



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

# 2023-2024 Annual Financial Report

## Financial Results

For the fiscal year ended March 31, 2024



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

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## Section 1 – Overview

The *2023-2024 Annual Financial Report* provides the House of Commons' summarized financial results for the year ended March 31, 2024. Sections 2 and 3 of this report present the financial performance highlights for the year, including a variance analysis comparing approved budgets and prior year comparative information.

Section 4 of this report includes the House's audited financial statements for the year ended March 31, 2024, which have been audited by the external accounting firm KPMG LLP. The financial statements are prepared in accordance with Canadian public sector accounting standards, using management's best estimates and judgments where appropriate and giving due consideration to materiality.

Details of expenses and revenues for the House of Commons are also included in Volume II of the annual *Public Accounts of Canada*; this information may differ slightly from the financial results provided in this report as the two documents are prepared using different reporting bases.

### Governance

The Board of Internal Economy (the Board) is the governing body of the House of Commons. The Board makes decisions and provides direction on financial and administrative matters of the House of Commons, specifically concerning its premises, services, staff and Members. This authority is given to the Board by the *Parliament of Canada Act*. The Board consists of the Speaker, who acts as Chair, and the appointed Members representing all recognized parties.

The House of Commons is comprised of two programs: the Members and House Officers program and the House Administration program. The Members and House Officers program includes the financial results for Members and House Officers' activities and for Committees, Parliamentary Associations and Parliamentary Exchanges.

Additional details on the roles of each of these groups can be found in the annual Report to Canadians, published on [ourcommons.ca](https://ourcommons.ca).



## Section 2 – Executive summary

### Financial highlights

KPMG LLP has issued an unqualified audit opinion on the House of Commons financial statements for the year ended March 31, 2024. Section 4 of this report contains the audited financial statements, including the auditor’s report on page 15.

### Budget – Key elements

For the year ending March 31, 2024, the House’s budget totalled \$782.2M, comprised of:

*(in thousands of dollars)*

Main Estimates	597,134
Supplementary Estimates (B) (2022-2023 operating budget carry-forward)	19,763
Supplementary Estimates (C) (retroactive wage and economic increases)	24,328
Authorities approved by the Board	641,225
Adjustments at year-end for statutory authorities	27,056
Parliamentary authorities available to the House	668,281
Adjustments consistent with Canadian Public Sector Accounting Standards <sup>1</sup>	113,883
<b>Total adjusted budget</b>	<b>782,164</b>

<sup>1</sup> Section 5 – Appendix: Authorities available to the House consistent with Canadian Public Sector Accounting Standards



## Financial results of operations by program

The House's financial results of operations by program are as follows:

<i>(in thousands of dollars)</i>	<b>2023-2024</b>	<b>2023-2024</b>	<b>\$</b>	<b>%</b>	<b>2022-2023</b>	<b>\$</b>	<b>%</b>
	<b>Budget</b>	<b>Net results</b>	<b>Variance</b>	<b>Variance</b>	<b>Net results</b>	<b>Change</b>	<b>Change</b>
Members and House Officers	390,436	363,961	26,475	7%	310,116	53,845	17%
Committees, Parliamentary							
Associations and Parliamentary	9,057	6,831	2,226	25%	4,885	1,946	40%
Exchanges							
<b>Members and House Officers program</b>	<b>399,493</b>	<b>370,792</b>	<b>28,701</b>	<b>7%</b>	<b>315,001</b>	<b>55,791</b>	<b>18%</b>
<b>House Administration program</b>	<b>273,285</b>	<b>271,622</b>	<b>1,663</b>	<b>1%</b>	<b>222,595</b>	<b>49,027</b>	<b>22%</b>
<b>Total net operating expenses</b>	<b>672,778</b>	<b>642,414</b>	<b>30,364</b>	<b>5%</b>	<b>537,596</b>	<b>104,818</b>	<b>19%</b>
Services received without charge	109,386	109,386	-	-	104,127	5,259	5%
<b>Total net cost of operations</b>	<b>782,164</b>	<b>751,800</b>	<b>30,364</b>	<b>4%</b>	<b>641,723</b>	<b>110,077</b>	<b>17%</b>

The House's total net cost of operations totalled **\$751.8M**. This represents an increase of **\$110.1M** over last year; however, it also represents an unused budget of **\$30.4M**, or **4%**. This surplus was realized across business programs as follows:

- Members and House Officers: net operating expenses totalled **\$364M**, representing a **\$26.5M** variance to budget;
- Committees, Parliamentary Associations and Parliamentary Exchanges: net operating expenses totalled **\$6.8M**, representing a **\$2.2M** variance to budget; and
- House Administration: net operating expenses totalled **\$271.6M**, representing a **\$1.7M** variance to budget.

The total of **\$109.4M** for services received without charge represents an increase of **\$5.3M** over the prior year. These services include accommodation services provided by Public Services and Procurement Canada for the office space used by the House, employer contributions to health and dental insurance plans, and administrative charges for worker compensation payments. These costs are not part of the House's Main Estimates tabled in Parliament as they are provided to the House without charge.

A detailed reconciliation of net cost of operations to current year parliamentary authorities can be found in note 3(a) of Section 4 – Audited financial statements.



## Section 3 – Comparative financial information

### Financial results of operations by expense and revenue category

The House's financial results of operations by expense and revenue category are as follows:

<i>(in thousands of dollars)</i>	<b>2023-2024</b>	<b>2023-2024</b>	<b>\$</b>	<b>%</b>	<b>2022-2023</b>	<b>\$</b>	<b>%</b>
	<b>Budget</b>	<b>Net results</b>	<b>Variance</b>	<b>Variance</b>	<b>Net results</b>	<b>Change</b>	<b>Change</b>
Salaries and benefits	509,185	510,741	(1,556)	-	418,356	92,385	22%
Transportation and telecommunications	52,867	48,538	4,329	8%	42,915	5,623	13%
Professional and special services	31,272	25,393	5,879	19%	21,363	4,030	19%
Rentals and licences	36,303	22,069	14,234	39%	22,158	(89)	-
Computer and office equipment, furniture and fixtures	17,955	19,531	(1,576)	(9%)	19,710	(179)	(1%)
Utilities, materials and supplies	13,803	12,165	1,638	12%	11,320	845	7%
Advertising and printing services	17,586	14,479	3,107	18%	12,442	2,037	16%
Amortization of tangible capital assets	10,399	10,399	-	-	9,976	423	4%
Repairs and maintenance	5,238	6,368	(1,130)	(22%)	6,813	(445)	(7%)
Transfer payments to international associations	1,189	1,417	(228)	(19%)	1,304	113	9%
Net loss (gain) on disposal of tangible capital assets	26	26	-	-	(31)	57	(184%)
Other	1,491	787	704	47%	436	351	81%
<b>Total operating expenses</b>	<b>697,314</b>	<b>671,913</b>	<b>25,401</b>	<b>4%</b>	<b>566,762</b>	<b>105,151</b>	<b>19%</b>
<b>Revenues</b>							
Cost recoveries	(22,083)	(25,695)	3,612	(16%)	(26,225)	530	(2%)
Food Services sales	(2,263)	(3,614)	1,351	(60%)	(2,750)	(864)	31%
Other	(190)	(190)	-	-	(191)	1	(1%)
<b>Total revenues</b>	<b>(24,536)</b>	<b>(29,499)</b>	<b>4,963</b>	<b>(20%)</b>	<b>(29,166)</b>	<b>(333)</b>	<b>1%</b>
<b>Total net operating expenses</b>	<b>672,778</b>	<b>642,414</b>	<b>30,364</b>	<b>5%</b>	<b>537,596</b>	<b>104,818</b>	<b>19%</b>
<b>Other expenses: services received without charge<sup>1</sup></b>							
Accommodations	78,600	78,600	-	-	77,476	1,124	1%
Employer's contribution to health and dental insurance plans	30,617	30,617	-	-	26,454	4,163	16%
Workers' compensation payments	169	169	-	-	197	(28)	(14%)
<b>Total other expenses</b>	<b>109,386</b>	<b>109,386</b>	<b>-</b>	<b>-</b>	<b>104,127</b>	<b>5,259</b>	<b>5%</b>
<b>Total net cost of operations</b>	<b>782,164</b>	<b>751,800</b>	<b>30,364</b>	<b>4%</b>	<b>641,723</b>	<b>110,077</b>	<b>17%</b>

