

## INDEPENDENT AUDITOR'S REPORT



Auditor General of Canada  
Vérificateur général du Canada

To the Speaker of the House of Commons and the Speaker of the Senate

### Report on the Financial Statements

I have audited the accompanying financial statements of the Office of the Commissioner of Official Languages, which comprise the statement of financial position as at 31 March 2012, and the statement of operations and net financial position, statement of change in net debt and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### *Opinion*

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Office of the Commissioner of Official Languages as at 31 March 2012, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## **Report on Other Legal and Regulatory Requirements**

In my opinion, the transactions of the Office of the Commissioner of Official Languages that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the *Financial Administration Act* and regulations and the *Official Languages Act*.

Michael Ferguson, FCA  
Auditor General of Canada

25 July 2012  
Ottawa, Canada

# Office of the Commissioner of Official Languages

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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, 2012 and all information contained in these statements rests with the management of the Office of the Commissioner of Official Languages (OCOL). These financial statements have been prepared by management using the Treasury Board'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 OCOL's financial transactions. Financial information submitted in the preparation of the *Public Accounts of Canada*, and included in OCOL's *Departmental Performance 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 OCOL and through conducting an annual risk-based assessment of the effectiveness of the system of ICFR.

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

A risk-based assessment of the system of ICFR for the year ended March 31, 2012 was completed in accordance with the Treasury Board *Policy on Internal Control* and the results and action plans are summarized in the annex.

The effectiveness and adequacy of OCOL's system of internal control was reviewed by the Audit and Evaluation Committee, which oversees management's responsibilities for maintaining adequate control systems and the quality of financial reporting, and which recommends the financial statements to the Commissioner.

The Office of the Auditor General, the independent auditor for the Government of Canada has expressed an opinion on the fair presentation of OCOL's financial statements which does not include an audit opinion on the annual assessment of the effectiveness of the OCOL's internal controls over financial reporting.

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**Graham Fraser**

Commissioner of Official Languages

Ottawa, Canada  
July 25, 2012

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**Lise Cloutier**

Chief Financial Officer  
Assistant Commissioner  
Corporate Management

# OFFICE OF THE COMMISSIONER OF OFFICIAL LANGUAGES

## Statement of Financial Position

### As at March 31

(in dollars)	2012	2011
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 4)	1,828,491	1,553,693
Vacation pay and compensatory leave	724,799	714,719
Employee future benefits (note 5)	1,512,011	3,112,185
<b>Total liabilities</b>	<b>4,065,301</b>	<b>5,380,597</b>
<b>Financial assets</b>		
Due from the Consolidated Revenue Fund	1,664,526	1,431,375
Accounts receivable and advances (note 6)	144,515	96,669
<b>Total financial assets</b>	<b>1,809,041</b>	<b>1,528,044</b>
<b>Net Debt</b>	<b>2,256,260</b>	<b>3,852,553</b>
<b>Non-financial assets</b>		
Prepaid expenses	7,164	7,708
Tangible capital assets (note 7)	788,265	1,313,119
<b>Total non-financial assets</b>	<b>795,429</b>	<b>1,320,827</b>
<b>Net Financial Position</b>	<b>(1,460,831)</b>	<b>(2,531,726)</b>

Contractual obligations (note 8)

Contingent liabilities (note 9)

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

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**Graham Fraser**  
Commissioner of Official Languages

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**Lise Cloutier**  
Chief Financial Officer  
Assistant Commissioner  
Corporate Management

Ottawa, Canada  
July 25, 2012

**OFFICE OF THE COMMISSIONER OF OFFICIAL LANGUAGES**  
**Statement of Operations and Net Financial Position**  
**For the Year Ended March 31**

