Learner Centre	20	20	4	16	4	4	4	4	—	—
Mosaic Newcomer Family Resource Network	14	14	3	11	2	3	3	3	—	—
Multilingual Orientation Service Association for Immigrant Communities	41	41	8	33	9	8	8	8	—	—
Muslim Community Services	13	13	3	10	2	2	3	3	—	—
New Canadians' Centre of Excellence Inc	39	39	7	32	8	8	8	8	—	—

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2022	2023	2024	2025	2026	2027 and subsequent years
Newcomer Centre of Peel.....	49	49	10	39	9	10	10	10	—	—
Newcomers Employment and Education										
Development Services Inc	16	16	4	12	3	3	3	3	—	—
NorQuest College.....	41	41	8	33	8	8	8	9	—	—
North Shore Multicultural Society.....	16	16	3	13	3	3	3	4	—	—
North York Community House	22	22	4	18	4	4	5	5	—	—
Peel Multicultural Council	14	14	3	11	2	3	3	3	—	—
Polycultural Immigrant & Community Services	37	37	7	30	7	7	8	8	—	—
Regina Open Door Society Inc	33	33	6	27	6	7	7	7	—	—
Rexdale Women's Centre	14	14	3	11	3	2	3	3	—	—
Saskatchewan Polytechnic.....	22	22	4	18	4	4	5	5	—	—
Saskatoon Open Door Society	24	24	5	19	5	5	5	4	—	—
Settlement Assistance and Family Support Services	15	15	3	12	3	3	3	3	—	—
Social Enterprise for Canada	15	15	3	12	3	3	3	3	—	—
Success.....	85	85	23	62	18	18	13	13	—	—
Thames Valley District School Board	14	14	2	12	3	3	3	3	—	—
TNO - The Neighbourhood Organization	17	17	3	14	3	3	4	4	—	—
Toronto Catholic District School Board	18	18	3	15	3	4	4	4	—	—
Toronto District School Board.....	99	99	18	81	20	20	20	21	—	—
Vancouver Community College	20	20	4	16	4	4	4	4	—	—
Winnipeg School Division	17	17	4	13	3	3	4	3	—	—
Woodgreen Community Services.....	19	19	3	16	4	4	4	4	—	—
YMCA Canada.....	84	84	16	68	16	17	17	18	—	—
Canada-Quebec Accord—Provincial agreement on immigration matters and on the selection of foreign nationals wishing to settle in Canada										
Government of Quebec	4,552	4,552	650	3,902	650	650	650	650	651	651
	8,595	8,595	1,517	7,078	1,467	1,445	1,422	1,442	651	651
Indigenous Services										
Department of Indigenous Services										
Aboriginal recipient funding agreement (First Nations and Tribal Councils)										
Abegweit Band.....	19	19	—	19	4	4	4	4	3	—
Acadia Band Council	26	26	8	18	2	2	2	2	3	7
Adams Lake Indian Band	44	44	7	37	4	4	4	4	4	17
Ahousaht Indian Band	97	97	21	76	9	9	8	8	8	34
Ahtahkakoop Band.....	168	168	46	122	17	15	15	15	15	45
Albany	62	62	20	42	11	11	10	10	—	—
Alexander Band.....	83	83	71	12	12	—	—	—	—	—
Alexis Nakota Sioux Nation	155	155	73	82	41	10	10	10	11	—
Algonquins of Barriere Lake	40	40	15	25	7	6	6	6	—	—
Animakee Wa Zhing #37.....	58	58	37	21	3	3	3	2	2	8
Athabasca Health Authority Inc	72	72	18	54	15	13	13	13	—	—
Atikameksheng Anishnawbek	28	28	6	22	3	3	2	3	2	9
Atikamekw d'Opitciwan First Nation Council.....	183	183	64	119	36	33	34	16	—	—
Atikamekw Sipi - Conseil de la Nation										
Atikamekw	58	58	17	41	12	10	10	9	—	—
Attawapiskat First Nation.....	92	92	30	62	16	15	15	16	—	—
Bande des Innus de Ekuanitshit.....	42	42	17	25	7	6	6	6	—	—
Bande des Innus de Pessamit.....	190	190	52	138	37	33	34	34	—	—
Bande des Montagnais de Pakua Shipi	37	37	—	37	8	8	7	7	7	—
Barren Lands Band.....	23	23	12	11	5	2	2	2	—	—
Batchewana First Nation	108	108	56	52	25	7	7	7	6	—
Beardy's & Okemasis Band.....	61	61	51	10	10	—	—	—	—	—
Bearskin Lake First Nation.....	26	26	5	21	5	5	5	6	—	—
Beausoleil First Nation.....	49	49	15	34	5	5	4	4	4	12

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
Beaver First Nation Band	21	21	10	11	11	–	–	–	–	–
Beecher Bay Indian Band	12	12	2	10	2	1	1	1	1	4
Berens River Band	53	53	30	23	13	5	5	–	–	–
Big Grassy First Nation	27	27	9	18	5	4	4	5	–	–
Big Island Lake Cree Nation	35	35	22	13	10	1	1	1	–	–
Big River Band	320	320	103	217	49	19	19	19	19	92
Bigstone Cree Nation	163	163	105	58	58	–	–	–	–	–
Biinjitiwaabik Zaaging Anishinaabek	15	15	5	10	1	1	1	1	1	5
Black Lake Band	39	39	19	20	7	7	6	–	–	–
Black River First Nation	91	91	26	65	9	8	8	8	8	24
Blood Band	881	881	789	92	92	–	–	–	–	–
Bloodvein Band	74	74	41	33	26	2	2	2	1	–
Blueberry River First Nations	23	23	5	18	5	5	4	4	–	–
Bosgoed Project Consultants Ltd.	18	18	4	14	2	2	2	2	3	3
Bunibonibee Cree Nation	105	105	67	38	29	3	3	3	–	–
Campbell River Indian Band	16	16	5	11	3	3	3	2	–	–
Cape Mudge Indian Band	21	21	6	15	4	4	4	3	–	–
Carry the Kettle Band	109	109	43	66	10	8	8	8	8	24
Chawathil Indian Band	15	15	5	10	2	2	3	3	–	–
Chemawawin Cree Nation	92	92	27	65	17	16	16	16	–	–
Chippewas of Georgina Island	35	35	6	29	4	4	3	3	3	12
Chippewas of Kettle and Stony Point	36	36	18	18	6	6	3	3	–	–
Chippewas of Nawash	31	31	10	21	5	5	5	6	–	–
Chippewas of Rama First Nation	11	11	–	11	2	3	2	2	2	–
Chippewas of the Thames First Nation	82	82	24	58	8	7	7	7	7	22
Clearwater River Dene Band	31	31	18	13	10	1	1	1	–	–
Cold Lake First Nations Band	97	97	50	47	27	5	5	5	5	–
Coldwater Indian Band	20	20	7	13	3	3	3	4	–	–
Conseil des Atikamekw de Wemotaci	164	164	49	115	15	14	14	14	15	43
Constance Lake First Nation	47	47	14	33	8	8	8	9	–	–
Cote First Nation 366	29	29	15	14	9	2	2	1	–	–
Couchiching First Nation	72	72	30	42	18	6	6	6	6	–
Council of the First Nation of Abitibiwinni	44	44	14	30	8	8	7	7	–	–
Cowessess Band	41	41	30	11	11	–	–	–	–	–
Cowichan	262	262	76	186	29	22	22	23	23	67
Cree Board of Health and Social Services of James Bay	36	36	11	25	7	6	6	6	–	–
Cree Nation Tribal Health Centre	15	15	–	15	4	3	3	3	2	–
Cross Lake First Nation	333	333	74	259	71	78	55	55	–	–
Cumberland House Cree Nation Band	25	25	14	11	8	1	1	1	–	–
Dakota Ojibway Tribal Council Inc.	14	14	–	14	4	2	2	3	3	–
Deer Lake First Nation	92	92	56	36	30	2	2	2	–	–
Dene Tha' Band	152	152	131	21	21	–	–	–	–	–
Douglas Indian Band	13	13	2	11	2	1	1	1	1	5
Driftpile Cree Nation	75	75	59	16	10	6	–	–	–	–
Eabametoong First Nation	49	49	30	19	13	2	2	2	–	–
Ebb and Flow Band	114	114	86	28	14	14	–	–	–	–
Ebb and Flow First Nation Health Authority Inc.	18	18	7	11	3	3	3	2	–	–
Eel Ground Band Council	13	13	3	10	7	1	1	1	–	–
Elsipogtog First Nation	66	66	44	22	22	–	–	–	–	–
Enoch Cree Nation #440	189	189	66	123	17	15	15	15	15	46
Ermineskin Tribe	197	197	172	25	12	13	–	–	–	–
Esgenoopetj First Nation	85	85	25	60	15	15	15	15	–	–
Eskasoni Band Council	47	47	30	17	17	–	–	–	–	–
Esk'Etenc	18	18	7	11	3	3	3	2	–	–
Essipit Innu First Nation Band	41	41	–	41	5	4	4	4	4	20
File Hills Qu'Appelle Tribal Council Inc.	53	53	–	53	14	10	10	10	9	–
Fisher River Band	259	259	73	186	25	23	23	23	23	69
Fishing Lake First Nation Band	26	26	14	12	8	1	2	1	–	–
Flying Dust First Nation	67	67	14	53	6	6	6	6	6	23

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
Fond du Lac Band	33	33	18	15	5	5	5	–	–	–
Fort Alexander Band	339	339	53	286	32	32	32	32	32	126
Fort McKay First Nation	43	43	21	22	22	–	–	–	–	–
Fort Nelson First Nation	44	44	13	31	4	4	4	4	4	11
Four Arrows Regional Health Authority Inc.	13	13	–	13	4	2	2	2	3	–
Frog Lake Band	115	115	74	41	13	14	14	–	–	–
Gamblers Band	24	24	10	14	3	2	2	1	1	5
Garden Hill First Nation	164	164	52	112	28	28	28	28	–	–
Garden River First Nation	97	97	62	35	28	2	3	2	–	–
George Gordon First Nation	43	43	17	26	7	7	6	6	–	–
Gitksan Local Services Society	123	123	79	44	23	21	–	–	–	–
Gitsegukla Indian Band	18	18	7	11	3	3	3	2	–	–
Gitwangak Indian Band	18	18	6	12	3	3	3	3	–	–
Gitxaala Nation	61	61	16	45	6	6	6	5	5	17
God's Lake First Nation	70	70	46	24	16	3	3	2	–	–
Grassy Narrows First Nation	37	37	14	23	6	6	6	5	–	–
Gwa'Sala-Nakwaxda'Xw Indian Band	18	18	7	11	3	2	3	3	–	–
Haisla Nation	54	54	43	11	6	5	–	–	–	–
Hatchet Lake Band	105	105	56	49	24	25	–	–	–	–
Heiltsuk Indian Band	128	128	31	97	13	12	12	12	12	36
Hiawatha First Nation	14	14	–	14	2	3	3	3	3	–
Hollow Water Band	39	39	27	12	8	2	2	–	–	–
Innu Nation of Matimekush-Lac John	88	88	28	60	16	15	15	14	–	–
Innu Takuaiakan Uashat Mak Mani-Utenam	255	255	168	87	48	39	–	–	–	–
Inuvialuit Regional Corporation	22	22	9	13	4	3	4	2	–	–
Iskatewizaagegan #39 Independent Nation	24	24	6	18	6	4	4	4	–	–
James Smith Band	41	41	18	23	6	6	6	5	–	–
Kahkewistahaw Band	51	51	38	13	13	–	–	–	–	–
Kasabonika Lake First Nation	131	131	85	46	40	2	2	2	–	–
Kashechewan First Nation	98	98	34	64	16	16	16	16	–	–
Kawacatoose Band	68	68	42	26	21	2	2	1	–	–
Kebaowek First Nation	21	21	9	12	4	4	2	2	–	–
Kee Tas Kee Now Tribal Council	288	288	203	85	43	21	21	–	–	–
Keeseekoose Band	23	23	13	10	7	1	1	1	–	–
Keewatin Tribal Council Inc.	74	74	19	55	18	9	9	9	10	–
Keewaytinook Okimakanak/Northern Chiefs Council	140	140	105	35	23	4	4	4	–	–
Kehewin Cree Nation	109	109	92	17	9	8	–	–	–	–
Kingfisher Lake First Nation	27	27	13	14	7	2	2	3	–	–
Kingsclear Band Council	69	69	17	52	10	5	5	6	5	21
Kinonjeoshtegon First Nation	36	36	24	12	12	–	–	–	–	–
Kitasoo Indian Band	43	43	19	24	8	9	2	2	3	–
Kitchenuhmaykoosib Inninuwug	66	66	50	16	14	2	–	–	–	–
Kitcisakik Anicinape Community	35	35	13	22	7	5	5	5	–	–
Kitigan Zibi Anishinabeg	64	64	28	36	18	6	6	6	–	–
Kitiganwacheeng Health Services Inc	29	29	9	20	5	5	5	5	–	–
Kitsumkalum Indian Band	22	22	8	14	4	4	3	3	–	–
Kwadacha Indian Band	25	25	9	16	4	4	4	4	–	–
Lac la Ronge Band	711	711	216	495	67	61	61	61	61	184
Lac la Ronge Indian Band Health Services Inc.	105	105	41	64	12	9	9	9	6	19
Lac Seul First Nation	60	60	43	17	9	8	–	–	–	–
Lake Babine Nation	118	118	31	87	16	10	10	10	10	31
Lake Manitoba Band	84	84	16	68	9	7	7	7	8	30
Lax Kw'alaams Indian Band	124	124	18	106	12	12	12	12	12	46
Lennox Island Band	19	19	7	12	4	3	3	2	–	–
Leq' A: Mel First Nation	16	16	6	10	2	1	1	1	1	4
Les Atikamekw de Manawan	90	90	42	48	26	7	7	8	–	–
Lesser Slave Lake Indian Regional Council	39	39	16	23	10	5	4	4	–	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
Lhoosk'Uz Dene Nation	14	14	4	10	1	1	1	1	1	5
Liard First Nation	40	40	11	29	7	7	7	8	—	—
Lil'wat Nation	73	73	15	58	15	15	14	14	—	—
Listuguj Mi'gmaq Government.....	130	130	45	85	24	20	20	21	—	—
Little Grand Rapids Band.....	57	57	30	27	7	7	7	6	—	—
Little Pine Band	41	41	30	11	6	5	—	—	—	—
Little Red River Cree Nation.....	646	646	242	404	154	63	63	62	62	—
Little Saskatchewan Band	61	61	51	10	5	5	—	—	—	—
Little Shuswap Lake Indian Band.....	22	22	6	16	2	2	2	2	2	6
Long Plain Band.....	198	198	58	140	18	18	18	17	17	52
Long Point First Nation.....	87	87	19	68	8	7	7	8	8	30
Louis Bull Band	66	66	55	11	11	—	—	—	—	—
Lower Nicola Indian Band	58	58	15	43	6	5	5	5	6	16
Lower Similkameen Band	27	27	8	19	3	3	2	2	2	7
Lytton Indian Band	70	70	19	51	7	6	6	6	7	19
Makwa Sahgaiehcán First Nation Band.....	34	34	23	11	11	—	—	—	—	—
Manto Sipi Cree Nation.....	44	44	29	15	11	1	1	2	—	—
Marten Falls First Nation	25	25	15	10	5	5	—	—	—	—
Matawa First Nations Management.....	79	79	48	31	15	4	4	4	4	—
Mathias Colomb Band.....	64	64	31	33	21	4	4	4	—	—
Mattagami First Nation	16	16	5	11	3	3	3	2	—	—
M'Chigeeng First Nation	55	55	16	39	9	10	10	10	—	—
Membertou Band Council	85	85	25	60	8	8	8	7	7	22
Metepenagiag Mi'Kmaq Nation.....	60	60	11	49	6	6	5	5	5	22
Metlakatla First Nation.....	31	31	10	21	3	3	3	2	2	8
Micmacs of Gesgapegiag	51	51	27	24	8	8	8	—	—	—
Millbrook Band Council.....	106	106	26	80	10	10	10	10	10	30
Mishkeegogamang First Nation.....	39	39	26	13	7	2	2	2	—	—
Misipawistik Cree Nation.....	29	29	18	11	5	2	2	2	—	—
Mississauga of the Credit.....	53	53	37	16	8	8	—	—	—	—
Mistawasis Nēhiyawak	57	57	40	17	17	—	—	—	—	—
Mlte Program Services Inc.	131	131	67	64	21	21	22	—	—	—
Mohawk Council of Akwesasne.....	641	641	157	484	71	59	59	59	59	177
Mohawks of Kahnawá:Ke Band.....	690	690	383	307	118	47	47	47	48	—
Mohawks of Kanesatake	41	41	13	28	7	7	7	7	—	—
Mohawks of the Bay of Quinte.....	159	159	75	84	40	11	11	11	11	—
Montagnais de Unamen Shipu.....	102	102	33	69	18	17	17	17	—	—
Montreal Lake Band.....	71	71	36	35	20	5	5	5	—	—
Moose Cree First Nation	137	137	85	52	43	3	3	3	—	—
Moosomin Band	80	80	22	58	8	7	8	7	7	21
Mosquito-Grizzly Bear's Head Band	76	76	13	63	8	7	7	7	7	27
Mushkegowuk Tribal Council	32	32	18	14	7	3	2	2	—	—
Mushuau Innu First Nation.....	38	38	20	18	6	4	4	4	—	—
Muskoday First Nation Band.....	113	113	34	79	24	6	6	6	6	31
Muskowekwan Band.....	47	47	35	12	12	—	—	—	—	—
Musqueam Indian Band	61	61	24	37	13	12	4	4	4	—
Nadleh Whuten	41	41	16	25	10	9	2	2	2	—
Naicatchewenin First Nation	46	46	33	13	13	—	—	—	—	—
Nak'Azdli Whut'En	94	94	37	57	18	18	7	7	7	—
Namgis First Nation	51	51	14	37	6	4	4	5	5	13
Naotkamegwanning.....	29	29	16	13	8	2	2	1	—	—
Naskapi Nation of Kawawachikamach	11	11	—	11	2	2	2	2	3	—
Nation Anishnabe of Lac Simon.....	114	114	78	36	19	17	—	—	—	—
Nation Huronne Wendat.....	144	144	108	36	19	17	—	—	—	—
Naut'sa Mawt Tribal Council.....	44	44	26	18	9	9	—	—	—	—
Neskantaga First Nation	35	35	23	12	8	1	1	2	—	—
Nipissing First Nation	59	59	21	38	5	5	5	5	4	14
Nisichawayasihk Cree Nation	228	228	179	49	34	5	5	5	—	—
Nokiiwin Tribal Council Inc.....	11	11	—	11	2	2	2	2	3	—
Nooaitch Indian Band.....	18	18	4	14	4	4	3	3	—	—
North Caribou Lake First Nation.....	143	143	85	58	52	2	2	2	—	—