<sup>1</sup> Details on services received without charge can be found in note 14(a) of Section 4 – Audited financial statements.



Overall, the House's total costs of operations of **\$751.8M** represent an increase of **\$110.1M** (17%) when compared to the prior year. This increase is mainly due to the following:

- **Salaries and benefits:** Overall increase of **\$92.4M**
  - The majority of the increase is due to:
    - a **\$32.8M** actuarial adjustment to the Members of Parliament Retiring Allowances (MPRA) and Members of Parliament Retirement Compensation Arrangements (MPRCA) accounts, as directed in the *Actuarial Report on the Pension Plan for the Members of Parliament as at March 31, 2022*; and
    - economic increases in the amount of **\$30.2M** for the House Administration unrepresented and represented employees and Management Group.
  - The remaining variance is detailed under Results of operations by program.
- **Transportation and telecommunications:** Increase in travel expenses of **\$5.6M** mainly due to the inflationary increase in travel and transportation costs (flights, kilometre reimbursement rate, hotels, etc.).
- **Professional and special services:** Increase of **\$4M** mainly due to IT support for various projects addressing the needs of the House and its Members, as well as training and audiovisual services and hospitality costs incurred in support of conferences.
- **Advertising and printing services:** Increase of **\$2M** mainly due to Members' greater utilization of the permanently increased limit for advertising (from 10% to 20%).
- **Services received without charge:** Increase in accommodations (**\$1.1M**) and the employer's contribution to health and dental insurance plans (**\$4.2M**) mainly due to rate increases.



## Results of operations by program

### Members and House Officers program

#### Members and House Officers (activities)

Members and House Officers' financial results of operations by expense and revenue category are detailed below:

<i>(in thousands of dollars)</i>	2023-2024 Budget	2023-2024 Net results	\$ Variance	% Variance	2022-2023 Net results	\$ Change	% Change
Salaries and benefits	275,722	271,197	4,525	2%	224,164	47,033	21%
Transportation and telecommunications	40,471	38,937	1,534	4%	34,524	4,413	13%
Professional and special services	15,382	8,828	6,554	43%	8,265	563	7%
Rentals and licences	24,277	15,924	8,353	34%	15,665	259	2%
Computer and office equipment, furniture and fixtures	6,268	6,854	(586)	(9%)	7,098	(244)	(3%)
Utilities, materials and supplies	8,527	6,342	2,185	26%	6,577	(235)	(4%)
Advertising and printing services	17,511	14,335	3,176	18%	12,350	1,985	16%
Repairs and maintenance	1,453	944	509	35%	1,128	(184)	(16%)
Other	865	640	225	26%	398	242	61%
<b>Total operating expenses</b>	<b>390,476</b>	<b>364,001</b>	<b>26,475</b>	<b>7%</b>	<b>310,170</b>	<b>53,831</b>	<b>17%</b>
<b>Revenues</b>							
Other	(40)	(40)	-	-	(53)	13	(25%)
<b>Total revenues</b>	<b>(40)</b>	<b>(40)</b>	<b>-</b>	<b>-</b>	<b>(53)</b>	<b>13</b>	<b>(25%)</b>
<b>Total net operating expenses</b>	<b>390,436</b>	<b>363,961</b>	<b>26,475</b>	<b>7%</b>	<b>310,116</b>	<b>53,845</b>	<b>17%</b>

The total net operating expenses of **\$364M** for the Members and House Officers' activities represent an increase of **\$53.8M** (17%) when compared to the prior year. The key year-over-year variances are the following:

- **Salaries and benefits:** Increase of **\$47M** mainly due to an actuarial adjustment of \$32.8M to the MPRA and MPRCA accounts, as directed in the *Actuarial Report on the Pension Plan for the Members of Parliament as at March 31, 2022*, a statutory increase in the Members' sessional allowance and additional salaries in accordance with the *Parliament of Canada Act*, cost of living increases for Members' employees, as well as an overall higher number of employees.
- **Transportation and telecommunications:** Increase of **\$4.4M** compared to the prior year mainly due to inflationary increases in travel and transportation costs (flights, kilometre reimbursement rate, hotels, etc.) that impacted the Travel Points System, the Travel Status Expenses Account and the Member's Office Budget (for travel), with increases of \$3M, \$0.5M and \$0.7M, respectively.
- **Advertising and printing services:** Increase of **\$2M** mainly due to Members' greater utilization of the permanently increased limit for advertising (from 10% to 20%).

Members and House Officers' activities ended the year with a surplus to budget of **\$26.5M**.





## Committees, Parliamentary Associations and Parliamentary Exchanges

Committees, Parliamentary Associations and Parliamentary Exchanges' financial results of operations by expense and revenue category are detailed below:

	2023-2024 Budget	2023-2024 Net results	\$ Variance	% Variance	2022-2023 Net results	\$ Change	% Change
Salaries and benefits	546	530	16	3%	385	145	38%
Transportation and telecommunications	8,414	5,776	2,638	31%	5,128	648	13%
Professional and special services	545	1,284	(739)	(136%)	671	613	91%
Rentals and licences	251	63	188	75%	1	62	4,683%
Computer and office equipment, furniture and fixtures	4	-	4	100%	2	(2)	(100%)
Utilities, materials and supplies	151	17	134	89%	13	4	31%
Advertising and printing services	-	5	(5)	-	1	4	543%
Transfer payments to international associations	954	1,184	(230)	(24%)	1,261	(77)	(6%)
Other	15	22	(7)	(47%)	27	(5)	(19%)
<b>Total operating expenses</b>	<b>10,880</b>	<b>8,881</b>	<b>1,999</b>	<b>18%</b>	<b>7,489</b>	<b>1,392</b>	<b>19%</b>
<b>Revenues</b>							
Cost recoveries	(1,741)	(1,968)	227	(13%)	(2,515)	547	(22%)
Other	(82)	(82)	-	-	(89)	7	(8%)
<b>Total revenues</b>	<b>(1,823)</b>	<b>(2,050)</b>	<b>227</b>	<b>(12%)</b>	<b>(2,604)</b>	<b>554</b>	<b>(21%)</b>
<b>Total net operating expenses</b>	<b>9,057</b>	<b>6,831</b>	<b>2,226</b>	<b>25%</b>	<b>4,885</b>	<b>1,946</b>	<b>40%</b>

The total net operating expenses of **\$6.8M** for Committees, Parliamentary Associations and Parliamentary Exchanges represent an increase of **\$1.9M** (40%) when compared to the prior year. The key year-over-year variances are the following:

- **Transportation and telecommunications:** Increase of **\$0.6M** in travel costs mainly associated with the 31st Annual Session of the Organization for Security and Co-operation in Europe Parliamentary Assembly (OSCE PA) in Vancouver, as well as an increase in witness travel costs under committees.
- **Professional and special services:** Increase of **\$0.6M** mainly due to audiovisual services costs incurred in support of conferences.
- **Cost recoveries:** Decrease of **\$0.5M** mainly for conferences, in particular the 65th Commonwealth Parliamentary Conference in Halifax.