(in dollars)	<b>2012</b> Planned results	<b>2012</b>	<b>2011</b> Restated (note 12)
<b>Expenses</b>			
Protection of Linguistic Rights	8,121,245	7,978,071	7,867,216
Promotion of Linguistic Duality	8,454,407	7,384,593	7,669,677
Internal Services	7,256,866	9,116,604	9,397,786
<b>Total expenses</b>	<b>23,832,518</b>	<b>24,479,268</b>	<b>24,934,679</b>
<b>Net cost of operations before government funding</b>	<b>23,832,518</b>	<b>24,479,268</b>	<b>24,934,679</b>
<b>Government funding</b>			
Net cash provided by Government	20,771,107	22,116,205	21,512,903
Change in due from Consolidated Revenue Fund	(91,484)	233,151	(81,733)
Services provided without charge by other government departments (note 10)	3,014,303	3,200,807	3,009,042
<b>Net cost of operations after government funding</b>	<b>138,592</b>	<b>(1,070,895)</b>	<b>494,467</b>
<b>Net financial position - Beginning of year</b>	<b>(2,627,294)</b>	<b>(2,531,726)</b>	<b>(2,037,259)</b>
<b>Net financial position - End of year</b>	<b>(2,765,886)</b>	<b>(1,460,831)</b>	<b>(2,531,726)</b>

Segmented information (note 11)

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

**OFFICE OF THE COMMISSIONER OF OFFICIAL LANGUAGES**  
**Statement of Change in Net Debt**  
**For the Year Ended March 31**

(in dollars)	<b>2012</b> <b>Planned</b> <b>results</b>	<b>2012</b>	<b>2011</b>  Restated (note 12)
<b>Net cost of operations after government funding</b>	<b>138,592</b>	<b>(1,070,895)</b>	<b>494,467</b>
<b>Change due to tangible capital assets</b>			
Acquisition of tangible capital assets	405,877	101,157	411,359
Amortization of tangible capital assets	(610,183)	(624,992)	(775,658)
Loss on disposal of tangible capital assets including adjustments	-	(1,019)	-
<b>Total change due to tangible capital assets</b>	<b>(204,306)</b>	<b>(524,854)</b>	<b>(364,299)</b>
<b>Change due to prepaid expenses</b>	<b>-</b>	<b>(544)</b>	<b>7,708</b>
<b>Net increase (decrease) in net debt</b>	<b>(65,714)</b>	<b>(1,596,293)</b>	<b>137,876</b>
<b>Net debt - Beginning of year</b>	<b>3,921,724</b>	<b>3,852,553</b>	<b>3,714,677</b>
<b>Net debt - End of year</b>	<b>3,856,010</b>	<b>2,256,260</b>	<b>3,852,553</b>

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

**OFFICE OF THE COMMISSIONER OF OFFICIAL LANGUAGES**  
**Statement of Cash Flows**  
**For the Year Ended March 31**

(in dollars)	2012	2011
<b>Operating activities</b>		
<b>Net cost of operations before government funding</b>	24,479,268	24,934,679
<b>Non-cash items:</b>		
Amortization of tangible capital assets	(624,992)	(775,658)
Loss on disposal of tangible capital assets	(1,019)	-
Services provided without charge by other government departments (note 10)	(3,200,807)	(3,009,042)
<b>Variations in Statement of Financial Position:</b>		
Increase in accounts receivable and advances	47,846	48,608
Increase (decrease) in prepaid expenses	(544)	7,708
Decrease (increase) in accounts payable and accrued liabilities	(274,798)	5,207
Decrease (increase) in vacation pay and compensatory leave	(10,080)	88,881
Decrease (increase) in employee future benefits	1,600,174	(198,839)
<b>Cash used in operating activities</b>	<b>22,015,048</b>	<b>21,101,544</b>
<b>Capital investing activities</b>		
Acquisition of tangible capital assets	101,157	411,359
<b>Cash used in capital investing activities</b>	<b>101,157</b>	<b>411,359</b>
<b>Net cash provided by Government of Canada</b>	<b>22,116,205</b>	<b>21,512,903</b>

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

# OFFICE OF THE COMMISSIONER OF OFFICIAL LANGUAGES

## Notes to the Financial Statements

### For the Year Ended March 31

## 1. Authority and objectives

The Parliament of Canada adopted the first *Official Languages Act* in 1969. This *Act* provided that English and French would henceforth have “equality of status and equal rights and privileges as to their use in all the institutions of the Parliament and Government of Canada”.

