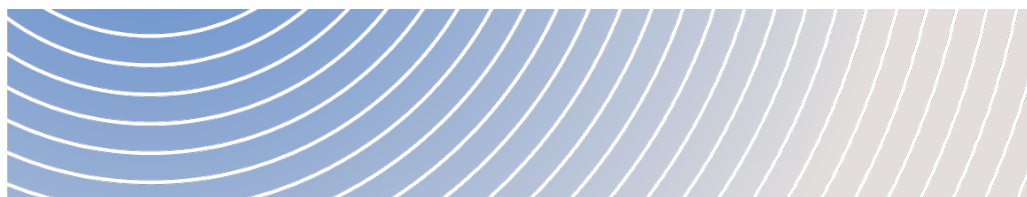




Impact Assessment  
Agency of Canada

Agence d'évaluation  
d'impact du Canada

# Year-End Financial Statements Fiscal Year 2022-2023



November 2023

Canada<sup>ca</sup>



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# Year-End Financial Statements Fiscal Year 2022-2023

## Statement of Management Responsibility Including Internal Control Over Financial Reporting

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2023 and all information contained in these financial statements rests with the management of the Impact Assessment Agency of Canada (the Agency). These financial statements have been prepared by management using the Government of Canada's accounting policies, which are based on Canadian public sector accounting standards.

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

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

Management seeks to ensure the objectivity and integrity of data in its financial statements through careful selection, training and development of qualified staff; through organizational arrangements that provide appropriate divisions of responsibility; through communication programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout the Agency and through conducting an annual risk-based assessment of the effectiveness of the system of ICFR.

The system of ICFR is designed to mitigate risks to a reasonable level based on an ongoing process to identify key risks, to assess effectiveness of associated key controls, and to make any necessary adjustments.

The financial statements of the Agency have not been audited.

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Terence Hubbard



President  
September 13, 2023

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Joelle Raffoul  
Acting Vice-President, Corporate Services and  
Chief Financial Officer  
September 8, 2023

<b>Impact Assessment Agency of Canada Statement of Financial Position (Unaudited) As at March 31 (in dollars)</b>		
	<b>2023</b>	<b>2022</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	6,936,984	9,608,604
Vacation pay and compensatory leave	2,685,754	3,163,543
Employee future benefits (Note 5)	1,014,119	1,028,113
<b>Total gross liabilities</b>	<b>10,636,857</b>	<b>13,800,260</b>
<b>Financial assets</b>		
Due from the Consolidated Revenue Fund	6,231,964	8,271,609
Accounts receivable and advances (Note 6)	1,151,062	1,916,861
<b>Total gross financial assets</b>	<b>7,383,026</b>	<b>10,188,470</b>
<b>Financial assets held on behalf of Government</b>		
Accounts receivable and advances (Note 6)	(494,797)	(675,108)
<b>Total financial assets held on behalf of Government</b>	<b>(494,797)</b>	<b>(675,108)</b>
<b>Total net financial assets</b>	<b>6,888,229</b>	<b>9,513,362</b>
<b>Agency net debt</b>	<b>(3,748,628)</b>	<b>(4,286,898)</b>
<b>Non-financial assets</b>		



<b>Impact Assessment Agency of Canada</b> <b>Statement of Financial Position (Unaudited)</b> <b>As at March 31</b> <b>(in dollars)</b>		
	<b>2023</b>	<b>2022</b>
Tangible capital assets (Note 7)	708,717	652,502
<b>Total non-financial assets</b>	<b>708,717</b>	<b>652,502</b>
<b>Agency net financial position</b>	<b>(3,039,911)</b>	<b>(3,634,396)</b>
Contractual obligations (Note 8) Contingent liabilities (Note 9) The accompanying notes form an integral part of these financial statements. Note: Totals may not add due to rounding.		

<b>Impact Assessment Agency of Canada</b> <b>Statement of Operations and Departmental Net Financial Position (Unaudited)</b> <b>As at March 31</b> <b>(in dollars)</b>			
	<b>2023 Planned Results</b>	<b>2023</b>	<b>2022</b>
<b>Expenses</b>			
Indigenous Relations & Engagement	14,691,166	11,454,099	11,211,171
Assessment Administration, Conduct & Monitoring	53,164,329	58,384,344	56,220,071
Internal Services	16,963,873	11,691,475	14,091,443
<b>Total expenses</b>	<b>84,819,368</b>	<b>81,529,917</b>	<b>81,522,684</b>
<b>Revenues</b>			
Environmental assessment and training services	2,600,000	2,133,148	2,268,029



