



Building a Strong North Together

CanNor

FY 2020-2021 FINANCIAL STATEMENTS

Cat. No. R106-1E-PDF

ISSN 2816-5861

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, 2021, and all information contained in these financial statements rests with the management of the Canadian Northern Economic Development Agency (the "Agency"). These financial statements have been prepared by management using the Government of Canada's accounting policies, which are based on Canadian public sector accounting standards.

Management is 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. CanNor applies a multi-year, risk-based approach to the 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.

The Agency is subject to periodic Core Control Audits performed by the Office of the Comptroller General of Canada (OCG) and uses the results of such audits to comply with the Treasury Board Policy on Financial Management.

These financial statements have not been audited.

Paula Isaak
President

Roger Tetreault, CPA, CMA
Chief Financial Officer

Ottawa, Canada
August 18, 2021

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Statement of Financial Position (Unaudited)
As at March 31
(in dollars)

	<u>2021</u>	<u>2020</u>
Liabilities		
Accounts payable and accrued liabilities (Note 4)	24,801,400	16,269,893
Vacation pay and compensatory leave	1,186,097	710,737
Employee future benefits (Note 5)	424,054	423,526
Total Liabilities	26,411,551	17,404,156
Financial assets		
Due from Consolidated Revenue Fund	23,299,095	15,589,223
Accounts receivable and advances (Note 6)	1,502,305	680,670
Loans receivable (Note 7)	4,894,184	3,248,000
Total gross financial assets	29,695,584	19,517,893
Financial assets held on behalf of Government		
Loans receivable (Note 7)	(4,894,184)	(3,248,000)
Total financial assets held on behalf of Government	(4,894,184)	(3,248,000)
Total net financial assets	24,801,400	16,269,893
Departmental net debt	1,610,151	1,134,263
Non-Financial assets		
Tangible capital assets (Note 8)	122,374	232,884
Total non-financial assets	122,374	232,884
Departmental net financial position	(1,487,777)	(901,379)

Contractual obligations (Note 9)

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

Paula Isaak
 President

Roger Tetreault, CPA, CMA
 Chief Financial Officer

Ottawa, Canada
 August 18, 2021

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Statement of Operations and Departmental Net Financial Position (Unaudited)
For the Year Ended March 31
(in dollars)

	<u>2021</u>	<u>2021</u>	<u>2020</u>
	Planned Results		
Expenses			
Economic Development in the Territories	56,252,563	89,474,015	55,817,300
Internal Services	6,076,275	8,454,121	6,990,694
Total Expenses	62,328,838	97,928,136	62,807,994
Revenues			
Miscellaneous Revenue	0	18	13,287
Revenues earned on behalf of Government	0	(3)	(2,128)
Total Revenues	0	15	11,159
Net Cost of Operations before government funding and transfers	62,328,838	97,928,121	62,796,835
Government funding and transfers			
Net cash provided by Government		86,620,833	52,756,990
Change in due from Consolidated Revenue Fund		7,709,872	7,289,250
Services provided without charge by other government departments (Note 10)		3,011,018	2,589,131
Total Government Funding and Transfers		97,341,723	62,635,371
Net cost of operations after government funding and transfers		586,398	161,464
Departmental net financial position - Beginning of year		(901,379)	(739,915)
Departmental net financial position - End of year		(1,487,777)	(901,379)

Segmented information (Note 11)

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

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Statement of Change in Departmental Net Debt (Unaudited)
For the Year Ended March 31
(in dollars)

	<u>2021</u>	<u>2020</u>
Net cost of operations after government funding and transfers	586,398	161,464
Change due to tangible capital assets		
Acquisition of tangible capital assets	0	77,529
Amortization of tangible capital assets	<u>(110,510)</u>	<u>(179,267)</u>
Total change due to tangible capital assets	(110,510)	(101,738)
Net increase (decrease) in departmental net debt	475,888	59,726
Departmental net debt - Beginning of year	1,134,263	1,074,537
Departmental net debt - End of year	<u>1,610,151</u>	<u>1,134,263</u>