A new *Official Languages Act* came into force in 1988 and was amended on November 25, 2005. The *Act* sets out three basic objectives of the Government of Canada:

- a. ensure respect for English and French as official languages of Canada, and ensure equality of status and equal rights and privileges as to their use in all federal institutions;
- b. set out the powers, duties and functions of federal institutions with respect to the official languages of Canada;
- c. support the development of English and French linguistic minority communities and generally advance the equality of status and use of the English and French languages within Canadian society.

The Office of the Commissioner of Official Languages (OCOL), which serves the public from its offices in Ottawa and its five regional offices, supports the Commissioner of Official Languages in fulfilling his mandate. The mandate of the Commissioner consists of taking all necessary measures to ensure recognition of the status of each of the official languages and compliance with the letter and the spirit of the *Official Languages Act* in the administration of the affairs of federal institutions, including any of their activities relating to the advancement of English and French in Canadian society.

OCOL has three program activities which are described below:

Through the **Protection of Linguistic Rights** activity, OCOL investigates complaints filed by citizens who believe their language rights have not been respected, evaluates compliance with the *Official Languages Act* by federal institutions and other organizations subject to the *Act* through performance measurements and audits, and intervenes proactively to prevent non-compliance with the *Act*. As well, OCOL may intervene before the courts in cases that deal with non-compliance with the *Act*.

Through the **Promotion of Linguistic Duality** activity, OCOL works with parliamentarians, federal institutions and other organizations subject to the *Official Languages Act*, official language communities and the Canadian public in promoting linguistic duality. OCOL builds links between federal institutions, official language communities and the different levels of government to help them better understand the needs of official language communities, the importance of bilingualism and the value of respecting Canada’s linguistic duality. In order to fulfill its promotion role, OCOL conducts research, studies and public awareness activities as well as intervenes with senior federal officials so that they instil a change in culture to fully integrate linguistic duality in their organizations.

The **Internal Services** activity involves groups of related activities and resources that are administered to support the needs of the organization’s programs and other corporate obligations. It includes Management and Oversight Services, Human Resources Management Services, Financial Management Services, Information Management Services, Information Technology Services, Real Property Services, Materiel Services, Acquisition Services, Travel Management Services and Other Administrative Services.

OCOL is named in Schedule I.1 of the *Financial Administration Act* (FAA) and is funded through annual authorities.

The Commissioner of Official Languages is appointed after approval of the appointment by resolution of the Senate and the House of Commons for a seven-year term (renewable). The Commissioner reports directly to Parliament.

# OFFICE OF THE COMMISSIONER OF OFFICIAL LANGUAGES

## Notes to the Financial Statements

### For the Year Ended March 31

## 2. Summary of significant accounting policies

These financial statements have been prepared using the Treasury Board'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*

OCOL is financed by the Government of Canada through parliamentary authorities. Financial reporting of authorities provided to OCOL 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 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 Statement of Operations and Net Financial Position are the amounts reported in the future-oriented financial statements included in the 2011–12 Report on Plans and Priorities.

### *(b) Net cash provided by Government*

OCOL operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by OCOL is deposited to the CRF, and all cash disbursements made by OCOL 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) Due from the Consolidated Revenue Fund (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 OCOL is entitled to draw from the CRF without further authorities to discharge its liabilities.

### *(d) Expenses*

Expenses are recorded on the accrual basis:

- ✓ 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, payroll services and audit services are recorded as operating expenses at their estimated cost.

### *(e) Employee future benefits*

- i Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multi-employer pension plan administered by the Government of Canada. OCOL's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. OCOL'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: Employees entitled to severance benefits under labour contracts or conditions of employment earn these benefits as services necessary to earn them are rendered. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

**OFFICE OF THE COMMISSIONER OF OFFICIAL LANGUAGES**  
**Notes to the Financial Statements**  
**For the Year Ended March 31**

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

*(f) Accounts receivable*

Accounts receivable are stated at the lower of cost and net recoverable value. A valuation allowance is recorded for accounts receivable where recovery is considered uncertain.