<b>Impact Assessment Agency of Canada</b> <b>Statement of Operations and Departmental Net Financial Position (Unaudited)</b> <b>As at March 31</b> <b>(in dollars)</b>			
	<b>2023 Planned Results</b>	<b>2023</b>	<b>2022</b>
Miscellaneous revenues	0	836,327	1,156,923
<b>Total revenues</b>	<b>2,600,000</b>	<b>2,969,475</b>	<b>3,424,953</b>
<b>Net cost of operations before government funding and transfers</b>		<b>78,560,443</b>	<b>78,097,732</b>
<b>Government funding and transfers</b>			
Net cash provided by Government of Canada		73,054,480	67,389,020
Change in due from the Consolidated Revenue Fund		(2,039,645)	2,831,382
Services provided without charge by other government departments (Note 10)		8,140,092	8,209,147
<b>Net cost of operations after government funding and transfers</b>		<b>(594,485)</b>	<b>(331,818)</b>
<b>Agency net financial position - Beginning of year</b>		<b>(3,634,396)</b>	<b>(3,966,214)</b>
<b>Agency net financial position - End of year</b>		<b>(3,039,911)</b>	<b>(3,634,396)</b>
Segmented information (Note 11) The accompanying notes form an integral part of these financial statements. Note: Totals may not add due to rounding.			
<b>Impact Assessment Agency of Canada</b> <b>Statement of Change in Departmental Net Debt (Unaudited)</b> <b>As at March 31</b> <b>(in dollars)</b>			
	<b>2023</b>	<b>2022</b>	



<b>Impact Assessment Agency of Canada</b> <b>Statement of Operations and Departmental Net Financial Position (Unaudited)</b> <b>As at March 31</b> <b>(in dollars)</b>			
	<b>2023 Planned Results</b>	<b>2023</b>	<b>2022</b>
<b>Net cost of operations after government funding and transfers</b>	(594,485)	(331,818)	
<b>Change due to tangible capital assets</b>			
Acquisition of tangible capital assets (Note 7)	336,401	184,259	
Amortization of tangible capital assets (Note 7)	(280,186)	(272,382)	
<b>Total change due to tangible capital assets</b>	<b>56,215</b>	<b>(88,123)</b>	
<b>Net increase (decrease) in agency net debt</b>	<b>(538,270)</b>	<b>(419,941)</b>	
<b>Agency net debt - Beginning of year</b>	<b>4,286,896</b>	<b>4,706,837</b>	
<b>Agency net debt - End of year</b>	<b>3,748,626</b>	<b>4,286,896</b>	
The accompanying notes form an integral part of these financial statements. Note: Totals may not add due to rounding.			
<b>Impact Assessment Agency of Canada</b> <b>Statement of Cash Flows (Unaudited)</b> <b>As at March 31</b> <b>(in dollars)</b>			
		<b>2023</b>	<b>2022</b>
<b>Operating activities</b>			
Net cost of operations before government funding and transfers		78,560,443	78,097,732
Non-cash items:			
Amortization of tangible capital assets		(280,186)	(272,382)



<b>Impact Assessment Agency of Canada</b> <b>Statement of Cash Flows (Unaudited)</b> <b>As at March 31</b> <b>(in dollars)</b>		
	<b>2023</b>	<b>2022</b>
Services provided without charge by other government departments (Note 10)	(8,140,092)	(8,209,147)
Other transfers of assets and liabilities (to)/from other government departments	0	0
Variations in Statement of Financial Position:		
Increase (decrease) in accounts receivable and advances	(585,488)	(294,601)
Decrease (increase) in accounts payable and accrued liabilities	2,671,620	0
Decrease (increase) in vacation pay and compensatory leave	477,789	0
Decrease (increase) in employee future benefits	13,994	0
<b>Cash used by Operating Activities</b>	<b>72,718,079</b>	<b>69,321,601</b>
Capital investing activities		
Acquisition of tangible capital assets	336,401	184,259
<b>Net cash provided by Government of Canada</b>	<b>73,054,480</b>	<b>69,505,860</b>
The accompanying notes form an integral part of these financial statements.		
Note: Totals may not add due to rounding.		

# Impact Assessment Agency of Canada

## Notes to the Financial Statements (Unaudited) As at March 31





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## 1. Authorities and objectives

The Impact Assessment Agency of Canada (the Agency) is a federal body reporting to the Minister of Environment and Climate Change. The *Impact Assessment Act* (IAA) came into force on August 28, 2019, expanding the Agency's mandate and responsibilities as the single federal organization responsible for impact assessment and the Crown coordinator for Indigenous consultation on designated projects.