Committees, Parliamentary Associations and Parliamentary Exchanges ended the year with a surplus to budget of **\$2.2M**, mainly due to lower-than-anticipated expenses for travel activities under committees.



## House Administration program

The House Administration's financial results of operations by expense and revenue category are detailed below:

<i>(in thousands of dollars)</i>	<b>2023-2024 Budget</b>	<b>2023-2024 Net results</b>	<b>\$ Variance</b>	<b>% Variance</b>	<b>2022-2023 Net results</b>	<b>\$ Change</b>	<b>% Change</b>
Salaries and benefits	232,917	239,014	(6,097)	(3%)	193,807	45,207	23%
Transportation and telecommunications	3,982	3,825	157	4%	3,264	561	17%
Professional and special services	15,345	15,281	64	-	12,427	2,854	23%
Rentals and licences	11,775	6,082	5,693	48%	6,492	(410)	(6%)
Computer and office equipment, furniture and fixtures	11,683	12,677	(994)	(9%)	12,609	68	1%
Utilities, materials and supplies	5,125	5,806	(681)	(13%)	4,730	1,076	23%
Advertising and printing services	75	139	(64)	(85%)	92	47	51%
Amortization of tangible capital assets	10,399	10,399	-	-	9,976	423	4%
Repairs and maintenance	3,785	5,424	(1,639)	(43%)	5,684	(260)	(5%)
Transfer payments to international associations	235	233	2	1%	43	190	439%
Net loss (gain) on disposal of tangible capital assets	26	26	-	-	(31)	57	(185%)
Other	611	125	486	80%	11	114	1,086%
<b>Total operating expenses</b>	<b>295,958</b>	<b>299,031</b>	<b>(3,073)</b>	<b>(1%)</b>	<b>249,103</b>	<b>49,928</b>	<b>20%</b>
Revenues							
Cost recoveries	(20,342)	(23,727)	3,385	(17%)	(23,710)	(17)	-
Food Services sales	(2,263)	(3,614)	1,351	(60%)	(2,750)	(864)	31%
Other	(68)	(68)	-	-	(48)	(20)	40%
<b>Total revenues</b>	<b>(22,673)</b>	<b>(27,409)</b>	<b>4,736</b>	<b>(21%)</b>	<b>(26,508)</b>	<b>(901)</b>	<b>3%</b>
<b>Total net operating expenses</b>	<b>273,285</b>	<b>271,622</b>	<b>1,663</b>	<b>1%</b>	<b>222,595</b>	<b>49,027</b>	<b>22%</b>

**Net operating expenses** for the House Administration totalled **\$271.6M**, representing an increase of **\$49M** (22%) when compared to the prior year. This increase is mainly due to:

- **Salaries and benefits:** Increase of **\$45.2M**, of which **\$30.2M** is for House Administration economic increases for unrepresented and represented employees as well as for the Management Group. The remaining variance is explained by the staffing of vacant positions and additional employees working on various key initiatives.
- **Professional and special services:** Increase of **\$2.9M** mainly due to IT support for various projects to address the needs of the House and its Members, as well as training.

- **Utilities, materials and supplies:** Increase of **\$1M** mainly within Food Services, as activities increased in parallel with higher activity levels on the Hill.
- **Revenues:** An increase of **\$0.9M** mainly due to increased parliamentary activities on the Hill, resulting in higher Food Services sales.

The House Administration effectively delivered on its programs despite impacts from higher inflation and labour market challenges with employee recruitment and retention, ending the year with a surplus to budget of **\$1.7M** (0.4%).

The House of Commons received Supplementary Estimates of \$19.8M for the 2022-2023 operating budget carry-forward, allocated as follows: \$7.5M to Members' and House Officers' office budgets and 12.3M\$ to strategic initiatives managed by the House Administration to support Members. Key initiatives included the following:

- Transformation of parliamentary proceedings – \$3.8M
- Lifecycling of IT infrastructure – \$3.2M
- Implementation of Expense Management Solution (new system for Members' claims) – \$2.3M
- *House of Commons Accessibility Plan 2023–2025* – \$0.9M
- Members' Orientation Program – \$0.8M

## Important events and current operating environment

### Impacts on spending trends

**Inflation:** While the adjusted consumer price index (CPI) decreased from 4.3% in March 2023 to 2% by the end of March 2024, certain sectors such as food and travel continue to be impacted by gradual price increases over time. The House Administration does not include non-salary inflationary adjustments in the Main Estimates, but these would represent approximately \$1M annually.

The House Administration continues to monitor and assess the financial impacts on operations and will mitigate risks through strong financial planning and management practices.

**Global supply chain challenges:** There remain supply chain challenges in the IT equipment sector despite an overall improvement in the global supply chain since 2022-2023.

**Staffing challenges:** The House is facing challenges with the recruitment and retention of a skilled workforce given the tremendous competition across many sectors of the labour market. This could lead to project delays and unmet corporate priorities. The House is mitigating this risk through strong succession planning and recruitment strategies, as well as more efficient staffing processes and tools.

## Business transformation initiatives

**Transformation of parliamentary proceedings:** The House Administration continues to transform its support and operations models, as well as its technology, to offer Members and Canadians more ways to participate in and follow parliamentary proceedings virtually. Additional resources have been progressively hired since 2020-2021 to support this transformation, increasing the cost of sustaining Chamber and committee operations. The annual costs for the transformation of parliamentary proceedings remain in line with what was approved by the Board on November 9, 2023.

**Accessibility:** The House officially published its [Accessibility Plan 2023-2025](#) in December 2022. Prepared in accordance with the [Accessible Canada Act](#), this plan outlines the steps the House will take to identify, remove and prevent barriers that limit the full and equal participation of persons with disabilities. The House of Commons completed all initiatives planned for 2023 and some initiatives originally scheduled for 2024, including improvements to buildings, and the revision of the *Recruitment and Selection Policy* to reduce barriers and increase the recruitment of persons with disabilities. The House also invested in projects focused on training and IT to continue to improve accessibility and awareness.

**Enhancements to the security environment:** Advancement on various initiatives regarding security enhancements for Members, which began in 2020-2021, will continue into 2024-2025 and beyond.