*(g) Contingent liabilities*

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

*(h) Tangible capital assets*

All tangible capital assets and leasehold improvements having an initial cost of \$1,000 or more are recorded at their acquisition cost. OCOL does not capitalize intangible assets.

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

<b>Asset class</b>	<b>Amortization Period</b>
Machinery and equipment	5 years
Informatics hardware	4 years
Furniture	5 years
Informatics software	3 years
Motor vehicles	7 years
Leasehold improvements	Lesser of the remaining term of the lease or the useful life of the improvement

*(i) Measurement uncertainty*

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported 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. The most significant items where estimates are used are contingent liabilities, 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.

# OFFICE OF THE COMMISSIONER OF OFFICIAL LANGUAGES

## Notes to the Financial Statements

### For the Year Ended March 31

#### 3. Parliamentary authorities

OCOL receives its funding through annual parliamentary authorities. Items recognized in the Statement of Operations and 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, OCOL 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*

(in dollars)	2012	2011
Net cost of operations before government funding	24,479,268	24,934,679
<i>Adjustments for items affecting net cost of operations but not affecting authorities:</i>		
Services provided without charge by other government departments	(3,200,807)	(3,009,042)
Amortization of tangible capital assets	(624,992)	(775,658)
Decrease (increase) in vacation pay and compensatory leave	(10,080)	88,881
Decrease (increase) in employee future benefits	1,600,174	(198,839)
Other	10,860	18,645
	22,254,423	21,058,666
<i>Adjustments for items not affecting net cost of operations but affecting authorities:</i>		
Acquisition of tangible capital assets	101,157	411,359
Increase (decrease) in prepaid expenses	(544)	7,708
	100,613	419,067
<b>Current year authorities used</b>	<b>22,355,036</b>	<b>21,477,733</b>

##### *(b) Reconciliation of authorities provided and used*

(in dollars)	2012	2011
Vote 20 – Program expenditures	21,042,044	19,821,924
Statutory – Contributions to employee benefit plans	2,272,164	2,225,010
Statutory – Spending of proceeds from the disposal of surplus Crown assets	1,692	192
	23,315,900	22,047,126
Lapsed: Operating	(960,864)	(569,201)
Authorities available for future years	-	(192)
<b>Current year authorities used</b>	<b>22,355,036</b>	<b>21,477,733</b>

**OFFICE OF THE COMMISSIONER OF OFFICIAL LANGUAGES**  
**Notes to the Financial Statements**  
**For the Year Ended March 31**

**4. Accounts payable and accrued liabilities**

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

(in dollars)

	2012	2011
Accounts payable - Other government departments and agencies	63,703	74,009
Accounts payable - External parties	979,553	1,037,478
<b>Total accounts payable</b>	<b>1,043,256</b>	<b>1,111,487</b>
Accrued liabilities	785,235	442,206
<b>Total accounts payable and accrued liabilities</b>	<b>1,828,491</b>	<b>1,553,693</b>

**5. Employee future benefits**

*(a) Pension benefits*

OCOL's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plan benefits and they are indexed to inflation.

Both the employees and OCOL contribute to the cost of the Plan. The 2011–12 expense amounts to \$1,633,686 (\$1,561,957 in 2010–11), which represents approximately 1.8 times (1.9 times in 2010–11) the contributions by employees.

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

*(b) Severance benefits*

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

As part of collective agreement negotiations with certain employee groups, and changes to conditions of employment for executives and certain non-represented employees, the accumulation of severance benefits under the employee severance pay program ceased for these employees commencing in 2011–12. Employees subject to these changes have been given the option to be immediately paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits on termination from the public service. These changes have been reflected in the calculation of the outstanding severance benefit obligation.