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
Northern Inter-Tribal Health Authority Inc.	26	26	8	18	7	4	4	3	–	–
Northlands Band	46	46	28	18	12	2	2	2	–	–
Norway House Cree Nation.....	738	738	184	554	70	69	69	69	69	208
Nunavik Regional Board of Health and Social Services	96	96	39	57	8	7	7	7	7	21
Nuu-Chah-Nulth Tribal Council.....	177	177	125	52	28	24	–	–	–	–
Nuxalk Nation Band.....	50	50	18	32	8	8	8	8	–	–
Ocean Man Band.....	27	27	5	22	3	2	2	3	2	10
O'Chiese Band.....	53	53	37	16	8	8	–	–	–	–
Odanak.....	10	10	–	10	6	1	1	1	1	–
Ojibways of Onigaming First Nation.....	28	28	8	20	5	5	5	5	–	–
Okanagan Indian Band	41	41	18	23	6	6	6	5	–	–
Old Massett Village Council Band	31	31	10	21	5	5	5	6	–	–
One Arrow First Nation.....	64	64	49	15	15	–	–	–	–	–
Oneida Nation of the Thames.....	68	68	24	44	16	13	8	7	–	–
Onion Lake Cree Nation.....	334	334	281	53	27	26	–	–	–	–
Opaskwayak Cree Nation	444	444	124	320	40	40	40	40	40	120
O-Pipon-Na-Piwin Cree Nation.....	26	26	10	16	4	4	4	4	–	–
Osoyoos Indian Band	38	38	11	27	4	3	3	3	4	10
Paqtneq Mi'kmaw Nation	42	42	13	29	4	4	4	3	3	11
Pasqua First Nation #79	40	40	28	12	12	–	–	–	–	–
Paungassi First Nation.....	23	23	13	10	6	1	1	2	–	–
Pauquachin Indian Band.....	15	15	5	10	2	1	1	1	1	4
Peepeekisis Cree Nation No.81	72	72	26	46	6	6	6	6	5	17
Peguis Band	254	254	75	179	44	45	45	45	–	–
Pelican Lake Band.....	32	32	20	12	9	1	1	1	–	–
Penelakut Tribe	81	81	34	47	16	16	5	5	5	–
Penticton Indian Band	68	68	20	48	7	6	6	6	6	17
Peter Ballantyne Cree Nation	104	104	46	58	19	19	20	–	–	–
Pheasant Rump Nakota Band	25	25	9	16	2	2	2	2	2	6
Pictou Landing Band Council.....	48	48	14	34	5	4	4	4	4	13
Piikani Nation	45	45	13	32	8	8	8	8	–	–
Pikangikum First Nation	169	169	133	36	27	3	3	3	–	–
Pinaymootang First Nation.....	35	35	21	14	8	2	2	2	–	–
Poplar Hill First Nation	64	64	41	23	20	1	1	1	–	–
Poplar River First Nation.....	177	177	69	108	15	13	13	13	14	40
Potlotek First Nation	22	22	10	12	4	4	4	–	–	–
Première Nation des Innus de Nutashkuan	80	80	31	49	14	12	12	11	–	–
Première Nation des Pekuakamiulnuatsh.....	283	283	83	200	33	24	24	24	24	71
Qalipu First Nation Band.....	97	97	25	72	10	9	9	9	9	26
Red Earth Band.....	37	37	26	11	11	–	–	–	–	–
Red Pheasant Band.....	83	83	23	60	9	8	7	7	7	22
Red Sucker Lake Band.....	60	60	20	40	10	10	10	10	–	–
Regroupement Mamit Innuat Inc.....	77	77	22	55	14	14	14	13	–	–
Rolling River Band	11	11	–	11	5	1	1	2	2	–
Roseau River Anishinabe First Nation Government.....	15	15	–	15	4	3	3	3	2	–
Sachigo Lake First Nation.....	79	79	49	30	25	2	2	1	–	–
Saddle Lake Cree Nation.....	230	230	162	68	41	27	–	–	–	–
Sagamok Anishnawbek First Nation	82	82	17	65	16	16	16	17	–	–
Saint Mary's Band Council.....	72	72	51	21	14	7	–	–	–	–
Samson Band	162	162	146	16	16	–	–	–	–	–
Sandy Bay Band.....	86	86	43	43	28	5	5	5	–	–
Sandy Lake First Nation.....	124	124	45	79	20	20	20	19	–	–
Sapotaweyak Cree Nation	42	42	26	16	10	2	2	2	–	–
Saskatoon Tribal Council	17	17	–	17	3	3	3	4	4	–
Saugeen First Nation	70	70	19	51	7	7	6	6	6	19
Saulteau First Nations	31	31	10	21	4	3	3	2	2	7
Sayisi Dene First Nation.....	23	23	13	10	6	1	1	2	–	–
Seabird Island Indian Band	102	102	28	74	11	9	9	9	9	27
Serpent River First Nation.....	14	14	–	14	3	3	3	3	2	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
Shamattawa First Nation	64	64	42	22	14	2	3	3	—	—
Shawanaga First Nation Ojibway Territory	27	27	8	19	3	3	2	2	2	7
Sheshatshiu Innu First Nation.....	46	46	24	22	8	7	7	—	—	—
Shibogama First Nations Council.....	83	83	62	21	21	—	—	—	—	—
Shoal Lake Cree Nation	34	34	23	11	11	—	—	—	—	—
Siksika Nation Band.....	235	235	184	51	51	—	—	—	—	—
Simpew First Nation.....	30	30	8	22	3	3	3	3	2	8
Sioux Lookout First Nations Health Authority	75	75	50	25	6	6	6	7	—	—
Sipekne'Katik	105	105	28	77	10	10	10	9	9	29
Six Nations of the Grand River	287	287	129	158	70	22	22	22	22	—
Skidegate Indian Band.....	77	77	20	57	8	7	7	7	7	21
Snuneymuxw First Nation.....	74	74	23	51	7	6	6	6	7	19
Songhees Nation	31	31	8	23	3	3	3	3	3	8
Soowahlie Indian Band	14	14	3	11	3	3	3	2	—	—
Southeast Resource Development Council Corp.	44	44	22	22	8	7	7	—	—	—
Southern First Nations Secretariat	39	39	10	29	7	7	7	8	—	—
Splatsin	45	45	9	36	9	9	9	9	—	—
Squamish Indian Band.....	129	129	79	50	25	25	—	—	—	—
St. Mary's Indian Band.....	24	24	8	16	2	2	2	2	2	6
St. Theresa Point Band.....	100	100	56	44	34	3	3	4	—	—
Stanley Mission Health Services Inc.	50	50	13	37	6	5	5	5	4	12
Stellat'En First Nation	21	21	6	15	2	2	2	2	2	5
Sto:Lo Service Agency Society.....	25	25	8	17	4	4	4	5	—	—
Stoney Band.....	110	110	55	55	55	—	—	—	—	—
Sts'ailes Band	64	64	20	44	7	5	5	5	6	16
Sturgeon Lake First Nation	51	51	28	23	14	3	3	3	—	—
Stz'uminus First Nation	97	97	45	52	18	18	6	5	5	—
Sucker Creek Band.....	51	51	19	32	8	8	8	8	—	—
Sunchild First Nation Band	40	40	27	13	12	1	—	—	—	—
Swan Lake Band	41	41	13	28	9	7	6	6	—	—
Sweetgrass Band	21	21	11	10	4	3	3	—	—	—
Tahltan Indian Band.....	74	74	35	39	12	12	5	5	5	—
Takla Nation.....	33	33	6	27	3	3	3	3	3	12
Tataskweyak Cree Nation.....	289	289	135	154	64	23	23	24	20	—
Taykwa Tagamou Nation	20	20	9	11	2	2	1	1	1	4
Temagami First Nation.....	56	56	9	47	6	6	5	5	5	20
Thunderchild First Nation	35	35	19	16	10	2	2	2	—	—
Timiskaming First Nation.....	52	52	18	34	9	8	8	9	—	—
T'it'q'et.....	22	22	7	15	2	2	2	2	2	5
Tk'Emlúps Te Secwépemc	76	76	32	44	15	15	4	5	5	—
Tl'azt'en Nation	44	44	26	18	9	9	—	—	—	—
Tl'Etinqox Government	53	53	11	42	6	5	4	4	5	18
Tootinaowaziibeeng Treaty Reserve.....	22	22	11	11	7	2	1	1	—	—
Touchwood Agency Tribal Council Inc.....	10	10	—	10	2	2	2	2	2	—
Tsartlip Indian Band.....	127	127	45	82	17	9	9	9	10	28
Tsay Keh Dene Band.....	35	35	6	29	4	3	3	3	3	13
Ts'kw'aylaxw First Nation	22	22	6	16	2	2	2	2	2	6
Tsleil-Waututh Nation.....	29	29	11	18	3	2	2	2	2	7
Tsuut'Ina Nation.....	163	163	148	15	15	—	—	—	—	—
Ulkatcho Indian Band.....	42	42	9	33	8	8	8	9	—	—
Upper Nicola Indian Band.....	40	40	11	29	4	4	4	3	3	11
Wabaseemoong Independent Nation	53	53	26	27	7	7	7	6	—	—
Wabun Tribal Council.....	14	14	4	10	3	2	2	3	—	—
Wahgoshig First Nation.....	26	26	9	17	3	2	2	2	2	6
Walpole Island First Nation.....	62	62	19	43	11	11	11	10	—	—
Wapekeka First Nation.....	65	65	39	26	18	3	3	2	—	—
Wasagamack First Nation.....	141	141	118	23	17	3	3	—	—	—
Wasauksing First Nation	26	26	5	21	3	3	2	2	2	9
Waywayseecappo First Nation Treaty Four - 1874.....	52	52	31	21	15	2	2	2	—	—

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
Webequie	34	34	20	14	8	2	2	2	–	–
We'koqma'q First Nation	32	32	20	12	6	6	–	–	–	–
West Region Treaty 2 & 4 Health Services Corp.....	18	18	–	18	5	3	3	3	4	–
Western Cree Tribal Council.....	140	140	99	41	29	12	–	–	–	–
White Bear Band	12	12	–	12	7	1	1	1	2	–
Whitecap Dakota First Nation Band.....	70	70	28	42	6	5	5	5	5	16
Wikwemikong Unceded Indian Reserve.....	172	172	54	118	31	29	29	29	–	–
Williams Lake First Nation	31	31	10	21	3	3	3	2	2	8
Willow Cree Health Services Corporation.....	17	17	5	12	3	3	3	3	–	–
Windigo First Nations Council.....	73	73	47	26	25	1	–	–	–	–
Witset First Nation	70	70	19	51	7	6	6	6	7	19
Wuikinuxv Nation	20	20	4	16	4	4	4	4	–	–
Yellow Quill Band	47	47	32	15	15	–	–	–	–	–
Yellowhead Tribal Development Foundation.....	31	31	16	15	5	5	5	–	–	–
Yorkton Tribal Administration Inc.	19	19	6	13	6	2	3	2	–	–
Aboriginal recipient funding agreement (Other)										
Aboriginal Savings Corporation of Canada.....	25	25	10	15	5	5	5	–	–	–
Agency Chiefs Child & Family Services Corp.....	19	19	5	14	4	4	3	3	–	–
Anishinaabe Child and Family Services	39	39	26	13	7	6	–	–	–	–
Assembly of Manitoba Chiefs Secretariat Inc.....	76	76	35	41	20	21	–	–	–	–
Athabasca Dene Education Corp.	92	92	26	66	17	17	16	16	–	–
Awasis Agency of Northern Manitoba	146	146	94	52	26	26	–	–	–	–
Bigstone Cree Nation Child and Family Services Society.....	16	16	–	16	8	8	–	–	–	–
Carrier Sekani Family Services	100	100	60	40	20	20	–	–	–	–
Centre Intégré de Santé et de Services Sociaux de L'Abitibi-Témiscamingue	74	74	63	11	7	4	–	–	–	–
Commission de la Santé et des Services Sociaux des Premières Nations du Québec et du Labrador.....	26	26	10	16	5	4	4	3	–	–
Cree Nation Child and Family Caring Agency.....	72	72	45	27	14	13	–	–	–	–
Cree Nation Government.....	66	66	41	25	25	–	–	–	–	–
Dakota Ojibway Child and Family Services	85	85	59	26	13	13	–	–	–	–
Denisiqi Services Society	25	25	–	25	5	5	5	5	5	–
East Central First Nations Education Authority Incorporated	21	21	5	16	4	4	4	4	–	–
First Nations Education Council.....	403	403	210	193	76	29	29	29	30	–
First Nations Education Steering Committee	375	375	75	300	75	75	75	75	–	–
First Nations' Emergency Services Society of British Columbia	26	26	5	21	5	5	5	6	–	–
First Nations Financial Management Board	44	44	32	12	12	–	–	–	–	–
First Nations Land Management Resource Centre Inc.	47	47	14	33	16	17	–	–	–	–
First Nations Technical Services Advisory Group Inc.....	16	16	–	16	3	3	3	3	4	–
First Nations University of Canada Inc.....	21	21	–	21	7	7	7	–	–	–
Fraser Valley Aboriginal Children and Family Services Society (Fvacfss)	25	25	9	16	4	4	4	4	–	–
Freehorse Family Wellness Society.....	16	16	–	16	3	3	3	3	4	–
Frontier School Division #48	188	188	116	72	36	36	–	–	–	–
Gitksan Child and Family Services Society	19	19	4	15	4	4	4	3	–	–
Gwich'in Tribal Council	16	16	4	12	2	2	2	2	2	2

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
Institut Tshakapesh.....	105	105	64	41	21	5	5	5	5	–
Inuit Tapiriit Kanatami.....	32	32	18	14	1	2	2	2	2	5
Inuvialuit Regional Corporation.....	31	31	15	16	16	–	–	–	–	–
Island Lake First Nations Family Services.....	82	82	52	30	15	15	–	–	–	–
Kanaweyimik Child & Family Services Inc.	34	34	18	16	5	5	6	–	–	–
Kanesatake Health Center.....	21	21	6	15	4	4	3	4	–	–
Kasohkowew Child Wellness Society (2012).....	29	29	–	29	29	–	–	–	–	–
Keewatinook Okimakanak Board of Education.....	31	31	11	20	10	10	–	–	–	–
Keyanow Child and Family Centre Inc.....	21	21	11	10	3	3	4	–	–	–
Kinosao Sipi Minisowin Agency.....	57	57	37	20	10	10	–	–	–	–
Knucwentwecw Society.....	17	17	–	17	3	3	3	4	4	–
Ktc Child & Family Services.....	29	29	12	17	4	4	4	5	–	–
Kunuwanimano Child & Family Services.....	40	40	26	14	7	7	–	–	–	–
Kwumut Lelum Child and Family Services Society.....	83	83	37	46	15	15	5	5	6	–
Lac la Ronge Indian Band Child and Family Services Agency Inc.....	45	45	21	24	8	8	8	–	–	–
Little Red River Education Authority Inc.....	15	15	–	15	3	3	3	3	3	–
Makivik Corporation.....	121	121	89	32	31	–	1	–	–	–
Mamu Tshishkutamashutau Innu Education Inc.....	35	35	17	18	18	–	–	–	–	–
Manitoba First Nations Education Resource Centre Inc.....	277	277	77	200	50	50	50	50	–	–
Manitoba Keewatinowi Okimakanak Inc.....	59	59	35	24	14	8	1	1	–	–
Manitoba Metis Federation Inc.....	130	130	90	40	20	20	–	–	–	–
Maskwacis Education Schools Commission....	527	527	166	361	52	52	52	51	51	103
Métis Nation of Alberta Association.....	165	165	86	79	52	9	9	9	–	–
Métis Nation of Ontario.....	82	82	45	37	27	5	5	–	–	–
Métis Nation of Saskatchewan.....	172	172	96	76	59	9	8	–	–	–
Métis National Council.....	42	42	18	24	8	8	8	–	–	–
Métis Provincial Council of British Columbia.....	79	79	44	35	25	5	5	–	–	–
Mi'Gmaq Child and Family Services of New Brunswick Inc.....	22	22	11	11	11	–	–	–	–	–
Mi'kmaw Family & Children's Services of Nova Scotia.....	46	46	23	23	23	–	–	–	–	–
Mistahi Sipiy Child and Family Services Inc...	24	24	7	17	4	4	4	5	–	–
Mltc Child & Family Services Inc.....	56	56	29	27	9	9	9	–	–	–
Montreal Lake Child and Family Agency Inc.....	34	34	18	16	5	5	6	–	–	–
Nan Corporate Services.....	75	75	64	11	11	–	–	–	–	–
National Aboriginal Capital Corporations Association.....	127	127	98	29	29	–	–	–	–	–
National Aboriginal Lands Managers Association.....	25	25	12	13	6	7	–	–	–	–
National Association of Friendship Centres.....	155	155	131	24	24	–	–	–	–	–
National Indian Brotherhood.....	192	192	99	93	36	35	6	6	2	8
Native Alcohol and Drug Abuse Counselling Association.....	11	11	–	11	3	2	2	2	2	–
Nechapanuk Centre Child and Family Services Inc.....	31	31	15	16	5	5	6	–	–	–
Nezul Be Hunuyeh Child and Family Services Society.....	16	16	5	11	3	3	3	2	–	–
Nikan Awasisak Agency.....	38	38	25	13	7	6	–	–	–	–
Nil/Tuo Child and Family Services Society....	21	21	5	16	4	4	4	4	–	–
Nisga'A Nation.....	25	25	9	16	8	8	–	–	–	–
Nisichawayasihk Cree Nation Family and Community Services.....	53	53	35	18	9	9	–	–	–	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
Nog-Da-Win-Da-Min Family and Community Services.....	101	101	55	46	15	16	15	–	–	–
Northern Nishnawbe Education Council	129	129	49	80	27	27	26	–	–	–
Northwest Inter-Nation Family and Community Services Society	73	73	25	48	15	15	6	6	6	–
Nunatsiavut Government.....	95	95	19	76	19	19	19	19	–	–
Nunatakavut Community Council Inc.	28	28	9	19	6	6	7	–	–	–
Ontario First Nations Technical Services Corporation.....	22	22	–	22	4	4	4	5	5	–
Peguis Child and Family Services	35	35	24	11	5	6	–	–	–	–
Peter Ballantyne Child & Family Services Inc.	114	114	81	33	11	11	11	–	–	–
Peter Ballantyne Cree Nation Education Authority Inc	162	162	46	116	29	29	29	29	–	–
Qbow Child and Family Services Inc.	33	33	18	15	5	5	5	–	–	–
Sagkeeng Child and Family Services	36	36	24	12	6	6	–	–	–	–
Sandy Bay Child and Family Services.....	31	31	19	12	6	6	–	–	–	–
Sew'Exmx Child and Family Services Society.....	88	88	22	66	19	20	9	9	9	–
Secwepemc Child & Family Services Agency	56	56	–	56	11	11	11	11	12	–
Shawano Consulting Services Ltd	108	108	41	67	22	22	23	–	–	–
Southeast Child and Family Services	219	219	139	80	40	40	–	–	–	–
Southern Chiefs Organization Inc.....	19	19	9	10	5	5	–	–	–	–
The First Nations Information Governance Centre	100	100	21	79	11	9	10	10	10	29
Toronto Aboriginal Support Services Council Corp.	36	36	18	18	18	–	–	–	–	–
Touchwood Child and Family Services Inc.	43	43	28	15	5	5	5	–	–	–
Union of Ontario Indians.....	48	48	36	12	12	–	–	–	–	–
University of Saskatchewan Northern Medical Services.....	15	15	3	12	3	3	3	3	–	–
West Region Child and Family Services	84	84	57	27	14	13	–	–	–	–
Westbank First Nation.....	32	32	21	11	6	5	–	–	–	–
Whiskyjack Treatment Ctr. Inc.....	20	20	5	15	5	3	3	4	–	–
Yorkton Tribal Council Child and Family Services Incorporated	85	85	51	34	11	11	12	–	–	–
Yuthe Dene Sekwi Chu L A Koe Betsedi Inc.....	39	39	21	18	6	6	6	–	–	–
Canada Common Funding Agreement for First Nations and Tribal Councils										
Bigstone Health Commission	225	225	179	46	23	23	–	–	–	–
Blood Band	156	156	106	50	16	11	11	12	–	–
Cross Lake First Nation.....	82	82	62	20	20	–	–	–	–	–
File Hills Qu'Appelle Tribal Council Inc.	69	69	53	16	16	–	–	–	–	–
First Nations Health Authority	4,678	4,678	3,503	1,175	573	602	–	–	–	–
Keewatin Tribal Council Inc.	79	79	61	18	18	–	–	–	–	–
Little Red River Cree Nation.....	68	68	51	17	17	–	–	–	–	–
Maskwacis Health Services.....	80	80	65	15	15	–	–	–	–	–
Meadow Lake Tribal Council.....	257	257	127	130	37	19	19	19	18	18
Nan Corporate Services.....	55	55	43	12	12	–	–	–	–	–
Nunee Health Board Society	35	35	23	12	6	6	–	–	–	–
Onion Lake Cree Nation.....	76	76	62	14	7	7	–	–	–	–
Padc Management Company Ltd.....	115	115	83	32	17	15	–	–	–	–
Peter Ballantyne Cree Nation Health Services	179	179	130	49	19	15	15	–	–	–
Sandy Lake First Nation.....	81	81	66	15	15	–	–	–	–	–
Six Nations of the Grand River	83	83	72	11	11	–	–	–	–	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2022	2023	2024	2025	2026	2027 and subsequent years
First Nations and Inuit Health Funding										
Contribution Agreement—Project Based Funding Arrangement										
Federation of Saskatchewan Indians, Inc.....	54	54	42	12	3	3	3	3	—	—
First Nations Health Authority	298	298	268	30	27	3	—	—	—	—
First Nations Health Consortium Ltd.....	43	43	30	13	13	—	—	—	—	—
Manitoba First Nations Education Resource Centre Inc.....	42	42	31	11	11	—	—	—	—	—
Norway House Cree Nation Health Centre of Excellence Ltd.....	116	116	76	40	25	15	—	—	—	—
Weeneebayko Area Health Authority	78	78	66	12	12	—	—	—	—	—
Funding agreement for projects										
Stc Health & Family Services Inc.....	50	50	29	21	10	11	—	—	—	—
Funding agreement for provincial governments and territories										
Government of Nunavut - Department of Health.....	234	234	103	131	25	22	21	21	21	21
Government of the Northwest Territories	182	182	88	94	35	33	17	9	—	—
Government of Yukon.....	115	115	101	14	14	—	—	—	—	—
Minister of Finance, Alberta.....	624	624	392	232	112	112	4	4	—	—
Ministry of Child and Family Development, British Columbia	393	393	173	220	44	44	44	44	44	—
Ministry of Children, Community and Social Services, Ontario.....	941	941	622	319	319	—	—	—	—	—
Ministry of Education.....	392	392	177	215	43	43	43	43	43	—
Ministry of Forests, Lands, Natural Resource Operations and Rural Development, British Columbia.....	17	17	6	11	2	2	2	2	3	—
Ministry of Social Development and Poverty Reduction, British Columbia	30	30	9	21	4	4	4	5	4	—
Ministry of the Solicitor General, Ontario.....	16	16	4	12	2	2	2	2	1	3
Ministry of Transportation and Infrastructure, British Columbia	75	75	21	54	11	11	11	11	10	—
Grant										
Miawpukek Band.....	59	59	34	25	12	13	—	—	—	—
Aggregate of various transfer payment agreements										
1,418 agreements.....	10,807	10,807	7,279	3,528	2,162	609	357	271	78	51
	55,788	55,788	30,357	25,431	9,838	5,212	3,265	2,811	1,482	2,823
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	2	2	30	—	—	—
Building Canada Fund—Large Urban Centres Component										
Government of Quebec	200	200	146	54	8	8	38	—	—	—
Building Canada Fund—Major Infrastructure Component										
Aggregate.....	959	959	880	79	45	24	7	3	—	—
City of Ottawa										
Ottawa Light Rail Transit Project	600	600	540	60	60	—	—	—	—	—

