



PARLIAMENTARY PROTECTIVE SERVICE  
SERVICE DE PROTECTION PARLEMENTAIRE  
CANADA

**FINANCIAL STATEMENTS  
2023 | 2024**

**FOR THE YEAR ENDED  
MARCH 31, 2024**





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## Statement of Management Responsibility

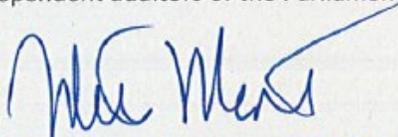
Responsibility for the integrity and objectivity of the accompanying Financial Statements of the Parliamentary Protective Service for the year ended March 31, 2024, and of all information contained in these statements rests with management.

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

Management maintains a system of financial management, and internal control and management practices designed to provide reasonable assurance that the financial information is reliable, that assets are safeguarded, that resources are managed economically and efficiently in the achievement of Parliamentary Protective Service objectives and that transactions reflect the policies in force and statutory requirements.

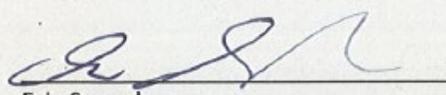
Management also seeks to ensure the objectivity and integrity of data in its Financial Statements by careful selection, training, and development of qualified staff; by organizational arrangements that provide appropriate divisions of responsibility; and by communication programs aimed at ensuring that regulations, policies, guidelines, standards, and managerial authorities are understood throughout the Parliamentary Protective Service.

At the request of management, these Financial Statements have been audited by KPMG LLP, the independent auditors of the Parliamentary Protective Service.

  
C/Supt. Mitch Monette O.3161

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Mitch Monette  
Director, Parliamentary Protective Service

On behalf of the Parliamentary Protective Service,

  
\_\_\_\_\_  
Eric Savard  
Chief Financial Officer

Ottawa, Canada

Date: OCT 31 2024





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Ottawa, ON K2P 2P8  
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## INDEPENDENT AUDITOR'S REPORT

### *Opinion*

We have audited the financial statements of the Parliamentary Protective Service (the Entity), which comprise:

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

(Hereinafter referred to as the "financial statements").

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

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.





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

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

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

***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 the financial statements.

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.





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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Entity 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.
- 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.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

October 30, 2024



## Statement of Financial Position

As at March 31

	2024	2023
<i>(in thousands of dollars)</i>		<i>Restated (note 16)</i>
<b>Financial assets</b>		
Due from the Consolidated Revenue Fund	6,934	8,644
Accounts receivable <i>(note 6)</i>	2,140	1,312
Advances <i>(note 7)</i>	17	11
<i>Total financial assets</i>	9,091	9,967
<b>Non-financial assets</b>		
Prepaid expenses	178	108
Inventory held for use	3,029	2,610
Tangible capital assets <i>(note 8)</i>	9,999	9,042
<i>Total non-financial assets</i>	13,206	11,760
<b>Total assets</b>	22,297	21,727
<b>Liabilities</b>		
Accounts payable and accrued liabilities <i>(note 4)</i>	13,334	11,777
Vacation pay and compensatory leave	7,803	4,607
Contingent liabilities	336	286
Employee future benefits <i>(note 5)</i>	2,764	2,765
<i>Total liabilities</i>	24,237	19,435
<b>Net financial position</b>	(1,940)	2,292
Contractual obligations <i>(note 9)</i>		
Contingent liabilities <i>(note 10)</i>		

The accompanying notes form an integral part of these Financial Statements.



