



Canadian
Transportation
Agency

Office
des transports
du Canada



Financial Statements

For the period ended March 31, 2025

Canadian Transportation Agency

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Statement of Management Responsibility Including Internal Control Over Financial Reporting

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2025, and all information contained in these financial statements rests with the management of the Canadian Transportation Agency (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 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 on-going process to identify key risks, to assess effectiveness of associated key controls, and to make any necessary adjustments. A risk-based assessment of the system of ICFR for the year ended March 31, 2025 was completed in accordance with the Treasury Board Policy on Financial Management and the results and action plans are summarized in the [annex](#).

The financial statements of the Agency have not been audited.

Original signed by

France Pégeot

Deputy Head

Gatineau, Canada

September 10, 2025

Original signed by

Nadia Della Valle

Chief Financial Officer

Gatineau, Canada

September 9, 2025

Statement of Financial Position (*Unaudited*) as at March 31 (*in dollars*)

	2025	2024
Liabilities		
• Accounts payable and accrued liabilities (note 4)	\$ 4,868,617	\$ 7,543,548
Vacation pay and compensatory leave	2,764,094	2,593,241
Employee future benefits (note 5)	909,961	865,378
Total liabilities	8,542,672	11,002,167
Financial assets		
Due from Consolidated Revenue Fund	4,863,245	7,530,401
Accounts receivable and advances (note 6)	267,802	364,804
Total gross financial assets	5,131,047	7,895,205
Financial assets held on behalf of Government		
Accounts receivable and advances (note 6)	(160,029)	(93,321)
Total financial assets held on behalf of Government	(160,029)	(93,321)
Total net financial assets	4,971,018	7,801,884
Agency net debt	3,571,654	3,200,283
Non-financial assets		
Prepaid expenses	646,158	794,139
Inventory	-	2,002
Tangible capital assets (note 7)	989,209	1,106,439
Total non-financial assets	1,635,367	1,902,580
Agency net financial position	\$ (1,936,287)	\$ (1,297,703)

Contractual obligations ([note 8](#))

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

Original signed by
France Pégeot
Deputy Head
Gatineau, Canada
September 10, 2025

Original signed by
Nadia Della Valle
Chief Financial Officer
Gatineau, Canada
September 9, 2025

Statement of Operations and Agency Net Financial Position *(Unaudited)* for the Year Ended March 31 *(in dollars)*

	2025 Planned Results	2025 Actual	2024 Actual
Expenses			
Independent regulatory and dispute-resolution services for transportation providers and users	\$ 44,413,001	\$ 49,167,635	\$ 43,634,170
Internal services	17,891,538	16,284,242	17,174,250
Total expenses	62,304,539	65,451,877	60,808,420
Revenues			
Revenues from fines	632,000	1,273,580	993,470
Miscellaneous revenues	-	597	131
Revenues earned on behalf of Government	(632,000)	(1,274,153)	(993,470)
Total revenues	-	24	131
Net cost of operations before government funding and transfers	\$ 62,304,539	\$ 65,451,853	\$ 60,808,289
Government funding and transfers			
Net cash provided by Government of Canada		61,157,946	52,044,495
Change in due from Consolidated Revenue Fund		(2,667,156)	3,183,047
Services provided without charge by other government departments (note 9)		6,297,580	5,969,439
Other transfers of assets and liabilities (to)/ from other government departments		24,899	25,661
Net cost of operations after government funding and transfers		638,584	(414,353)
Agency net financial position – Beginning of year		(1,297,703)	(1,712,056)
Agency net financial position – End of year		\$ (1,936,287)	\$ (1,297,703)

Segmented information ([note 10](#))

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

Statement of Change in Agency Net Debt (*Unaudited*) for the Year Ended March 31 (*in dollars*)

	2025	2024
Net cost of operations after government funding and transfers	\$ 638,584	\$ (414,353)
Change due to tangible capital assets		
Acquisition of tangible capital assets	343,427	1,328,086
Amortization of tangible capital assets	(460,657)	(634,166)
Total change due to tangible capital assets	(117,230)	693,920
Change due to inventory	(2,002)	-
Change due to prepaid expenses	(147,981)	173,289
Net increase (decrease) in Agency net debt	371,371	452,856
Agency net debt – Beginning of year	3,200,283	2,747,427
Agency net debt – End of year	\$ 3,571,654	\$ 3,200,283