The Agency provides high-quality assessments of environmental, economic, social, health and gender effects to support government decision-making in the public interest. Assessments are evidence-based and ensure that positive and negative effects and impacts on Indigenous groups and their rights are considered in order to foster sustainability.

The Agency delivers four funding programs with the objective of supporting better informed decision making through the active participation of the public and Indigenous groups; effective engagement of the public and Indigenous peoples in the development of guidance, regulations and legislation; stronger evidence-based policy and guidance for impact assessments through an enhanced and more diverse knowledge base; and increased capacity of Indigenous communities to engage in and lead consultations.

In addition, the Agency's President is the federal administrator responsible for reviewing projects of a federal nature under the environmental and social protection regimes set out in sections 22 and 23 of the 1975 James Bay and Northern Quebec Agreement.

The Agency's activities are carried out under two different programs: Impact Assessment and Internal Services.

The Agency is responsible for delivering high quality environmental and impact assessments based on science, Indigenous knowledge, and other evidence. This includes conducting assessments and supporting assessments led by review panels, ensuring they are informed by the best available evidence, and promote positive effects while minimizing adverse impacts through mitigation measures. Evidence includes economic, environmental, social, health, Indigenous knowledge, gender-based analysis plus (GBA+), and/or cumulative effects, as appropriate.

To support the delivery of these assessments and provide certainty and clarity to proponents, other jurisdictions, Indigenous peoples and the public, the Agency develops and promotes legislative and policy frameworks, tools, guidance, and best practices.

Internal Services comprises related activities and resources to support the needs of programs and other corporate obligations of the Agency. These include: Management and Oversight Services, Communications Services, Legal Services, Human Resources Management Services, Financial Management Services, Information Management Services, Information Technology Services, the Access to Information and Privacy Office, Real Property Services, Materiel Management Services, Acquisition Services, and Travel and Other Administrative Services. Internal Services includes activities and resources that apply across an organization, not those provided specifically to a program.

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## 2. Summary of significant accounting policies

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

Significant accounting policies are as follows:

a. **Parliamentary authorities**

The Agency is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to the Agency does not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and Departmental Net Financial Position and the Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a reconciliation between the bases of reporting. The planned results amounts in the "Expenses" and "Revenues" sections of the Statement of Operations and Departmental Net Financial Position are the amounts reported in the 2023-2024 Future-oriented Statement of Operations. The planned results amounts in the "Government funding and transfers" section of the Statement of Operations and Departmental Net Financial Position and in the Statement of Change in Departmental Net Debt were prepared for internal management purposes and have not been previously published.

b. **Net cash provided by Government**

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

c. **Amounts due from or to the CRF**

Amounts due from or to the CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that the Agency is entitled to draw from the CRF without further authorities to discharge its liabilities.

d. **Revenues**

Revenues from regulatory fees are recognized based on the services provided in the year. Funds received from external parties for specified purposes are recorded upon receipt as deferred revenue. Revenues are then recognized in the period in which the related expenses are incurred. Deferred revenue consists of amounts received in advance of 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 event giving rise to the revenues occurred. Revenues that are non-respendable are not available to discharge the Department's liabilities. While the Deputy Head (DH) is expected to maintain accounting control, he or she has no authority regarding the disposition of non-respendable revenues. As a result, non-respendable revenues are considered to be earned on behalf of the Government of Canada and are therefore presented as a reduction of the entity's gross revenues.

e. **Expenses**

Transfer payments are recorded as an expense in the year the transfer is authorized and all eligibility criteria have been met by the recipient. Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment. Services provided without charge by other government departments for accommodation, employer contributions to the health and dental insurance plans, legal services and workers' compensation are recorded as operating expenses at their carrying value.

f. **Employee future benefits**

- i. Pension Benefits - Eligible employees participate in the Public Service Pension Plan, a multiemployer pension plan administered by the Government. The Department's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. The Agency's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.
- ii. Severance benefits - The accumulation of severance benefits for voluntary departures ceased for applicable employee groups. The remaining obligation for employees who



did not withdraw benefits is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

g. **Accounts receivable**

Accounts receivable are initially recorded at cost. When necessary, an allowance for valuation is recorded to reduce the carrying value of accounts receivable to amounts that approximate their net recoverable value.

h. **Non-financial assets**

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, as described in Note 7. All tangible capital assets and leasehold improvements having an initial cost of \$10,000 or more are recorded at their acquisition cost. Tangible capital assets do not include immovable assets located on reserves as defined in the *Indian Act*, works of art, museum collection and Crown land to which no acquisition cost is attributable; and intangible assets.