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
<i>City of Toronto</i>										
Union Station revitalization	133	133	120	13	13	—	—	—	—	—
<i>Government of Ontario</i>										
Finch West Light Rail										
Transit Project	333	333	67	266	126	47	9	84	—	—
Highway 11/17 - 4 Lane										
Expansion	38	38	7	31	16	5	10	—	—	—
Highway 11/17 expansion	27	27	—	27	17	9	1	—	—	—
Highway 401 widening	96	96	7	89	30	35	24	—	—	—
Highway 417 expansion	48	48	32	16	16	—	—	—	—	—
<i>Government of Quebec</i>										
<i>Ministry of Culture and Communications</i>										
Montréal's Museum of Contemporary Arts	19	19	—	19	9	6	3	1	—	—
<i>Ministry of Municipal Affairs and Housing</i>										
Ice Centre of the City of Québec	23	23	—	23	17	6	—	—	—	—
Jean R. Marcotte Wastewater Treatment Facility upgrade	64	64	19	45	12	10	11	12	—	—
Montréal's Combined Sewer Overflow Project	49	49	18	31	8	13	10	—	—	—
Redevelopment of Saint Joseph's Oratory of Montréal	22	22	4	18	12	6	—	—	—	—
Shawinigan Water Treatment System upgrades	24	24	13	11	11	—	—	—	—	—
<i>Ministry of Transport</i>										
Montréal Metro Phase 3 Systems Reno	150	150	110	40	4	36	—	—	—	—
<i>Canada Strategic Infrastructure Fund</i>										
<i>Government of Quebec</i>										
Highways 35, 50, 185, Dorval Interchange, Phase II	389	389	378	11	11	—	—	—	—	—
<i>Greater Toronto Transit Authority</i>										
GO Transit Rail Infrastructure Improvements	385	385	372	13	1	—	—	12	—	—
<i>Clean Water and Wastewater Fund</i>										
Aggregate	429	429	402	27	25	2	—	—	—	—
Government of Alberta	197	197	180	17	2	15	—	—	—	—
Government of British Columbia	225	225	191	34	15	19	—	—	—	—
Government of Manitoba	95	95	84	11	11	—	—	—	—	—
Government of Nunavut	52	52	37	15	15	—	—	—	—	—
Government of Ontario	570	570	495	75	1	1	—	73	—	—
Government of Prince Edward Island	56	56	42	14	14	—	—	—	—	—
Government of Quebec	364	364	265	99	40	2	57	—	—	—
<i>Disaster Mitigation and Adaptation Fund</i>										
Aggregate	144	144	54	90	36	14	11	12	7	10
City of Edmonton	54	54	—	54	7	12	12	8	3	12
City of Grand Forks	20	20	—	20	14	5	1	—	—	—
City of Hamilton	13	13	1	12	7	2	1	1	—	1
City of Kelowna	22	22	—	22	3	3	4	5	5	2
City of Kingston	10	10	—	10	1	3	1	5	—	—
City of Kitchener	50	50	—	50	14	7	6	5	9	9
City of Richmond	13	13	—	13	—	3	4	2	2	2

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
City of Saint John.....	12	12	1	11	5	4	–	–	–	2
City of Saskatoon.....	22	22	–	22	2	4	3	3	3	7
City of Surrey.....	77	77	2	75	5	17	16	16	8	13
City of Toronto.....	122	122	–	122	16	20	26	26	24	10
City of Vaughan.....	17	17	1	16	3	6	5	1	1	–
City of Windsor.....	32	32	3	29	3	6	7	7	4	2
City of Yellowknife.....	26	26	–	26	1	1	24	–	–	–
Corporation of the City of Victoria.....	15	15	–	15	3	2	2	2	2	4
Government of the Northwest Territories.....	22	22	–	22	9	7	4	2	–	–
Mohawks of the Bay of Quinte.....	30	30	–	30	18	3	4	3	2	–
Northwest Territories Ministry of Infrastructure.....	17	17	–	17	12	5	–	–	–	–
Nova Scotia Ministry of Transportation and Infrastructure Renewal.....	32	32	–	32	16	16	–	–	–	–
Province of Nova Scotia.....	25	25	1	24	3	3	4	4	3	7
Toronto and Region Conservation Authority (TRCA).....	34	34	–	34	3	2	2	4	5	18
Town of Canmore.....	14	14	1	13	3	2	3	1	1	3
Town of Drumheller.....	22	22	–	22	14	4	4	–	–	–
Green Infrastructure Fund										
City of Hamilton										
Woodward Avenue Wastewater Treatment Plant.....	100	100	58	42	29	13	–	–	–	–
Government of Quebec										
Biomethanation in the Couronne sud.....	27	27	16	11	3	8	–	–	–	–
Biomethanation in Laval.....	30	30	–	30	–	9	9	–	12	–
Biomethanation in Montréal.....	67	67	–	67	14	33	6	6	–	8
Biomethanation in Québec City.....	17	17	5	12	–	12	–	–	–	–
Investing in Canada Infrastructure Program										
Government of Alberta.....	3,647	3,647	60	3,587	453	461	555	677	456	985
Government of British Columbia.....	3,917	3,917	259	3,658	615	760	684	624	454	521
Government of Manitoba.....	1,172	1,172	15	1,157	130	129	199	221	133	345
Government of New Brunswick.....	673	673	18	655	152	124	90	73	87	129
Government of Newfoundland and Labrador.....	555	555	29	526	165	61	59	67	70	104
Government of the Northwest Territories.....	571	571	16	555	83	46	10	4	4	408
Government of Nova Scotia.....	829	829	40	789	81	93	48	39	28	500
Government of Nunavut.....	567	567	7	560	23	22	15	2	2	496
Government of Ontario.....	10,396	10,396	66	10,330	164	254	898	110	74	8,830
Government of Prince Edward Island.....	367	367	49	318	127	19	20	16	43	93
Government of Quebec.....	7,536	7,536	133	7,403	640	855	612	473	399	4,424
Government of Saskatchewan.....	896	896	52	844	156	145	169	181	114	79
Government of Yukon.....	446	446	61	385	81	54	33	9	4	204
Town of Greater Napanee.....	14	14	–	14	6	8	–	–	–	–
Municipal Asset Management Program										
Federation of Canadian Municipalities.....	110	110	84	26	26	–	–	–	–	–
New Building Canada Fund—National Infrastructure Component										
City of Edmonton										
Yellowhead Trail Freeway Conversion Project.....	241	241	14	227	19	29	47	48	46	38
Fort McMurray Airport Authority										
Fort McMurray International Airport expansion.....	25	25	1	24	–	6	18	–	–	–
Government of Alberta										
Southwest Calgary Ring Road Project.....	334	334	287	47	30	17	–	–	–	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
Government of British Columbia										
Highway 91 to Highway 17 and Deltaport Way Corridor Improvement Project.....	82	82	43	39	35	–	4	–	–	–
Kicking Horse Canyon Project Phase 4.....	215	215	51	164	53	88	12	11	–	–
Government of Quebec										
Highway A-85/185	390	390	78	312	60	64	61	56	43	28
Montreal Port Authority										
Optimization of port capacity	44	44	25	19	10	9	–	–	–	–
Saint John Port Authority										
Saint John Port West Side Terminals Modernization Project.....	68	68	29	39	21	18	–	–	–	–
Yukon Ministry of Highways and Public Works										
Yukon Resource Gateway Project.....	247	247	–	247	20	31	36	33	42	85
New Building Canada Fund—Provincial-Territorial Infrastructure Component—National and Regional Projects										
Aggregate.....	651	651	519	132	83	42	5	1	1	–
Alberta Ministry of Transportation										
Alberta Highways Umbrella Agreement	59	59	49	10	6	4	–	–	–	–
British Columbia Ferry Services Inc										
British Columbia Ferries Umbrella Agreement.....	91	91	24	67	–	10	6	51	–	–
British Columbia Ministry of Transportation and Infrastructure										
British Columbia Highways Umbrella Agreement.....	755	755	303	452	144	140	82	16	70	–
Kootenay Lake Ferry Service Improvements Project	17	17	4	13	10	2	1	–	–	–
Calgary Exhibition and Stampede Limited										
BMO Convention and Trade Centre Expansion Project	167	167	29	138	29	51	40	18	–	–
Cape Breton Regional Municipality										
National Regional Projects in Cape Breton Regional Municipality Umbrella Agreement.....	20	20	2	18	5	5	8	–	–	–
City of Edmonton										
Edmonton Valley Line (Stage 1) Southeast Light Rail Transit.....	150	150	135	15	15	–	–	–	–	–
Fort Edmonton Park Expansion	47	47	28	19	11	8	–	–	–	–
Stormwater management, Mill Woods Area Project	31	31	8	23	7	7	6	3	–	–
City of Kingston										
City of Kingston Third Crossing Bridge Project	60	60	28	32	20	12	–	–	–	–
City of Lloydminster										
New Mechanical Wastewater Treatment Facility	12	12	1	11	5	4	2	–	–	–
City of Ottawa										
Ottawa Light Rail Transit Stage 2	1,091	1,091	437	654	309	195	34	7	109	–
City of Regina										
City of Regina Umbrella Agreement.....	30	30	10	20	5	7	1	3	1	3
City of Saskatoon										
City of Saskatoon Umbrella Agreement.....	35	35	18	17	3	11	3	–	–	–
City of Winnipeg										
Accelerated Regional Street Renewal Project.....	100	100	26	74	26	25	23	–	–	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2022	2023	2024	2025	2026	2027 and subsequent years
Government of Manitoba										
Manitoba Projects Umbrella										
Agreement.....	190	190	73	117	47	36	6	28	–	–
Government of New Brunswick										
National Regional Projects in New Brunswick Umbrella										
Agreement.....	213	213	93	120	21	21	22	25	5	26
Government of Newfoundland and Labrador										
Newfoundland and Labrador Umbrella										
Agreement.....	128	128	74	54	54	–	–	–	–	–
Government of Nova Scotia										
National Regional Projects in Nova Scotia Umbrella Agreement	305	305	86	219	65	49	105	–	–	–
New Art Gallery of Nova Scotia.....	30	30	–	30	6	12	12	–	–	–
Government of Nunavut										
Nunavut Marine Infrastructure Umbrella Agreement.....	94	94	63	31	31	–	–	–	–	–
Government of Ontario										
Ontario Highways Umbrella Agreement.....	335	335	50	285	27	28	40	24	40	126
Government of Prince Edward Island										
Prince Edward Island Umbrella Agreement.....	155	155	51	104	28	24	52	–	–	–
Government of Quebec										
Ministry of Energy and Natural Resources										
Rehabilitation of the James Bay Road.....	108	108	65	43	33	10	–	–	–	–
Ministry of Transport										
Umbrella Agreement for Transport Projects in Quebec.....	362	362	115	247	73	60	44	31	22	17
Government of Saskatchewan										
National Regional Highway Projects in Saskatchewan Umbrella Agreement.....	165	165	121	44	19	8	17	–	–	–
Greater Vancouver Sewerage and Drainage District										
Lions Gate Secondary Wastewater Treatment Project.....	212	212	109	103	82	–	–	21	–	–
Island Ferry Services Limited										
Fast Ferry Project in Nanaimo and Vancouver, British Columbia.....	13	13	–	13	13	–	–	–	–	–
Memorial University of Newfoundland										
Core science facility	100	100	88	12	12	–	–	–	–	–
New Building Canada Fund—Provincial- Territorial Infrastructure Component— Small Communities Fund										
Aggregate.....	121	121	106	15	8	1	6	–	–	–
Government of Alberta.....	94	94	69	25	12	7	6	–	–	–
Government of British Columbia	109	109	92	17	10	5	2	–	–	–
Government of the Northwest Territories	186	186	92	94	29	23	42	–	–	–
Government of Nova Scotia	43	43	32	11	3	3	5	–	–	–
Government of Nunavut.....	226	226	61	165	61	59	45	–	–	–
Government of Ontario	245	245	140	105	23	34	48	–	–	–
Government of Prince Edward Island.....	28	28	4	24	2	–	22	–	–	–
Government of Quebec	171	171	81	90	47	20	10	10	3	–
Government of Saskatchewan	44	44	33	11	8	1	2	–	–	–
Government of Yukon.....	256	256	116	140	30	50	60	–	–	–

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2022	2023	2024	2025	2026	2027 and subsequent years
P3 Canada Fund										
City of Edmonton										
Edmonton Light Rail Transit System	240	240	—	240	240	—	—	—	—	—
Public Transit Infrastructure Fund										
Government of Alberta	347	347	330	17	16	1	—	—	—	—
Government of British Columbia	460	460	401	59	59	—	—	—	—	—
Government of Manitoba	83	83	66	17	17	—	—	—	—	—
Government of Ontario	1,486	1,486	1,167	319	173	146	—	—	—	—
Government of Quebec	924	924	476	448	150	298	—	—	—	—
Smart Cities Challenge										
Aggregate	25	25	7	18	5	5	5	3	—	—
City of Montreal	50	50	4	46	11	18	10	7	—	—
Toronto Waterfront Revitalization Corporation										
Port Lands Flood Protection and Enabling Infrastructure Project	384	384	163	221	51	115	55	—	—	—
	51,571	51,571	12,319	39,252	6,092	5,322	4,756	3,190	2,341	17,551
Innovation, Science and Economic Development										
Department of Industry										
Automotive Innovation Fund										
Ford Motor Company of Canada Limited	102	102	86	16	16	—	—	—	—	—
CANARIE Inc										
Operation of ultra-high speed research and education network	137	137	30	107	46	31	30	—	—	—
Centre for Drug Research and Development										
Support research and development in drug technology	48	48	32	16	16	—	—	—	—	—
Community Futures Program										
Aggregate	39	39	19	20	7	6	4	3	—	—
Computer for Schools Program										
Aggregate	29	29	15	14	5	5	4	—	—	—
Connect to Innovate Program										
Aggregate	147	147	76	71	61	10	—	—	—	—
Government of Yukon	30	30	2	28	17	11	—	—	—	—
Kativik Regional Government	62	62	20	42	42	—	—	—	—	—
Matawa First Nations Management	37	37	15	22	22	—	—	—	—	—
Strathcona Regional District	16	16	2	14	5	9	—	—	—	—
Digital Research Infrastructure Strategy										
11593765 Canada Association	24	24	10	14	14	—	—	—	—	—
Futurpreneur Canada										
Support to provide loans, mentoring and support to young entrepreneurs	58	58	35	23	8	8	7	—	—	—
Genome Canada										
Support research for genomic science and technology	376	376	240	136	60	43	24	9	—	—
Innovation Superclusters Initiative										
10793574 Canada Association	153	153	100	53	47	6	—	—	—	—
Canada's Ocean Supercluster	153	153	25	128	78	50	—	—	—	—
Next Generation Manufacturing Canada	230	230	101	129	91	38	—	—	—	—
Protein Industries Canada Inc	153	153	59	94	55	39	—	—	—	—
Scale AI	229	229	50	179	111	68	—	—	—	—
Mitacs Inc										
Delivery of industrial research and development internships	268	268	182	86	82	2	2	—	—	—
Northern Ontario Development Program										
Aggregate	91	91	43	48	25	17	5	1	—	—