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

Statement of Cash Flows (*Unaudited*) for the Year Ended March 31 (*in dollars*)

	2025	2024
Operating activities		
Net cost of operations before government funding and transfers	\$ 65,451,853	\$ 60,808,289
Non-cash items:		
Amortization of tangible capital assets	(460,657)	(634,166)
Services provided without charge by other government departments (note 9)	(6,297,580)	(5,969,439)
Net transfer of salary overpayments to (from) other government departments	(24,899)	(25,661)
Variations in Statement of Financial Position:		
Increase (decrease) in accounts receivable and advances	(163,710)	42,471
Increase (decrease) in prepaid expenses	(147,981)	173,289
Increase (decrease) in inventory	(2,002)	-
Decrease (increase) in accounts payable and accrued liabilities	2,674,931	(3,169,937)
Decrease (increase) in vacation pay and compensatory leave	(170,853)	(312,869)
Decrease (increase) in employee future benefits	(44,583)	(195,568)
Cash used in operating activities	60,814,519	50,716,409
Capital investment activities:		
Acquisitions of tangible capital assets	343,427	1,328,086
Cash used in capital investment activities	343,427	1,328,017
Net cash provided by Government of Canada	\$ 61,157,946	\$ 52,044,495

The accompanying [notes](#) form an integral part of these financial statements.

Notes to the Financial Statements (Unaudited)

1. Authority and objectives

The Agency was established with the coming into force of the *Canada Transportation Act* (S.C. 1996, c. 10) on July 1st, 1996, as the continuation of the National Transportation Agency. The Agency is an independent regulator and quasi-judicial tribunal with the powers of a superior court. It operates within the context of the very large and complex Canadian transportation system.

The Agency has specific powers assigned to it under this legislation::

- It is an economic regulator of modes of transportation under federal jurisdiction, and develops and applies ground rules that establish the rights and responsibilities of transportation service providers and users and that level the playing field among competitors. These rules can be binding regulations, guidelines, or codes of practice.
- It is a tribunal that hears and resolves disputes like a court. It resolves disputes between transportation service providers and their clients or neighbours, using various tools from facilitation and mediation to arbitration and adjudication.

The Agency's responsibilities are:

- To help ensure that the national transportation system runs efficiently and smoothly in the interests of all Canadians: those who work and invest in it; the producers, shippers, travellers, and businesses who rely on it; and the communities where it operates.
- To provide consumer protection for air passengers.
- To protect the human right of persons with disabilities to an accessible transportation network.

In delivering its mandates, the Agency operates under the following core responsibilities:

- Independent regulatory and dispute-resolution services for transportation providers and users. This core responsibility is supported by the following two key programs:
 - Determinations and Compliance: This program provides analysis and recommendations when industry needs a determination from the Agency to proceed with an activity in the marketplace (e.g. an air carrier licence). It also monitors compliance with legislation and regulations, as well as Agency decisions, orders and determinations and initiates enforcement actions in cases of non-compliance.
 - Dispute Resolution: This program provides dispute resolution services, upon application, for air, rail, marine and accessibility disputes within the Agency's jurisdiction. It does this using a range of approaches from relatively informal facilitation and mediation to more formal arbitration and adjudication.
- Internal Services. Internal Services are those groups of related activities and resources that the federal government considers to be services in support of programs and/or required to meet corporate obligations of an organization. Internal services refer to the activities and resources that support program delivery in the organization, such as human resources management, financial management, information management and information technology.

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 do 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 Agency Net Financial Position* and in the *Statement of Financial Position* are not necessarily the same as those provided through authorities from Parliament.

Note 3 provides a reconciliation between the bases of reporting. The planned results amounts in the “Expenses” and “Revenues” sections of the *Statement of Operations and Agency Net Financial Position* are the amounts reported in the *Future-oriented Statement of Operations* included in the 2024-2025 Departmental Plan. Planned results are not presented in the “Government funding and transfers” section of the *Statement of Operations and Agency Net Financial Position* and in the *Statement of Change in Agency Net Debt* because these amounts were not included in the 2024-2025 Departmental Plan.

