



SENATE  
SÉNAT  
CANADA

# FINANCIAL STATEMENTS of the Senate of Canada

For the Year Ended  
**MARCH 31, 2024**

# Independent auditor's report

To the Audit and Oversight Committee and the Chair of the Standing Committee on Internal Economy, Budgets and Administration of the **Senate of Canada**

## Opinion

We have audited the financial statements of the **Senate of Canada** ["Senate"], which comprise the statement of financial position as at March 31, 2024, the statement of operations, the statement of net financial position, the statement of change in net debt and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

## Basis for opinion

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

## Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Senate'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 Senate or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's responsibilities for the audit of the financial statements

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



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 Senate'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 Senate's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Senate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

*Ernst + Young LLP*

Ottawa, Canada  
October 10, 2024

Chartered Professional Accountants  
Licensed Public Accountants



## The Senate of Canada

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2024, and all the information contained in these statements rests with the Senate of Canada (the "Senate") management. These financial statements have been prepared in accordance with Canadian public sector accounting standards.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the financial transactions of the Senate.

Management is also responsible for maintaining an effective system of internal control over financial reporting 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 *Senate Administrative Rules* and other applicable legislation, regulations, authorities and policies.

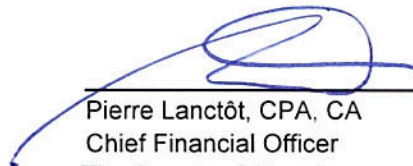
Management seeks to ensure the objectivity and integrity of data in its financial statements through careful selection, training and development of qualified staff, through organizational arrangements that provide appropriate divisions of responsibility, and through communication programs aimed at ensuring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

These financial statements have been audited by Ernst & Young LLP, the independent auditors of the Senate.



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Pascale Legault, CPA, CA  
Clerk of the Standing Committee on  
Internal Economy, Budgets and Administration  
The Senate of Canada  
Ottawa, Canada



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Pierre Lanctôt, CPA, CA  
Chief Financial Officer  
The Senate of Canada  
Ottawa, Canada

October 10, 2024

# THE SENATE OF CANADA

## Statement of Financial Position

As at March 31, 2024 with comparative figures as at March 31, 2023

(In dollars)	2024	2023
Financial assets:		
Due from the Consolidated Revenue Fund	\$ 6,024,852	\$ 3,249,658
Accounts receivable and advances (note 4(a))	1,878,993	3,763,686
	7,903,845	7,013,344
Liabilities:		
Accounts payable and accrued liabilities (note 4(b))	7,760,489	6,889,454
Vacation pay and compensatory leave	3,569,435	3,754,991
Employee benefits (note 7)	1,520,436	1,585,367
	12,850,360	12,229,812
Net debt	\$ 4,946,515	\$ 5,216,468
Non-financial assets:		
Tangible capital assets (note 5)	\$ 6,691,727	\$ 5,739,208
Prepaid expenses	854,886	796,197
	7,546,613	6,535,405
Net financial position	\$ 2,600,098	\$ 1,318,937

Heritage assets (note 6)

Contractual obligations (note 10)

Contingencies (note 11)

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

# THE SENATE OF CANADA

## Statement of Operations

Year Ended March 31, 2024 with comparative figures for 2023

(In dollars)	Budget	2024	2023
	(Adjusted - note 12)		
Expenses:			
Expenses subject to budgetary spending authorities:			
Salaries and benefits (notes 7 and 8(a))	\$ 93,903,087	\$ 92,289,171	\$ 87,522,581
Transportation and communications	11,303,203	9,149,355	7,786,529
Professional services, hospitality and meals	8,972,607	3,767,112	2,849,150
Senators' Pension Plan adjustment (note 8(b))	2,400,000	2,400,000	-
Rentals and licenses	3,022,178	2,375,843	2,099,814
Repairs and maintenance	1,315,977	1,339,040	1,076,194
Information and publications	1,667,082	1,117,699	1,039,111
Materials and supplies	1,316,787	544,893	535,420
Contribution to external organizations	450,000	481,206	560,108
Machinery and equipment (note 12)	415,000	411,905	377,492
Miscellaneous	37,600	248,843	1,345,991
	124,803,521	114,125,067	105,192,390
Other expenses:			
Services received without charge (note 9(b)):			
Accommodation		17,965,377	18,023,816
Translation and interpretation		10,076,081	10,110,600
Employer's contribution to the health and dental insurance plans		7,318,006	6,613,767
Workers' compensation		105,035	98,605
Loss on disposal of tangible capital assets		10,234	4,935
Amortization of tangible capital assets (note 5)		1,536,850	1,958,557
Total expenses		151,136,650	142,002,670
Revenues:			
Refund of previous year expenditures		45,969	29,302
Miscellaneous revenues		12,556	8,627
Total revenues		58,525	37,929
Net cost of operations		151,078,125	141,964,741
Funded by:			
Net cash provided from the Consolidated Revenue Fund (note 3(c))		114,049,576	104,805,863
Change in due from the Consolidated Revenue Fund		2,775,194	1,204,755
Services received without charge (note 9(b))		35,464,499	34,846,788
Transfer of salary overpayments from other departments		70,017	16,817
Total funds provided		152,359,286	140,874,223
Net deficit (surplus) of operations after funding	\$	(1,281,161)	\$ 1,090,518