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
Patent Collective Pilot Program										
Innovation Asset Collective.....	30	30	20	10	10	–	–	–	–	–
Perimeter Institute for Theoretical Physics										
Research, training and education in theoretical physics	50	50	40	10	10	–	–	–	–	–
Regional Economic Growth through Innovation										
Aggregate.....	81	81	40	41	25	15	1	–	–	–
Strategic Activities Program										
Aggregate.....	24	24	12	12	12	–	–	–	–	–
Strategic Aerospace and Defence Initiative										
Aggregate.....	183	183	166	17	15	2	–	–	–	–
Strategic Innovation Fund										
Aggregate.....	399	399	288	111	92	17	2	–	–	–
AbCellera Biologies Inc	175	175	46	129	80	25	24	–	–	–
Algoma Steel Inc.....	16	16	3	13	13	–	–	–	–	–
ArcelorMittal Canada Inc.....	11	11	–	11	11	–	–	–	–	–
ATTAbotics Inc.....	34	34	7	27	18	9	–	–	–	–
CAE Inc.....	150	150	120	30	28	2	–	–	–	–
Canada Kuwait Petrochemical Corporation.....	49	49	5	44	40	4	–	–	–	–
Canadian Agri-Food Automation and Intelligence Network	49	49	3	46	34	6	6	–	–	–
Canadian Food Innovation Network.....	30	30	–	30	2	8	8	8	4	–
CBN Nano Technologies Inc.....	40	40	13	27	20	7	–	–	–	–
Clean Resource Innovation Network	100	100	1	99	39	26	34	–	–	–
Domtar Inc.....	28	28	12	16	12	4	–	–	–	–
D-Wave Systems Inc.....	40	40	21	19	19	–	–	–	–	–
General Fusion Inc.....	49	49	10	39	17	22	–	–	–	–
Heico Canada Holding Company	18	18	–	18	18	–	–	–	–	–
Immune Biosolutions Inc.....	13	13	1	12	10	2	–	–	–	–
Innovation ENCQOR	67	67	38	29	29	–	–	–	–	–
KABS Laboratories Inc.....	54	54	–	54	18	36	–	–	–	–
Kinova Inc.....	20	20	5	15	8	7	–	–	–	–
Linamar Corporation.....	49	49	37	12	5	3	2	2	–	–
LNG Canada Development Inc.....	220	220	143	77	40	37	–	–	–	–
Maple Leaf Foods Inc.....	20	20	7	13	12	1	–	–	–	–
Mastercard Technologies Canada ULC.....	49	49	12	37	10	12	13	2	–	–
Medicago Inc.....	173	173	101	72	64	8	–	–	–	–
MindBridge Analytics Inc.....	14	14	1	13	2	2	2	7	–	–
Moltex Energy Canada Inc.....	48	48	1	47	6	13	18	10	–	–
Nokia.....	40	40	15	25	9	9	7	–	–	–
Novocol Pharmaceutical of Canada Inc.....	33	33	–	33	14	16	3	–	–	–
Origin Materials Canada Holding Ltd.....	23	23	9	14	10	4	–	–	–	–
Precision NanoSystems Inc.....	43	43	5	38	25	13	–	–	–	–
QNX Software Systems Limited.....	40	40	19	21	7	6	8	–	–	–
Redline Communications Inc.....	14	14	1	13	3	4	3	3	–	–
Sanofi Pasteur Ltd.....	415	415	5	410	52	124	136	62	17	19
Siemens Canada Limited.....	36	36	9	27	20	7	–	–	–	–
Sunnybrook Research Institute	49	49	1	48	13	13	12	10	–	–
TEKNA Plasma Systems Inc.....	20	20	6	14	7	7	–	–	–	–
Telesat Canada.....	85	85	19	66	51	15	–	–	–	–
Terrestrial Energy Inc.....	20	20	7	13	13	–	–	–	–	–
Terry Fox Research Institute	49	49	1	48	26	13	9	–	–	–
The Governing Council of the University of Toronto.....	25	25	7	18	6	12	–	–	–	–
Variation Biotechnologies Inc.....	56	56	10	46	46	–	–	–	–	–
Woodbridge Foam Corporation.....	20	20	3	17	3	4	4	6	–	–
Technology Demonstration Program										
Bell Helicopter Textron Canada Ltd.....	50	50	27	23	15	8	–	–	–	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
<i>Telesat LEO Satellite Capacity</i>										
Telesat Canada	600	600	–	600	–	60	60	60	60	360
<i>Youth Employment Strategy, Computers for Schools Intern Program (CFSI)</i>										
Aggregate	28	28	14	14	6	4	4	–	–	–
<i>Youth Employment Strategy, Digital Skills for Youth Program</i>										
Aggregate	49	49	37	12	12	–	–	–	–	–
Canada Foundation for Innovation										
Grants	8,950	8,318	7,697	621	223	143	118	56	81	–
Canadian Northern Economic Development Agency										
<i>Promoting regional development in Canada's three territories</i>										
Aggregate	18	18	–	18	13	4	1	–	–	–
Economic Development Agency of Canada for the Regions of Quebec										
<i>Community Futures Program</i>										
57 Community Futures Development Corporations (CFDCs) and 10 Community Business Development Corporations (CBDs)	245	245	153	92	32	30	30	–	–	–
Capital Réseau des SADC (Sociétés d'aide au développement des collectivités) and CAE (Centres d'aide aux entreprises)	19	19	8	11	4	4	3	–	–	–
<i>Economic Development of Quebec Program</i>										
Montréal International	51	51	4	47	8	7	6	5	3	18
Small and medium-sized enterprises (SME), SME groups and associations and non-profit organizations	155	155	67	88	66	19	3	–	–	–
Société du Parc Jean-Drapeau	90	90	27	63	6	7	7	7	7	29
<i>Regional Economic Growth through Innovation</i>										
Small and medium-sized enterprises (SME), SME groups and associations and non-profit organizations	462	462	223	239	172	51	16	–	–	–
Federal Economic Development Agency for Southern Ontario										
<i>Community Futures Program</i>										
Aggregate	34	34	11	23	12	11	–	–	–	–
<i>Economic Growth through Innovation Program</i>										
Aggregate	413	413	216	197	114	60	23	–	–	–
Communtech Corporation	18	18	8	10	4	3	3	–	–	–
Invest Ottawa (2013)	17	17	6	11	4	4	3	–	–	–
MaRS Discovery District	18	18	6	12	4	4	4	–	–	–
Ministry of Natural Resources and Forestry, Ontario	15	15	–	15	–	15	–	–	–	–
Quantum Valley Ideas Laboratories	20	20	9	11	5	6	–	–	–	–
<i>Southern Ontario Prosperity Program</i>										
Aggregate	101	101	46	55	33	12	9	1	–	–
Bioindustrial Innovation Center	15	15	3	12	4	4	3	1	–	–
National Research Council of Canada										
<i>Canadian International Innovation Program</i>										
Aggregate	17	17	–	17	16	1	–	–	–	–
<i>Collaborative Science, Technology and Innovation Program</i>										
Aggregate	21	21	–	21	15	5	1	–	–	–

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
Industrial Research Assistance Program										
Aggregate.....	188	188	—	188	162	24	2	—	—	—
Triumpf										
Joint venture by a consortium of universities to manage the TRIUMF Facility in British Columbia.....	268	268	25	243	62	64	60	57	—	—
Natural Sciences and Engineering Research Council										
Funding Natural Sciences and Engineering Research and Training										
Aggregate.....	4,959	4,959	2,552	2,407	984	669	414	231	88	21
Canada First Research Excellence Fund										
Dalhousie University.....	75	75	51	24	11	13	—	—	—	—
Laurentian University.....	49	49	34	15	7	8	—	—	—	—
Queen's University.....	64	64	43	21	10	11	—	—	—	—
Université de Montréal.....	56	56	38	18	9	9	—	—	—	—
Université Laval.....	59	59	47	12	12	—	—	—	—	—
University of Alberta.....	71	71	47	24	11	13	—	—	—	—
University of British Columbia.....	66	66	53	13	13	—	—	—	—	—
University of Calgary.....	56	56	37	19	9	10	—	—	—	—
University of Guelph.....	61	61	40	21	10	11	—	—	—	—
University of Saskatchewan.....	43	43	30	13	6	7	—	—	—	—
University of Waterloo.....	76	76	52	24	11	13	—	—	—	—
Social Sciences and Humanities Research Council										
Funding Social Sciences and Humanities Research and Training—										
Aggregate.....	1,909	1,909	991	918	357	267	152	83	40	19
Western Economic Diversification										
Community Futures Program										
Aggregate.....	155	155	—	155	43	28	28	28	28	—
Community Futures Development Association of British Columbia.....	17	17	—	17	17	—	—	—	—	—
Community Futures Network of Alberta.....	14	14	—	14	14	—	—	—	—	—
Growth through Regional Innovation Program										
Aggregate.....	165	165	—	165	122	37	6	—	—	—
University of Saskatchewan.....	23	23	8	15	15	—	—	—	—	—
Western Diversification Program										
Aggregate.....	81	81	—	81	58	14	5	2	2	—
Arctic Gateway Group Limited Partnership.....	34	34	8	26	4	4	4	4	10	—
District of Kitimat.....	53	53	11	42	18	24	—	—	—	—
Women's Enterprise Initiative										
Aggregate.....	25	25	—	25	9	4	4	4	4	—
	25,606	24,974	15,041	9,933	4,574	2,550	1,337	662	344	466
Justice										
Department of Justice										
Canadian Family Justice Fund										
Aggregate.....	34	34	16	18	16	1	1	—	—	—
Indigenous Courtwork Program										
Aggregate.....	23	23	7	16	8	8	—	—	—	—
Indigenous Justice Program Fund										
Aggregate.....	25	25	13	12	12	—	—	—	—	—

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
Intensive Rehabilitation										
Custody and Supervision Program										
Aggregate	33	33	11	22	11	11	–	–	–	–
Justice Partnership and Innovation Program										
Aggregate	39	39	11	28	13	8	7	–	–	–
Legal Aid—Sexual Harrasment										
Aggregate	20	20	4	16	6	5	5	–	–	–
Official Languages Fund										
Aggregate	33	33	9	24	9	9	3	3	–	–
Official languages requirements under the Contraventions Act										
Aggregate	17	17	5	12	6	6	–	–	–	–
Operation of Criminal Legal Aid										
Aggregate	49	49	25	24	24	–	–	–	–	–
Government of Alberta	32	32	16	16	16	–	–	–	–	–
Government of British Columbia	36	36	18	18	18	–	–	–	–	–
Government of Ontario	104	104	52	52	52	–	–	–	–	–
Government of Quebec	55	55	28	27	27	–	–	–	–	–
Victims Fund										
Aggregate	81	81	26	55	19	17	7	6	6	–
Youth Justice Fund										
Aggregate	15	15	3	12	5	4	2	1	–	–
Youth Justice Services Funding Program										
Aggregate	57	57	19	38	19	19	–	–	–	–
Government of Alberta	41	41	14	27	14	13	–	–	–	–
Government of British Columbia	53	53	18	35	18	17	–	–	–	–
Government of Manitoba	15	15	5	10	5	5	–	–	–	–
Government of Ontario	153	153	51	102	51	51	–	–	–	–
Government of Quebec	88	88	29	59	30	29	–	–	–	–
Government of Saskatchewan	18	18	6	12	6	6	–	–	–	–
	1,021	1,021	386	635	385	209	25	10	6	–
Natural Resources										
Department of Natural Resources										
Accommodation measures for the Trans Mountain Expansion Project										
Aggregate	23	23	10	13	13	–	–	–	–	–
Clean Energy for Rural and Remote Communities										
Aggregate	74	74	29	45	32	9	4	–	–	–
Clean Growth in Natural Resource Sectors Innovation Program										
Aggregate	40	40	30	10	10	–	–	–	–	–
Emerging Renewable Power Program										
Aggregate	35	35	30	5	3	2	–	–	–	–
Clarke Lake Geothermal Limited Partnership	38	38	4	34	3	11	12	8	–	–
Halagonia Tidal Energy Ltd	30	30	13	17	4	2	5	3	3	–
No. 1 Geothermal Limited Partnership	25	25	7	18	9	6	3	–	–	–
Spicer Marine Energy Inc.	29	29	17	12	7	5	–	–	–	–
Emissions Reduction Fund										
Aggregate	3	3	2	1	1	–	–	–	–	–
Petroleum Research Newfoundland and Labrador	30	30	2	28	28	–	–	–	–	–
Energy Innovation Program										
Aggregate	69	69	43	26	24	2	–	–	–	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
Forest Innovation Program										
FPInnovations	16	16	–	16	16	–	–	–	–	–
Government of Saskatchewan										
Clean-up of the Gunnar uranium mining facilities	12	12	1	11	10	1	–	–	–	–
Green Construction through Wood Program										
Aggregate	37	37	15	22	12	10	–	–	–	–
Investments in the Forest Industry Transformation Program										
Aggregate	30	30	19	11	10	1	–	–	–	–
Mountain Pine Beetle Management in Alberta										
Aggregate	60	60	8	52	26	26	–	–	–	–
Smart Grids Programs										
Aggregate	86	86	59	27	18	9	–	–	–	–
Zero Emission Vehicle Infrastructure										
Aggregate	28	28	17	11	11	–	–	–	–	–
	665	665	306	359	237	84	24	11	3	–
Public Safety and Emergency Preparedness Department of Public Safety and Emergency Preparedness										
Contribution Program to Combat Serious and Organized Crime										
Aggregate	106	106	39	67	27	22	9	9	–	–
First Nations Policing Program										
Aggregate	307	307	195	112	47	26	8	8	7	16
Anishinabek Police Governing Authority	34	34	16	18	9	9	–	–	–	–
Conseil des Atikamekw d'Opitciwan	18	18	5	13	1	2	2	2	2	4
Cree Nation Government	134	134	35	99	15	15	15	15	13	26
File Hills Board of Police	14	14	3	11	1	1	2	2	2	3
Kativik Regional Government	60	60	36	24	12	12	–	–	–	–
Mohawk Council of Kahnawake	31	31	6	25	3	3	3	3	3	10
Province of Ontario	29	29	14	15	7	8	–	–	–	–
Stlatimx Tribal Police Board	16	16	1	15	1	1	2	2	2	7
Treaty Three Police Service Board	44	44	26	18	9	9	–	–	–	–
Gun and Gang Violence Action Fund										
Aggregate	43	43	16	27	12	15	–	–	–	–
Government of Alberta	29	29	11	18	8	10	–	–	–	–
Government of British Columbia	31	31	12	19	8	11	–	–	–	–
Government of Ontario	65	65	25	40	18	22	–	–	–	–
Government of Québec	47	47	18	29	13	16	–	–	–	–
Nation's Capital Extraordinary Policing Costs Program										
City of Ottawa	14	14	2	12	3	3	3	3	–	–
National Crime Prevention Strategy										
Aggregate	175	175	93	82	33	22	16	9	2	–
National Strategy on Countering Radicalization to Violence										
Aggregate	24	24	12	12	6	3	2	1	–	–
	1,221	1,221	565	656	233	210	62	54	31	66
Transport Department of Transport										
Airport Capital Assistance Program										
Aggregate	49	49	20	29	29	–	–	–	–	–
Ferry and Coastal Passenger and Freight Services										
Bay Ferries Limited	30	30	15	15	15	–	–	–	–	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2022	2023	2024	2025	2026	2027 and subsequent years
C.T.M.A. Traversier Ltée	39	39	21	18	18	—	—	—	—	—
Northumberland Ferries Limited	30	30	14	16	16	—	—	—	—	—
Gateways and Border Crossings Fund										
Government of Ontario	764	764	752	12	12	—	—	—	—	—
Major Rehabilitation Works on Victoria Bridge, Montreal										
Canadian National Railway Company	15	15	—	15	2	5	8	—	—	—
National Trade Corridors Fund										
Aggregate	177	177	89	88	54	14	16	2	2	—
Belledune Port Authority	17	17	2	15	6	9	—	—	—	—
British Columbia Ministry of Transportation and Infrastructure	15	15	—	15	1	6	8	—	—	—
Canadian National Railway Company	43	43	2	41	36	5	—	—	—	—
City of Calgary	50	50	27	23	16	7	—	—	—	—
City of Edmonton	40	40	—	40	5	11	11	13	—	—
First Air Operations	13	13	—	13	12	1	—	—	—	—
Government of New Brunswick	22	22	3	19	4	5	2	8	—	—
Government of the Northwest Territories	133	133	6	127	47	34	46	—	—	—
Government of Nova Scotia	90	90	—	90	—	90	—	—	—	—
Government of Nunavut	68	68	—	68	20	14	23	8	3	—
Government of Saskatchewan	54	54	4	50	34	16	—	—	—	—
Government of Yukon	118	118	10	108	23	23	15	14	10	23
Halifax Port Authority	24	24	—	24	7	7	6	3	1	—
Halifax Regional Municipality	24	24	—	24	1	2	12	9	—	—
Kitikmeot Inuit Association	22	22	—	22	7	15	—	—	—	—
Metlakatla Development Corporation	43	43	2	41	41	—	—	—	—	—
Montreal Airports	50	50	18	32	2	6	6	3	5	10
Montréal Port Authority	37	37	3	34	20	5	9	—	—	—
Nanaimo Port Authority	46	46	—	46	5	28	13	—	—	—
Nova Scotia Department of Transportation and Infrastructure Renewal	20	20	1	19	10	9	—	—	—	—
Société ferroviaire et portuaire de Pointe-Noire S.E.C.	50	50	12	38	25	13	—	—	—	—
Stewart World Port Services Ltd	13	13	—	13	—	13	—	—	—	—
Trois-Rivières Port Authority	33	33	—	33	1	20	12	—	—	—
Vancouver Fraser Port Authority	288	288	39	249	64	95	61	29	—	—
Winnipeg Airports Authority	30	30	—	30	10	7	7	1	5	—
Outaouais Roads Agreement										
Ministère des Transports, de la Mobilité durable et de l'Électrification des transports du Québec	187	187	144	43	2	4	1	1	1	34
Provision of Ferry, Coastal Freight and Passenger Services in British Columbia										
British Columbia Ministry of Transportation and Infrastructure	806	806	611	195	32	32	32	33	33	33
	3,440	3,440	1,795	1,645	577	496	288	124	60	100
Women and Gender Equality Department for Women and Gender Equality Gender-based Violence Funding Program										
Aggregate	60	60	24	36	13	13	8	2	—	—