(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 Agency 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 are comprised of revenues earned from non-tax sources. They include exchange transactions where goods or services are provided for consideration where a performance obligation exists, and non-exchange transactions where no performance obligations exist to provide a good or service. These transactions can be recurring or non-recurring in nature. Recurring transactions are viewed as ongoing, routine activities that form part of the normal course of operations and can be

used to indicate if they can be reasonably expected to be earned again in future years (i.e., revenues from fines).

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 Agency's liabilities. While the Agency's Deputy Head is expected to maintain accounting control, she has no authority regarding the disposition of non-respendable revenues. As a result, non-respendable revenues are earned on behalf of the Government of Canada and are therefore presented as a reduction of the entity's gross revenues. Revenues earned on behalf of Government consist of the sale of services and gains on the sale of assets. These are recognized when earned.

(e) Expenses

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 (the "Plan"), a multi-employer pension plan administered by the Government. The Agency's contributions to the Plan are charged to expenses in the year incurred and represent the total Agency 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) Financial instruments

A contract establishing a financial instrument creates, at its inception, rights, and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The Agency recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of accounts receivable, accounts payable and accrued liabilities.

All financial assets and liabilities are recorded at cost. Any associated transaction costs are added to the carrying value upon initial recognition. 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 equipment and other capital property are capitalized as tangible capital assets and are amortized to expense over the estimated useful life of the assets, as described in Note 7. All tangible capital assets 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 brochures held for future program delivery and are not intended for resale. Inventories that no longer has service potential are valued at the lower of cost or net realizable value.

(i) Contingent liabilities

Contingent liabilities 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.

(j) Contingent assets

Contingent assets are possible assets which may become actual assets when one or more future events occur or fail to occur. If the future event is likely to occur or fail to occur, the contingent asset is disclosed in the notes to the financial statements.

(k) 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 as 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 the liability for employee future benefits and the useful life of tangible capital assets.

Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

(l) Related party transactions

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount. Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions, other than restructuring transactions, are recorded on a gross basis and are measured at the carrying amount, except for the following:

- i. Services provided on a recovery basis are recognized as revenues and expenses on a gross basis and measured at the exchange amount.

ii. Certain services received on a without charge basis are recorded for departmental financial statement purposes at the carrying amount.

3. Parliamentary authorities

The Agency receives most of its funding through annual parliamentary authorities. Items recognized in the *Statement of Operations and Agency 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

	2025	2024
Net cost of operations before government funding and transfers	\$ 65,451,853	\$ 60,808,289
Adjustments for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(460,657)	(634,166)
Services provided without charge by other government departments	(6,297,580)	(5,969,439)
Decrease (increase) in vacation pay and compensatory leave	(170,853)	(312,869)
Decrease (increase) in employee future benefits	(44,583)	(195,568)
Refunds of prior years' expenditures	(22,824)	-
Refunds of prior years' expenditures	20,260	3,205
Other expenditures not affecting authorities	316	72
Total items affecting net cost of operations but not affecting authorities	(6,975,921)	(7,108,765)
Adjustment for items not affecting net cost of operations but affecting authorities:		
Acquisitions of tangible capital assets	343,427	1,328,086
Loans issued on behalf of government	-	6,520
Increase (decrease) in inventory	(2,002)	-
Increase (decrease) in prepaid expenses	(147,981)	173,289
Other items not affecting net cost of operations	36,137	68,305
Total items not affecting net cost of operations but affecting authorities	229,581	\$ 1,576,200
Current year authorities used	\$ 58,705,513	\$ 55,275,724

(b) Authorities provided and used

	<u>2025</u>	<u>2024</u>
Authorities provided:		
Vote 1: Operating expenditures	\$ 51,973,521	\$ 49,596,707
Statutory amounts	6,801,199	6,064,145
Less:		
Lapsed: Operating expenditures	(69,207)	(385,128)
Current year authorities used	\$ 58,705,513	\$ 55,275,724

4. Accounts payable and accrued liabilities

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

	<u>2025</u>	<u>2024</u>
Accounts payable – Other government departments and agencies	\$ 831,606	\$ 2,570,838
Accounts payable – External parties	222,776	1,413,491
Total accounts payable	1,054,382	3,984,329
Accrued liabilities	3,814,235	3,559,219
Total accounts payable and accrued liabilities	\$ 4,868,617	\$ 7,543,548