(in dollars)

	2012	2011
<b>Accrued benefit obligation - Beginning of year</b>	<b>3,112,185</b>	<b>2,913,346</b>
Expense for the year	303,107	389,907
Benefits paid during the year	(1,903,281)	(191,068)
<b>Accrued benefit obligation - End of year</b>	<b>1,512,011</b>	<b>3,112,185</b>

**OFFICE OF THE COMMISSIONER OF OFFICIAL LANGUAGES**  
**Notes to the Financial Statements**  
**For the Year Ended March 31**

**6. Accounts receivable and advances**

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

(in dollars)	2012	2011
Receivables - Other government departments and agencies	138,432	90,007
Receivables - External parties	2,583	2,962
Employee advances	3,500	3,700
<b>Total accounts receivable and advances</b>	<b>144,515</b>	<b>96,669</b>

**7. Tangible capital assets**

Cost (in dollars)	Opening Balance	Acquisitions	Disposals	Closing Balance
Machinery and equipment	456,513	61,877	-	518,390
Informatics hardware	3,575,238	5,015	(426,942)	3,153,311
Furniture	1,029,798	8,580	-	1,038,378
Informatics software	652,665	25,685	-	678,350
Motor vehicles	30,630	-	-	30,630
Leasehold improvements	1,407,352	-	-	1,407,352
	<b>7,152,196</b>	<b>101,157</b>	<b>(426,942)</b>	<b>6,826,411</b>

Accumulated Amortization (in dollars)	Opening Balance	Amortization	Disposals	Closing Balance
Machinery and equipment	416,039	38,568	-	454,607
Informatics hardware	2,926,177	266,338	(425,923)	2,766,592
Furniture	909,962	76,710	-	986,672
Informatics software	549,165	46,454	-	595,619
Motor vehicles	18,233	4,376	-	22,609
Leasehold improvements	1,019,501	192,546	-	1,212,047
	<b>5,839,077</b>	<b>624,992</b>	<b>(425,923)</b>	<b>6,038,146</b>

Net Book Value (in dollars)	Opening Balance			Closing Balance
Machinery and equipment	40,474			63,783
Informatics hardware	649,061			386,719
Furniture	119,836			51,706
Informatics software	103,500			82,731
Motor vehicles	12,397			8,021
Leasehold improvements	387,851			195,305
	<b>1,313,119</b>			<b>788,265</b>

Amortization expense for the year ended March 31, 2012 was \$624,992 (\$775,658 in 2011).

**OFFICE OF THE COMMISSIONER OF OFFICIAL LANGUAGES**  
**Notes to the Financial Statements**  
**For the Year Ended March 31**

**8. Contractual obligations**

OCOL has obligations arising in the normal course of operations for future years. These obligations include equipment rental, service contracts, as well as the obligation for workers' compensation death benefits which is explained hereafter.

OCOL employees are covered by workers' compensation benefits across Canada. This plan is managed by Human Resources and Skills Development Canada (HRSDC). As plan manager, HRSDC has authority to charge to OCOL its share of the annual workers' compensation benefit payments incurred under the plan. These amounts are expensed by OCOL and charged to authorities when OCOL becomes liable to HRSDC in the year the amounts are billed.

In April 2002, the death of an employee resulted in the payment of benefits under the workers' compensation death benefit plan. The total cost is expected to be approximately \$700,000, including a fee of 20% for administration costs, and is payable under the plan by OCOL to HRSDC. The 2011–12 expense in relation to this claim amounts to \$44,171 (\$43,142 in 2010–11). It is estimated that HRSDC will bill OCOL \$223,000 over the next five years.

(in dollars)	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
	119,230	58,030	48,172	46,441	44,665

**9. Contingent liabilities**

In the normal course of its operations, OCOL may become involved in various legal actions. Some of these legal actions may result in actual liabilities when one or more future events occur. To the extent that the future event is likely to occur, and a reasonable estimate of the loss can be made, a liability is accrued and an expense recorded in the financial statements. No contingent liabilities are recognized in OCOL's financial statements for the fiscal year ended March 31, 2012.