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

# THE SENATE OF CANADA

## Statement of Net Financial Position

Year Ended March 31, 2024 with comparative figures for 2023

(In dollars)	2024	2023
Net financial position, beginning of year	\$ 1,318,937	\$ 2,409,455
Net deficit (surplus) of operations after funding	(1,281,161)	1,090,518
Net financial position, end of year	\$ 2,600,098	\$ 1,318,937

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

# THE SENATE OF CANADA

## Statement of Change in Net Debt

Year Ended March 31, 2024 with comparative figures for 2023

(In dollars)	2024	2023
Net deficit (surplus) of operations after funding	\$ (1,281,161)	\$ 1,090,518
Change due to tangible capital assets:		
Acquisitions of tangible capital assets (note 5)	2,507,417	1,099,531
Amortization of tangible capital assets (note 5)	(1,536,850)	(1,958,557)
Loss on disposal of tangible capital assets	(10,234)	(4,935)
Net transfer of assets from other departments (note 5)	242	-
Proceeds on disposal of tangible capital assets	(8,056)	-
Total change due to tangible capital assets	952,519	(863,961)
Increase in prepaid expenses	58,689	136,863
Net increase (decrease) in net debt	(269,953)	363,420
Net debt, beginning of year	5,216,468	4,853,048
Net debt, end of year	\$ 4,946,515	\$ 5,216,468

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



# THE SENATE OF CANADA

## Statement of Cash Flows

Year Ended March 31, 2024 with comparative figures for 2023

(In dollars)	2024	2023
Cash used in (provided by):		
Operations:		
Net cost of operations	\$ 151,078,125	\$ 141,964,741
Non-cash items:		
Amortization of tangible capital assets (note 5)	(1,536,850)	(1,958,557)
Services received without charge (note 9(b))	(35,464,499)	(34,846,788)
Transfer of salary overpayments from other departments	(70,017)	(16,817)
Loss on disposal of tangible capital assets	(10,234)	(4,935)
Variations in Statement of Financial Position balances:		
Accounts receivable and advances	(1,884,693)	1,265,500
Prepaid expenses	58,689	136,863
Accounts payable and accrued liabilities	(871,035)	(2,439,212)
Vacation pay and compensatory leave	185,556	(378,364)
Employee benefits (note 7)	64,931	(16,099)
	111,549,973	103,706,332
Capital activities:		
Acquisitions of tangible capital assets (note 5)	2,507,417	1,099,531
Proceeds on disposal of tangible capital assets	(8,056)	-
Net transfer of assets from other departments (note 5)	242	-
Net cash provided from the Consolidated Revenue Fund	\$ 114,049,576	\$ 104,805,863

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

# THE SENATE OF CANADA

## Notes to Financial Statements

Year Ended March 31, 2024 with comparative figures for 2023

(In dollars)

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### 1. Authority and objectives:

The Senate of Canada (the "Senate") is a self-governing institution, established under the *Constitution Act, 1867*, and its authority to act on all financial and administrative matters is provided under the *Parliament of Canada Act*. The Senate is the appointed Upper House in Canada's bicameral Parliament.

### 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 appropriations:

The Senate is funded from the Consolidated Revenue Fund ("CRF") of Canada through Parliamentary appropriations. Appropriations provided to the Senate do not parallel financial reporting according to Canadian public sector accounting standards since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and the Statement of Financial Position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the bases of reporting.