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 of Canada. 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 Plan benefits and 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 2024-2025 expense amounts to \$4,362,289 (\$3,590,539 in 2023-2024). For Group 1 members, the expense represents approximately 1.02 times (1.02 times in 2023-2024) the employee contributions and, for Group 2 members, approximately 1.00 times (1.00 times in 2023-2024) 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 Consolidated 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, 2025, substantially 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:

	2025	2024
Accrued benefit obligation – Beginning of year	\$ 865,378	\$ 669,810
Expense for the year	92,593	237,102
Benefits paid during the year	(48,010)	(41,534)
Accrued benefit obligation – End of year	\$ 909,961	\$ 865,378

6. Accounts receivable and advances

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

	2025	2024
Receivables – Other government departments and agencies	\$ 70,190	\$ 186,267
Receivables – External parties	254,862	220,363
Employee advances	-	6,520
Subtotal	325,052	413,150
Allowance for doubtful accounts on receivables from external parties	(57,250)	(48,346)
Gross accounts receivable	267,802	364,804
Accounts receivable held on behalf of Government	(160,029)	(93,321)
Net accounts receivable	\$ 107,773	\$ 271,483

The following table provides an aging analysis of accounts receivable from external parties and the associated valuation allowances used to reflect their net recoverable value.

	2025	2024
Accounts receivable from external parties		
Not past due	\$ 37,583	\$ 78,777
Number of days past due		
1 to 30	56,000	2,500
31 to 60	-	5,600
61 to 90	3,000	-
91 to 365	46,433	20,140
Over 365	54,596	65,000
Impaired	57,250	48,346
Subtotal	254,862	220,363
Less: Valuation allowance	(57,250)	(48,346)
Total	\$ 197,612	\$ 172,017

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
Machinery and equipment	7 years
Computer hardware	5 years
Computer software	3-5 years
Furniture	10 years
Vehicles	7 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.

Cost

Capital Asset Class	Opening Balance	Acquisitions	Adjustments ¹	Disposal / Write-offs	Closing Balance
Machinery and equipment	\$ 10,236	\$ -	\$ -	\$ -	\$ 10,236
Informatics hardware	1,661,830	61,500	-	-	1,723,330
Informatics software	5,153,860	-	210,220	-	5,364,080
Furniture	665,441	-	-	-	665,441
Vehicles	35,600	-	-	-	35,600
Work in progress - software	-	281,927	(210,220)	-	71,707
Total	\$7,526,967	\$ 343,427	\$ -	\$ -	\$7,870,394

Accumulated Amortization

Capital Asset Class	Opening Balance	Amortization	Adjustments	Disposals / Write-offs	Closing Balance
Machinery and equipment	\$ 10,236	\$ -	\$ -	\$ -	\$ 10,236
Informatics hardware	1,357,971	118,280	-	-	1,476,251
Informatics software	4,368,978	336,212	-	-	4,705,190
Furniture	664,271	1,080	-	-	665,351
Vehicles	19,072	5,085	-	-	24,157
Work in progress - software	-	-	-	-	-
Total	\$ 6,420,528	\$ 460,657	\$ -	\$ -	\$ 6,881,185

Net Book Value

Capital Asset Class	2025	2024
Machinery and equipment	\$ -	\$ -
Informatics hardware	247,079	303,859
Informatics software	658,890	784,882
Furniture	90	1,170
Vehicles	11,443	16,528
Work in progress - software	71,707	-
Total	\$ 989,209	\$1,106,439

¹ Included in adjustments are the following: software assets under development of \$210,220 that were transferred to informatics software upon completion.

8. Contractual obligations

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

	2026	2027	2028	2029 and thereafter	Total
Software maintenance agreements	\$ 512,604	\$ 69,198	\$ 61,621	\$ 10,604	\$ 654,027
Professional and special services	242,473	27,588	6,894	7,002	283,957
Other goods and services	190,208	10,174	-	-	200,382
Total	\$ 945,285	\$ 106,960	\$ 68,515	\$ 17,606	\$ 1,138,366

9. 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.