**Infrastructure investment:** The House has invested to modernize and rehabilitate Parliament's Centre Block through its Long Term Vision and Plan (LTVP), and this will continue in 2024-2025. The objective is to provide parliamentarians with modernized accommodations to meet their needs in terms of technology, broadcasting and videoconferencing, physical security, cybersecurity, as well as accessibility and sustainability.



HOUSE OF COMMONS  
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## **Section 4 – Audited financial statements**

For the year ended March 31, 2024



HOUSE OF COMMONS  
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## Statement of Management Responsibility

Responsibility for the integrity and objectivity of the financial statements of the House of Commons (the House) for the year ended March 31, 2024, and of all information contained in these statements, rests with management.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards, using management's best estimates and judgments where appropriate and giving due consideration to materiality. Financial information submitted to the *Public Accounts of Canada* is consistent with these statements.

Management maintains a system of financial management and internal control, as well as management practices, designed to provide reasonable assurance that the financial information is reliable, that assets are safeguarded, that resources are managed economically and efficiently in the achievement of the House's objectives, and that transactions reflect the By-laws approved by the Board of Internal Economy as well as statutory requirements.

In addition, management seeks to ensure the integrity and objectivity of data in the financial statements by careful selection, training and development of qualified employees; by organizational arrangements that provide appropriate divisions of responsibility; and by communication programs aimed at ensuring that regulations, policies, guidelines, standards and managerial authorities are understood throughout the House.

At the request of management, the financial statements have been audited by KPMG LLP, the independent auditing firm for the House.

On behalf of the House of Commons,

**Eric Janse**  
Digitally signed by Eric Janse  
Date: 2024.06.04 16:15:10  
-04'00'

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Eric Janse  
Clerk of the House of Commons

Ottawa, Canada  
June 4, 2024

**StGeorge,  
Paul**  
Digitally signed by  
StGeorge, Paul  
Date: 2024.06.04  
12:13:10 -04'00'

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Paul St George, CPA, MBA  
Chief Financial Officer



**KPMG LLP**

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Telephone 613 212 5764  
Fax 613 212 2896

## **INDEPENDENT AUDITOR'S REPORT**

To the Clerk of the House of Commons

### ***Opinion***

We have audited the financial statements of the House of Commons (the Entity), which comprise:

- the statement of financial position as at March 31, 2024
- the statement of operations and net financial position for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

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

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “Auditors’ Responsibilities for the Audit of the Financial Statements” section of our auditors’ report.

We are independent of the Entity 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.



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### ***Other Information***

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in the Annual Financial Report.

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

In connection with our audit of the 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 financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the Annual Financial Report as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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

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





### ***Auditors' 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 auditors' report that includes our opinion.

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. A horizontal line is drawn underneath the signature, extending from the left side of the 'K' towards the right.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

June 5, 2024



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

## Statement of Financial Position

As at March 31

(in thousands of dollars)

	2024	2023
<b>Financial assets</b>		
Cash	17	27
Due from the Consolidated Revenue Fund	22,510	24,344
Accounts receivable – note 7	7,461	7,296
Advances – note 8	663	671
Inventory held for sale	442	613
<b>Total financial assets</b>	<b>31,093</b>	<b>32,951</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities – note 4	40,136	31,396
Vacation pay and compensatory leave	13,962	13,296
Employee benefits – note 5	30,363	27,545
Centennial Flame Research Award Fund – note 6	21	23
<b>Total liabilities</b>	<b>84,482</b>	<b>72,260</b>
<b>Net debt</b>	<b>53,389</b>	<b>39,309</b>
<b>Non-financial assets</b>		
Prepaid expenses	15,546	15,056
Inventory held for use	10,289	7,673
Tangible capital assets – note 9	45,632	41,015
<b>Total non-financial assets</b>	<b>71,467</b>	<b>63,744</b>
<b>Net financial position – surplus</b>	<b>(18,078)</b>	<b>(24,435)</b>

Contractual obligations – note 10

Contingent liabilities – note 11 (a)

Approved by:

**Eric Janse**

Digitally signed by Eric Janse  
Date: 2024.06.04 16:15:56 -04'00'

Eric Janse  
Clerkof the House of Commons

Ottawa, Canada  
June 4, 2024

**StGeorge  
, Paul**

Digitally signed by  
StGeorge, Paul  
Date: 2024.06.04  
12:14:38 -04'00'

Paul St George, CPA, MBA  
Chief Financial Officer



## Statement of Operations and Net Financial Position

For the year ended March 31

	Budget	2024	2023
	<i>note 12</i>		
<i>(in thousands of dollars)</i>			
<b>Operating expenses – note 15</b>			
Salaries and benefits	509,185	<b>510,741</b>	418,356
Transportation and telecommunications	52,867	<b>48,538</b>	42,915
Professional and special services	31,272	<b>25,393</b>	21,363
Rentals and licences	36,303	<b>22,069</b>	22,158
Computer, office equipment, furniture and fixtures	17,955	<b>19,531</b>	19,710
Utilities, materials and supplies	13,803	<b>12,165</b>	11,320
Advertising and printing services	17,586	<b>14,479</b>	12,442
Amortization of tangible capital assets	10,399	<b>10,399</b>	9,976
Repairs and maintenance	5,238	<b>6,368</b>	6,813
Transfer payments to international associations	1,189	<b>1,417</b>	1,304
Net loss (gain) on disposal of tangible capital assets	26	<b>26</b>	(31)
Other	1,491	<b>787</b>	436
<b>Total operating expenses</b>	<b>697,314</b>	<b>671,913</b>	566,762
<b>Revenues</b>			
Cost recoveries	22,083	<b>25,695</b>	26,225
Food Services – sales	2,263	<b>3,614</b>	2,750
Other	190	<b>190</b>	191
<b>Total revenues</b>	<b>24,536</b>	<b>29,499</b>	29,166
<b>Total net operating expenses</b>	<b>672,778</b>	<b>642,414</b>	537,596
<b>Other expenses</b>			
Services received without charge – note 14 (a)			
Accommodations	78,600	<b>78,600</b>	77,476
Employer’s contribution to health and dental insurance plans	30,617	<b>30,617</b>	26,454
Worker’s compensation payments	169	<b>169</b>	197
<b>Total other expenses</b>	<b>109,386</b>	<b>109,386</b>	104,127
<b>Net cost of operations</b>	<b>782,164</b>	<b>751,800</b>	641,723
<b>Funding and transfers</b>			
Net cash provided by the Consolidated Revenue Fund		<b>(637,828)</b>	(548,555)
Change in due from the Consolidated Revenue Fund		<b>1,834</b>	(3,603)
Services received without charge – note 14 (a)		<b>(109,386)</b>	(104,127)
Net transfer from federal government departments – note 14 (c)		<b>(63)</b>	(485)
<b>Net cost results of operations after funding and transfers</b>		<b>6,357</b>	(15,047)
<b>Net financial position – beginning of year</b>		<b>(24,435)</b>	(9,388)
<b>Net financial position – end of year</b>		<b>(18,078)</b>	(24,435)