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

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Statement of Cash Flows (Unaudited)
For the Year Ended March 31
(in dollars)

	<u>2021</u>	<u>2020</u>
Operating Activities		
Net cost of operations before government funding and transfers	97,928,121	62,796,835
Non-cash items:		
Amortization of tangible capital assets	(110,510)	(179,267)
Gain on disposal of tangible capital assets	15	11,159
Services provided without charge by other government departments (Note 10)	(3,011,018)	(2,589,131)
Variations in Statement of Financial Position:		
Increase (decrease) in accounts receivable and advances	821,635	239,168
Decrease (increase) in accounts payable and accrued liabilities	(8,531,507)	(7,528,418)
Decrease (increase) in vacation pay and compensatory leave	(475,360)	38,358
Decrease (increase) in future employee benefits	(528)	(98,084)
Cash used in operating activities	<u>86,620,848</u>	<u>52,690,620</u>
Capital investing activities		
Acquisitions of tangible capital assets	0	77,529
Proceeds from disposal of tangible capital assets	(15)	(11,159)
Cash Used by Capital Investing Activities	<u>(15)</u>	<u>66,370</u>
Net Cash Provided by Government of Canada	<u>86,620,833</u>	<u>52,756,990</u>

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

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Notes to the Financial Statements (*Unaudited*)
For the Year Ended March 31

1. Authority and objectives

The Canadian Northern Economic Development Agency (the “Agency”) was established on August 18, 2009 in accordance with paragraph 2(a) of the *Public Service Rearrangement and Transfer of Duties Act*. Pursuant to Order-in-Council P.C. 2009-1423, the control and supervision portion of the Northern Economic Development Branch in the Department of Indian Affairs and Northern Development was transferred to the Agency. The Agency is listed in Schedule I.1 of the *Financial Administration Act*.

Contributing to the jobs and growth in Canada, the Agency works to develop a diversified, sustainable and dynamic economy across Canada’s three territories. It does this by delivering funding programs to Northerners and Indigenous people, guiding resource development and major projects across the North through the Northern Projects Management Office, undertaking research to support the development of evidence-based policies, advocating for northern economic prosperity and diversification, and collaborating with other federal departments, territorial governments, Indigenous organizations, and industry.

In pursuit of its mandate, the Agency has structured its core responsibilities as follows:

- a. **Economic Development in the Territories** – Work in the territories to support the conditions for a sustainable, diversified and innovative economy in collaboration with Northerners, including Indigenous people, businesses, organizations, other federal departments and other levels of government.
- b. **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 refers to the activities and resources of the 10 distinct service categories that support Program delivery in the organization, regardless of the Internal Services delivery model in a department. The 10 service categories are: Acquisition Management Services; Communications Services; Financial Management Services; Human Resources Management Services; Information Management Services; Information Technology Services; Legal Services; Management and Oversight Services; Materiel Management Services; and Real Property Management Services.

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Notes to the Financial Statements (*Unaudited*)
For the Year Ended March 31

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 Financial Position and in the Statement of Operations and Departmental Net Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a reconciliation between the bases of reporting. The planned results amounts in the "Expenses" and "Revenues" sections of the Statement of Operations and Departmental Net Financial Position are the amounts reported in the Future-oriented Statement of Operations included in the 2020-2021 Departmental Plan. Planned results are not presented in the "Government funding and transfers" section of the Statement of Operations and Departmental Net Financial Position and in the Statement of Change in Departmental Net Debt because these amounts were not included in the 2020-2021 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 Department is entitled to draw from the CRF without further authorities to discharge its liabilities.

(d) Revenues

- i. Revenues from regulatory fees are recognized based on the services provided in the year.
- ii. Other revenues are recognized in the period the event giving rise to the revenues occurred.
- iii. Revenues that are non-respendable are not available to discharge the Agency's liabilities. While the President is expected to maintain accounting control, she has no authority regarding the disposition of non-respendable revenues. As a result, non-respendable revenues are considered to be earned on behalf of the Government of Canada and are therefore presented as a reduction of the entity's gross revenues.

