

Canadian Radio-television and Telecommunications Commission

2021-22

**Financial statements (unaudited) for
the year ended March 31, 2022**

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Catalogue No. BC9-35E-PDF
ISSN 2564-4572

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, 2022, and all information contained in these financial statements rests with the management of the Canadian Radio-television and Telecommunications Commission (CRTC). 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 CRTC's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in the CRTC'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 CRTC and through conducting an annual risk-based assessment of the effectiveness of the system of ICFR.

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

The CRTC will be subject to periodic Core Control Audits performed by the Office of the Comptroller General (OCG) and will use the results of such audits to adhere to the Treasury Board *Policy on Financial Management*.

In the interim, the CRTC has undertaken a risk-based assessment of the system of ICFR for the year ended March 31, 2022, in accordance with the Treasury Board *Policy on Financial Management*, and the results and action plan are summarized in the annex.

The financial statements of the CRTC have not been audited.

Ian Scott
Chairperson and Chief Executive Officer
Gatineau, Canada
August 2, 2022

Claude Doucet, CPA, CGA
Chief Financial Officer
Gatineau, Canada
July 29, 2022

Canadian Radio-television and Telecommunications Commission					
Statement of Financial Position (Unaudited)					
As at March 31, 2022					
(in thousands of dollars)					
				2022	2021
Liabilities					
	Accounts payable and accrued liabilities (note 4)			5,393	6,005
	Vacation pay and compensatory leave			4,352	4,693
	Employee future benefits (note 5)			1,646	1,907
Total net liabilities				11,391	12,605
Financial assets					
	Due from Consolidated Revenue Fund			3,932	4,663
	Accounts receivable and advances (note 6)			2,181	2,896
Total gross financial assets				6,113	7,559
Financial assets held on behalf of Government					
	Accounts receivable and advances (note 6)			(674)	(1,265)
Total financial assets held on behalf of Government				(674)	(1,265)
Total net financial assets				5,439	6,294
Departmental net debt				5,952	6,311
Non-financial assets					
	Prepaid expenses			668	514
	Tangible capital assets (note 7)			4,116	3,344
Total non-financial assets				4,784	3,858
Departmental net financial position				(1,168)	(2,453)
Contingent liabilities (note 8)					
The accompanying notes form an integral part of these financial statements.					
Ian Scott			Claude Doucet		
Chairperson and Chief Executive Officer			Chief Financial Officer, CPA, CGA		
Gatineau, Canada			Gatineau, Canada		
August 2, 2022			July 29, 2022		

Canadian Radio-television and Telecommunications Commission Statement of Operations and Departmental Net Financial Position (Unaudited) For the Year Ended March 31, 2022 (in thousands of dollars)					
			2022	2022	2021
			Planned Results		
Expenses					
	Support for Canadian Content Creation		19,775	20,454	19,529
	Connection to the Communications System		28,114	26,757	27,885
	Protection Within the Communications System		14,601	14,293	14,075
	Internal services		20,120	19,282	19,600
	Expenses incurred on behalf of Government		(24)	(1,024)	(24)
Total expenses			82,586	79,762	81,065
Revenues					
	Rights and privileges		121,067	119,642	82,330
	Regulatory fees		76,473	75,442	40,022
	Miscellaneous revenues		600	904	590
	Revenues earned on behalf of Government		(139,037)	(136,620)	(89,900)
Total revenues			59,103	59,368	33,042
Net cost of operations before government funding and transfers			23,483	20,394	48,023
Government funding and transfers					
	Net cash provided by Government			14,178	39,614
	Change in due from Consolidated Revenue Fund			(731)	(673)
	Other transfers of assets and liabilities (to) / from other government departments			(7)	14
	Services provided without charge by other government departments (note 9)			8,225	7,884
Net cost (revenue) of operations after government funding and transfers				(1,285)	1,212
Departmental net financial position - Beginning of year				(2,453)	(1,241)
Departmental net financial position - End of year				(1,168)	(2,453)
<i>Segmented information (note 10)</i>					
<i>The accompanying notes form an integral part of these financial statements.</i>					

Canadian Radio-television and Telecommunications Commission				
Statement of Change in Departmental Net Debt (<i>Unaudited</i>)				
For the Year Ended March 31, 2022				
(in thousands of dollars)				
			2022	2021
Net cost (revenue) of operations after government funding and transfers			(1,285)	1,212
Change due to tangible capital assets				
Acquisition of tangible capital assets			1,388	1,190
Amortization of tangible capital assets			(490)	(1,067)
Loss on disposal of tangible capital assets			(126)	(35)
Total change due to tangible capital assets			772	88
Change due to prepaid expenses			154	150
Net increase (decrease) in departmental net debt			(359)	1,450
Departmental net debt - Beginning of year			6,311	4,861
Departmental net debt - End of year			5,952	6,311
<i>The accompanying notes form an integral part of these financial statements.</i>				