## Statement of Change in Net Debt

For the year ended March 31

<i>(in thousands of dollars)</i>	<b>2024</b>	<b>2023</b>
<b>Net results of operations after funding and transfers</b>	<b>6,357</b>	<b>(15,047)</b>
<b>Change due to tangible capital assets</b>		
Acquisitions of tangible capital assets, net of transfers – <i>note 14 (c)</i>	<b>15,116</b>	14,471
Amortization of tangible capital assets	<b>(10,399)</b>	(9,976)
Net gain (loss) on disposal of tangible capital assets	<b>(26)</b>	31
Transfer of capital assets from federal government departments – <i>note 14 (c)</i>	<b>25</b>	545
Proceeds from disposal of tangible capital assets	<b>(99)</b>	(39)
<b>Total change due to tangible capital assets</b>	<b>4,617</b>	5,032
Change due to inventory held for use	<b>2,616</b>	3,357
Change due to prepaid expenses	<b>490</b>	2,728
Net increase (decrease) in net debt	<b>14,080</b>	(3,930)
<b>Net debt – beginning of year</b>	<b>39,309</b>	43,239
<b>Net debt – end of year</b>	<b>53,389</b>	39,309



## Statement of Cash Flows

### For the year ended March 31

<i>(in thousands of dollars)</i>	2024	2023
<b>Operating activities</b>		
Net cost of operations	751,800	641,723
<b>Non-cash items</b>		
Services received without charge – <i>note 14 (a)</i>	(109,386)	(104,127)
Amortization of tangible capital assets	(10,399)	(9,976)
Net gain (loss) on disposal of tangible capital assets	(26)	31
Transfer of salary overpayments to (from) federal government departments – <i>note 14 (c)</i>	(38)	60
<b>Variations in Statement of Financial Position</b>		
Increase (decrease) in cash	(10)	9
Increase (decrease) in accounts receivable	165	(750)
Decrease in advances	(8)	(178)
Increase in prepaid expenses	490	2,728
Increase in inventory	2,445	3,641
Decrease (increase) in accounts payable and accrued liabilities	(8,740)	1,170
Decrease (increase) in vacation pay and compensatory leave	(666)	99
Increase in employee benefits	(2,818)	(308)
Decrease in Centennial Flame Research Award Fund	2	1
<b>Cash used in operating activities</b>	<b>622,811</b>	<b>534,123</b>
<b>Capital investing activities</b>		
Acquisition of tangible capital assets, net of transfers – <i>note 14 (c)</i>	15,116	14,471
Proceeds from disposal of tangible capital assets	(99)	(39)
<b>Cash used in capital investing activities</b>	<b>15,017</b>	<b>14,432</b>
<b>Net cash provided by the Consolidated Revenue Fund</b>	<b>637,828</b>	<b>548,555</b>



## Notes to the financial statements

For the year ended March 31

### 1. Authority and objectives

The **House of Commons** (the House) is the elected assembly of the Parliament of Canada, established under the *Constitution Act, 1867*. It is made up of 338 Members.

The **Board of Internal Economy** (the Board) is the House's governing body. The Board makes decisions and provides direction on the financial and administrative matters of the House, specifically concerning its premises, services, employees, and Members. This authority is given to the Board by the *Parliament of Canada Act*. The Board is chaired by the Speaker and comprised of Members representing all recognized parties.

The **Clerk of the House of Commons** (the Clerk) is the Secretary to the Board and the chief executive of the House Administration, reporting to the Speaker.

**Members** carry out the roles of legislators and elected representatives of their constituencies. In their constituencies, Members participate in events and activities and hold discussions with constituents about their concerns. In the Chamber, Members participate in debates and study and vote on legislation. Members sit on standing committees and special or joint committees, since the House delegates the in-depth consideration of bills and the thorough scrutiny of the Government's programs and policies to its committees. Members also participate in parliamentary associations and interparliamentary groups, and are members of delegations in parliamentary exchanges. Finally, in caucus, Members develop strategies, discuss policies and examine important issues with fellow caucus Members, and direct the work of research offices. Some Members, such as the Speaker, the Deputy Speaker, House Leaders and Chief Whips, assume additional functions as House Officers.

The **House Administration** (the Administration) provides the support required by Members during a parliament, and serves the House as an institution on a permanent basis by providing continuity from one parliament to another, access to parliamentary records, and a stable infrastructure to support Members in the legislative process. Advice and support are provided through a wide variety of services such as those relating to procedures, legislation, legal matters, information technology and management, building management, food and catering, finance, human resources, and health and safety.

House employees strive to support the institution as well as Members in their roles as legislators and representatives of 338 constituencies in the Chamber, in committee and in caucus. The Administration employs a budgeted number of 1,825 permanent full-time equivalents that report to the Clerk, who is responsible for the day-to-day management of House operations and oversees Corporate Communications, Audit and Improvement, and Curatorial Services.

The Law Clerk and Parliamentary Counsel provides comprehensive legal and legislative services to the Speaker, the Board, Members, committees, the Clerk and the Administration.



## Notes to the financial statements

For the year ended March 31

### 1. Authority and objectives (continued)

The Deputy Clerk, Procedure is responsible for Procedural Services and offers a broad range of procedural and legislative advice to the Speaker, Members and House Officers.

The Chief Executive Administrator Deputy Clerk, Administration provides Members with a broad range of administrative services, infrastructure, support and advice to help them carry out their parliamentary functions on the Hill and in their constituencies. The Chief Executive Administrator Deputy Clerk, Administration oversees the functionality and service delivery of several service areas (namely Digital Services and Real Property, the Office of the Sergeant-at-Arms and Corporate Security, Finance Services, Human Resources Services and Parliamentary Precinct Operations), provides services that support strategic planning and reporting activities as well as the technical and administrative infrastructure for the Canadian Parliamentary Press Gallery, and oversees the management of corporate human resource and financial systems.

### 2. Summary of significant accounting policies

#### (a) Basis of presentation

The financial statements have been prepared in accordance with Canadian public sector accounting standards.

#### (b) Parliamentary authorities

The House is funded through parliamentary authorities. Financial reporting of the authorities provided to the House does not parallel financial reporting according to Canadian public sector accounting standards, since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and Net Financial Position and in the Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a high-level reconciliation between the bases of reporting.

#### (c) Net cash provided by the Consolidated Revenue Fund

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





## Notes to the financial statements

For the year ended March 31

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

#### (d) Due from the Consolidated Revenue Fund

Amounts due from the Consolidated Revenue Fund (CRF) are the result of timing differences at year-end between the time when a transaction affects authorities and the time when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that the House is entitled to draw from the CRF without further appropriations to discharge its liabilities.

#### (e) Accounts receivable and advances

Accounts receivable and advances are stated as amounts expected to be realized; a provision is made for receivables where recovery is considered uncertain.

#### (f) Inventory

##### i. Inventory held for sale

Inventory held for sale consists of items in the canteens, cafeterias and the Parliamentary Dining Room. This inventory is valued at the lower of cost or net realizable value using the first in, first out method.

##### ii. Inventory held for use

Inventory held for use consists of consumable parts, material, stationery and office supplies held for future activities. Inventory is valued at the lower of cost or net realizable value using the average cost method, and using the first in, first out method for other items.