(e) Expenses

- i. Transfer payments are recorded as an expense in the year the transfer is authorized and all eligibility criteria have been met by the recipient.
- ii. Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.
- iii. 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.
- iv. These financial statements include incremental spending that was driven mainly by the Government of Canada's overall response to the public health, social and economic impact on Canadians of the Coronavirus disease (COVID-19) global pandemic. A total of \$32,780,090 in incremental transfer payment spending (Economic Development in the Territories), delivered under the Regional Relief and Recovery Fund, is reflected in these financial statements in response to COVID-19.

(f) Employee future benefits

- i. Pension benefits: Eligible employees participate in the Public Service Pension 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 departmental obligation to the Plan. The Agency's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.
- ii. Severance benefits: The accumulation of severance benefits for voluntary departures ceased for applicable employee groups. The remaining obligation for employees who did not withdraw benefits is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(g) Accounts and loans receivable

Accounts and loans receivable are initially recorded at cost and where necessary, are discounted to reflect their concessionary terms. Concessionary terms of loans include cases where loans are made on a long-term, low interest or interest-free basis. Transfer payments that are unconditionally repayable are recognized as loans receivable. When necessary, an allowance for valuation is recorded to reduce the carrying value of accounts and loans receivable to amounts that approximate their net recoverable value.

(h) Non-financial assets

The costs of acquiring capital property are capitalized as tangible capital assets and are amortized to expense over the estimated useful lives of the assets, as described in Note 8. All tangible capital assets and leasehold improvements having an initial cost of \$10,000 or more are recorded at their acquisition cost. Tangible capital assets do not include immovable assets located on reserves as defined in the *Indian Act*, works of art, museum collection and Crown land to which no acquisition cost is attributable; and intangible assets.

(i) Contingent liabilities

Contingent liabilities are potential liabilities that 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 that may become actual assets when one or more future events occur or fail to occur. If the future even 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 at March 31. The estimates are based on facts and circumstances, historical experience, general economic conditions and reflect the Agency's best estimate of the related amount at the end of the reporting period. The most significant items where estimates are used are contingent liabilities, the liability for employee future benefits, the useful life of tangible capital assets and the allowance for doubtful accounts.

Management has assessed the impact of the economic uncertainty due to COVID-19 in preparing these financial statements, and has determined that COVID-19 did not have a significant impact on the estimates and assumptions affecting assets, liabilities, revenues and expenses.

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

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

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

3. Parliamentary authorities

The Agency receives most of its funding through annual parliamentary authorities. Items recognized in the Statement of Financial Position and in the Statement of Operations and Departmental Net 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

<i>(in dollars)</i>	<u>2021</u>	<u>2020</u>
Net cost of operations before government funding and transfers	97,928,121	62,796,835
Adjustments for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(110,510)	(179,267)
Services provided without charge by other government departments	(3,011,018)	(2,589,131)
Adjustments of prior year accounts payable	3,208,115	1,897,550
Refunds of prior year's expenditures	1,198,048	1,817,562
Refund of Payments related to Public Health Events of National Concern and income support	48,899	0
Decrease (increase) in employee future benefits	(528)	(98,084)
Decrease (increase) in vacation pay and compensatory leave	(475,360)	38,359
Other	680,669	(10,302)
Total items affecting net cost of operations but not affecting authorities	1,538,315	876,687
Adjustments for items not affecting net cost of operations but affecting authorities:		
Increase in accounts receivable and advances	106,649	152,259
Authorities available for future years	15	11,159
Acquisition of tangible capital assets	0	77,529
Unconditionally repayable contributions	1,646,184	3,248,000
Total items not affecting net cost of operations but affecting authorities	1,752,848	3,488,947
Current year authorities used	101,219,284	67,162,468