## Statement of Operations and Net Financial Position

For the year ended March 31

	<b>Budget</b> <i>(note 11)</i>	<b>2024</b>	<b>2023</b> <i>Restated</i> <i>(note 16)</i>
<i>(in thousands of dollars)</i>			
<b>Net financial position – beginning of year</b>		<b>2,292</b>	(2,022)
<b>Expenses</b>			
<b>Operating</b>			
Salaries and benefits	99,523	<b>97,213</b>	94,618
Professional and special services	9,318	<b>5,030</b>	9,842
Accommodations	4,072	<b>4,072</b>	3,300
Computers, office equipment, furniture and fixtures	880	<b>2,494</b>	2,527
Amortization of tangible capital assets	1,588	<b>1,588</b>	613
Utilities, materials and supplies	768	<b>986</b>	359
Repair and maintenance	860	<b>873</b>	1,396
Rentals	688	<b>794</b>	537
Transportation and communications	270	<b>446</b>	358
Information	32	<b>177</b>	112
Net loss on disposal of tangible capital assets	2	<b>2</b>	-
Other	2,241	<b>200</b>	174
Expenses capitalized to tangible capital assets <i>(note 8)</i>	(1,734)	<b>(1,734)</b>	(6,248)
<b>Total expenses</b>	118,508	<b>112,141</b>	107,588
<b>Revenues</b>			
Cost recoveries		<b>1,260</b>	1,059
Other		<b>203</b>	111
<b>Total revenues</b>		<b>1,463</b>	1,170
<b>Net cost of operations</b>		<b>110,678</b>	106,418
<b>Funding and transfers</b>			
Net cash provided by the Consolidated Revenue Fund		<b>97,408</b>	99,019
Change in due from the Consolidated Revenue Fund		<b>(1,710)</b>	1,655
Services received without charge <i>(note 13 (a))</i>		<b>10,741</b>	9,937
Transfer from other government departments		<b>7</b>	121
<b>Total funding and transfers</b>		<b>106,446</b>	110,732
<b>Net cost of operations after funding and transfers</b>		<b>4,232</b>	(4,314)
<b>Net financial position – end of year</b>		<b>(1,940)</b>	2,292

*The accompanying notes form an integral part of these Financial Statements.*



## Statement of Change in Net Debt

For the year ended March 31

	2024	2023
<i>(in thousands of dollars)</i>		<i>Restated (note 16)</i>
<b>Net debt - beginning of year</b>	<b>9,468</b>	7,082
<b>Net cost of operations after funding and transfers</b>	<b>4,232</b>	(4,314)
<b>Change due to tangible capital assets</b>		
Acquisitions of tangible capital assets <i>(note 8)</i>	<b>811</b>	317
Amortization of tangible capital assets	<b>(1,588)</b>	(613)
Net loss on disposals of tangible capital assets	<b>(2)</b>	-
Transfer of capital assets from other government entities	<b>2</b>	121
Expenses capitalized to tangible capital assets <i>(note 8)</i>	<b>1,734</b>	6,248
<b>Total change due to tangible capital assets</b>	<b>957</b>	6,073
Change due to inventory held for use	<b>419</b>	707
Change due to prepaid expenses	<b>70</b>	(80)
Net increase (decrease) in net debt	<b>5,678</b>	2,386
<b>Net debt - end of year</b>	<b>15,146</b>	9,468
<b>Consisting of:</b>		
Financial liabilities	<b>24,237</b>	19,435
Less: Financial assets	<b>9,091</b>	9,967
	<b>15,146</b>	9,468

*The accompanying notes form an integral part of these Financial Statements.*



## Statement of Cash Flows

For the year ended March 31

	2024	2023
		<i>Restated</i>
		<i>(note 16)</i>
<i>(in thousands of dollars)</i>		
<b>Operating activities</b>		
Net cost of operations	110,678	106,418
<b>Non-cash items</b>		
Services received without charge <i>(note 13 (a))</i>	(10,741)	(9,937)
Expenses capitalized to tangible capital assets <i>(note 8)</i>	1,734	6,248
Amortization of tangible capital assets <i>(note 8)</i>	(1,588)	(613)
Net loss on disposal of tangible capital assets	(2)	-
<b>Variations in Statement of Financial Position</b>		
Increase (decrease) in accounts receivable	828	(1,229)
Increase (decrease) in advances	6	3
Increase (decrease) in prepaid expenses	70	(80)
Increase (decrease) in inventory held for use	419	707
Decrease (increase) in accounts payable and accrued liabilities	(1,557)	(2,277)
Decrease (increase) in contingent liabilities	(50)	134
Decrease (increase) in vacation pay and compensatory leave	(3,196)	696
Decrease (increase) in employee future benefits	1	(1,368)
Transfer from other government entities	(7)	(121)
<b>Cash used in operating activities</b>	<b>96,595</b>	<b>98,581</b>
<b>Capital investing activities</b>		
Acquisition of tangible capital assets	811	317
Transfer of capital assets from other government entities	2	121
<b>Cash used in capital investing activities</b>	<b>813</b>	<b>438</b>
<b>Net cash provided by the Consolidated Revenue Fund</b>	<b>97,408</b>	<b>99,019</b>

*The accompanying notes form an integral part of these Financial Statements.*



# Notes to the Financial Statements

For the year ended March 31

## 1. Authority and objectives

The **Parliamentary Protective Service** is a self-governing institution established on June 23, 2015 as a statutory office by Royal Assent under subsection 79.52(1) of the *Parliamentary of Canada Act*. The Parliamentary Protective Service brings together the former Senate and House of Commons protection services and the Royal Canadian Mounted Police's Parliament Hill Security Unit into a unified security service.