## Notes to the financial statements

For the year ended March 31

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

#### (g) Tangible capital assets

The House does not capitalize intangibles (other than software), works of art, or historical treasures that have cultural, aesthetic or historic value. Amounts included in assets under development are transferred to the appropriate class of asset upon completion and are then amortized. Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

<u>Asset class</u>	<u>Amortization period</u>
Informatics hardware and infrastructure	3 years
Software	3 to 5 years
Machinery and equipment	5 to 10 years
Vehicles	5 to 7 years
Other equipment	5 to 10 years
Leasehold improvements	Lesser of 10 years or term of lease

#### (h) Employee benefits

##### i. Salaries, benefits and vacation leave

Salaries, benefits and vacation leave are expensed as they accrue in accordance with the terms of employment. The salaries and benefits liability is calculated based on the terms of employment using the salary levels at year-end and the number of days remaining unpaid at the end of the year. The liability for vacation leave is calculated at the salary levels in effect as at March 31 for all unused vacation leave benefits. Vacation pay liabilities payable upon cessation of employment represent House obligations that are normally funded through the parliamentary authorities of future years.



## Notes to the financial statements

For the year ended March 31

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

#### (h) Employee benefits (continued)

##### ii. Employee severance benefits

Employees entitled to severance benefits under labour contracts or conditions of employment earn these benefits as the services necessary to earn them are rendered. The obligation relating to the benefits earned by these employees is calculated as at March 31, based on the employees' earned number of weeks and their salary as at March 31.

As part of collective agreement negotiations with certain employee groups and changes to conditions of employment for executives and certain non-represented employees, the accumulation of severance benefits under the employee severance pay program ceased for these employees as of 2012. Employees subject to these changes have been given the option to be immediately paid the full or partial value of earned benefits or to collect the full or remaining value of benefits upon termination of their employment. The obligation relating to the benefits earned by these employees is calculated based on their earned number of weeks and their salary as at March 31.

##### iii. Pension benefits

###### a. Employee pension benefits

Under the *Public Service Superannuation Act*, eligible employees participate in the Public Service Pension Plan (PSPP), which is sponsored and administered by the Government of Canada. The House's contributions to the PSPP are charged to expenses in the year during which they are incurred, and represent the House's total obligation to the PSPP. The House is not required under current legislation to make contributions for any actuarial deficiencies in the PSPP.

###### b. Members' pension benefits

Eligible Members participate in a defined benefit pension plan under the *Members of Parliament Retiring Allowances Act*, which is sponsored and administered by the Government of Canada. Assets and liabilities for the Members' pension accounts are not included in the House's Statement of Financial Position, as these accounts are the responsibility of the Government of Canada. The House's contributions to these accounts are charged to the salaries and benefits expenses in the year during which they are incurred. Members who are not eligible for an immediate pension are entitled to a severance allowance under the *Parliament of Canada Act* upon ceasing to perform their parliamentary functions. The severance allowance liability is reported in the Government of Canada's financial statements.



## Notes to the financial statements

For the year ended March 31

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

#### (h) Employee benefits (continued)

##### iv. Sick leave benefits

Employees are eligible to accumulate sick leave until termination of employment. Unused sick leave is not eligible for payment upon retirement or termination and may not be used as vacation. Sick leave is an accumulated non-vesting benefit. A liability is recorded for sick leave balances expected to be taken in excess of future allotments. The cost of sick leave as well as the present value of the obligation are determined using an actuarial valuation. Any gains and losses are recognized in net results in the period during which they arise.

#### (i) Contingent liabilities

Contingent liabilities are potential liabilities that may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the Notes to the financial statements.

#### (j) Revenues

Revenues are mostly derived from the provision of information technology and information management services to other parliamentary institutions; long-term accommodation planning related to the parliamentary precinct renovations; and catering and restaurant services. Revenues are recognized in the year in which the underlying transaction or event occurred, performance obligations fulfilled, and future economic benefits are measurable and expected to be obtained.

#### (k) Services received without charge

Services received without charge from federal government departments and agencies for accommodation services provided by Public Services and Procurement Canada, employer contributions to the health and dental insurance plans paid by Treasury Board Secretariat, and workers' compensation services provided by Employment and Social Development Canada are recorded as operating expenses at their estimated cost.



## Notes to the financial statements

For the year ended March 31

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

#### (l) Transfer payments

Transfer payments to international parliamentary and independent associations are recognized in the year in which the recipient met the eligibility criteria or fulfilled the terms of a contractual transfer agreement.

#### m) Financial instruments

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

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

#### (n) Foreign currency translation

Transactions involving foreign currencies are converted into Canadian dollar equivalents using rates of exchange in effect at the time of the transactions.

#### (o) Measurement uncertainty

The preparation of the financial statements in accordance with Canadian public sector accounting standards requires that management make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believed the estimates and assumptions to be reasonable. Estimates are used mostly for the following significant items: contingent liabilities, the liability for employee severance benefits, the liability of employee sick leave benefits, and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are periodically reviewed, and any necessary adjustments are recorded in the financial statements in the year they become known.



## Notes to the financial statements

For the year ended March 31

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

#### (p) Adoption of new accounting standards

The House has adopted the following new public sector accounting standards in the year.

i) PS 3400 – Revenue:

On April 1, 2023, the House adopted Public Sector Accounting Standards PS 3400 – Revenue. This standard was adopted prospectively from the date of adoption. This new standard provides guidance on the recognition, measurement, presentation and disclosure of revenue transactions that include performance obligations (exchange transactions) and those that do not (nonexchange transactions).

The implementation of these standards did not require the House to reflect any adjustments in these financial statements.



## Notes to the financial statements

For the year ended March 31

### 3. Parliamentary authorities

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

#### (a) Reconciliation of net cost of operations to current year parliamentary authorities used

<i>(in thousands of dollars)</i>	2024	2023
Net cost of operations	751,800	641,723
<i>Adjustments for items affecting net cost of operations but not affecting authorities:</i>		
Services received without charge – note 14 (a)	(109,385)	(104,127)
Prepaid expenses consumption	(17,000)	(9,455)
Amortization of tangible capital assets	(10,399)	(9,976)
Vacation pay and compensatory leave	(666)	99
Inventory used	(187)	(46)
Loss on disposal of tangible capital assets	(125)	(8)
Refund of previous years' expenditures	192	87
Employee benefits	(2,818)	(308)
Transfers to assets under development	11,794	11,667
Other	(8,984)	3,977
	(137,578)	(108,090)
<i>Adjustments for items not affecting net cost of operations but affecting authorities:</i>		
Acquisitions of tangible capital assets	3,309	2,742
Purchases of inventory	2,633	3,687
Prepaid expenses	17,490	12,183
Other	263	307
	23,695	18,919
<b>Current year authorities used</b>	<b>637,917</b>	<b>552,552</b>



## Notes to the financial statements

For the year ended March 31

### 3. Parliamentary authorities (continued)

#### (b) Authorities provided and used

<i>(in thousands of dollars)</i>	2024	2023
Vote 1 – operating expenditures	464,200	413,663
Statutory amounts	204,081	159,808
	668,281	573,471
Less:		
Lapsed – operating	(30,364)	(20,919)
<b>Current year authorities used</b>	<b>637,917</b>	<b>552,552</b>