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2022	2023	2024	2025	2026	2027 and subsequent years
Women's Program										
Aggregate.....	144	144	81	63	28	26	7	2	–	–
	204	204	105	99	41	39	15	4	–	–
Total—Transfer payment agreements.....	204,916	204,283	86,665	117,618	35,419	21,482	14,602	10,614	7,770	27,731
Capital assets and purchases										
Capital assets										
Digital Government										
Shared Services Canada										
IBM Canada Ltd										
Supercomputer renewal, Dorval, Quebec.....	64	64	51	13	–	13	–	–	–	–
Environment and Climate Change										
Department of the Environment										
Leonardo GmbH										
Replacement of radars at multiple Canadian sites.....	129	114	76	38	28	10	–	–	–	–
Fisheries, Oceans and the Canadian Coast Guard										
Department of Fisheries and Oceans										
Chantier Davie Canada Inc										
Acquisition and conversion of three medium icebreakers.....	806	806	784	22	22	–	–	–	–	–
Procurement of five Canadian Coast Guard Search and Rescue Lifeboats										
Chantier Naval Forillon Inc.....	80	77	51	26	12	10	4	–	–	–
Hike Metal Products Ltd.....	75	74	47	27	13	9	5	–	–	–
Irving Shipbuilding Inc										
Engineering design review.....	65	65	40	25	25	–	–	–	–	–
Vancouver Shipyards Co. Ltd										
Multi-purpose vessel ancillary contract.....	28	28	1	27	21	6	–	–	–	–
Offshore Oceanographic Science Vessel build contract.....	432	432	–	432	173	136	95	28	–	–
Offshore Oceanographic Science Vessel construction engineering.....	232	227	211	16	16	–	–	–	–	–
Offshore Oceanographic Science Vessel long lead items.....	134	95	35	60	50	10	–	–	–	–
	1,852	1,804	1,169	635	332	171	104	28	–	–
Infrastructure and Communities										
Windsor-Detroit Bridge Authority										
Gordie Howe International Bridge project										
Bridging North America.....	2,701	2,701	770	1,931	658	607	245	421	–	–
Michigan Department of Transportation.....	713	713	443	270	93	92	73	12	–	–
Other contracts to support bridge construction.....	387	387	323	64	27	11	9	9	8	–
	3,801	3,801	1,536	2,265	778	710	327	442	8	–
Innovation, Science and Economic Development										
Canadian Space Agency										
COM DEV Ltd										
Quantum Encryption and Science Satellite Demonstration Mission.....	30	30	15	15	10	5	–	–	–	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
National Defence										
Department of National Defence										
<i>Airbus Defence and Space SA, Madrid, Spain</i>										
Purchase of 16 Fixed Wing Search and Rescue Aircraft.....	2,541	2,541	1,212	1,329	290	188	310	102	102	337
<i>General Dynamics Canada Ltd</i>										
CP-140 Aurora Aircraft Data Management System Project.....	813	788	767	21	21	–	–	–	–	–
Light Armoured Vehicles III Upgrade Implementation Contract.....	1,719	1,637	1,493	144	58	86	–	–	–	–
Light Armoured Vehicle: Reconnaissance Surveillance Suite.....	369	369	121	248	228	20	–	–	–	–
<i>General Dynamics Land Systems - Canada</i>										
Armoured combat support vehicle.....	1,779	1,779	177	1,602	313	401	493	368	27	–
<i>General Dynamics Mission Systems Canada Ltd</i>										
Acquisition of 67 Strategic Deployable Terminals and in-service support.....	31	31	20	11	3	8	–	–	–	–
<i>Government of Australia</i>										
Acquisition of F/A-18 Fighter Aircraft, spares and equipment.....	100	100	31	69	36	33	–	–	–	–
<i>Irving Shipbuilding Inc</i>										
Arctic Offshore Patrol Ship Build Contract.....	2,894	2,894	2,383	511	292	171	45	3	–	–
Canadian Surface Combatant Definition Contract.....	753	753	523	230	230	–	–	–	–	–
<i>Knappett Industries (2006) Ltd</i>										
Construction works, Nanaimo, British Columbia.....	42	42	27	15	8	7	–	–	–	–
<i>Mack Defense LLC, Pennsylvania</i>										
In Service Support of the Standard Military Pattern Vehicle.....	140	140	63	77	24	26	27	–	–	–
Standard Military Pattern Vehicle.....	744	744	673	71	22	1	48	–	–	–
<i>MDA Systems Limited</i>										
Polar Epsilon 2 - Space Based Surveillance and Reconnaissance Capability.....	67	62	41	21	20	1	–	–	–	–
<i>NATO SeaSparrow Consortium</i>										
Implementation of Point Defence Missile System Upgrade Project.....	413	413	209	204	102	6	6	26	4	60
<i>PCL Constructors Canada Inc</i>										
Construction works, Ottawa, Ontario.....	325	306	270	36	34	2	–	–	–	–
Construction works, Dartmouth, Nova Scotia.....	83	72	33	39	34	5	–	–	–	–
<i>Pomerleau Inc</i>										
Construction works, Bedford, Nova Scotia.....	35	34	14	20	14	3	3	–	–	–
Construction works, Surrey, British Columbia.....	267	234	90	144	84	60	–	–	–	–
<i>Rheinmetall Canada</i>										
Satellite Communications on the Move.....	48	48	20	28	28	–	–	–	–	–
<i>Saab Microwave Canada Ltd</i>										
SG180 Antenna replacement.....	98	36	22	14	7	7	–	–	–	–
<i>Sikorsky International Operations Inc Stratford, Connecticut</i>										
Acquisition of 28 maritime helicopters.....	1,936	1,699	1,531	168	168	–	–	–	–	–
<i>United States Department of the Army</i>										
Manned airborne intelligence, surveillance and reconnaissance.....	191	191	172	19	18	1	–	–	–	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
United States Department of the Navy										
Acquisition of Naval Aircrew										
Common Ejection Seats, modification kits.....	12	12	—	12	—	—	12	—	—	—
Acquisition of VINSON/Advanced Narrowband Digital Voice Terminal Cryptographic Modernization Devices.....										
	21	21	7	14	12	1	1	—	—	—
Advanced Distributed Combat Training System Hornet Extension Project.....										
	71	71	1	70	8	25	35	2	—	—
FMS Case to procure CIT equipment.....										
	33	33	6	27	4	14	5	4	—	—
FMS Case to procure MIDS equipment.....										
	47	47	10	37	20	7	7	3	—	—
FMS Planning Case awarded to support the acquisition of AEGIS Weapon System for the Canadian Surface Combatant.....										
	92	92	8	84	60	24	—	—	—	—
Naval Program support.....										
	25	25	10	15	15	—	—	—	—	—
Protected Military Satellite Communications.....										
	112	106	81	25	3	4	4	4	4	6
Vancouver Shipyards Co. Ltd										
Joint support ship, build contract.....										
	2,331	2,331	320	2,011	588	730	382	219	92	—
Joint support ship, long lead items.....										
	632	632	418	214	112	38	40	21	3	—
	18,764	18,283	10,753	7,530	2,856	1,869	1,418	752	232	403
Public Safety and Emergency Preparedness										
Canada Border Services Agency										
<i>CBSA Assessment and Revenue Management project (CARM)</i>										
Aggregate.....	231	200	150	50	27	23	—	—	—	—
Royal Canadian Mounted Police										
<i>EllisDon Corporation</i>										
Construction of a new detachment, Fort St James, British Columbia.....										
	12	12	1	11	11	—	—	—	—	—
Construction of new detachments, various locations.....										
	13	13	3	10	10	—	—	—	—	—
<i>PCL Construction Management Inc</i>										
Construction of integrated training centre at Depot, Regina, Saskatchewan.....										
	34	34	11	23	11	12	—	—	—	—
<i>RCMP Fleet Vehicles</i>										
Aggregate.....	176	176	102	74	74	—	—	—	—	—
	466	435	267	168	133	35	—	—	—	—
Public Services and Procurement										
Department of Public Works and Government Services										
<i>Artifact Collection Facility</i>										
Aggregate.....										
	5	5	4	1	1	—	—	—	—	—
Pomerleau Inc.....										
	42	42	4	38	14	12	12	—	—	—
<i>BGIS Global Integrated Solutions Canada LP, Real Property-1</i>										
Arthur Meighen Building Rehabilitation Project.....										
	346	346	147	199	66	66	67	—	—	—
Place du Portage, Phase I - Garage Rehabilitation.....										
	32	32	26	6	6	—	—	—	—	—
Project Delivery Services and Optional Services.....										
	1,525	1,525	537	988	184	214	168	85	337	—
Rehabilitation of the Lester B Pearson Building.....										
	89	89	73	16	16	—	—	—	—	—

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
BGIS Global Integrated Solutions Canada LP, Real Property-2										
Project Delivery Services and Optional Services.....	695	695	502	193	49	48	48	48	—	—
Center Block Program, Ottawa, Ontario										
Aggregate.....	137	137	126	11	11	—	—	—	—	—
PCL Constructors Canada Inc, EllisDon Corporation, in joint venture	379	379	244	135	135	—	—	—	—	—
WSP Canada Inc	199	199	190	9	9	—	—	—	—	—
CFIA - Regulatory and Security Science - Sydney project										
Aggregate.....	4	4	1	3	3	—	—	—	—	—
PCL Constructors Canada/PCL Constructors West Coast.....	54	54	—	54	4	33	17	—	—	—
Construction Trade Services										
Aggregate.....	2	2	1	1	1	—	—	—	—	—
Windmill Dream Zibi Ontario Inc	16	16	2	14	14	—	—	—	—	—
East Block Program, Ottawa, Ontario										
Aggregate.....	34	34	29	5	5	—	—	—	—	—
Pomerleau Inc	50	50	36	14	14	—	—	—	—	—
Energy Services Acquisition Program (ESAP)—User Buildings Conversion Plan (UBCP)										
Aggregate.....	66	66	51	15	10	5	—	—	—	—
EllisDon Corporation	15	15	2	13	13	—	—	—	—	—
Envelope rehabilitation at Les Terrasses de la Chaudière Complex										
Aggregate.....	14	14	13	1	1	—	—	—	—	—
PCL Constructors Eastern Inc	189	189	2	187	13	38	38	39	37	22
Federal Buildings Initiative, Energy efficiency improvements in existing buildings										
Aggregate.....	59	59	32	27	9	6	6	—	6	—
Ameresco Canada Inc.....	68	68	11	57	30	14	1	2	10	—
Johnson Controls Canada LP.....	25	25	6	19	12	1	1	1	4	—
Industrial Security Systems Transformation										
KPMG LLP.....	18	18	6	12	8	4	—	—	—	—
IBM Canada Ltd										
Design, building, implementation and support of the Government of Canada Pay System	218	209	193	16	16	—	—	—	—	—
Innovate Energy (paid through ESAP Project Co Limited Partnership)										
Aggregate.....	4	4	3	1	1	—	—	—	—	—
Energy Services Modernization.....	1,064	1,064	9	1,055	10	243	248	2	552	—
Pomerleau Inc										
Biologics Manufacturing Centre.....	56	56	24	32	32	—	—	—	—	—
Terra Canada - Mississauga project										
Aggregate.....	4	4	3	1	1	—	—	—	—	—
Pomerleau Inc	26	26	2	24	18	6	—	—	—	—
Trent-Severn Waterways Infrastructure project										
Aggregate.....	208	208	142	66	51	13	2	—	—	—
Eiffage Innovative Canada Inc	37	37	1	36	21	13	2	—	—	—
Maple Reinders Constructors Ltd, Construction Demathieu & Bard (CDB) Inc, in joint venture	400	400	311	89	89	—	—	—	—	—

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
West Memorial Building Rehabilitation Project										
Aggregate.....	31	31	24	7	4	2	1	–	–	–
EllisDon Corporation	212	212	55	157	46	63	48	–	–	–
National Capital Commission										
Pomerleau Inc.	29	29	–	29	19	9	1	–	–	–
	6,352	6,343	2,812	3,531	936	790	660	177	946	22
Transport										
Department of Transport										
Elbit Systems Ltd										
Remotely Piloted Aircraft System										
Pilot Project	36	36	–	36	–	10	19	7	–	–
PMG Technologies Inc										
Management of capital acquisitions required for the operation of the Motor Vehicle Test Centre.....										
	73	73	63	10	5	5	–	–	–	–
VIA Rail Canada Inc.										
CAD Railways										
Modernization HEP I	52	52	29	23	23	–	–	–	–	–
Siemens										
Fleet renewal	989	989	273	716	166	228	248	74	–	–
Squills and CGI										
Reservation system.....	17	17	3	14	10	4	–	–	–	–
	1,167	1,167	368	799	204	247	267	81	–	–
Total—Capital assets	32,625	32,041	17,047	14,994	5,277	3,850	2,776	1,480	1,186	425
Purchases										
Canadian Heritage										
Canadian Broadcasting Corporation										
Programming rights										
Aggregate.....	48	48	34	14	10	4	–	–	–	–
International Olympic Committee (2022-24)...	83	83	29	54	24	11	16	3	–	–
Allied Properties Data Centre Limited Partnership.....	25	25	4	21	1	1	2	2	3	12
Brookfield Global Integrated Solutions (BGIS)	85	85	11	74	11	11	10	11	10	21
Media Buy	35	35	9	26	5	5	5	5	5	1
Rogers Communications Partnership.....	35	35	16	19	7	7	5	–	–	–
SAP Canada Inc.	14	14	2	12	1	1	1	1	1	7
Workday	14	14	2	12	2	2	3	2	3	–
National Gallery of Canada										
Securitas Canada										
Guard services.....	15	15	1	14	3	3	4	4	–	–
	354	354	108	246	64	45	46	28	22	41
Digital Government										
Shared Services Canada										
Bell Canada										
Cisco products.....	17	17	4	13	6	6	1	–	–	–
Email solution service	55	55	40	15	15	–	–	–	–	–
Government cabling services.....	179	179	164	15	15	–	–	–	–	–
Government of Canada Network wide area network international services, stream 3.....	122	122	51	71	17	18	18	18	–	–
Local access service	674	674	507	167	167	–	–	–	–	–
Bell Mobility										
Government cellular services	322	322	225	97	67	30	–	–	–	–
Blackberry Limited										
Licenses and support services.....	13	13	2	11	5	6	–	–	–	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
CA Inc										
License and maintenance fees for operating system and utility software.....	93	93	31	62	31	31	–	–	–	–
Defence Construction Canada										
Public private partnership, Enterprise Data Centre Borden	83	83	12	71	4	4	3	3	3	54
Equinix										
Data centre co-location services.....	29	29	1	28	3	4	4	4	4	9
IBM Canada Ltd										
Data centre co-location services.....	45	45	5	40	8	8	8	5	3	8
Hosted contact centre services.....	70	70	23	47	10	10	10	10	7	–
IBM mainframe.....	338	338	300	38	38	–	–	–	–	–
Supercomputer renewal, Dorval, Quebec.....	106	106	56	50	20	13	10	7	–	–
Inmarsat Solutions Canada Inc										
Inmarsat satellite services.....	122	122	110	12	12	–	–	–	–	–
Microsoft Canada Inc.										
Microsoft Enterprise agreement	937	937	301	636	144	123	123	123	123	–
Rogers Communications Canada Inc										
Toll-free network services.....	60	60	31	29	7	5	5	6	6	–
Telesat Canada										
Communications and network services	36	36	4	32	4	4	4	3	3	14
Telus Communications Company										
GC Net and WCS project migration.....	372	372	361	11	9	2	–	–	–	–
Government Enterprise Network Services	210	210	175	35	24	11	–	–	–	–
	3,883	3,883	2,403	1,480	606	275	186	179	149	85
Employment, Workforce Development and Disability Inclusion										
Department of Employment and Social Development										
DH Corporation										
Students loans management services.....	423	423	72	351	43	59	59	59	59	72
Gatestone and company Inc										
Contact Centre for the government of Canada general enquiry services.....	22	22	9	13	13	–	–	–	–	–
	445	445	81	364	56	59	59	59	59	72
Environment and Climate Change										
Department of the Environment										
Microsoft Licensing										
License/Maintenance fees for application software (including COTS) and application development and delivery software.....	16	16	1	15	3	3	3	3	3	–
Fisheries, Oceans and the Canadian Coast Guard										
Department of Fisheries and Oceans										
PAL Aerospace Limited										
Air surveillance services	133	133	15	118	26	26	26	25	15	–
Health										
Department of Health										
Software as an IT Service										
Microsoft Canada Inc.....	19	19	1	18	4	4	4	3	3	–
Software Development										
SC2.0 Stepped Care Solutions Inc.....	78	78	59	19	19	–	–	–	–	–
Public Health Agency of Canada										
COVID-19 related contracts										
Laboratory supplies										
Roche Diagnostics	57	57	11	46	46	–	–	–	–	–
Plastiques Moore Inc	14	14	2	12	12	–	–	–	–	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
Medical and Laboratory Supplies and Associated Services										
Medical equipment (names withheld 5).....	436	436	63	373	266	47	20	20	20	–
Medical supplies										
Logistik Unicorp.....	112	112	82	30	30	–	–	–	–	–
Personal protective equipment (names withheld 8).....	173	173	–	173	173	–	–	–	–	–
Reactor Engineering Group Ltd.....	43	43	–	43	43	–	–	–	–	–
Woolly Mammoth Outerwear Inc.....	43	43	–	43	43	–	–	–	–	–
Pharmaceutical and other medicinal products										
Pharmaceutical and other medicinal products (name withheld).....	42	42	27	15	15	–	–	–	–	–
Roche Diagnostics.....	15	15	2	13	13	–	–	–	–	–
Services and Labour										
Canadian Red Cross Society.....	27	27	3	24	24	–	–	–	–	–
Vaccine and therapeutics (names withheld 10).....	6,205	6,159	2,123	4,036	4,036	–	–	–	–	–
Storage and Warehousing Services										
Federal Express Canada Ltd.....	90	90	2	88	88	–	–	–	–	–
Groupe Robert Inc.....	26	26	5	21	21	–	–	–	–	–
Metro Logistics Inc.....	108	108	12	96	96	–	–	–	–	–
Pharmaceutical and other medicinal products										
Bavarian Nordic.....	55	55	24	31	14	17	–	–	–	–
Meridian Medical Technologies.....	22	22	4	18	8	10	–	–	–	–
	7,565	7,519	2,420	5,099	4,951	78	24	23	23	–
Immigration, Refugees and Citizenship										
Department of Citizenship and Immigration										
Canadian Bank Note Company Ltd										
Purchase of passport materials.....	806	806	273	533	65	43	45	53	55	272
Medavie Blue Cross										
Administrative fees for temporary coverage of health-care benefits.....	142	142	48	94	23	12	14	14	15	16
VF Worldwide Holdings Ltd										
Global Network of Visa Application Centres including Biometric collection functions.....	25	25	11	14	14	–	–	–	–	–
	973	973	332	641	102	55	59	67	70	288
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.....	1,434	1,434	82	1,352	62	62	58	56	56	1,058
The Jacques Cartier and Champlain Bridges Inc.										
NHSL Consortium										
Deconstruction of original CH bridge.....	226	226	60	166	82	66	18	–	–	–
Windsor-Detroit Bridge Authority										
Gordie Howe International Bridge project										
Bridging North America.....	1,997	1,997	181	1,816	154	142	60	118	24	1,318
Other contracts.....	17	17	6	11	4	3	2	2	–	–
	3,674	3,674	329	3,345	302	273	138	176	80	2,376
Innovation, Science and Economic Development										
Canadian Space Agency										
MacDonald, Dettwiler and Associates Ltd										
Logistics and Sustaining Engineering Support for the International Space Station Mobile Servicing System.....	183	183	38	145	35	43	40	27	–	–
Provide a smart robotics system (Canadarm3).....	25	25	10	15	15	–	–	–	–	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2022	2023	2024	2025	2026	2027 and subsequent years
MDA Geospatial Services Inc.										
Satellite Flight Operations and Data Management Services	37	37	1	36	12	12	12	–	–	–
Canadian Tourism Commission										
Interpublic Group of Companies Canada	245	245	187	58	58	–	–	–	–	–
National Research Council of Canada										
ATCO Structures & Logistics Ltd										
Building maintenance	34	34	21	13	7	6	–	–	–	–
Statistics Canada										
Canada Post Corporation										
Postal Services for 2021 Census	43	43	5	38	38	–	–	–	–	–
Cossette Media Inc										
Media buy for 2021 Census	11	11	–	11	11	–	–	–	–	–
SAS Institute (Canada) Inc										
Software licenses renewal	22	22	7	15	4	3	4	4	–	–
	600	600	269	331	180	64	56	31	–	–
National Defence										
Department of National Defence										
10647802 Canada Limited										
Facilities maintenance, Vaughan, Ontario	39	39	13	26	9	8	7	2	–	–
ADGA Group Consultants Inc										
Land Command Support System Weapon System Management	250	250	224	26	26	–	–	–	–	–
Alliant Techsystems Operations LLC, Arizona										
Wheeled Light Armoured Vehicles 25mm Cannon repair and overhaul	40	37	17	20	4	4	4	5	3	–
Allied Wings Limited Partnership										
Primary rotary wing and multi-engine pilot training, Portage la Prairie, Manitoba	1,828	1,757	1,185	572	83	86	88	89	92	134
ATCO Group										
Facilities maintenance, Calgary, Alberta	78	67	39	28	15	13	–	–	–	–
Babcock Canada Inc										
HMCS Cornerbrook extended docking work period	673	673	599	74	74	–	–	–	–	–
Victoria Class in-service support contract	1,520	1,520	1,157	363	180	110	73	–	–	–
Bell Helicopter Textron Canada Limited										
Optimized Weapon System Support, CH-146 Griffon	1,047	1,047	947	100	100	–	–	–	–	–
BMT Canada Ltd										
Engineering, logistics and management support services	270	68	21	47	16	16	15	–	–	–
Boeing, Pennsylvania										
In-service support for the CH-147F Chinooks	2,415	2,192	2,013	179	85	94	–	–	–	–
Bronswerk Marine Inc										
Repair and Overhaul	41	12	–	12	4	4	4	–	–	–
CAE Inc										
Aircrew operational training services in support of the CC-130J Hercules and CH-147F Chinook aircrafts	616	610	409	201	15	15	14	15	15	127
CF AIR Simulators and Trainers - Maintenance	50	50	31	19	19	–	–	–	–	–
CAE Military Aviation Training Inc										
NATO flying training in Canada, Moose Jaw and Cold Lake	2,583	2,226	1,947	279	126	118	35	–	–	–