(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, the employer's contribution to the health and dental insurance plans and workers' compensation coverage. These services provided without charge have been recorded at the carrying value in the Agency's Statement of Operations and Agency Net Financial Position as follows:

	2025	2024
Employer's contribution to the health and dental insurance plans	\$ 4,102,895	\$ 3,797,425
Accommodation	2,189,009	2,163,459
Worker's compensation	5,676	8,555
Total	\$ 6,297,580	\$ 5,969,439

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 (PSPC) and audit services provided by the Office of the Auditor General are not included in the Agency's *Statement of Operations and Agency Net Financial Position*.

b) Other transactions with other government departments and agencies

	<u>2025</u>	<u>2024</u>
Expenses	\$ 14,159,740	\$ 12,911,446
Revenues	-	-
Total	<u>\$ 14,159,740</u>	<u>\$ 12,911,446</u>

Expenses and revenues disclosed in (b) exclude common services provided without charges, which are already disclosed in (a).

10. Segmented information

Presentation by segment is based on the Agency'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 responsibility, by major object of expense and by major type of revenue. The segment results for the period are as follows:

	Independent regulatory and dispute- resolution services for transportation and users	Internal Services	2025 Total	2024 Total
Operating expenses				
Salaries and employee benefits	\$ 46,334,976	\$ 11,617,844	\$ 57,952,820	\$ 50,920,533
Accommodation	1,700,931	488,078	2,189,009	2,163,459
Rentals	16,451	1,875,192	1,891,643	1,820,843
Professional and special services	403,079	1,176,327	1,579,406	3,359,671
Information	414,628	157,902	572,530	608,083
Amortization of tangible capital assets	-	460,657	460,657	634,166
Machinery and equipment	29,844	307,398	337,242	655,621
Transportation and telecommunication	231,262	89,928	321,190	488,589
Repair and maintenance	-	78,918	78,918	99,795
Utilities, materials and supplies	13,553	25,114	38,667	50,703
Other	22,911	6,884	29,795	6,957
Total expenses	49,167,635	16,284,242	65,451,877	60,808,420
Revenues				
Revenues from fines	1,273,580	-	1,273,580	993,470
Miscellaneous revenues	597	-	597	131
Revenues earned on behalf of Government	(1,274,153)	-	(1,274,153)	(993,470)
Total revenues	24	-	24	131
Net cost from continuing operations	\$ 49,167,611	\$ 16,284,242	\$ 65,451,853	\$ 60,808,289

Annex to the Statement of Management Responsibility Including Internal Control Over Financial Reporting (*Unaudited*) For the Year Ended March 31

Introduction

In support of an effective system of internal control, the Agency conducted self-assessments of key control areas that were identified to be assessed in the 2024 to 2025 fiscal year. A summary of the assessment results and action plan is provided below.

Assessment results for the 2024 to 2025 fiscal year

The Agency completed the assessment of key control areas as indicated in the following table. A summary of the results, action plans, and additional details are also provided.

Key control areas	Remediation required	Summary results and action plan
Pay Administration	Yes	The review of overtime identified instances where expenditures were incurred without proper and formal approval under Section 32 of the <i>Financial Administration Act</i> (FAA). The Agency is currently working to provide targeted training for delegated managers, clarify the overtime approval process, and implement a pre-verification mechanism.
Financial Management Governance	Yes	It was noted that documentation supporting the Chief Financial Officer’s (CFO) approval of the organizational budget, business plan, and financial delegation chart was insufficient. This issue was addressed during the current fiscal year by formally recording these decisions in the Executive Committee’s Records of Decision. At present, the Agency does not have an up-to-date Corporate Risk Profile or Risk Register; however, efforts are underway to update and implement these essential risk management tools.

With respect to the key control areas of pay administration and financial management governance, for the most part, controls were functioning well and form an adequate basis for the Agency's system of internal control.

Assessment plan

The Agency will assess the performance of its system of internal control by focusing on key control areas over a cycle of years as shown in the following table.

Key control areas	2025 to 2026 fiscal year	2026 to 2027 fiscal year	2027 to 2028 fiscal year	2028 to 2029 fiscal year	2029 to 2030 fiscal year
Delegation	No	No	Yes	No	No
Contracting	No	No	No	Yes	No
Year-end Payables	No	No	No	Yes	No
Receivables	No	No	No	Yes	No
Pay Administration	No	No	No	No	Yes
Travel	No	Yes	No	No	No
Financial Management Governance	No	No	No	No	Yes
Hospitality	No	Yes	No	No	No
Fleet Management	No	No	No	No	No
Accountable Advances	No	Yes	No	No	No
Acquisition cards	Yes	No	No	No	No
Leave	Yes	No	No	No	No