### 4. Accounts payable and accrued liabilities

<i>(in thousands of dollars)</i>	2024	2023
Payables – external parties	10,845	11,754
Payables – federal government departments, agencies and Crown corporations	826	1,915
	11,671	13,669
Accrued salaries and wages	27,836	17,096
Other accrued liabilities	629	631
<b>Total accounts payable and accrued liabilities</b>	<b>40,136</b>	<b>31,396</b>

### 5. Employee benefits

#### (a) Employee severance benefits

The House provides severance benefits to its employees based on eligibility, years of service and salary at termination of employment. These severance benefits are not funded. Benefits will be paid from future authorities. Information about the severance benefits, measured as at March 31, is as follows:

<i>(in thousands of dollars)</i>	2024	2023
Employee severance benefit obligation – beginning of year	15,740	15,467
Change in liability for the year	2,141	1,574
Benefits paid during the year	(1,262)	(1,301)
<b>Employee severance benefit obligation – end of year</b>	<b>16,619</b>	<b>15,740</b>





## Notes to the financial statements

For the year ended March 31

### 5. Employee benefits (continued)

#### (b) Sick leave benefits

The House provides benefits for sick leave to its eligible employees consisting of one and one-quarter (1¼) days of sick leave per calendar month. Sick leave can only be used for paid time off at the employee's normal rate of pay when the employee is unable to perform their duties because of illness or injury. Unused sick leave benefits accumulate during the employee's period of service and no payment is due to the employee upon termination of employment for unused days. Information about the sick leave benefits, measured as at March 31, is as follows:

<i>(in thousands of dollars)</i>	<b>2024</b>	<b>2023</b>
Employee sick leave benefit obligation – beginning of year	<b>11,805</b>	11,770
Expense for the year:		
Current service cost	<b>1,565</b>	1,525
Interest cost	<b>350</b>	279
Actuarial loss	<b>1,893</b>	44
	<b>15,613</b>	13,618
Benefits paid during the year	<b>(1,869)</b>	(1,813)
<b>Employee sick leave benefit obligation – end of year</b>	<b>13,744</b>	11,805

At March 31, 2024, an actuarial valuation of the House of Commons' employee sick leave benefit obligation was completed using the projected benefit method prorated on services. The next actuarial valuation will be completed on March 31, 2027. The significant actuarial assumptions adopted in measuring the employee sick leave benefit obligation are as follows:

	<b>2024</b>	<b>2023</b>
Discount rate	<b>3.40%</b>	3.00%
Rate of compensation economic increase per year:		
2024	<b>2.6%</b>	2.9%
2025 and thereafter	<b>2.6%</b>	2.6%
Average remaining service period of active employees	<b>13.4 years</b>	14.4 years



## Notes to the financial statements

For the year ended March 31

### 6. Centennial Flame Research Award Fund

The purpose of the Centennial Flame Research Award Fund is to provide monetary awards that enable persons with disabilities to conduct research and prepare reports on the contributions of one or more persons with disabilities to the public life of Canada or the activities of Parliament. Pursuant to section 3 of the *Centennial Flame Research Award Act*, the Centennial Flame Research Award Fund is credited with money collected from the Centennial Flame monument on Parliament Hill in Ottawa, as well as any money otherwise received as a donation.

### 7. Accounts receivable

<i>(in thousands of dollars)</i>	2024	2023
Receivables – federal government departments, agencies and Crown corporations	6,338	6,241
Receivables – external parties	2,775	2,708
	9,113	8,949
Allowance for doubtful accounts on external receivables	(1,652)	(1,653)
<b>Total accounts receivable</b>	<b>7,461</b>	<b>7,296</b>

### 8. Advances

<i>(in thousands of dollars)</i>	2024	2023
Petty cash for Members	581	582
Travel, tuition and other advances	41	47
Petty cash and floats for House of Commons employees	31	32
Postage-related advances	10	10
<b>Total advances</b>	<b>663</b>	<b>671</b>



## Notes to the financial statements

For the year ended March 31

### 9. Tangible capital assets

(in thousands of dollars)

	Cost				March 31, 2024	Accumulated Amortization				Net Book Value	
	March 31, 2023	Acquisi- tions	Disposals and adjustments	Transfers of assets under development		March 31, 2023	Amorti- zation	Disposals and adjustments	March 31, 2024	2024	2023
Informatics hardware and infrastructure	23,081	1,802	(5,983)	-	<b>18,900</b>	19,710	2,509	(5,896)	<b>16,323</b>	<b>2,577</b>	3,371
Software	54,025	-	(421)	5,889	<b>59,493</b>	42,142	4,811	(421)	<b>46,532</b>	<b>12,961</b>	11,883
Machinery and equipment	10,062	125	-	-	<b>10,187</b>	7,190	626	-	<b>7,816</b>	<b>2,371</b>	2,872
Vehicles	2,311	148	(215)	-	<b>2,244</b>	1,455	240	(215)	<b>1,480</b>	<b>764</b>	856
Other equipment	7,644	1,167	(389)	1,080	<b>9,502</b>	5,177	777	(351)	<b>5,603</b>	<b>3,899</b>	2,467
Leasehold improvements	15,459	104	-	468	<b>16,031</b>	9,019	1,435	-	<b>10,454</b>	<b>5,577</b>	6,440
Assets under development	13,126	11,794	-	(7,437)	<b>17,483</b>	-	-	-	-	<b>17,483</b>	13,126
<b>Total</b>	<b>125,708</b>	<b>15,140</b>	<b>(7,008)</b>	<b>-</b>	<b>133,840</b>	<b>84,693</b>	<b>10,398</b>	<b>(6,883)</b>	<b>88,208</b>	<b>45,632</b>	41,015



## Notes to the financial statements

For the year ended March 31

### 10. Contractual obligations

The nature of the House's activities can result in some large multi-year obligations whereby the House will be obligated to make future payments when the goods are received and services are rendered. Significant contractual obligations that can be reasonably estimated are as follows:

<i>(in thousands of dollars)</i>	2024	2025	2026	2027	2028 and thereafter	Total
Supplier agreements	6,465	6,147	862	-	-	13,474

In the normal course of operations, the House assumes a contractual obligation through guarantees provided with respect to Members' constituency office leases. These guarantees cover up to four months of lease costs in the event that a lease is terminated for various operational reasons. Based on lease costs that can be incurred by the House as at March 31, 2024, the maximum obligation is estimated to be \$4,080,193 (\$3,979,867 as at March 31, 2023).

### 11. Contingent liabilities

#### (a) Contingent liabilities

Contingent liabilities arise in the normal course of operations and their ultimate disposition is unknown.

#### (b) Claims and litigation

Claims have been made against the House in the normal course of operations. These claims include items with pleading amounts and other items for which no amount is specified. While the total amount claimed in these actions is significant, their outcomes are not determinable at this time.

The House has recorded an allowance for claims and litigation in the amount of \$185,700 (\$35,700 in 2022-2023), where it is likely that a future payment and a reasonable estimate of the loss can be made. This allowance is based on management's best estimate, an analysis of the specific claims, and historical experience with similar claims. Management believes that the ultimate disposition of these claims will not significantly exceed the allowance amount.