Inventories are valued at cost and are comprised of spare parts and supplies held for future program delivery and are not primarily intended for resale. Inventories that no longer have service potential are valued at the lower of cost or net realizable value.

i. **Contingent liabilities**

Contingent liabilities, including the allowance for guarantees, are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. 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 an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

For guarantees, an allowance is recorded when it is determined that a loss is likely and the amount of the allowance is estimated taking into consideration the nature of the guarantee, loss experience and current conditions. The allowance is reviewed on an ongoing basis and changes in the allowance are recorded as expenses in the year they become known.

j. **Measurement uncertainty**

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported and disclosed amounts of assets, liabilities, revenues and expenses reported in the financial statements and accompanying notes at March 31. The estimates are based on facts and circumstances, historical experience, general economic conditions and reflect the Government's best estimate of the related amount at the end of the reporting period. The most significant items where estimates are used are contingent liabilities, environmental liabilities, the liability for employee future benefits and the useful life of tangible capital assets (list as applicable). Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

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## 3. Parliamentary authorities

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



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

	2023	2022
	(in dollars)	
Net cost of operations before government funding and transfers	78,560,443	78,097,732
Adjustments for items affecting net cost of operations but not affecting authorities:		
Services provided without charge by other government departments	(8,140,092)	(8,209,147)
Amortization of tangible capital assets	(280,186)	(272,382)
Revenues not available for respending	700,917	520,205
Refund of prior year's expenditures	308,483	277,338
Adjustments for prior year's Payables at Year End	527,729	226,215
Decrease (Increase) for vacation pay and compensatory leave	477,789	715,313
Decrease (Increase) for employee future benefits	13,994	461,203
Other transfers of assets and liabilities (to)/ from other government departments	0	0
Acquisition of tangible capital assets	336,401	184,259
<b>Current year authorities used</b>	<b>72,505,478</b>	<b>72,000,736</b>
Note: Totals may not add due to rounding.		

## b) Authorities provided and used

	2023	2022
	(in dollars)	
Authorities provided		
Vote 1 – Operating expenditures	56,813,797	54,950,999



	2023	2022
	(in dollars)	
Vote 5 - Grants and contributions	16,303,903	22,022,274
Statutory amounts	6,150,300	6,154,149
Less:		
Lapsed: Operating	(6,762,522)	(11,126,686)
<b>Current year authorities used</b>	<b>72,505,478</b>	<b>72,000,736</b>
Note: Totals may not add due to rounding.		

## 4. Accounts payable and accrued liabilities

The following table presents details of the Agency's Accounts payable and accrued liabilities:

	2023	2022
	(in dollars)	
Accounts payable - Other government departments and agencies	340,934	461,056
Accounts payable - External parties	3,629,300	6,386,565
Total accounts payable	3,970,234	6,847,621
Accrued liabilities	2,966,750	2,760,983
<b>Total accounts payable and accrued liabilities</b>	<b>6,936,984</b>	<b>9,608,604</b>
Note: Totals may not add due to rounding.		

## 5. Employee future benefits

### a) Pension benefits

The Agency's employees participate in the Public Service Pension Plan (the "Plan") which is sponsored and administered by the Government. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five

consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.

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

The 2022-2023 expense amounts to \$4,017,991 (\$4,157,743 in 2021-2022). For Group 1 members, the expense represents approximately 1.02 times (1.01 times in 2021-2022) the employee contributions, and for Group 2 members, approximately 1.00 (1.00 times in 2021-2022) the employee contributions.

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

#### b) Severance benefits

Severance benefits provided to the Agency's employees were previously based on an employee's eligibility, years of service and salary at termination of employment. However, since 2011 the accumulation of severance benefits for voluntary departures progressively ceased for substantially all employees. Employees subject to these changes were given the option to be paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits upon departure from the public service. By March 31, 2020, all settlements for immediate cash out were completed. Severance benefits are unfunded and, consequently, the outstanding obligation will be paid from future authorities.