The Parliamentary Protective Service is led by a Director and reports to the Senate, the House of Commons and the Royal Canadian Mounted Police. For policy and administrative issues related to security services within the Parliamentary Precinct, the Parliamentary Protective Service reports to the Speakers of the Senate and the House of Commons. For all operational issues, the Director reports to the Commissioner of the Royal Canadian Mounted Police through the Commanding Officer of National Division.

The Parliamentary Protective Service is responsible for physical security throughout the Parliamentary Precinct and on the grounds of Parliament Hill. The Parliamentary Protective Service plays a critical role in ensuring the safety of parliamentarians, employees, and visitors within the Parliamentary Precinct. The Parliamentary Protective Service is responsive to the needs of the evolving environment and is responsible for protective operations, scanning and access control, perimeter protection, alarm monitoring, operational communications and ceremonial traditions. In addition to these responsibilities, the Parliamentary Protective Service works closely with various partners to coordinate security and safety efforts across the precinct. Key partners include the Senate Corporate Security Directorate, the House of Commons Corporate Security Office, the Royal Canadian Mounted Police National Division and the Ottawa Police Service.



# Notes to the Financial Statements

For the year ended March 31

## 2. Summary of significant accounting policies

### (a) Basis of presentation

These Financial Statements have been prepared in accordance with Canadian public sector accounting standards.

### (b) Parliamentary authorities

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

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

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

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

Amounts due from the Consolidated Revenue Fund (CRF) are the result of timing differences at year-end between 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 Parliamentary Protective Service is entitled to draw from the CRF without further appropriations to discharge its liabilities.

### (e) Accounts receivable and advances

Accounts receivable and advances are stated as amounts expected to be ultimately realized.

### (f) Inventory held for use

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



# Notes to the Financial Statements

For the year ended March 31

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

### (g) Tangible capital assets

The Parliamentary Protective Service does not capitalize intangibles, works of art or historical treasures that have cultural, aesthetic or historical value. Amounts included in assets under development are transferred to the appropriate asset class upon completion and are then amortized. Salaries and other operating expenses that are eligible for capitalization to an asset under development are added to the cost of the asset.

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

<u>Asset Class</u>	<u>Amortization Period</u>
Informatics hardware and infrastructure	3 years
Software	3 to 5 years
Machinery and equipment	5 to 7 years
Vehicles	5 to 7 years
Arms and Weapons	15 years
Other equipment	5 to 10 years

### (h) Employee future benefits

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

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



# Notes to the Financial Statements

For the year ended March 31

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

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

#### ii. Employee severance benefits

Employees entitled to severance benefits under labour contracts or conditions of employment earn these benefits as the services necessary to earn them are rendered. The obligation relating to the benefits earned by these employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government of Canada as a whole.

#### iii. Employee pension benefits

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

#### iv. Sick leave

Employees of PPS are eligible to accumulate sick leave until termination of employment. Accumulated, unused sick leave is not eligible for payment on retirement or termination and may not be used as vacation. All sick leave is an accumulating non-vesting benefit.

A liability is recorded for sick leave balances expected to be taken in excess of future allotments. The cost of sick leave as well as the present value of the obligation is determined using an actuarial valuation. Any gains and losses are recognized in net results in the period in which they arise.

### (i) Contingent liabilities

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



## Notes to the Financial Statements

For the year ended March 31

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

#### (j) Revenues

Revenues are recognized in the year in which the underlying transaction or event occurred, performance obligations fulfilled, and future economic benefits are measurable and expected to be obtained.

Revenues are derived from specific event fees where the Parliamentary Protective Service must increase security personnel.

#### (k) Services received without charge

Services received without charge from federal government departments for accommodation and employer contributions to the health and dental insurance plans are recorded as operating expenses at their estimated cost.