#### (c) Net cash provided from the CRF:

The Senate operates within the CRF, which is administered by the Receiver General for Canada. All cash received by the Senate is deposited to the CRF, and all cash disbursements made by the Senate are paid from the CRF, including transactions with departments of the Government of Canada and other parliamentary institutions.

#### (d) Due from the CRF:

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

#### (e) Revenues:

Revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenue.

# THE SENATE OF CANADA

## Notes to Financial Statements

Year Ended March 31, 2024 with comparative figures for 2023

(In dollars)

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

(f) Expenses:

Expenses are recorded when the underlying transaction or event occurred, subject to the following:

- Transfer payments are recognized in the year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement.
- Vacation and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.
- Services received without charge from federal government departments for accommodation, the employer's contribution to the health and dental insurance plans, translation and interpretation services, and the administrative charges for workers' compensation services are recorded as operating expenses at their estimated costs.

(g) Employee future benefits:

- (i) Pension benefits: Eligible employees participate in the Public Service Superannuation Plan (the "Plan"), a multi-employer plan administered by the Government of Canada. The Senate's contributions to the Plan are charged to expenses in the year incurred and represent the Senate's total obligation to the Plan. Current legislation does not require the Senate to make contributions for any actuarial deficiencies to the Plan.
- (ii) Severance benefits for services: Employees were entitled to severance benefits under labour contracts or the terms and conditions of employment. As with the broader public service, the accumulation of severance benefits ceased for employees of the Senate as the Senate concluded its collective agreements with unionized staff and made changes to conditions of employment. The revisions to terms and conditions of employment were made over a three-year period with the final group taking effect in 2013-14. Employees subject to these changes were given the option to be immediately paid the full or partial value of benefits earned to date, or to collect the full or remaining value of benefits upon termination from the Senate. For those employees who did not opt for an immediate payment, the obligation is calculated as at March 31, based on the employees' earned number of weeks and their salary as at March 31. These remaining severance benefits are not prefunded and will be paid from future appropriations in the year of departure of the employee.

# THE SENATE OF CANADA

## Notes to Financial Statements

Year Ended March 31, 2024 with comparative figures for 2023

(In dollars)

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

(g) Employee future benefits (continued):

(iii) Sick leave: Employees are entitled to accumulate unused sick leave, which they can only use in the event of an illness. All sick leave is an accumulating non-vesting benefit. Accumulated unused sick leave is not payable to the employee upon termination. 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. A straight-line method is used to amortize actuarial gains and losses over the expected average remaining service life of 13.6 years for the related employee groups. Amortization commences in the year following the effective date of the related actuarial valuation.

(h) Senators' Pension Plan:

Assets and liabilities for the Senators' Pension Plan are not included in the Senate's Statement of Financial Position as these accounts are the responsibility of the Government of Canada. The Senate's contribution to the plan is charged to salaries and benefits expense in the year incurred. Refer to note 8 for additional information.

(i) Accounts receivable and advances:

Accounts receivable and advances are stated at amounts expected to be ultimately realized. A provision is made for receivables where recovery is considered uncertain.

(j) Contingent liabilities:

Contingent liabilities are potential liabilities, which 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 Financial Statements.

# THE SENATE OF CANADA

## Notes to Financial Statements

Year Ended March 31, 2024 with comparative figures for 2023

(In dollars)

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

(k) Tangible capital assets:

All tangible capital assets and leasehold improvements are recorded at their acquisition cost. Amounts included in assets under development are transferred to the appropriate class of asset upon completion and are then amortized.

Pooled capital assets, which are specifically identified groups of assets where there are a large number of items of a smaller value (such as informatics hardware and furniture and furnishings) that collectively represent a substantial investment, are also included in the tangible capital assets balance.

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

Asset	Amortization period
Informatics hardware	3 to 7 years
Furniture and furnishings	5 to 20 years
Informatics software	2 to 5 years
Machinery and equipment	3 to 15 years
Motor vehicles	3 to 10 years
Leasehold improvements	Over the useful life of the improvement

The Senate holds in trust for the Canadian public a collection of objects that are of historical value or interest to Canadian Heritage. Unlike tangible capital assets, these heritage assets are not recorded on the Statement of Financial Position, as the value of a heritage asset collection is not defined by its monetary value. Note 6 provides details for the heritage assets.