The changes in the obligations during the year were as follows:

	2023	2022
	(in dollars)	
<b>Accrued benefit obligation, beginning of year</b>	<b>1,028,113</b>	<b>1,489,316</b>
Expense (Adjustment) for the year	(11,481)	(397,075)
Benefits paid during the year	(2,513)	(64,128)
<b>Accrued benefit obligation, end of year</b>	<b>1,014,119</b>	<b>1,028,113</b>
Note: Totals may not add due to rounding.		

## 6. Accounts receivable and advances

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



	2023	2022
	(in dollars)	
Receivables - Other government departments and agencies	199,974	649,022
Receivables - External parties	2,044,132	1,455,061
Employee advances	21,120	21,061
Sub-Total	2,265,226	2,125,144
Allowance for doubtful accounts on receivables from external parties	(1,114,164)	(208,283)
<b>Gross accounts receivable</b>	<b>1,151,062</b>	<b>1,916,861</b>
Accounts receivable held on behalf of Government	(494,797)	(675,108)
<b>Total accounts receivable and advances</b>	<b>656,265</b>	<b>1,241,753</b>
Note: Totals may not add due to rounding.		

## 7. Tangible Capital Assets

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

Asset Class	Amortization Period
Other equipment (including furniture)	10 years
Informatics software	4 years
Machinery and equipment	3 years

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



<b>Cost</b>					
	<b>Opening Balance</b>	<b>Acquisitions</b>	<b>Adjustments</b>	<b>Disposals and Write-offs</b>	<b>Closing Balance</b>
<b>Capital Asset Class</b>	<b>(in dollars)</b>				
Machinery and Equipment	385,428	0	0	0	385,428
Other equipment (including furniture)	32,248	0	0	0	32,248
Informatics software	1,172,944	336,401	0	0	1,509,345
Assets under construction	0	0	0	0	0
<b>Total</b>	<b>1,590,620</b>	<b>336,401</b>	<b>0</b>	<b>0</b>	<b>1,927,021</b>
Note: Totals may not add due to rounding.					
<b>Accumulated Amortization</b>					
	<b>Opening Balance</b>	<b>Amortization</b>	<b>Adjustments</b>	<b>Disposals and Write-offs</b>	<b>Closing Balance</b>
<b>Capital Asset Class</b>	<b>(in dollars)</b>				
Machinery and Equipment	385,428	0	0	0	385,428
Other equipment (including furniture)	32,248	0	0	0	32,248
Informatics software	520,442	280,186	0	0	800,628
Assets under construction	0	0	0	0	0
<b>Total</b>	<b>938,118</b>	<b>280,186</b>	<b>0</b>	<b>0</b>	<b>1,218,304</b>
Note: Totals may not add due to rounding.					





<b>Net Book Value</b>		
<b>Capital Asset Class</b>	<b>2023</b>	<b>2022</b>
	<b>(in dollars)</b>	
Machinery and Equipment	0	0
Other equipment (including furniture)	0	0
Informatics software	708,717	652,502
Assets under construction	0	0
<b>Total</b>	<b>708,717</b>	<b>652,502</b>
Note: Totals may not add due to rounding.		

## 8. Contractual obligations

The nature of the Agency's activities may result in some large multi-year contracts and obligations whereby the Agency will be obligated to make future payments in order to carry out its transfer payment programs or when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028 and subsequent</b>	<b>Total</b>
	<b>(in dollars)</b>					
Transfer payments	22,448,569	10,961,617	2,554,824	1,658,000	405,000	38,028,010
Operating leases	0	0	0	0	0	0
<b>Total</b>	<b>22,448,569</b>	<b>10,961,617</b>	<b>2,554,824</b>	<b>1,658,000</b>	<b>405,000</b>	<b>38,028,010</b>
Note: Totals may not add due to rounding.						



## 9. Contingent liabilities

### a) Transfer payments

The Agency expects to meet all near-term liabilities relating to transfer payments. However, a change in economic conditions could result in the resumption of several environmental assessments currently on hold as well as new assessments which could increase the demand for transfer payments. The Agency would request support from the Government of Canada through Central agencies to cover any potential funding shortfall.

### b) Claims and litigation

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

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## 10. Related party transactions

The Agency is related as a result of common ownership to all government departments, agencies, and Crown corporations. Related parties also include individuals who are members of key management personnel or close family members of those individuals, and entities controlled by, or under shared control of, a member of key management personnel or a close family member of that individual.

The Agency enters into transactions with these entities in the normal course of business and on normal trade terms.

The Agency also obtains selected financial services, materiel management, informatics, and compensation and benefits services under a shared services agreement with Environment and Climate Change Canada.