#### (l) Foreign currency transactions

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

#### (m) Measurement uncertainty

The preparation of these Financial Statements in accordance with Canadian public sector accounting standards requires that management make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the Financial Statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are contingent liabilities, the liability for employee severance 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.



# Notes to the Financial Statements

For the year ended March 31

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

### (o) Financial Instruments

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

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

### (p) Adoption of new accounting standards

The Parliamentary Protective Service has adopted the following new public sector accounting standards in the year.

#### i) PS 3400 – Revenue:

On April 1, 2023, PPS adopted Public Sector Accounting Standard PS 3400 – Revenue. This standard was adopted prospectively from the date of adoption. This new standard provides requirements for the recognition, measurement, presentation, and disclosure of revenue transactions.

The implementation of this standard did not require PPS to reflect any adjustments in these financial statements.

### (q) Change in accounting policy

PPS adopted a change in accounting policy by recognizing an obligation of \$1,548,000 as at March 31, 2024 (\$1,395,000 as at March 31, 2023) for the employee accumulated sick leave benefits that are anticipated to be used in the future. Prior to fiscal year 2024, PPS recognized benefit expenses equal to its payments for the actual payouts and no liability for accumulated sick leave was recorded in the Statement of Financial Position. This change is applied retroactively and has led to a restatement of the comparative financial statements presented for the year ended March 31, 2023, which are summarized for specific line items in note 16.



## Notes to the Financial Statements

For the year ended March 31

### 3. Parliamentary authorities

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

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

	2024	2023
		<i>Restated</i>
		<i>(note 16)</i>
<i>(in thousands of dollars)</i>		
Net cost of operations	<b>110,678</b>	106,418
<i>Adjustments for items affecting net cost of operations but not affecting authorities:</i>		
Services received without charge <i>(note 13 (a))</i>	<b>(10,741)</b>	(9,937)
Amortization of tangible capital assets	<b>(1,588)</b>	(613)
Net loss on disposal of tangible capital assets	<b>(2)</b>	-
Decrease (increase) in contingent liabilities	<b>(50)</b>	134
Decrease (increase) in employee future benefits	<b>1</b>	(1,368)
Refund of previous years' expenditures	<b>55</b>	35
Refund of program expenditures	<b>-</b>	(1)
Gain on disposal of non-capital assets	<b>2</b>	2
Decrease (increase) in vacation pay and compensatory leave	<b>(3,196)</b>	696
Expenses capitalized to tangible capital assets <i>(note 8)</i>	<b>1,734</b>	6,248
Prepaid expenses consumption	<b>(101)</b>	(185)
Other	<b>(3,326)</b>	(1,054)
	<b>(17,212)</b>	(6,043)
<i>Adjustments for items not affecting net cost of operations but affecting authorities:</i>		
Acquisitions of tangible capital assets	<b>811</b>	317
Increase in inventory	<b>419</b>	707
Prepaid expenses	<b>171</b>	105
Other	<b>100</b>	108
	<b>1,501</b>	1,237
<b>Current year authorities used</b>	<b>94,967</b>	101,612



## Notes to the Financial Statements

For the year ended March 31

### 3. Parliamentary authorities (continued)

#### (b) Authorities provided and used

<i>(in thousands of dollars)</i>	2024	2023
Vote 1 – Operating expenditures	91,984	93,416
Statutory amounts	10,501	9,897
	<b>102,485</b>	103,313
Less:		
Lapsed – Operating	7,518	1,701
<b>Current year authorities used</b>	<b>94,967</b>	101,612

### 4. Accounts payable and accrued liabilities

<i>(in thousands of dollars)</i>	2024	2023
Payables – External parties	1,322	1,764
Payables – Federal government entities	1,060	1,361
	<b>2,382</b>	3,125
Accrued liabilities	10,952	8,652
<b>Total accounts payable and accrued liabilities</b>	<b>13,334</b>	11,777



## Notes to the Financial Statements

For the year ended March 31

### 5. Employee future benefits

#### (a) Employee severance benefits

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

<i>(in thousands of dollars)</i>	<b>2024</b>	<b>2023</b>
Employee severance benefit obligation – beginning of year	<b>1,370</b>	1,397
Change in liability for the year	<b>(141)</b>	24
Benefits paid during the year	<b>(13)</b>	(51)
<b>Employee severance benefit obligation – end of year</b>	<b>1,216</b>	1,370