(l) Measurement uncertainty:

The preparation of these Financial Statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the amounts of assets, liabilities and expenses reported in the Financial Statements. At the time of preparation of these statements, management believes 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 obligation for sick leave benefits, the liability for performance-related bonuses and the useful lives of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the Financial Statements in the year they become known.

# THE SENATE OF CANADA

Notes to Financial Statements

Year Ended March 31, 2024 with comparative figures for 2023

(In dollars)

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

(m) Adoption of new accounting standards:

On April 1, 2023, the Senate has implemented the new public sector accounting standards and guideline PS 3400 - *Revenue*, PS 3160 - *Public Private Partnerships* and PSG 8 - *Purchased Intangibles*, which resulted in no change in the Senate Financial Statements.

# THE SENATE OF CANADA

## Notes to Financial Statements

Year Ended March 31, 2024 with comparative figures for 2023

(In dollars)

### 3. Parliamentary appropriations:

The Senate receives most of its funding through annual Parliamentary appropriations. Items recognized in the Statement of Operations and the Statement of Financial Position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the Senate has different net results of operations for the year on an appropriations funding basis than on an accrual accounting basis. The differences are reconciled below.

(a) Reconciliation of net cost of operations to current year appropriations used:

	2024	2023
Net cost of operations	\$ 151,078,125	\$ 141,964,741
Adjustments for items affecting net cost of operations but not affecting appropriations:		
Services received without charge (note 9(b))	(35,464,499)	(34,846,788)
Amortization of tangible capital assets (note 5)	(1,536,850)	(1,958,557)
Refund of previous year expenditures	45,969	29,302
Net loss on disposal of tangible capital assets	(10,234)	(4,935)
Decrease in long-term portion of employee severance benefits liability (note 7(b))	130,511	127,637
Decrease (increase) in vacation pay and compensatory leave liability	185,556	(378,364)
Increase in employee sick leave benefit obligation (note 7(c))	(81,000)	(57,000)
Other	1,073,084	(1,247,672)
	(35,657,463)	(38,336,377)
Adjustments for items not affecting net cost of operations but affecting appropriations:		
Acquisitions of tangible capital assets (note 5)	2,507,417	1,099,531
Proceeds on disposal of capital assets	(8,056)	-
Increase in prepaid expenses	58,689	136,863
Other	2,059	35,343
Appropriations used	\$ 117,980,771	\$ 104,900,101

# THE SENATE OF CANADA

## Notes to Financial Statements

Year Ended March 31, 2024 with comparative figures for 2023

(In dollars)

### 3. Parliamentary appropriations (continued):

(b) Appropriations used:

	2024	2023
Vote 1 - Operating expenditures	\$ 88,600,627	\$ 84,536,860
Statutory senators' salaries, allowances and retirement contributions	29,959,786	25,405,461
Statutory contributions to benefits plan	9,023,449	8,623,147
Less: lapsed appropriations - operating	(9,603,091)	(13,665,367)
<b>Appropriations used</b>	<b>\$117,980,771</b>	<b>\$ 104,900,101</b>

(c) Reconciliation of net cash provided from the CRF to current year appropriations used:

	2024	2023
Net cash provided from the Consolidated Revenue Fund	\$ 114,049,576	\$104,805,863
Refund of previous year expenditures	45,969	29,302
Increase in GST/HST/QST refundable	(19,465)	(31,046)
Increase (decrease) in current portion of employee severance benefits liability (note 7(b))	(15,420)	86,736
Other	1,144,917	(1,195,513)
Change in net position in the Consolidated Revenue Fund:		
Decrease (increase) in accounts receivable and advances (excluding GST/HST/QST refundable)	1,904,159	(1,234,453)
Increase in accounts payable and accrued liabilities	871,035	2,439,212
	2,775,194	1,204,759
<b>Appropriations used</b>	<b>\$ 117,980,771</b>	<b>\$104,900,101</b>



# THE SENATE OF CANADA

## Notes to Financial Statements

Year Ended March 31, 2024 with comparative figures for 2023

(In dollars)

### 4. Accounts receivable and payable details:

(a) Accounts receivable and advances:

	2024	2023
Receivables from federal government departments and agencies	\$ 1,855,499	\$ 3,662,560
Receivables from external parties	18,344	96,376
Petty cash and advances	5,150	4,750
	\$ 1,878,993	\$ 3,763,686

(b) Accounts payable and accrued liabilities:

	2024	2023
Accrued salaries and wages	\$ 4,830,145	\$ 3,602,205
Payables to external parties	1,748,549	2,644,530
Payables to federal government departments and agencies	1,181,795	642,719
	\$ 7,760,489	\$ 6,889,454

# THE SENATE OF CANADA

## Notes to Financial Statements

Year Ended March 31, 2024 with comparative figures for 2023

(In dollars)

### 5. Tangible capital assets:

	Cost				Closing balance
	Opening balance	Acquisitions	Disposals	Transfers of assets	
Informatics hardware	\$ 4,975,647	\$ 2,026,345	\$ (726,398)	\$ -	\$ 6,275,594
Informatics software	8,544,826	217,937	-	136,407	8,899,170
Furniture and furnishings	3,496,566	30,743	(36,109)	-	3,491,200
Motor vehicles	512,514	107,139	(34,815)	20,327	605,165
Machinery and equipment	2,940,366	55,434	(345,587)	-	2,650,213
Leasehold improvements	695,787	12,313	-	-	708,100
Assets under development	136,407	57,506	-	(136,407)	57,506
	<b>\$ 21,302,113</b>	<b>\$ 2,507,417</b>	<b>\$ (1,142,909)</b>	<b>\$ 20,327</b>	<b>\$ 22,686,948</b>

	Accumulated amortization				Closing balance
	Opening balance	Acquisitions	Disposals	Transfers of assets	
Informatics hardware	\$ 2,801,294	\$ 718,852	\$ (721,958)	\$ -	\$ 2,798,188
Informatics software	7,166,620	383,568	-	-	7,550,188
Furniture and furnishings	2,168,437	164,459	(36,111)	-	2,296,785
Motor vehicles	326,238	44,628	(24,375)	20,085	366,576
Machinery and equipment	2,556,371	203,394	(342,175)	-	2,417,590
Leasehold improvements	543,945	21,949	-	-	565,894
	<b>\$ 15,562,905</b>	<b>\$ 1,536,850</b>	<b>\$ (1,124,619)</b>	<b>\$ 20,085</b>	<b>\$ 15,995,221</b>

Net book value	2024	2023
Informatics hardware	\$ 3,477,406	\$ 2,174,353
Informatics software	1,348,982	1,378,206
Furniture and furnishings	1,194,415	1,328,129
Motor vehicles	238,589	186,276
Machinery and equipment	232,623	383,995
Leasehold improvements	142,206	151,842
Assets under development	57,506	136,407
	<b>\$ 6,691,727</b>	<b>\$ 5,739,208</b>

# THE SENATE OF CANADA

## Notes to Financial Statements

Year Ended March 31, 2024 with comparative figures for 2023

(In dollars)

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### 5. Tangible capital assets (continued):

In relation to the Long Term Vision and Plan projects, the Senate will be transferred tangible capital assets from related parties over the coming years and, in some cases, the use of these assets by the Senate has already begun.

### 6. Heritage assets:

Heritage assets include furniture, artworks and artefacts, such as antique senators' desks, paintings by Canadian artists, chains of office, and dinner service and silverware. The figures are a combination of significant heritage assets and other objects used to communicate the significance of spaces on Parliament Hill to the visiting public. The Senate's heritage asset collection is self-insured and as at March 31, 2024 is composed of the following:

Object type	Number of items
Various artefacts	2,121
Furniture	1,590
Dinner service and silverware	652
Artwork	236
Artefacts on loan from government departments and agencies	93

### 7. Employee benefits:

#### (a) Pension benefits:

Both the employees and the Senate contribute to the cost of the Plan. As per the *Public Service Superannuation Act*, employee contributors are 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 2024 expense, presented in salaries and benefits, amounts to \$5,342,784 (\$5,633,502 in 2023). For Group 1 members, the expense represents approximately 1.02 times (1.02 times in 2023) the employee contributions and, for Group 2 members, approximately 1.00 times (1.00 times in 2023) the employee contributions. The Senate'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.