(b) Authorities provided and used

<i>(in dollars)</i>	<u>2021</u>	<u>2020</u>
Authorities Provided:		
Vote 1 – Operating expenditures	20,629,968	19,094,885
Vote 5 – Contributions	95,444,516	47,261,760
Votes 10, 15 and 20 – Budget implementation (for information)	0	545,562
Statutory amounts	6,977,171	1,620,692
Total authorities provided	123,051,655	68,522,899
Less:		
Authorities available for future years	(15)	(11,159)
Lapsed: Authorities available from previous years	(11,159)	(22,066)
Lapsed: Vote 1 – Operating expenditures	(847,009)	(275,977)
Lapsed: Vote 5 – Contributions	(20,974,188)	(505,667)
Lapsed: Votes 10, 15 and 20 – Budget implementation (for information)	0	(545,562)
Current year authorities used	101,219,284	67,162,468

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Notes to the Financial Statements (*Unaudited*)
For the Year Ended March 31

4. Accounts payable and accrued liabilities

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

<i>(in dollars)</i>	<u>2021</u>	<u>2020</u>
Accounts payable – Other government departments and agencies	972,207	680,945
Accounts payable – External parties	5,789,816	2,242,342
Accounts payable – Salaries owing to employees	782,523	1,459,471
Total accounts payable	<u>7,544,546</u>	<u>4,382,758</u>
Accrued liabilities	17,256,854	11,887,135
Total accounts payable and accrued liabilities	<u>24,801,400</u>	<u>16,269,893</u>

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

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 they are indexed to inflation.

Both the employees and the Agency contribute to the cost of the Plan. Due to the amendment of the *Public Service Superannuation Act* following the implementation of provisions related to Economic Action Plan 2012, employee contributors have been divided into two groups - Group 1 related 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 2020-2021 expense amounts to \$1,341,630 (\$1,099,797 in 2019-2020). For Group 1 members, the expense represents approximately 1.01 times (1.01 times in 2019-2020) the employee contributions and, for Group 2 members, approximately 1.00 times (1.00 times in 2019-2020) 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, 2021, 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:

<i>(in dollars)</i>	2021	2020
Accrued benefit obligation – Beginning of year	423,526	325,442
Expense for the year	5,039	111,822
Benefits paid during the year	(4,511)	(13,738)
Accrued benefit obligation – End of year	424,054	423,526

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Notes to the Financial Statements (*Unaudited*)
For the Year Ended March 31

6. Accounts receivable and advances

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

<i>(in dollars)</i>	<u>2021</u>	<u>2020</u>
Receivables – Other government departments and agencies	22,903	224,857
Receivables – Salaries owing from employees	339,811	335,488
Receivables – External parties	1,137,296	159,611
Employee advances	<u>2,295</u>	<u>2,295</u>
Sub-total	1,502,305	722,251
Allowance for doubtful accounts on receivables from external parties	0	(41,581)
Gross accounts receivable and advances	<u>1,502,305</u>	<u>680,670</u>
Accounts receivable held on behalf of Government	0	0
Net accounts receivable and advances	<u>1,502,305</u>	<u>680,670</u>

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

7. Loans receivable

The following table presents details of the Agency's unconditionally repayable contributions balances:

<i>(in dollars)</i>	<u>2021</u>	<u>2020</u>
Unconditionally repayable contributions	4,894,184	3,248,000
Less: Unamortized discount	<u>0</u>	<u>0</u>
Sub-total	4,894,184	3,248,000
Less: Allowance for uncollectibility	0	0
Gross loans receivable	<u>4,894,184</u>	<u>3,248,000</u>
Loans receivable held on behalf of Government	(4,894,184)	(3,248,000)
Net loans receivable	<u>0</u>	<u>0</u>

Unconditionally repayable contributions

Unconditionally repayable contributions relate to contributions made to outside parties that must be repaid without qualification. The portfolio consists of 5 non-interest bearing loans in 2020-2021 (3 in 2019-2020), with prescribed annual repayment terms. The loans are recorded at face value since they have been determined to not have significant concessionary terms. An allowance of \$0 (\$0 in 2019-2020) has been recorded.