#### (b) Sick leave benefits

The Parliamentary Protective 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:

<i>(in thousands of dollars)</i>	<b>2024</b>	<b>2023</b>
Employee sick leave benefit obligation – beginning of the year	<b>1,395</b>	1,251
Expense for the year:		
Current service cost	<b>218</b>	211
Interest cost	<b>49</b>	44
Actuarial gain	-	-
Benefits paid during the year	<b>(114)</b>	(111)
<b>Sick leave benefit obligation – end of year</b>	<b>1,548</b>	1,395



## Notes to the Financial Statements

For the year ended March 31

### 5. Employee future benefits (continued)

At the end of fiscal year 2024, an actuarial valuation of the Parliamentary Protective Service's employee sick leave benefit obligation was completed using the projected benefit method prorated on services. The significant actuarial assumptions adopted in measuring the employee sick leave benefit obligation are as follow:

	2024	2023
Discount Rate	3,42%	3,42%
Rate of compensation economic increase per year:		
2024	2,26%	2,26%
2025 and thereafter	2%	2%
Average remaining service period of active employees (in years)	8.7	8.7

### 6. Accounts receivable

<i>(in thousands of dollars)</i>	2024	2023
Receivables – Federal government entities	1,595	745
Receivables – External parties	545	567
<b>Total accounts receivable</b>	<b>2,140</b>	<b>1,312</b>

### 7. Advances

<i>(in thousands of dollars)</i>	2024	2023
Salary advances	17	11
<b>Total advances</b>	<b>17</b>	<b>11</b>



## Notes to the Financial Statements

For the year ended March 31

### 8. Tangible capital assets

(in thousands of dollars)

	Cost					Accumulated Amortization					Net Book Value			
	Opening balance	Acquisitions	Disposal and adjustments	Transfer of assets from OGD	Other <sup>(1)</sup>	Closing balance	Opening balance	Amortization	Disposal and adjustments	Transfer from OGD	Other	Closing balance	2024	2023
Asset under development	6899	-	-	-	(3,713)	<b>3,186</b>	-	-	-	-	-	-	<b>3,186</b>	6,899
Work in progress	-	465	-	-	-	<b>465</b>	-	-	-	-	-	-	<b>465</b>	-
Informatics hardware and infrastructure	188	-	-	-	-	<b>188</b>	94	54	-	-	-	<b>148</b>	<b>40</b>	94
Software	353	-	(303)	-	5,447	<b>5,497</b>	323	1009	(303)	-	-	<b>1,029</b>	<b>4,468</b>	30
Machinery and equipment	2,023	70	-	-	-	<b>2,093</b>	1,203	164	-	-	1	<b>1,368</b>	<b>725</b>	820
Vehicles	2,220	164	(62)	25	-	<b>2,347</b>	1,525	313	(62)	22	2	<b>1,800</b>	<b>547</b>	695
Other equipment	73	112	-	-	-	<b>185</b>	26	11	-	-	-	<b>37</b>	<b>148</b>	47
Arms and Weapons	544	-	-	-	-	<b>544</b>	87	37	-	-	-	<b>124</b>	<b>420</b>	457
<b>Total</b>	<b>12,300</b>	<b>811</b>	<b>(365)</b>	<b>25</b>	<b>1,734</b>	<b>14,505</b>	<b>3,258</b>	<b>1,588</b>	<b>(365)</b>	<b>22</b>	<b>3</b>	<b>4,506</b>	<b>9,999</b>	<b>9,042</b>

(1) In the year, the Parliamentary Protective Service capitalized \$1,734 (2023 - \$6,248) of salaries and operating expenses to assets under development related to large information technology projects.



## Notes to the Financial Statements

For the year ended March 31

### 9. Contractual obligations

The nature of the Parliamentary Protective Service' activities can result in some large multi-year obligations whereby the Parliamentary Protective Service will be obligated to make future payments when the goods are received, and services are rendered. The Parliamentary Protective Service has estimated that there are no significant contractual obligations to be presented in these Financial Statements.

### 10. Contingent liabilities

As at March 31, 2024, some claims or possible claims against the Parliamentary Protective Service exist; specifically, one claim relating to an employee and two claims relating to employee groups. These claims have been or will be referred to adjudication by the Federal Public Labour Relations and Employment Board. As at March 31, 2024 these three claims have been assessed as likely to occur and a reasonable estimate for each claim has been made based on Legal Counsel and management's assessment of the particulars of each claim. A contingent liability of \$336,000 has been recorded at March 31, 2024 (\$286,000 at March 31, 2023).