# THE SENATE OF CANADA

## Notes to Financial Statements

Year Ended March 31, 2024 with comparative figures for 2023

(In dollars)

### 7. Employee benefits (continued):

(b) Employee severance benefits for services:

As described in note 2(g), the accumulation of severance benefits, which the Senate provided to certain of its employees based on eligibility, years of service and final salary, has ceased. The remaining balance of the benefits is not prefunded and will be paid from future appropriations in the year of departure of the employee. Severance payments also include payments made in the case of involuntary departures. The change in liability for the year reflects salary differences between fiscal years and additional severance payments related to involuntary departures. Information about the severance benefits, measured as at March 31, is as follows:

	2024	2023
Employee severance benefit liability, beginning of year	\$ 884,367	\$ 925,268
Change in liability for the year	390,310	262,991
Benefits paid during the year	(536,241)	(303,892)
<b>Employee severance benefit liability, end of year</b>	<b>\$ 738,436</b>	<b>\$ 884,367</b>

(c) Sick leave benefits:

The Senate 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 employees upon termination of employment for unused days. Information about the sick leave benefits, measured as at March 31, is as follows:

# THE SENATE OF CANADA

## Notes to Financial Statements

Year Ended March 31, 2024 with comparative figures for 2023

(In dollars)

### 7. Employee benefits (continued):

	2024	2023
Employee sick leave benefit obligation, beginning of year	\$ 760,000	\$ 561,000
Expenses for the year:		
Current service cost	128,000	134,000
Interest cost	22,000	12,000
	150,000	146,000
Benefits used during the year	(73,000)	(83,000)
Actuarial loss (gain)	(35,000)	136,000
Employee sick leave benefit obligation, end of year	802,000	760,000
Less: unamortized actuarial losses	(20,000)	(59,000)
Employee sick leave benefit liability, end of year	\$ 782,000	\$ 701,000

The significant actuarial assumptions adopted in measuring the employee sick leave benefit obligation are as follows:

	2024	2023
Discount rate	3.4%	2.8%
Rate of compensation economic increase	4.75%	2.0%
Average remaining service period of active employees	13.6 years	13.2 years

### 8. Senators' Pension Plan:

Senators participate in the Pension Plan for the Members of Parliament (the "Pension Plan") as required by the *Members of Parliament Retiring Allowances Act*. The Pension Plan consists of two separate accounts: the Members of Parliament Retiring Allowances Account ("MPRA") and the Members of Parliament Retirement Compensation Arrangements Account ("MPRCA"), which are recorded in the Public Accounts of Canada. The Pension Plan is the responsibility of the Treasury Board.

#### (a) Pension Plan contributions:

Normal contributions made by the Senate to the Pension Plan totalled \$6,162,756 in 2024 (\$3,565,088 in 2023) and are recorded in salaries and benefits expenses. For the 2024 fiscal year, plan members contributed at a rate of 22.2 per cent (23.3 per cent in 2023) of their salary.

The Senate contributions are made monthly to provide for the cost (net of plan member contributions) of the benefits that have accrued in respect of that month at a rate determined by the President of the Treasury Board. The Senate contributions, expressed as a multiple of

# THE SENATE OF CANADA

## Notes to Financial Statements

Year Ended March 31, 2024 with comparative figures for 2023

(In dollars)

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### 8. Senators' Pension Plan (continued):

plan member contributions, are on average as follows: 1.0 (1.0 in 2023) for the MPRA and 1.0 (1.0 in 2023) for the MPRCA.

Contributions are credited to the appropriate pension account. The pension accounts are also credited with interest at a rate determined by the Chief Actuary of Canada. The average interest rate credited to the pension accounts in 2024 was approximately 2.6 per cent (1.7 per cent in 2023).

Additional details of the Pension Plan can be found in the Consolidated Public Accounts of the Government of Canada.

#### (b) Pension Plan adjustment:

As required under the *Public Pensions Reporting Act*, actuarial valuations of the Pension Plan must be completed by the Office of the Chief Actuary of Canada at least every three years for funding purposes. The latest Actuarial Report as at March 31, 2022 was published on September 29, 2023. The Actuarial Report contained a finding of actuarial shortfalls in the MPRA and MPRCA accounts. However, since the Pension Plan regroups all parliamentarians, the breakdown for the Senate shows an actuarial excess of \$1,100,000 in the MPRA account and an actuarial shortfall of \$3,500,000 in the MPRCA account. Under the *Members of Parliament Retiring Allowances Act*, the President of the Treasury Board has the responsibility to determine the time and the manner to record actuarial surpluses or shortfalls.