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
<i>Calian Ltd</i>										
Managing and recruiting health care providers.....	486	486	293	193	100	93	–	–	–	–
<i>Cascade Aerospace Inc</i>										
CC-130 Hercules PAV Optimized Weapon System Management.....	941	941	875	66	66	–	–	–	–	–
<i>Chantier Davie Canada Inc</i>										
In-service support for Halifax Class Frigates.....	1,806	575	88	487	115	85	100	52	135	–
<i>Corporation Fort Saint-Jean</i>										
Support to Royal Military College St-Jean	392	392	269	123	31	27	28	29	8	–
<i>Cubic Defense Applications Incorporated, California</i>										
Weapons effects simulation.....	440	388	346	42	42	–	–	–	–	–
<i>Federal Fleet Services Inc</i>										
Interim Auxiliary Oiler Replenishment	612	612	404	208	–	–	–	107	101	–
<i>Fleetway Inc</i>										
In-service support for Halifax Class Frigates.....	72	72	18	54	14	10	10	10	10	–
<i>General Dynamics Canada Ltd</i>										
Wheeled Light Armoured Vehicles Optimized Weapon Systems Support, phase 2	1,300	1,186	947	239	59	60	60	60	–	–
<i>General Dynamics Land Systems Canada Corporation</i>										
Buffalo and Cougar repair and overhaul.....	12	12	2	10	2	2	2	2	2	–
Halifax Class Combat System In-Service Support Contract.....	155	155	1	154	9	9	11	11	11	103
Underwater warfare suite upgrade.....	90	90	24	66	22	6	11	16	3	8
<i>General Dynamics Mission Systems Canada</i>										
Engineering and integration	325	151	107	44	24	10	10	–	–	–
Transition software support contract.....	172	90	60	30	19	5	6	–	–	–
<i>Harris Corporation</i>										
Repair and Overhaul of the MSCU / CBSP-ULV	10	10	–	10	1	1	1	2	2	3
<i>Hawboldt Industries (1989) Limited; Hermanos Toimil Garcia SL in joint venture</i>										
Single articulated cranes.....	24	23	2	21	9	5	6	1	–	–
<i>IBM Canada Limited</i>										
In-service support for the Defence Resource Management Information System.....	325	325	159	166	83	83	–	–	–	–
<i>IMP Group Ltd, Aerospace Division</i>										
CH-149 Cormorant Helicopter in Service Support Contract.....	1,726	1,726	1,673	53	53	–	–	–	–	–
CP-140 Aurora Aircraft Prime Air Vehicle - Optimized Weapon Systems Support.....	209	209	88	121	60	61	–	–	–	–
<i>Industries Ocean Inc</i>										
Naval large tug.....	114	91	22	69	16	26	25	2	–	–
<i>Irving Shipbuilding Inc</i>										
Halifax Class modernization	1,126	1,076	974	102	52	43	7	–	–	–
In-service support for Halifax Class Frigates.....	2,233	575	–	575	21	112	150	94	198	–
<i>IrvingGQ Limited</i>										
Repair and Overhaul of the Surface Off-Board Passive Decoy (SOPD).....	16	16	1	15	3	3	3	3	3	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2022	2023	2024	2025	2026	2027 and subsequent years
L-3 Technologies MAS Inc										
CC150 Polaris- Multi year I - SSC	497	497	371	126	46	45	35	–	–	–
CF-18 Hornet Aircraft System Engineering Support	1,654	1,654	1,521	133	133	–	–	–	–	–
CP-140 Aurora Aircraft Avionics, Optimized Weapon System Support	605	605	589	16	16	–	–	–	–	–
The CT-114 Tutor Life Extension Beyond 2020 Avionics Upgrade	11	11	–	11	11	–	–	–	–	–
Lloyd's Register Canada Limited										
Classification Society Support for Combatants	78	48	11	37	8	9	10	10	–	–
Lockheed Martin Canada Inc										
Combat Systems Integration	601	601	351	250	63	63	62	62	–	–
Repair and overhaul of the Reprogrammable Advanced Electronic Countermeasure Multimode Shipborne System	83	74	55	19	12	1	2	2	–	2
Lockheed Martin Corporation, Georgia										
In-service support for the CC130J Hercules fleet	4,385	4,385	4,057	328	171	157	–	–	–	–
Logistik Unicorp Inc										
Consolidated Clothing Contract	415	415	7	408	68	68	68	68	68	68
NATO SeaSparrow Consortium										
Ammunition	514	472	229	243	107	103	21	11	1	–
Point Defence Missile System In-Service Support	485	485	102	383	17	20	18	42	19	267
Northrop Grumman International Trading Inc, Charlottesville, Virginia										
Navigation systems in service support	353	44	17	27	11	10	6	–	–	–
Orenda Aerospace Corporation										
F404 Propulsion Group interim support	227	227	140	87	41	23	23	–	–	–
Palantir Technologies Canada Inc										
Intelligence Processing Tool	22	22	5	17	4	5	4	4	–	–
Peraton Canada Corp										
CF-18 Hornet Avionics Optimized Weapon System Support	447	330	295	35	35	–	–	–	–	–
QinitiQ Group Canada Inc										
CAF UAS ISTAR Service	232	51	5	46	46	–	–	–	–	–
Raytheon Canada Limited										
North Warning System operation and maintenance	412	381	325	56	46	10	–	–	–	–
Repair and overhaul of the Phalanx Close-in Weapon System	671	330	105	225	24	20	20	23	19	119
Rheinmetall Canada Inc										
LC4ISR Intelligence Surveillance Target Acquisition and Reconnaissance	49	31	20	11	7	2	2	–	–	–
Saab Canada, Inc										
Radar equipment, except airborne	22	22	–	22	–	–	–	22	–	–
Santé Montfort										
Facilities and medical services	189	176	118	58	12	12	13	13	8	–
Serco Facilities Management Inc										
Provision of services at Goose Bay, Newfoundland and Labrador	211	169	128	41	41	–	–	–	–	–
Sikorsky International Operations Inc, Stratford, Connecticut										
In-service support for maritime helicopters	5,797	5,797	1,148	4,649	120	217	136	161	166	3,849

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
SNC Lavalin Defence Programs Inc										
In-service support for Maritime Coastal Defence Vessel	798	644	617	27	18	9	–	–	–	–
Standard Aero Limited										
Repair and overhaul of CC-130 Hercules and CP-140 Aurora T56 engines	177	177	103	74	24	13	13	12	12	–
Textron Systems Canada Inc										
In-service support contract for Tactical Armoured Patrol Vehicle	135	124	90	34	29	5	–	–	–	–
Thales Canada Inc										
Arctic Offshore Patrol Ship and Joint Support Ship in-service support	5,000	800	120	680	45	86	115	186	168	80
Repair and overhaul of Periscopes	23	23	4	19	9	7	3	–	–	–
Top Aces Inc										
Combat Support Services for Operational Training and Readiness Requirements	417	417	72	345	46	47	48	49	50	105
United States Department of Defense										
Operations and support of Advanced Extremely High Frequency Military Satellite Communications System	86	86	55	31	7	7	7	8	2	–
United States Department of the Air Force										
Ability to invest in the U.S. supply system and receive access to U.S. DoD stocks for RCAF Aircraft support	11	11	1	10	3	3	2	2	–	–
F117 engine sustainment support	63	63	17	46	23	23	–	–	–	–
In-service support for the CC-177 Globemaster III fleet	1,048	1,048	908	140	66	37	37	–	–	–
Install Joint Mission Planning Software	30	22	12	10	8	2	–	–	–	–
United States Department of the Navy										
Ability to invest in the U.S. supply system and receive access to U.S. DoD stocks for RCAF Aircraft support	18	18	2	16	4	4	4	4	–	–
Ability to invest in the U.S. supply system and receive access to U.S. DoD stocks for RCN Aircraft support	12	12	1	11	3	3	3	2	–	–
Aircraft components support	16	16	1	15	5	5	5	–	–	–
AMRAAM Missiles	353	353	34	319	54	40	40	40	40	105
ARC-210 Gen 5 Radios	27	27	12	15	8	6	1	–	–	–
ARC-210 Gen 6 Radios	25	25	2	23	8	7	5	3	–	–
CF-18 Automatic Test Equipment Systems	14	14	1	13	4	4	5	–	–	–
Data Transfer Units for CF-18	22	22	2	20	1	5	7	6	1	–
Heavy weight torpedo upgrade	223	198	126	72	36	33	3	–	–	–
HEP AESA Radars	231	231	5	226	30	66	67	63	–	–
HEP AIM-9x	74	74	2	72	1	4	62	4	1	–
HEP ARC-210 Gen 6 Radio	30	30	2	28	3	8	9	7	1	–
HEP Jmps	19	19	2	17	1	3	5	6	2	–
HEP Jsow-c	102	102	2	100	1	3	11	12	42	31
HEP ofp	105	105	3	102	11	29	39	22	1	–
HEP Wideband Radome	59	59	1	58	8	17	18	15	–	–
Lightweight torpedoes	45	40	6	34	3	3	3	3	4	18
Lightweight torpedoes upgrade	534	481	38	443	10	9	32	98	96	198
Modification of the existing Mobile User Objective System ultra-high frequency SATCOM capability and development of Canadian Crypto keys	24	24	9	15	5	5	5	–	–	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
Naval multiband terminal international partner variant in-service support.....	21	21	2	19	5	5	5	4	—	—
Rental of ranges services and related equipment.....	19	19	2	17	8	9	—	—	—	—
Repair and overhaul ANBQQ10(V)7.....	64	64	53	11	6	5	—	—	—	—
Repair and overhaul MK-48 torpedo.....	121	121	70	51	9	13	6	7	8	8
Software fixes.....	13	13	1	12	3	3	3	3	—	—
United States Government										
Repair and return, Engineering services, technical assistance and replenishment of line replaceable units and associated test.....	10	10	—	10	2	2	2	2	2	—
Services and equipment relating to the large aircraft infrared countermeasures.....	23	23	5	18	6	6	6	—	—	—
US Department of the Air Force										
Wide Band Global Satellite Communications Systems.....	384	384	364	20	1	1	2	1	2	13
Victoria Shipbuilding Limited										
Halifax Class modernization.....	755	755	733	22	22	—	—	—	—	—
In-service support for Halifax Class Frigates.....	2,957	560	8	552	10	126	141	113	162	—
Weatherhaven Global Resources Ltd										
Headquarters shelter systems.....	183	180	131	49	38	11	—	—	—	—
Weir Canada Inc										
Maritime systems and engineering.....	657	657	448	209	70	70	69	—	—	—
Zodiac Hurricane Technologies Inc										
DND R&O of Small Service Boats.....	16	16	—	16	4	4	4	4	—	—
Multi Role Boat (MRB) System.....	35	31	5	26	6	7	8	5	—	—
Communications Security Establishment										
Plenary Properties										
Public-private partnership arrangement to design, build, finance and maintain (35 years), Ottawa, Ontario.....	3,192	3,192	800	2,392	114	110	120	113	108	1,827
	60,167	47,887	29,426	18,461	3,374	2,739	2,005	1,712	1,566	7,065
Natural Resources										
Atomic Energy of Canada Limited										
Purchase orders.....	991	991	517	474	474	—	—	—	—	—
Public Safety and Emergency Preparedness										
Canada Border Services Agency										
CBSA Assessment and Revenue Management project (CARM)										
Aggregate.....	76	44	31	13	13	—	—	—	—	—
Corbel Management Corporation										
Detention facility management services.....	88	88	18	70	8	7	6	6	6	37
Correctional Service of Canada										
Community residential facilities										
Aggregate.....	290	290	166	124	124	—	—	—	—	—
Logistik										
Correctional Services Canada Uniform Program.....	23	23	9	14	14	—	—	—	—	—
Royal Canadian Mounted Police										
Radio services										
Aggregate.....	121	121	21	100	12	10	10	10	10	48
Services of guards and matrons										
Aggregate.....	69	69	31	38	38	—	—	—	—	—
	667	635	276	359	209	17	16	16	16	85

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
Privy Council										
Office of the Chief Electoral Officer										
Bell Canada										
Telecommunications services.....	21	21	11	10	1	1	8	–	–	–
IBM Canada Limited										
Corporate and events hosting and operations management	80	80	46	34	11	13	10			
Event Field Offices Services	70	70	53	17	10	7				
	171	171	110	61	22	21	18	–	–	–
Public Services and Procurement										
Department of Public Works and Government Services										
BGIS Global Integrated Solutions Canada LP										
Building maintenance services, Real Property-1.....	9,002	9,002	3,137	5,865	1,638	1,661	1,706	557	303	–
Building maintenance services, Real Property-2.....	1,511	1,511	670	841	210	210	210	211	–	–
Dragage Océan DS Inc										
Maintenance dredging, St Lawrence Seaway	32	32	11	21	5	4	4	4	4	–
Electronic Procurement Solution—Modernize the Government of Canada procurement function										
Aggregate	7	7	6	1	1	–	–	–	–	–
Infosys Public Services Inc	103	103	63	40	28	9	3	–	–	–
Energy Services Acquisition Program (ESAP)										
Innovate Energy (paid through ESAP Project Co Limited Partnership)	1,546	1,546	24	1,522	47	37	37	38	36	1,327
User Buildings Conversion Plan (UBCP)— Aggregate	16	16	14	2	2	–	–	–	–	–
ESIT Canada Enterprise Services Co, previously Hewlett-Packard (Canada) Company										
Pension modernization	394	385	371	14	14	–	–	–	–	–
Green Timbers Limited Partnership (paid through Computershare Investor Services Inc)										
Public-Private Partnership Relocation Project—RCMP "E" Division relocation, Surrey, British Columbia	773	773	249	524	30	30	29	12	11	412
RCMP Forensic Laboratories, Surrey, British Columbia	25	25	1	24	1	1	1	1	1	19
Hamel Construction Inc										
Reconstruction of Wharfs 93 and 94, Quai de la Reine, Quebec	42	42	23	19	13	6	–	–	–	–
IBM Canada Ltd										
Design, building, implementation and support of the Government of Canada pay system.....	269	259	201	58	58	–	–	–	–	–
Joneljim Concrete Construction (1994) Limited										
Mechanical and sprinkler system upgrades	54	54	33	21	11	10	–	–	–	–
Medline Canada										
Personal protective equipment.....	25	25	12	13	13	–	–	–	–	–
Moneris Solutions Corporation										
Card acceptance services.....	185	185	153	32	32	–	–	–	–	–

Table 11.3
Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
<i>Nuna East Ltd</i>										
Runway and tarmac rehabilitation and construction of new tarmac, Eureka, Nunavut	56	56	44	12	11	1	–	–	–	–
<i>Open Text Corporation</i>										
Licence agreement	43	43	29	14	14	–	–	–	–	–
<i>Parsons Canada Ltd</i>										
Giant Mine Remediation	194	194	62	132	38	94	–	–	–	–
<i>PCL Constructors Canada Inc</i>										
Construction management services, Province House Conservation	31	31	20	11	11	–	–	–	–	–
<i>Peter Kiewit Sons ULC</i>										
Improvement of the fish passage in the Fraser River, British Columbia	176	76	44	32	32	–	–	–	–	–
<i>Ricoh Canada Inc</i>										
Print insert and mail workflow service	15	15	2	13	3	3	3	4	–	–
<i>SAP Canada Inc</i>										
License Agreement, Maintenance Portion	129	129	109	20	20	–	–	–	–	–
<i>Symcor Inc</i>										
Cheque Image Exchange Services	27	27	–	27	7	4	5	5	6	–
<i>Weatherhaven Global Resources Ltd</i>										
Logistics (Accommodation, transportation and other related services)	133	109	66	43	43	–	–	–	–	–
<i>White Bear Industries Ltd</i>										
North Alaska Highway maintenance and repair services, British Columbia	81	81	53	28	16	12	–	–	–	–
<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	86	37	6	7	7	7	7	3
<i>2237800 Ontario Ltd</i>										
395 Terminal Avenue, Ottawa, Ontario	48	48	26	22	3	3	3	3	4	6
<i>6149626 Canada Inc</i>										
Place Vincent Massey, 351 Saint-Joseph Boulevard, Gatineau, Quebec	110	110	39	71	4	4	4	4	4	51
<i>6979637 Canada Inc (Parent company— Broccolini Construction)</i>										
455 De la Carrière Boulevard, Gatineau, Quebec	182	182	50	132	7	7	7	7	7	97
<i>8424934 Canada Inc</i>										
2 Victoria Street, Miramichi, New Brunswick	41	41	5	36	2	2	2	2	2	26
<i>Computershare Trust Company of Canada</i>										
Canada Place Building, 9700 Jasper Avenue, Edmonton, Alberta	431	431	189	242	19	20	20	20	21	142
Harry Hays Building, 220 - 4th Avenue, Calgary, Alberta	226	226	107	119	9	10	10	10	10	70
Joseph Shepard Building, 4900 Yonge Street, Toronto, Ontario	261	261	126	135	11	11	11	11	11	80
RCMP Building, 4225 Dorchester Boulevard West, Westmount, Quebec	125	125	58	67	5	5	6	6	6	39
Revenue Canada Building, 305 René-Lévesque Boulevard West, Montréal, Quebec	156	156	71	85	7	7	7	7	7	50
Skyline Complex, 1400 Merivale Road, Ottawa, Ontario	447	447	214	233	19	19	19	19	20	137
Thomas D'Arcy McGee Building, 90 Sparks Street, Ottawa, Ontario	297	297	147	150	12	12	12	13	13	88