### 11. Budget figures

Given the difference between parliamentary authorities and Canadian public sector accounting standards, the budget figures presented have been adjusted to conform to the basis of accounting for these Financial Statements. Note 3 provides a high-level reconciliation between the bases of reporting.

### 12. Employee pension benefits

Employees of the Parliamentary Protective Service participate in the Public Service Pension Plan (PSPP), which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of two percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with the Canada Pension Plan and Québec Pension Plans benefits and are indexed to inflation.

Both the employees and the Parliamentary Protective Service contribute to the cost of the PSPP. Contributions made by the Parliamentary Protective Service, included in salaries and benefits expense, totaled \$6,217,797 (\$6,947,044 in 2022-2023).

The Parliamentary Protective Service's responsibility with regards 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 PSPP's sponsor.



## Notes to the Financial Statements

For the year ended March 31

### 13. Related party transactions

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

#### (a) Services received without charge

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

<i>(in thousands of dollars)</i>	<b>2024</b>	<b>2023</b>
Public Services and Procurement Canada – Accommodations	<b>4,072</b>	3,300
Treasury Board Secretariat – Employer's share of insurance premiums	<b>6,669</b>	6,637
<b>Total services received without charge</b>	<b>10,741</b>	9,937

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

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

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

<i>(in thousands of dollars)</i>	<b>2024</b>	<b>2023</b>
Expenses – Federal government entities	<b>25,023</b>	25,399
Recoveries – Federal government entities	<b>1,260</b>	1,059



## Notes to the Financial Statements

For the year ended March 31

### 14. Financial instruments

The Parliamentary Protective Service is subject to the following financial risks from its financial instruments:

a) Credit risk:

Credit risk refers to the risk that the counterparty to a financial instrument will cause a financial loss to the Parliamentary Protective Service by failing to discharge an obligation. The Parliamentary Protective Service is exposed to credit risk relating to its accounts receivable and advances disclosed in notes 6 and 7, which are due mostly from federal government entities. Management believes that these balances do not have significant credit risk.

b) Liquidity risk:

Liquidity risk refers to the risk that the Parliamentary Protective Service will encounter difficulty in meeting its obligations associated with its financial liabilities. The Parliamentary Protective Service receives annual Parliamentary authorities. Management manages liquidity risk by ensuring that total annual expenditures are within these authorities, as disclosed in note 3(b).

c) 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 three types of risk: currency risk, interest rate risk and other price risk. The Parliamentary Protective Service is not subject to significant market risk as it does not hold investments, debt or foreign currency.

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

### 15. Comparative figures

Comparative figures have been reclassified from the prior year financial statements to conform with the presentation of the current year.



## Notes to the Financial Statements

For the year ended March 31

### 16. Restatement

#### (a) Change in presentation of previous year results

The adoption of the new basis of accounting policy related to sick leave benefits has been accounted for retrospectively. The impacts on the comparative figures are summarized for specific line items in the following table.

<i>(in thousands of dollars)</i>	<i>Previously Reported</i>	<i>Restatement</i>	<i>Balance</i>
<b>Statement of Financial Position</b>			
<b>Liabilities</b>			
Employee Benefits	1,370	1,395	2,765
Accounts payable and accrued liabilities	10,586	1,191	11,777
Net Financial Position	4,878	(2,586)	2,292
<b>Statement of Operations and Net Financial Positions</b>			
<b>Operating Expenses</b>			
Salaries and Benefits	90,892	3,726	94,618
Other	1,314	(1,140)	174
<b>Statement of Change in Net Debt</b>			
Net cost of operations after government Funding and transfers	(6,900)	2,586	(4,314)
Net Debt – end of the year	6,882	2,586	9,468
<b>Statement of Cash Flows</b>			
<b>Variations in Statement of Financial Positions</b>			
Increase in employee benefits	27	(1,395)	(1,368)
Increase in accounts payable and accrued liabilities	(1,086)	(1,191)	(2,277)
<b>Notes to the Financial Statements</b>			
Parliamentary authorities (note 3(a))			
Employee Benefits	27	(1,395)	(1,368)
Other	137	(1,191)	(1,054)