During the fiscal year, under the direction of the Treasury Board, the Senate recorded a net pension adjustment expense of \$2,400,000 for the MPRA and MPRCA accounts funded through statutory appropriations.

The Actuarial Report can be found in the Actuarial Reports of the Office of the Chief Actuary of Canada.

### 9. Related party transactions:

The Senate is related to all Government of Canada departments, agencies and Crown corporations. The Senate enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, the Senate received services, which were obtained without charge from federal government departments as disclosed in notes (a) and (b).

# THE SENATE OF CANADA

## Notes to Financial Statements

Year Ended March 31, 2024 with comparative figures for 2023

(In dollars)

### 9. Related party transactions (continued):

(a) Payables and receivables from related parties:

	2024	2023
Accounts receivable from government departments and agencies	\$ 1,855,499	\$ 3,662,560
Accounts payable to government departments and agencies	1,181,795	642,719

(b) Services received without charge:

The Senate received without charge from federal government departments accommodation services, the employer's contribution to the health and dental insurance plans, translation and interpretation services, and workers' compensation. These services have been recognized in the Senate's Statement of Operations.

The Senate also received other services such as payroll for Senate employees and cheque issuance services, which are not included as an expense in the Senate's Statement of Operations.

### 10. Contractual obligations:

The Senate has entered into contractual obligations. Commitments for contractual obligations are as follows:

2025	\$ 9,641,241
2026	1,094,664
2027	607,136
2028	204,676
Total	\$ 11,547,717

### 11. Contingencies:

As at March 31, 2024, the Senate is involved in pending litigation and claims. The impact of these litigation matters is not expected to have a material impact on the Senate's financial position. The effect, if any, of ultimate resolution of these matters will be accounted for when determinable.

# THE SENATE OF CANADA

## Notes to Financial Statements

Year Ended March 31, 2024 with comparative figures for 2023

(In dollars)

### 12. Budget figures:

The budget figures are the amounts included in the Public Accounts of Canada, except for the Parliamentary appropriations budgeted for machinery and equipment, which are used to fund the acquisition of tangible capital assets included on the Statement of Financial Position, as well as the cost of machinery and equipment expense included on the Statement of Operations. The budget figure for this line item has been adjusted in the Statement of Operations in order to present only the non-capital portion of machinery and equipment.

The table below shows the reconciliation between the Main Estimates and the adjusted budget per the Statement of Operations.

	2024
Budget as per the Main Estimates	\$ 126,694,386
Year-end adjustments for Statutory authorities under:	
Salaries and benefits	(1,436,013)
Transportation and communication	(74,510)
Senators' Pension Plan adjustment (note 8(b))	2,400,000
Adjusted budget presented in the Public Accounts of Canada	127,583,863
Specific adjustment for machinery and equipment:	
Machinery and equipment original budget	3,195,342
Less: budget allocated for non-capital machinery and equipment acquisition	(415,000)
Budget adjustment for capital assets acquisition	(2,780,342)
Adjusted budget	\$ 124,803,521

### 13. Expenses subject to budgetary spending authorities by activity:

	2024	2023
Senators, House Officers and their offices	\$ 56,906,112	\$ 51,080,592
Administrative support	32,567,453	32,500,720
Chamber, Committees and Associations	24,651,502	21,611,078
Total expenses subject to budgetary spending authorities	\$ 114,125,067	\$ 105,192,390



# THE SENATE OF CANADA

## Notes to Financial Statements

Year Ended March 31, 2024 with comparative figures for 2023

(In dollars)

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### 14. Risk management:

The Senate has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk.

(a) Credit risk:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss. The Senate's maximum exposure to credit risk as at March 31, 2024 and March 31, 2023 is the carrying amount of its financial assets. The Senate has determined that there is no significant concentration of credit risk related to accounts receivable from external parties.

(b) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and other price risk. Due to nature of the Senate's financial instruments, the Senate has determined that there is no significant market risk.

(c) Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. As the funding for the Senate's financial liabilities is drawn from the CRF, its exposure to liquidity risk is fully mitigated.