**OFFICE OF THE COMMISSIONER OF OFFICIAL LANGUAGES**  
**Notes to the Financial Statements**  
**For the Year Ended March 31**

**10. Related party transactions**

OCOL is related as a result of common ownership to all government departments, agencies, and Crown corporations. OCOL enters into transactions with these entities in the normal course of business and on normal trade terms. During the year, OCOL received common services which were obtained without charge from other government departments as disclosed below.

*(a) Common services provided without charge by other government departments*

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

(in dollars)	2012	2011
Accommodation	1,775,377	1,752,052
Employer's contribution to the health and dental insurance plans	1,318,830	1,129,490
Audit services	98,000	118,000
Payroll services	8,600	9,500
<b>Total</b>	<b>3,200,807</b>	<b>3,009,042</b>

*(b) Other transactions with related parties*

(in dollars)	2012	2011
Accounts receivable - Other government departments and agencies	138,432	90,007
Accounts payable - Other government departments and agencies	63,703	74,009
Expenses - Other government departments and agencies	3,176,719	3,066,414

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

**OFFICE OF THE COMMISSIONER OF OFFICIAL LANGUAGES**  
**Notes to the Financial Statements**  
**For the Year Ended March 31**

**11. Segmented information**

Presentation by segment is based on OCOL's program activity architecture. 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 for the program activities, by major object of expenses. The segment results for the period are as follows:

	<b>Protection of Linguistic Rights</b>	<b>Promotion of Linguistic Duality</b>	<b>Internal Services</b>	<b>Total 2012</b>	<b>Total 2011</b>
(in dollars)					
<b>Operating expenses</b>					
Salaries and employee benefits	6,577,764	5,525,937	5,402,771	17,506,472	16,841,408
Professional and special services	392,831	590,424	1,916,917	2,900,172	3,826,304
Accommodation	639,136	585,874	550,367	1,775,377	1,752,052
Transportation and telecommunications	100,685	308,622	479,225	888,532	908,726
Amortization of tangible capital assets	224,997	206,247	193,748	624,992	775,658
Repairs and maintenance	-	28,556	290,878	319,434	330,831
Small equipments, materials and supplies	26,504	47,772	183,847	258,123	236,498
Communications and printing	12,495	86,039	29,367	127,901	180,014
Rentals and other	3,659	5,122	69,484	78,265	83,188
<b>Net cost of operations</b>	<b>7,978,071</b>	<b>7,384,593</b>	<b>9,116,604</b>	<b>24,479,268</b>	<b>24,934,679</b>

**OFFICE OF THE COMMISSIONER OF OFFICIAL LANGUAGES**  
**Notes to the Financial Statements**  
**For the Year Ended March 31**

**12. Accounting changes**

During 2011–12, amendments were made to *Treasury Board Accounting Standard 1.2—Departmental and Agency Financial Statements* to improve financial reporting by government departments and agencies. The amendments are effective for financial reporting of fiscal years ending March 31, 2012, and later. The significant changes to OCOL’s financial statements are described below. These changes have been applied retroactively, and comparative information for 2010–11 has been restated.

Net debt (calculated as liabilities less financial assets) is now presented in the Statement of Financial Position. Accompanying this change, OCOL now presents a Statement of Change in Net Debt and no longer presents a Statement of Equity.

Government funding, as well as the credit related to services provided without charge by other government departments, are now recognized in the Statement of Operations and Net Financial Position below “Net cost of operations before government funding”. In previous years, OCOL recognized these transactions directly in the Statement of Equity of Canada. The effect of this change was to decrease the net cost of operations after government funding by \$25,550,163 for 2011–12 (\$24,440,212 for 2010–11).

(in dollars)	<b>2011</b>	<b>Effect of</b>	<b>2011</b>
	<b>As</b>	<b>change</b>	<b>Restated</b>
	<b>previously</b>		
	<b>stated</b>		
<b>Statement of Operations and Net Financial Position:</b>			
Government funding			
Net cash provided by Government	-	21,512,903	21,512,903
Change in due from Consolidated Revenue Fund	-	(81,733)	(81,733)
Services provided without charge by other government departments	-	3,009,042	3,009,042

**13. Comparative information**

Comparative figures have been reclassified to conform to the current year’s presentation.