Loans receivable are considered a financial asset held on behalf of the Government since they are not available to discharge the Agency's liabilities. As such, loans receivable are presented as a reduction to the Agency's gross loans receivable balance.

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

8. 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:

<u>Asset Class</u>	<u>Amortization Period</u>
Leasehold Improvements	Over the useful life of the improvement or the lease term, whichever is shorter
Motor vehicles	7 years

<i>(in dollars)</i>	Cost			Accumulated Amortization				Net Book Value	
Capital Asset Class	Opening Balance	Acquisitions and Disposals	Closing Balance	Opening Balance	Amortization	Disposals	Closing Balance	2021	2020
Motor Vehicles	153,118	0	153,118	(17,236)	(21,874)	0	(39,110)	114,008	135,882
Leasehold Improvements	2,406,365	0	2,406,365	(2,309,363)	(88,636)	0	(2,397,999)	8,366	97,002
Total	2,559,483	0	2,559,483	(2,326,599)	(110,510)	0	(2,437,109)	122,374	232,884

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Notes to the Financial Statements (*Unaudited*)
For the Year Ended March 31

9. Contractual obligations

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

<i>(in dollars)</i>	<u>2022</u>	<u>2021</u>
Transfer payments	37,974,791	29,727,363
Rental of residential buildings	1,838,220	2,063,220

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

10. Related party transactions

The Agency is related as a result of common ownership to all government departments, agencies, and Crown corporations. 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 and the employer's contribution to the health and dental insurance plans. These services provided without charge have been recorded at the carrying value in the Agency's Statement of Operations and Departmental Net Financial Position as follows:

<i>(in dollars)</i>	<u>2021</u>	<u>2020</u>
Accommodation	1,755,221	1,532,861
Employer's contribution to the health and dental insurance plans	1,255,797	1,056,270
Total	<u>3,011,018</u>	<u>2,589,131</u>

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 Works and Government Services and audit services provided by the Office of the Auditor General are not included in the Agency's Statement of Operations and Departmental Net Financial Position.

b) Other transactions with other government departments and agencies

<i>(in dollars)</i>	<u>2021</u>	<u>2020</u>
Expenses	7,559,932	6,466,613

Expenses disclosed in (b) include the cost of finance and administration services provided by Indigenous Services Canada, and other government departments, and excludes common services provided without charge already disclosed in (a).

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

11. Segmented information

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

(in dollars)

	Economic Development in the Territories	Internal Services	2021 Total	2020 Total
Transfer Payments				
Transfer Payments	73,514,631	0	73,514,631	40,871,594
Total transfer payments	73,514,631	0	73,514,631	40,871,594
Operating Expenses				
Salaries and employee benefits	12,529,122	5,127,698	17,656,820	14,223,019
Professional and special services	1,320,460	1,572,318	2,892,778	2,859,298
Amortization of tangible capital assets	0	110,510	110,510	179,267
Travel and relocation	75,765	124,891	200,656	1,137,597
Buildings, machinery and equipment	12,661	76,167	88,828	95,502
Accommodation	1,245,489	509,732	1,755,221	1,532,861
Utilities, materials and supplies	34,267	68,374	102,641	152,602
Rentals of buildings and machinery	710,491	735,256	1,445,747	1,233,912
Transportation and telecommunication services	2,056	27,286	29,342	32,592
Information services	17,233	2,572	19,805	99,886
Repair and maintenance	9,921	77,350	87,271	87,782
Other expenses	1,919	21,967	23,886	302,082
Bad debt expense	0	0	0	2,028
Expenses incurred on behalf of Government	0	0	0	(2,028)
Total operating expenses	15,959,384	8,454,121	24,413,505	21,936,400
Total expenses	89,474,015	8,454,121	97,928,136	62,807,994
Revenues				
Miscellaneous revenue	0	18	18	13,287
Revenues earned on behalf of Government	0	(3)	(3)	(2,128)
Total revenues	0	15	15	11,159
Net cost of operations	89,474,015	8,454,106	97,928,121	62,796,835