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					
					2022	2023	2024	2025	2026	2027 and subsequent years
Consortium GM Développement, OGESCO Construction, Pierre Martin & Associés, Design & Architecture										
1550 d'Estimauville Avenue, Québec, Québec	62	62	27	35	3	3	3	3	3	20
Minto Commercial Properties Inc										
Mercury Centre, 3000 Merivale Road, Ottawa, Ontario	267	267	124	143	12	12	12	13	13	81
Pomerleau, Keviar and Québec Inc										
2575 Ste-Anne Boulevard, Québec, Québec	41	41	11	30	2	2	2	2	2	20
Société d'habitation et de développement de Montréal										
1501, De Bleury Street, Montréal, Québec	47	47	3	44	2	2	2	2	3	33
The Canada Life Assurance Company										
Judicial Complex, 180 Queen Street West, Toronto, Ontario	84	84	62	22	4	4	4	5	5	–
The Great-West Life Assurance Company										
James Michael Flaherty Building, 90 Elgin Street, Ottawa, Ontario	331	331	75	256	11	12	12	12	12	197
National Capital Commission										
Services récréatifs Demsis Inc										
Management and maintenance of land	20	20	4	16	4	4	4	4	–	–
	18,168	18,025	6,821	11,204	2,440	2,228	2,145	982	511	2,898
Transport										
Department of Transport										
PMG Technologies Inc										
Expenses required for the operation of the Motor Vehicle Test Centre	95	95	80	15	9	6	–	–	–	–
Canadian Air Transport Security Authority										
Garda Security Screening Inc—Central	2,089	2,089	1,358	731	231	250	250	–	–	–
Garda Security Screening Inc—Prairies	1,468	1,468	968	500	161	170	169	–	–	–
G4S Secure Solutions (Canada) Ltd.	1,299	1,299	872	427	133	147	147	–	–	–
Logistik Unicorp Inc.	35	35	25	10	9	1	–	–	–	–
Securitas Transport Aviation Security Ltd	1,522	1,522	1,001	521	165	178	178	–	–	–
Smiths Detection Montreal Inc.	228	228	198	30	7	23	–	–	–	–
St-Lawrence Seaway Management Corporation										
Kenaidan Contracting Ltd.	19	19	–	19	11	8	–	–	–	–
VIA Rail Canada Inc.										
Siemens										
Technical services	356	356	–	356	1	4	7	15	96	233
	7,111	7,111	4,502	2,609	727	787	751	15	96	233
Treasury Board										
Treasury Board Secretariat										
Sun Life Assurance Company of Canada										
Pensioners' Dental Services Plan (Administrative services)	93	93	63	30	14	10	6	–	–	–
Public Service Health Care Plan (Administrative services)	406	406	322	84	41	43	–	–	–	–
	499	499	385	114	55	53	6	–	–	–
Total—Purchases	105,417	92,916	47,995	44,921	13,591	6,723	5,538	3,316	2,610	13,143
Total—Capital assets and purchases	138,042	124,957	65,042	59,915	18,868	10,573	8,314	4,796	3,796	13,568

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
Operating leases										
Canadian Heritage										
Canada Council for the Arts										
Office accommodation, 150 Elgin Street, Ottawa, Ontario	92	92	36	56	4	4	4	4	4	36
Canadian Broadcasting Corporation										
Morguard	144	144	73	71	6	6	6	5	5	43
Regina	13	13	–	13	1	–	–	1	1	10
Société en commandite La Nouvelle Maison	659	659	290	369	13	13	13	13	12	305
Canadian Museum of Immigration at Pier 21										
1055 Marginal Road, Halifax, Nova Scotia	69	69	14	55	2	1	2	1	2	47
	977	977	413	564	26	24	25	24	24	441
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	692	692	278	414	–	18	18	18	18	342
Fisheries, Oceans and the Canadian Coast Guard										
Department of Fisheries and Oceans										
<i>Atlantic Towing Limited</i>										
Leasing of two Emergency Towing Vessels	59	59	46	13	13	–	–	–	–	–
<i>Wartsila Canada Inc</i>										
1100 Class Vessels - Propulsion generator acquisition and replacement	30	30	14	16	4	7	5	–	–	–
	89	89	60	29	17	7	5	–	–	–
Global Affairs										
Department of Foreign Affairs, Trade and Development										
<i>237 Park Owner LLC.</i>										
Chancery, New York, United States	177	177	23	154	8	8	8	9	9	112
<i>Main Business Administration for Services to the Diplomatic Corps (GlavUpDK)</i>										
Chancery, Moscow, Russia	60	60	32	28	3	3	3	3	4	12
Canadian Commercial Corporation										
Office space	24	24	6	18	1	2	1	2	2	10
International Development Research Centre										
World Exchange Plaza, 45 O'Connor Street, Ottawa	50	50	–	50	–	2	3	3	3	39
	311	311	61	250	12	15	15	17	18	173
Public Safety and Emergency Preparedness										
Royal Canadian Mounted Police										
<i>Government of Alberta</i>										
Alberta First Responders Radio Communications System	385	385	120	265	24	24	24	24	24	145
Public Services and Procurement										
Department of Public Works and Government Services										
<i>0957333 BC Ltd</i>										
3991 Gladys Avenue, Abbotsford, British Columbia	23	23	13	10	1	1	2	2	2	2
<i>100-130 Colonnade Road Reginal Inc (Cushman and Wakefield Ottawa)</i>										
100 Colonnade Road, Ottawa, Ontario	12	12	–	12	–	1	2	2	2	5
130 Colonnade Road, Ottawa, Ontario	20	20	–	20	1	2	2	3	3	9

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
121 King Street West Ltd										
121 King Street West, Toronto, Ontario	111	71	7	64	7	7	7	7	7	29
1301986 Ontario Inc										
405 Terminal Avenue, Ottawa, Ontario.....	50	44	4	40	5	5	5	5	5	15
1550 Carling Inc										
1451 Coldrey Avenue and 1550 Carling Avenue, Ottawa, Ontario	27	17	1	16	3	3	4	3	3	–
160 Elgin Portfolio Inc and 160 Elgin Leaseholds Inc										
Place Bell Canada, 160 Elgin Street, Ottawa, Ontario	63	63	16	47	7	7	8	5	4	16
1725 Woodward Drive Inc										
1725 Woodward Drive, Ottawa, Ontario	21	16	3	13	2	2	2	2	2	3
1823175 Ontario Inc										
Pinecrest Office Park, 2745 Iris Street, Ottawa, Ontario	26	26	13	13	2	2	2	3	3	1
22 Varennes Regional Inc										
22 de Varennes Street, Gatineau, Quebec	12	12	–	12	–	1	2	3	3	3
25 Nicholas Properties Ltd										
25 Nicholas Street, Ottawa, Ontario	45	31	6	25	4	4	4	5	5	3
3352200 Canada Inc										
840 Howe Street, Vancouver, British Columbia	67	67	10	57	6	7	7	7	7	23
389288 BC Limited										
1188 West Georgia Street, Vancouver, British Columbia	19	19	8	11	2	2	2	2	3	–
800 Burrard Limited Partnership										
800 Burrard Street, Vancouver, British Columbia	94	65	24	41	9	10	10	10	2	–
9182071 Canada Inc and 10064963 Canada Inc										
2215 Gladwin Crescent, Ottawa, Ontario	27	20	–	20	–	2	3	3	3	9
9197397 Canada Inc										
2200 Walkley Road, Ottawa, Ontario.....	27	19	4	15	2	3	3	3	3	1
2204 Walkley Road, Ottawa, Ontario.....	17	12	–	12	1	1	1	1	2	6
927094 Alberta Ltd										
9240 - 49th Street, Edmonton, Alberta	109	50	25	25	3	3	3	4	4	8
A N (Mega Centres) Inc										
550 de la Cité Boulevard, Gatineau, Québec	142	142	14	128	5	7	7	7	8	94
Arnon Corporation										
785 Carling Avenue, Ottawa, Ontario	28	28	8	20	3	3	3	3	3	5
Aspen Properties GP Inc										
Bell Tower, 10104 - 103rd Avenue North West, Edmonton, Alberta.....	24	15	2	13	1	1	1	2	2	6
Bona Building & Management Company Ltd										
Place Vanier - Towers A and B, 333 and 355 North River Road, Ottawa, Ontario	212	148	71	77	13	12	12	12	12	16
Vanier Building, 222 Nepean Street, Ottawa, Ontario	31	31	2	29	3	3	3	3	3	14
Bona Building & Management Company Ltd and Bona Building & Management Company Ltd as trustee										
1625 Vanier Parkway, Ottawa, Ontario	138	70	6	64	7	7	8	8	8	26
BPO (Ontario Core) Ltd, Ontari Holdings Ltd and CREHOY Inc										
Place de Ville - Towers A, B and C, 320 Queen Street, Ottawa, Ontario	482	478	285	193	39	39	36	16	16	47

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
Brookfield Office Properties Management Limited										
Exchange Tower Building, 130 King Street West, Toronto, Ontario	21	14	4	10	2	2	2	2	2	–
Capital City Shopping Centre Limited										
Billings Bridge Office Tower, 2323 Riverside Drive, Ottawa, Ontario	25	25	10	15	2	2	3	3	3	2
Centrale de l'enseignement du Québec, The										
320 St-Joseph Street East, Québec, Québec	14	10	–	10	–	1	1	1	1	6
CFCF / QCC 4200 Labelle St Inc										
4200 Labelle Street, Ottawa, Ontario	23	17	3	14	2	2	2	2	2	4
Chambers Building (Ottawa) Inc, c/o Allied Properties										
Chambers Building, 40 Elgin Street, Ottawa, Ontario	23	18	3	15	2	2	2	2	3	4
Chefoo Holdings Ltd										
1138 Melville Street, Vancouver, British Columbia	82	64	2	62	8	8	8	8	8	22
City Centre Equities Inc and Harvard Developments Inc										
2010-12th Avenue Regina, Saskatchewan	55	41	21	20	2	3	3	3	3	6
Colonnade Bridgeport Realty Inc										
Holland Cross Complex Towers A and B, 11 Holland Avenue, Ottawa, Ontario and 1600 Scott Street, Ottawa, Ontario	58	39	5	34	3	3	4	4	4	16
Desjardins Financial Security Life Assurance Company and SWBC MEC 2 Ltd										
2, Robert Speck Parkway, Mississauga, Ontario	26	26	–	26	2	2	3	3	3	13
Donald Bondy and Earl Brewer, in joint venture										
81 Regent Street, Fredericton, New Brunswick	16	13	–	13	1	1	1	1	2	7
Dream Office LP										
74 Victoria Street, Toronto, Ontario	31	31	19	12	8	4	–	–	–	–
Export Development Canada										
Export Development Canada Building, 150 Slater Street, Ottawa, Ontario	18	15	5	10	1	1	2	2	2	2
GTA Office Inc c/o Slate Office II LP										
100-2599 Speakman Drive, Mississauga, Ontario	15	12	–	12	1	1	1	1	1	7
Hantom Holdings Inc										
100 Metcalfe Street, Ottawa, Ontario	72	61	1	60	2	5	5	5	6	37
HOOPP Realty Inc										
ATB Place, North Tower, 10025 Jasper Avenue, Edmonton, Alberta	28	22	–	22	1	2	2	2	2	13
HREIT Holdings 59 Corporation										
Investors Building, 280 Broadway Avenue, Winnipeg, Manitoba	34	34	23	11	2	2	3	3	1	–
Jones lang and Lasalle Real estate										
750 Heron Road, Ottawa, Ontario	357	171	138	33	9	9	9	6	–	–
Kidinks Holdings Inc and Outcore Equities Inc										
234 Laurier Avenue West, Ottawa, Ontario	22	22	8	14	3	3	3	3	2	–
Kingsett Real Estate Growth LP No 6										
Gallery Building 4923 - 52nd Street, Yellowknife, Northwest Territories	43	34	23	11	2	2	2	2	2	1
Larco Investments Limited										
1 Front Street, Toronto, Ontario	100	100	60	40	14	15	11	–	–	–

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
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	2	8
Leima Holdings Limited										
Leima Building, 410 Laurier Avenue West, Ottawa, Ontario	26	26	5	21	2	2	3	3	3	8
Les Cours Pointe St-Charles Inc										
Environment and Climate Change Canada, 1870 Le Ber Street, Montreal, Quebec	25	12	–	12	1	1	1	1	1	7
London Life Insurance Company										
219 Laurier Avenue West, Ottawa, Ontario.....	77	77	16	61	5	5	5	5	5	36
London Life Insurance Company and The Great-West Life Assurance Company										
269 Laurier Avenue West, Ottawa, Ontario.....	110	81	4	77	10	11	12	12	8	24
Lord Realty (Quebec) Limited Partnership										
Immigration and Refugee Board of Canada and Canada Economic Development, 800 René-Lévesque Boulevard West, Montreal, Quebec	37	29	5	24	3	3	4	4	4	6
Lord Realty Holdings Limited and Privest Properties Ltd										
555 West Hastings Street, Vancouver, British Columbia	29	29	16	13	3	3	3	3	1	–
Manulife Ontario Property Portfolio Inc										
5343 Dundas Street West, Toronto, Ontario	28	18	8	10	2	2	2	2	2	–
Minto (Kent St) Inc, I G Investment Management Ltd and LCPF Realty Inc										
180, Kent Street, Ottawa, Ontario	43	43	7	36	5	5	5	5	5	11
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	178	138	94	44	14	15	2	2	2	9
MJ (5001 Yonge) Limited Partnership										
5001 Yonge Street, Toronto, Ontario	54	54	7	47	9	9	9	9	10	1
Morguard Camelot Limited, as nominee for and on behalf of Morguard Corporation										
59 Camelot Drive, Ottawa, Ontario	28	28	13	15	3	3	3	3	3	–
Morguard Investments Limited in trust										
Standard Life Centre, 280 Slater Street, Ottawa, Ontario	62	62	46	16	6	7	3	–	–	–
Morguard Investments Ltd										
Heritage Place Building, 155 Queen Street, Ottawa, Ontario	44	44	10	34	4	4	4	4	4	14
Morguard (Jean Edmonds) Limited and 10938629 Canada Inc										
Jean Edmonds Building, North Tower, 300 Slater Street, Ottawa, Ontario	98	98	49	49	10	10	10	11	8	–
Jean Edmonds Building, South Tower, 365 Laurier Avenue West, Ottawa, Ontario	91	63	47	16	9	7	–	–	–	–
Morguard Real Estate Investment Trust										
7575 - 8th Street North-East, Calgary, Alberta	45	45	21	24	3	3	3	3	3	9
Nadfam Holdings Inc										
360 Lisgar Avenue, Ottawa, Ontario	18	18	5	13	1	1	1	2	2	6

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—continued

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years	
					2022	2023	2024	2025	2026		
Newvest Realty Corporation											
105 Hôtel-de-Ville Street, Gatineau, Quebec	33	33	17	16	5	5	5	1	–	–	
O A C Holdings Limited											
2525 Lancaster Road, Ottawa, Ontario	17	17	1	16	2	2	2	2	2	6	
Omers Realty Corporation and CPP Investment Board Real Estate Holdings Inc											
Constitution Square, 350-360 Albert Street, Ottawa, Ontario	89	89	79	10	10	–	–	–	–	–	
OMNI Property Management Inc											
1611 Main Street, Vancouver, British Columbia	93	68	30	38	4	4	5	5	5	15	
OPB (Centre 10) Inc											
517 - 10th Avenue South West, Calgary, Alberta	145	71	53	18	8	7	3	–	–	–	
Orlando Corporation											
2675 Steeles Avenue West, Brampton, Ontario	21	16	3	13	5	6	2	–	–	–	
5800 Hurontario Street, Mississauga, Ontario	33	33	4	29	8	8	8	5	–	–	
Outcore Equities Inc and Slate Asset Management GP Inc											
Sir Richard Scott Building, 191 Laurier Avenue West, Ottawa, Ontario	113	86	24	62	6	1	3	6	6	40	
Oxford Properties Group Inc and OREC (RAC) Holdings Inc											
120 Adelaide Street West and 101 Richmond Street West, Toronto, Ontario...	168	82	23	59	8	8	8	8	8	19	
Place Bonaventure Property Management Inc											
Place Bonaventure, 800 de la Gauchetière Street West, Montréal, Quebec	19	19	5	14	2	2	2	2	2	4	
Place d'Orleans Holdings Inc											
110 Place d'Orleans Drive, Ottawa, Ontario	21	19	2	17	1	2	2	2	2	8	
Place Montcalm (Phase III) S E N C											
Place Montcalm, phase III, 70 Crémazie Street, Gatineau, Quebec.....	42	35	17	18	8	7	3	–	–	–	
Qikiqtaaluk Properties Inc											
1106, Ikaluktuutiak Drive, Iqaluit, Nunavut.....	18	13	–	13	1	1	1	1	1	8	
Rize Alliance (Terminal Building) Inc											
Canada Revenue Agency Tax Services Office, 468 Terminal Avenue, Vancouver, British Columbia	78	78	20	58	5	5	5	5	6	32	
Roscourt Investments Inc											
30 McGill Street, Montréal, Quebec.....	30	30	7	23	3	4	4	4	4	4	
S E C Promenade du Portage											
60 Laval Street, Gatineau, Quebec	21	21	–	21	2	2	2	2	2	11	
Sixty Queen Limited											
60 Queen Street, Ottawa, Ontario.....	16	16	6	10	2	2	2	2	2	–	
Station Lands Ltd											
Epcor Tower, 10423 - 101st Street, Edmonton, Alberta.....	113	104	73	31	6	5	6	6	6	2	
Summit (1980 Matheson Boulevard East) Ltd											
1980 Matheson Boulevard East, Mississauga, Ontario	24	24	10	14	3	3	3	3	2	–	
Sun Life Assurance Company of Canada and Ontari Holdings Limited											
99 Bank Street, Ottawa, Ontario.....	14	14	3	11	1	1	1	2	2	4	
Sun Life Financial Centre, 50 O'Connor Street, Ottawa, Ontario	143	126	45	81	12	13	12	13	13	18	