Canadian Radio-television and Telecommunications Commission Statement of Cash Flows (Unaudited) For the Year Ended March 31, 2022 (in thousands of dollars)						
					2022	2021
Operating activities						
	Net cost of operations before government funding and transfers				20,394	48,023
	Non-cash items:					
	Amortization of tangible capital assets				(490)	(1,067)
	Other transfers of assets and liabilities (to) / from other government departments				(7)	14
	Services provided without charge by other government departments (note 9)				(8,225)	(7,884)
	Loss on disposal of tangible capital assets				(126)	(35)
	Variations in Statement of Financial Position:					
	Increase (decrease) in accounts receivable and advances				(124)	(1,131)
	Increase (decrease) in prepaid expenses				154	150
	Decrease (increase) in accounts payable and accrued liabilities				612	1,816
	Decrease (increase) in vacation pay and compensatory leave				341	(1,620)
	Decrease (increase) in future employee benefits				261	158
Cash used in operating activities					12,790	38,424
Capital investing activities						
	Acquisitions of tangible capital assets				1,388	1,190
Cash used in capital investing activities					1,388	1,190
Net cash provided by Government of Canada					14,178	39,614
<i>The accompanying notes form an integral part of these financial statements.</i>						

Canadian Radio-television and Telecommunications Commission
Notes to the Financial Statements (unaudited)
For the Year Ended March 31, 2022

1. Authority and objectives

The CRTC was created by Parliament in 1968 under the *Canadian Radio-television and Telecommunications Commission Act*. The CRTC reports to Parliament through the Minister of Canadian Heritage.

The CRTC is vested with the authority to regulate and supervise all aspects of the Canadian broadcasting system, as well as the telecommunications services providers and common carriers that come under federal jurisdiction. The CRTC's powers in the area of broadcasting regulation derive from the *Broadcasting Act*. Its powers over telecommunications come from the *Telecommunications Act* and from various "special acts" of Parliament passed for specific telecommunications companies. The CRTC also has specific responsibilities under *Canada's Anti-Spam Legislation* for investigation and enforcement activities to counter spam and malware as well as under the *Canada Elections Act* to establish and maintain a Voter Contact Registry.

The following are the program descriptions that support the CRTC Core Responsibility to regulate and supervise the communications system:

Support for Canadian Content Creation

This program focuses on ensuring that a wealth of Canadian content is created and made available to all Canadians on a variety of platforms. Through its orders, decisions, licensing frameworks, and other regulatory activities, the CRTC encourages the creation of diverse programming that reflects the attitudes, opinions, ideas, values, and artistic creativity of Canadians. By requiring the display of Canadian content in entertainment programming and the provision of information and analysis concerning Canada, the CRTC is enabling Canadians to better participate in their country's democratic and cultural life.

Connection to the Communications System

This program focuses on ensuring that Canadians can connect to a choice of accessible, innovative, and quality telecommunication services at affordable prices. More specifically, guided by its legislative mandate, the CRTC regulates where market forces are not sufficient to produce, promote and sustain a competitive telecommunications market. Such regulatory measures include requiring large incumbent telephone and cable companies to provide essential wholesale telecommunications services to their competitors in a manner that encourages ongoing investment and innovation, as well as more choice for Canadians for such services.

Protection Within the Communications System

Through this program, the CRTC promotes compliance with and enforcement of its various laws and regulations, including unsolicited communications. It helps to ensure that Canadians have access to emergency communication services such as 9-1-1 service and alerting systems. As a result, Canadians have increased protection and benefit from a more secure communication system. The following are the CRTC's key objectives and outcomes in protecting Canadians: access to emergency communication services; protection from unsolicited commercial communications; and empowerment through information, awareness and knowledge.

Canadian Radio-television and Telecommunications Commission
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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 ten distinct services that support Program delivery in the organization, regardless of the Internal Services delivery model in a department. These services are: Acquisition Management Services, Communications Services, Financial Management Services, Human Resources Management Services, Information Management Services, Information Technology Services, Legal Services, Materiel Management Services, Management and Oversight Services, Real Property Management Services.

2. Summary of significant accounting policies

These financial statements are prepared using the CRTC'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 and vote-netting

The CRTC is financed in part by the Government of Canada through Parliamentary authorities (e.g. Statutory Vote for Employee Benefits Plans [EBP], Budgetary Vote for the *Canada's Anti-Spam Legislation* and Voter Contact Registry activities) and the balance by vote-netted fees it collects from the regulated industries. Vote-netting is a means of funding selected programs or activities wherein Parliament authorizes a department to apply revenues collected from fee payers towards costs directly incurred for specific activities. The CRTC has the authority to use a portion of: a) the Part I licence fees collected from broadcasters; b) the annual telecommunications fees collected from telecommunications carriers; and c) the unsolicited telecommunications fees from telemarketers to finance the regulatory costs it incurs in discharging its statutory responsibilities under the *Broadcasting Act* and *Telecommunications Act* (i.e. spendable revenue). The balance of these three fees recovers the costs for items funded through authorities (e.g. EBP) and costs incurred by other government departments on the CRTC's behalf and are classified as non-spendable revenue. Part II broadcasting licence fees are entirely classified as non-spendable revenue.