## Notes to the financial statements

For the year ended March 31

### 12. Budget figures

Given the difference between parliamentary authorities which are primarily based on cash flow requirements and Canadian public sector accounting standards which follow an accrual basis, the budget figures presented in the financial statements have been adjusted to conform to an accrual basis of accounting. The following table provides a high-level reconciliation between the budget's reporting bases:

<i>(in thousands of dollars)</i>	<b>2024</b>
Total authorities available to the House (note 3(b))	668,281
Services received without charge	109,386
Capitalized expenditures and amortization	7,090
Prepaid expenses	(490)
Transfers to assets under development	(11,794)
Inventories	(2,446)
Other adjustments	12,137
<b>Total budget adjusted on accrual basis</b>	<b>782,164</b>

### 13. Pension benefits

#### (a) Employee pension benefits

Under the *Public Service Superannuation Act*, eligible employees participate in the Public Service Pension Plan (PSPP), which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2% per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with those of the Canada Pension Plan and the Québec Pension Plan, and indexed to inflation.

Both employees and the House contribute to the cost of the PSPP. Contributions made by the House, included in salaries and benefits expenses, totalled \$28,541,919 (\$27,699,867 in 2022-2023). This amount represents approximately 1.02 times (1.02 times in 2022-2023) the employees' contributions for existing members who were required to contribute to the cost of the PSPP prior to January 1, 2013, and 1 time (1 time in 2022-2023) for new members required to contribute on or after January 1, 2013.

The House's responsibility with regard to the PSPP is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the PSPP's sponsor.



## Notes to the financial statements

For the year ended March 31

### 13. Pension benefits (continued)

#### (b) Members' pension benefits

Members participate in a pension plan consisting of two separate accounts, the Members of Parliament Retiring Allowances and the Members of Parliament Retirement Compensation Arrangements, which are sponsored and administered by the Government of Canada. Members are eligible to receive a retirement allowance from age 65 or a reduced retirement allowance from age 55, upon termination of their parliamentary functions and after having contributed to the pension plan for at least six years. Pension benefits accrue at a rate of 3% of the highest average of annual pensionable earnings over any period of five years, multiplied by the number of years of pensionable service, to a maximum of 75% of the average annual pensionable earnings. Retirement allowances are indexed to inflation once recipients reach age 60.

Both Members and the House contribute to the cost of the pension plan. Contributions made by the House, included in salaries and benefits expenses, totalled \$16,266,007 (16,056,646 in 2022-2023).

The House's responsibility with regard to the pension plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the pension plan's sponsor.



## Notes to the financial statements

For the year ended March 31

### 14. Related party transactions

The House is related, as a result of common ownership, to all federal departments and agencies, and Crown corporations. The House enters into transactions with these entities in the normal course of business and on normal trade terms.

#### (a) Services received without charge

During the year, the House received services that were obtained without charge from federal government departments and agencies. These services received without charge have been recorded in the House's Statement of Operations and Net Financial Position as follows:

<i>(in thousands of dollars)</i>	<b>2024</b>	<b>2023</b>
Public Services and Procurement Canada – accommodations	<b>78,600</b>	77,476
Treasury Board Secretariat – employer's share of insurance premiums	<b>30,617</b>	26,454
Employment and Social Development Canada – administrative charges related to workers' compensation payments	<b>169</b>	197
<b>Total services received without charge</b>	<b>109,386</b>	104,127

The Government of Canada has centralized some of its administrative activities for efficiency purposes and economic delivery of programs to the public. As a result, common service organizations provide specific services to all federal government departments and agencies without charge. The cost of these services, such as payroll, cheque issuance services, interpretation and translation services provided by Public Services and Procurement Canada, is not included as an expense in the House's Statement of Operations and Net Financial Position.

#### (b) Other transactions with related parties

Expenses shown below include services received without charge as described in section (a) of this note.

<i>(in thousands of dollars)</i>	<b>2024</b>	<b>2023</b>
Expenses – federal government departments and agencies	<b>166,549</b>	155,382
Recoveries – federal government departments and agencies	<b>26,029</b>	26,406



## Notes to the financial statements

For the year ended March 31

### 14. Related party transactions (continued)

#### (c) Transfers from other government departments

During the year, the House has recorded transactions resulting from transfers with federal government departments and agencies as follows:

<i>(in thousands of dollars)</i>	<b>2024</b>	<b>2023</b>
Tangible capital assets received from Public Services and Procurement Canada		
Transferred net book value	<b>7,090</b>	548
Write-down after the House applied its capital policy	<b>(7,065)</b>	(3)
Recorded net transfer of tangible capital asset	<b>25</b>	545
Salary overpayment from employees transferred to and from government departments	<b>38</b>	(60)
<b>Total net transfer from federal government departments</b>	<b>63</b>	485

### 15. Operating expenses by function

<i>(in thousands of dollars)</i>	<b>2024</b>	<b>2023</b>
Members and House Officers	<b>364,001</b>	310,170
Committees, Parliamentary Associations and Parliamentary Exchanges	<b>8,881</b>	7,489
House Administration	<b>299,031</b>	249,103
<b>Total operating expenses</b>	<b>671,913</b>	566,762





## Notes to the financial statements

For the year ended March 31

### 16) Financial risks

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

- a) Credit risk refers to the risk that the counterparty to a financial instrument will cause a financial loss to the House by failing to discharge an obligation. The House is exposed to credit risk relating to its accounts receivable and advances disclosed in notes 7 and 8, which are due mostly from federal government departments, agencies and Crown corporations and external parties. Management believes that these balances do not have significant credit risk in excess of the allowances for doubtful accounts that have been provided.
- b) Liquidity risk refers to the risk that the House will encounter difficulty in meeting its obligations associated with its financial liabilities. The House receives annual Parliamentary authorities. The House manages liquidity risk by ensuring that total annual expenditures are within these authorities, as disclosed in note 3(b).
- c) Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The House's financial instruments are not subject to significant market risk as it does not hold investments, debt or foreign currency.

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

### 17. Comparative information

Certain 2023 comparative information has been reclassified to conform to the financial statement presentation adopted for the current year. These changes do not affect prior year Net Debt.



## Section 5 – Appendix

### Authorities available to the House to total adjusted budget consistent with Canadian public sector accounting standards

*(in thousands of dollars)*

	<b>2023-2024</b>	<b>2022-2023</b>	<b>\$ Change</b>
Main Estimates	597,134	562,974	34,160
Supplementary Estimates (B)	19,763	18,407	1,356
Supplementary Estimates (C)	24,328	-	24,328
Total authorities approved by the Board	641,225	581,381	59,844
Adjustments at year-end for used statutory authorities	27,056	(7,910)	34,966
<b>Total parliamentary authorities available to the House</b>	<b>668,281</b>	<b>573,471</b>	<b>94,810</b>
<b>Adjustments consistent with Canadian public sector accounting standards</b>			
Services received without charge	109,386	104,127	5,259
Capitalized expenditures and amortization	7,090	7,234	(144)
Prepaid expenses	(490)	(2,728)	2,238
Transfers to assets under development	(11,794)	(11,667)	(127)
Inventories	(2,446)	(3,641)	1,195
Other adjustments	12,137	(4,154)	16,291
<b>Total adjustments</b>	<b>113,883</b>	<b>89,171</b>	<b>24,712</b>
<b>Total adjusted budget</b>	<b>782,164</b>	<b>662,642</b>	<b>119,522</b>

The budget is consistent with note 12 of the audited financial statements.