### a) Common services provided without charge by other government departments

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

	2023	2022
	(in dollars)	
Employer's contribution to the health and dental insurance plans	3,790,554	3,941,259
Accommodation	3,527,153	3,465,097
Legal services	822,385	802,791



	2023	2022
	(in dollars)	
<b>Total</b>	<b>8,140,092</b>	<b>8,209,147</b>

The Government has centralized some of its administrative activities for efficiency, cost-effectiveness purposes and economic delivery of programs to the public. As a result, the Government uses central agencies and common service organizations so that one department performs services for all other departments and agencies without charge. The costs of these services, such as the payroll and cheque issuance services provided by Public Services and Procurement Canada and audit services provided by the Office of the Auditor General are not included in the Agency's Statement of Operations and Departmental Net Financial Position.

## b) Other transactions with other government departments and agencies

	2023	2022
	(in dollars)	
Accounts receivable	199,974	649,022
Accounts payable	340,934	461,056
Expenses	3,175,214	2,943,896
Revenues	0	0
Expenses and revenues disclosed in (b) exclude common services provided without charge, which are already disclosed in (a).		
Note: Totals may not add due to rounding.		

## 11. Segmented information

Presentation by segment is based on the Department's core responsibility. The presentation by segment is based on the same accounting policies as described in the Summary of significant accounting policies in note 2. The following table presents the expenses incurred and revenues generated for the main core responsibilities, by major object of expense and by major type of revenue. The segment results for the period are as follows:



	<b>Indigenous Relations &amp; Engagement</b>	<b>Assessment Administration, Conduct &amp; Monitoring</b>	<b>Internal Services</b>	<b>2023 Total</b>	<b>2022 Total</b>
	<b>(in dollars)</b>				
<b>Transfer payments</b>					
Aboriginal Groups	6,881,011	6,027,623	0	12,908,634	14,749,324
Individuals	216,983	529,423	0	746,406	314,819
Non-profit organizations	345,661	243,471	0	589,132	1,305,251
Other levels of government	0	345,500	0	345,500	345,500
International organizations	95,688	5,000	0	100,688	300,401
<b>Total transfer payments</b>	<b>7,539,343</b>	<b>7,151,017</b>	<b>0</b>	<b>14,690,360</b>	<b>17,015,295</b>
<b>Operating Expenses</b>					
Salaries and employee benefits	2,680,366	42,049,932	7,713,728	52,444,026	51,754,616
Professional and special services	147,623	4,491,331	2,356,305	6,995,259	7,690,704
Accommodation	892,060	2,655,802	0	3,547,862	3,471,882
Travel and relocation	187,287	617,076	107,523	911,886	149,669
Information	250	442,681	2,400	445,331	341,495
Furniture and equipment	2,574	860,261	660,761	1,523,595	438,843
Telecommunications	0	23,125	98,564	121,689	257,075
Acquisition of machinery and equipment, including parts and consumable tools	0	0	0	0	0
Utilities, materials and supplies	4,392	63,476	49,564	117,432	89,133



	<b>Indigenous Relations &amp; Engagement</b>	<b>Assessment Administration, Conduct &amp; Monitoring</b>	<b>Internal Services</b>	<b>2023 Total</b>	<b>2022 Total</b>
	<b>(in dollars)</b>				
Postage	204	3,246	22,028	25,478	16,806
Repairs and maintenance	0	5,297	21,423	26,720	18,454
Amortization	0	0	280,186	280,186	272,381
Other	0	21,100	378,994	400,093	6,332
<b>Total operating expenses</b>	<b>3,914,756</b>	<b>51,233,327</b>	<b>11,691,475</b>	<b>66,839,558</b>	<b>64,507,389</b>
<b>Total expenses</b>	<b>11,454,099</b>	<b>58,384,344</b>	<b>11,691,475</b>	<b>81,529,918</b>	<b>81,522,684</b>
<b>Revenues</b>					
Environmental assessment and training services	0	2,128,592	4,555	2,133,148	2,268,029
Miscellaneous revenues	381,232	362,626	92,469	836,327	1,156,923
<b>Total revenues</b>	<b>381,232</b>	<b>2,491,218</b>	<b>97,024</b>	<b>2,969,475</b>	<b>3,424,953</b>
<b>Net cost of operations before government funding and transfers</b>	<b>11,072,867</b>	<b>55,893,126</b>	<b>11,594,451</b>	<b>78,560,443</b>	<b>78,097,732</b>
Note: Totals may not add due to rounding.					