Table 11.3

Transfer payment agreements, capital assets, purchases and operating leases as at March 31, 2021—concluded

(in millions of dollars)

	Total estimated cost	Amount contracted	Amount disbursed	Outstanding obligation	Outstanding obligations to be disbursed by March 31					2027 and subsequent years
					2022	2023	2024	2025	2026	
Surrey CC Properties Inc										
13450 - 102nd Avenue, Surrey, British Columbia	31	31	15	16	2	3	3	3	3	2
The Cadillac Fairview Corporation Limited										
IBM Tower, 701 West Georgia Street, Vancouver, British Columbia	32	32	4	28	3	3	4	4	4	10
The Great-West Life Assurance Company										
Centennial Towers, 200 Kent Street, Ottawa, Ontario	234	182	104	78	16	16	16	17	13	–
The Manitoba Public Insurance Corporation										
Cityplace Building, 234 Donald Street, Winnipeg, Manitoba	14	14	–	14	–	1	1	1	2	9
The Typhon Group (Richmond Hill) Ltd										
5 Via Renzo Drive, Richmond Hill, Ontario	18	13	3	10	1	1	1	2	2	3
TNC 340 Laurier Ltd										
340 Laurier Avenue West, Ottawa, Ontario.....	85	85	4	81	10	10	10	10	10	31
West Corr Holdings Ltd										
3427 Faithfull Avenue, Saskatoon, Saskatchewan	24	24	10	14	1	1	2	2	2	6
Westcliff Development Ltd and Centre Commercial Manicouagan Ltée										
200, promenade du Portage, Gatineau, Quebec	15	15	2	13	1	1	2	2	2	5
Whiterock 655 Bay Street Toronto Inc										
655, Bay Street, Toronto, Ontario	49	49	8	41	3	3	4	5	5	21
Winnipeg Square Leaseco Inc										
Commodity Exchange and Winnipeg Square, 360 Main Street, Winnipeg, Manitoba	42	42	1	41	4	4	4	4	4	21
Z V Holdings Corporation										
2, Constellation Drive, Ottawa, Ontario	40	29	1	28	3	3	4	4	4	10
National Capital Commission										
Chambers Building, Ottawa, Ontario	132	132	25	107	5	5	5	5	5	82
	5,871	4,792	1,799	2,993	435	437	413	373	344	991
Transport										
Marine Atlantic Inc.										
MV Atlantic Vision	108	108	82	26	16	10	–	–	–	–
VIA Rail Canada Inc.										
City of Toronto										
Union Station	211	211	59	152	4	4	4	4	5	131
SITQ										
Place Ville Marie, Montréal, Quebec	32	32	22	10	3	3	4	–	–	–
	351	351	163	188	23	17	8	4	5	131
Total—Operating leases										
	8,676	7,597	2,894	4,703	537	542	508	460	433	2,223
Grand total										
	351,634	336,837	154,601	182,236	54,824	32,597	23,424	15,870	11,999	43,522

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, 2021.

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				
African Development Bank	–	–	279	279
Budgetary transfer payments, loans and advances				
Finance				
Department of Finance				
Multilateral Debt Relief Initiative				
African Development Fund	446	–	–	446
International Development Association	1,738	–	–	1,738
	<i>2,184</i>	–	–	<i>2,184</i>
Global Affairs				
Department of Foreign Affairs, Trade and Development				
Development, peace and security programming	2,357	–	–	2,357
African Development Fund	–	237	–	237
Asian Development Fund	–	121	–	121
Global Environment Facility Trust Fund	–	77	–	77
	<i>2,357</i>	<i>435</i>	–	<i>2,792</i>
Health				
Canadian Institutes of Health Research				
Grants for research projects and personnel support	14	–	–	14
Immigration, Refugees and Citizenship				
Department of Citizenship and Immigration				
International Organization for Migration	33	–	–	33
Innovation, Science and Economic Development				
Department of Industry				
International Telecommunication Union	29	–	–	29
Canadian Space Agency				
European Space Agency	206	–	–	206
National Research Council of Canada				
Canada-France-Hawaii Telescope Corporation	23	–	–	23
The National Science Foundation	40	–	–	40
TMT International Observatory LLC	154	–	–	154
	<i>452</i>	–	–	<i>452</i>
	<i>5,040</i>	<i>435</i>	–	<i>5,475</i>
Total	5,040	435	279	5,754

¹ Foreign currencies were translated into Canadian dollars using the closing rates of exchange at March 31, 2021 (\$1 USD = \$1.2567 CAD; 1 SDR = \$1.7809 CAD; 1 EUR = \$1.4736 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, 2021

(in millions of dollars)

	Outstanding revenue to be earned by March 31						2027 and subsequent years
	Outstanding revenue ¹	2022	2023	2024	2025	2026	
Sales of goods and services							
Global Affairs							
Canadian Commercial Corporation.....	38	11	7	9	5	4	2
Public Safety and Emergency Preparedness							
Royal Canadian Mounted Police.....	29,561	2,379	2,438	2,498	2,560	2,623	17,063
Total—Sales of goods and services.....	29,599	2,390	2,445	2,507	2,565	2,627	17,065
Leases of property							
Canadian Heritage							
Canadian Broadcasting Corporation	404	10	10	11	10	11	352
Environment and Climate Change							
Parks Canada Agency ²	216	10	10	9	10	9	168
Innovation, Science and Economic Development							
National Research Council of Canada.....	10	3	3	3	1	–	–
Public Services and Procurement							
National Capital Commission	112	2	2	2	2	2	102
Transport							
Department of Transport ³	1,457	193	282	319	328	335	–
Total—Leases of property	2,199	218	307	344	351	357	622
Royalties and revenue/profit-sharing arrangements							
Innovation, Science and Economic Development							
National Research Council of Canada.....	31	4	3	3	2	2	17
Total—Royalties and revenue/profit-sharing arrangements	31	4	3	3	2	2	17
Other							
Agriculture and Agri-Food							
Department of Agriculture and Agri-Food	162	28	26	18	17	12	61
Environment and Climate Change							
Parks Canada Agency ²	17	3	3	3	3	2	3
Families, Children and Social Development							
Department of Employment and Social Development.....	453	453	–	–	–	–	–
Innovation, Science and Economic Development							
Department of Industry.....	114	14	14	13	12	11	50
National Defence							
Department of National Defence.....	31	–	–	–	–	–	31
Natural Resources							
Department of Natural Resources	297	14	14	14	14	13	228
Total—Other.....	1,074	512	57	48	46	38	373
Contractual rights subject to non-disclosure clauses.....	171	2	2	2	2	3	160
Total	33,074	3,126	2,814	2,904	2,966	3,027	18,237

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, 2021

(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		314,727 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	1,243
Loans to farmers under the <i>Canadian Agricultural Loans Act</i>	3,000	90
Employment, Workforce Development and Disability Inclusion		
Department of Employment and Social Development		
<i>Canada Student Loans Act</i>	10,782	– ²
Finance		
Department of Finance		
Coast Capital Savings Federal Credit Union	1,500	–
International Bank for Reconstruction and Development	148	148
Indigenous Services		
Department of Indigenous Services		
Indian Economic Development Guarantee Program	60	– ²
On-Reserve Housing Guarantee Program	2,200	
Canada Mortgage and Housing Corporation		1,558
Other approved lenders		278
Innovation, Science and Economic Development		
Department of Industry		
<i>Canada Small Business Financing Act</i>	2,889	1,019
College of Patent and Trademark Agents	1	1
Natural Resources		
Department of Natural Resources		
Lower Churchill Hydro Electric Projects	9,200	9,150
Total—Loan guarantees	37,280	13,487

Table 11.6
Guarantees provided by the government as at March 31, 2021—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	255,498
Global Affairs		
Department of Foreign Affairs, Trade and Development		
Accounts administered for the government by Export Development Canada	115,000	33
Natural Resources		
Department of Natural Resources		
Nuclear Liability Account	–	–
Total—Insurance programs managed by the government.....	468,000	255,531
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	505,420	583,745
Less: allowance for guarantees		720
Net exposure under guarantees		583,025

This table excludes insurance programs operated by agent enterprise Crown corporations. Information on these programs is disclosed in Note 7 to the consolidated financial statements in Section 2 of this volume and additional information is provided in Table 11.8 of this section.

¹ Details can be found in Table 9.5, Section 9 of this volume.

² Less than \$500,000

Advance Payments Program—*Agricultural Marketing Programs Act*

The Advance Payments Program (APP) is a federal loan guarantee program which provides producers with access to cash advances over their production and marketing period. The cash advances are based on the anticipated value of the eligible agricultural products being produced or that are in storage. The program is administered by participating producer organizations (APP administrators) and the federal guarantee helps these organizations obtain financing for the cash advances at lower interest rates.

Under the APP, a producer can obtain a cash advance of up to \$1.0 million. The federal government pays the interest on the first \$100,000. Producers are required to repay their advances as they sell their products, with up to 18 months to fully repay advances on most agricultural products (up to 24 months on cattle and bison). By improving producers' cash flow throughout the year, the APP helps crop and livestock producers meet their financial obligations and benefit from the best market conditions.

Loans to farmers under the *Canadian Agricultural Loans Act*

The *Canadian Agricultural Loans Act* (CALA) program is a financial loan guarantee program that gives farmers easier access to credit. Farmers can use these loans to establish, improve, and develop farms; while Agricultural co-operatives may also access loans to process, distribute, or market the products of farming.

The CALA program builds on and replaces the previous *Farm Improvement and Marketing Co-operative Loans Act* program, which has helped farming operations grow their businesses by guaranteeing loans issued through financial institutions since 1988.

Through the CALA, the Government of Canada is supporting the renewal of the agricultural sector and enabling co-operatives to better seize market opportunities. This program guarantees 95% of the value of loans provided to farms and cooperatives by financial institutions. For individual applicants, including corporations, the maximum amount for a CALA loan is \$0.5 million. Most loans are repayable within ten years; for loans on land purchases, the repayment period is 15 years.

Canada Student Loans Act

Loans provided by financial institutions between 1964 and August 1995, under the *Canada Student Loans Act*, are fully guaranteed by the Department of Employment and Social Development (ESDC) to the lenders. ESDC reimburses the lenders for the outstanding principal, accrued interest and costs in the event of default, permanent disability or death of the borrower. ESDC bears all risks associated with guaranteed loans.

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, 2021, 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 to guarantee loans for non-incorporated Indian businesses on a risk-sharing basis with commercial lenders because security restrictions in the *Indian Act* prevent the mortgage and seizure of property located on reserves. Guarantees are provided for various types of borrowers whose activities contribute to the economic development of Indians and enable them to develop long-term credit relationships with mainstream financial institutions.

Loans issued under this program cannot exceed a term of 15 years and the line of credit must be renewed every year. Interest rates on guaranteed loans are consistent with rates provided by lending institutions to commercial businesses, which are usually based on a spread from the prime lending rate. Any security pledged for a guaranteed loan may not be released by the lending institution without the prior approval of the Minister of Indigenous Services Canada.

On-Reserve Housing Guarantee Program

This program authorizes the Department of Indigenous Services to guarantee loans to individuals and Indian bands to assist in the purchase of housing on reserves because security restrictions in the *Indian Act* prevent the mortgage and seizure of property located on reserves. These loan guarantees enable status Indians residing on reserves, Band councils, or their delegated authorities, to secure housing loans without giving the lending institution rights to the property.

Loans under this program are issued by registered lending institutions and Canada Mortgage and Housing Corporation. Payments of principal and interest for loans issued under this program are amortized over a period up to 25 years. The interest rates on the guaranteed loans are consistent with conventional mortgage interest rates offered by the major banks. The total guarantee loans amount authorized by the Department cannot exceed \$2.2 billion.

Canada Small Business Financing Act

The *Canada Small Business Financing Act* includes loans registered since April 1, 1999. In collaboration with financial institutions, the programs offered under this Act is designed to help Canadian small and medium-sized enterprises (SMEs) get access to loans that would not otherwise have been available, or would only have been available under less favourable terms. In the event a registered loan defaults, the government pays 85% of the net eligible losses. To be eligible, SMEs must be for-profit businesses with revenues not exceeding \$10 million per year.

College of Patent and Trademark Agents

The Minister of Innovation, Science and Industry has the authority under section 14(1)(b) of the *Department of Industry Act* to authorize a loan guarantee to facilitate the implementation of any program or project of the Minister. The College of Patent Agents and Trademark Agents was established in federal legislation in December 2018 to act as the professional regulator for patent agents and trademark agents. The guarantee was provided on a line of credit up to \$1,000,000 to support the College's preparations prior to the full coming into force of its legislation, at which point it would have authority to collect fees.

Lower Churchill Hydroelectric Projects

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, with the entire principal of each bond being repaid on that bond's maturity date. Beginning on December 1, 2021, funds will be gradually set aside every six months to ensure that the full principal amounts can be paid on the maturity date. 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. As per the terms of the loan guarantee agreements, principal repayments began on December 1, 2020. These principal and interest payments will be made on a semi-annual basis until maturity date of December 1, 2052. 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 loan guarantee agreements, principal repayments began on December 1, 2020, with the last principal amount to be paid on June 1, 2057. 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. As of March 31, 2021, \$9,149,589,500 of guaranteed debt remains outstanding.

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, 2021, the aggregate outstanding principal amount of loans that are guaranteed under the PRMHIA is estimated at \$289.9 billion (\$270.8 billion in 2020). Any payment by the Minister is subject to a deductible equal to 10% of the original principal amount of these loans, or \$34.4 billion (\$32.2 billion in 2020). 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, 2021, 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 routine 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, as applicable, the \$1 billion liability assigned in the NLCA. The federal government charges each operator an annual fee for providing this indemnity coverage.

The Department of Natural Resources administers the Nuclear Liability Account (Account) on behalf of the federal government through a consolidated specified purpose account. This Account is a continuation of the Nuclear Liability Reinsurance Account under the 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, 2021, is \$4,727,829. 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

	2021	2020
Non-budgetary share capital and loans		
Callable share capital		
Finance		
Department of Finance		
Asian Infrastructure Investment Bank.....	1,001	1,121
European Bank for Reconstruction and Development.....	1,190	1,254
International Bank for Reconstruction and Development (World Bank).....	9,903	11,092
Multilateral Investment Guarantee Agency.....	57	64
	<i>12,151</i>	<i>13,531</i>
Global Affairs		
Department of Foreign Affairs, Trade and Development		
African Development Bank.....	9,186	4,585
Asian Development Bank.....	7,997	8,957
Caribbean Development Bank.....	154	172
Inter-American Development Bank.....	8,293	9,288
	<i>25,630</i>	<i>23,002</i>
Total	37,781	36,533

¹ Foreign currencies were translated into Canadian dollars using the closing rates of exchange at March 31, 2021 (\$1 USD = \$1.2567 CAD; 1 SDR = \$1.7809 CAD; 1 EUR = \$1.4736 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, 2021

(in millions of dollars)

	Canada Deposit Insurance Corporation ¹		Canada Mortgage and Housing Corporation ²				Export Development Canada ³		Farm Credit Canada ⁴	
	2021	2020	Mortgage Insurance Fund	Mortgage-Backed Securities Guarantee Fund	2021	2020	2021	2020	2021	2020
Insurance in force as at reporting date...	967,981	851,903	422,000	425,000	479,000	494,000	28,792	26,044	4,477	5,196
Opening balance of Fund	3,480	2,985	12,056	12,042	2,396	2,437	³	³	16	20
Revenues for the period										
Premiums and fees	739	668	1,384	1,409	680	602	239	202	26	27
Interest on loans	–	–	–	–	4,459	5,149	–	–	–	–
Investment income	90	86	897	401	92	86	–	–	1	–
Other revenues	–	–	(1)	(6)	20	6	–	–	–	–
Total revenues.....	829	754	2,280	1,804	5,251	5,843	239	202	27	27
Expenses for the period										
Loss on/provision for claims	400	200	164	241	–	–	–	–	4	9
Interest on borrowings	–	–	–	–	4,451	5,140	–	–	–	–
Administrative expenses.....	60	51	329	296	68	65	–	–	8	7
Other expenses (includes taxes).....	7	8	452	321	183	160	504	88	10	15
Total expenses	467	259	945	858	4,702	5,365	504	88	22	31
Net income or (loss) for the period.....	362	495	1,335	946	549	478	(265)	114	5	(4)
Adjustments	–	–	(2,472)	(932)	(1,393)	(519)	–	–	–	–
Closing balance of Fund	3,842	3,480	10,919	12,056	1,552	2,396	³	³	21	16
Net claims during the period ⁵			115	224			128	135	4	9
Five year average of net claims paid			252	301			167	166	6	7

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

¹ The Canada Deposit Insurance Corporation (CDIC) provides insurance on deposits placed with member banks and trust and loan companies for up to \$100,000 per depositor, per institution. The Corporation is funded by premiums assessed against its member institutions.

² Canada Mortgage and Housing Corporation (CMHC) administers two funds: the Mortgage Insurance Fund (MIF) and the Mortgage-Backed Securities Guarantee Fund (MBSGF). The MIF provides insurance for a fee, to lending institutions to cover mortgage lending on Canadian housing. Besides establishing a framework of confidence for mortgage lending by lending institutions, the Fund facilitates an adequate supply of mortgage funds by reducing the risk to lenders and by encouraging the secondary market trading of mortgages, to make housing more accessible for Canadians. An actuarial study of the MIF is produced as of September 30 of each year. The Corporation determines provisions for claims and unearned premiums at December 31 using valuation factors taking into account new business, claims and interest for the last quarter. The MBSGF supports two CMHC guarantee products: *National Housing Act* (NHA) Mortgage-Backed Securities and Canada Mortgage Bonds.

The Mortgage-Backed Securities (MBS) program was implemented in 1987. For a guarantee fee paid by approved financial institutions, CMHC and ultimately the government guarantee timely payment of monthly principal and interest to MBS investors who participate in a pool of insured residential mortgages which have been repackaged by the financial institution into investments which can be sold to investors in denominations as low as \$1,000. The Canada Mortgage Bond (CMB) program was implemented in 2001. Under this program, bonds are issued by a special purpose trust known as Canada Housing Trust and sold to investors in denominations as low as \$1,000. The proceeds of the bonds are used to purchase mortgages packaged into newly issued NHA MBS. Canada Mortgage Bonds of \$265,191 million (\$244,643 million in 2020) 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 \$750 million (\$410 million in 2020).

⁴ Farm Credit Canada sells group creditor life and accident insurance to its customers through a program administered by a major insurance provider and Farm Credit Canada's risk of the insurance program is limited.

⁵ Refers to the difference between claims and amounts received from sales of related assets and other recoveries.

Additional financial information relating to these corporations may be found in the annual *Inventory of Federal Organizations and Interests*. This information is also summarized in Note 7 to the consolidated financial statements in Section 2 of this volume.

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Section 12

Public Accounts of Canada
2020–2021

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