The accounting of fees collected and the charges to the authorities in a given year 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 Departmental Net Financial Position and in the Statement of Financial Position are not necessarily the same as those provided through fee collection and 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 2021-22 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 2021-22 Departmental Plan.

Canadian Radio-television and Telecommunications Commission
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(b) Net cash provided by Government

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

(d) Revenues

The CRTC collects fees under the authority of the *Broadcasting Act* and *Telecommunications Act* and the regulations made pursuant to these Acts, namely the *Broadcasting Licence Fee Regulations, 1997*, the *Telecommunications Fee Regulations, 2010* and the *Unsolicited Telecommunications Fees Regulations*. The CRTC's regulatory fees recover the CRTC's costs associated with its program activities. The Part II licence fees are regulatory charges imposed in relation to a broadcaster's privilege (i.e. rights and privileges). These fees recover part of the Government of Canada's substantial annual investment in the Canadian broadcasting system. Miscellaneous revenues are mainly comprised of revenues received as a result of administrative monetary penalties (AMPs) imposed due to contraventions of the *Telecommunications Act* relating to the National Do Not Call List (DNCL) and *Canada's Anti-Spam Legislation* (CASL) and other revenues such as: interest on overdue accounts receivable for CRTC broadcasting licence fees, telecommunications fees and AMPs, miscellaneous non tax revenue (e.g. access to information fees), and gain on disposal of capital and non-capital assets to outside parties. All revenue from AMPs is recorded as non-respendable non-tax revenue.

Revenues from regulatory fees are recognized based on the services provided in the year.

Funds received from external parties for specified purposes are recorded upon receipt as deferred revenue. Revenues are then recognized in the period in which the related expenses are incurred.

Deferred revenue consists of amounts received in advance of the delivery of goods and rendering of services that will be recognized as revenue in a subsequent fiscal year as it is earned.

Other revenues are recognized in the period the event giving rise to the revenues occurred.

Revenues that are non-respendable are not available to discharge the CRTC's liabilities. While the Chairperson and Chief Executive Officer is expected to maintain accounting control, he or 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.

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(e) Expenses

Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.

Services provided without charge by other government departments for accommodation, employer contributions to the health and dental insurance plans, and workers' compensation are recorded as operating expenses at their carrying value.

(f) Employee future benefits

- (i) Pension benefits – Eligible employees participate in the Public Service Pension Plan, a multiemployer pension plan administered by the Government. The CRTC's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. The CRTC'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 receivable

Accounts receivable are initially recorded at cost. When necessary, an allowance for valuation is recorded to reduce the carrying value of accounts receivable to amounts that approximate their net recoverable value.

(h) Tangible capital assets

A change occurred in accounting policy for all tangible capital assets and leasehold improvements to increase the initial cost from \$5,000 to \$10,000 effective for fiscal year 2021-22 and for future fiscal years. This change results from an in depth review of the CRTC's tangible capital assets and its associated threshold as well as how the majority of federal organizations record their tangible capital assets. All tangible capital assets and leasehold improvements having an initial cost of \$10,000 or more are now recorded at their acquisition cost. This change in accounting policy is not applied retrospectively as it is impractical to do in an effective manner.

The CRTC does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value, assets located on Indian Reserves and museum collections.

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

Asset Class	Amortization period
Informatics equipment	3 years
Informatics software	5 years
Vehicles	5 years
Equipment	5 years
Leasehold improvements	25 years

Assets under construction are recorded in the applicable capital asset class in the year that they are put into service and are not amortized until they are put into service.

(i) **Contingent liabilities**

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

(j) **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 Government'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, allowance for doubtful accounts, 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.

(k) **Related party transactions**

Related party transactions are recorded at the exchange amount.

3. Parliamentary authorities

The CRTC receives most of its funding through fees assessed against the regulated industries, as well as a portion from annual parliamentary authorities. Items recognized in the Statement of Operations and Departmental Net Financial Position and the Statement of Financial Position in one year may be funded through parliamentary authorities in prior, current or future years. Accordingly, the CRTC 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:

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Notes to the Financial Statements (unaudited)
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(a) Reconciliation of net cost of operations to current year authorities used:

	2022	2021
	(in thousands of dollars)	
Net cost of operations before government funding and transfers	20,394	48,023
Adjustments for items affecting net cost of operations but not affecting authorities:		
Decrease (increase) in employee future benefits	261	158
Services provided without charge by other government departments	(8,225)	(7,884)
Amortization of tangible capital assets	(490)	(1,067)
Refund of prior years' expenditures and adjustments to payables at year end	123	235
Decrease (increase) in vacation pay and compensatory leave	341	(1,620)
Gain (loss) on disposal of tangible capital assets	(126)	(35)
Overpayments to be recovered	(14)	(26)
Other transfers of assets and liabilities (to) / from other government departments	-	14
Total items affecting net cost of operations but not affecting authorities	(8,130)	(10,225)
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisitions of tangible capital assets	1,388	1,190
Loans issued on behalf of Government	2	27
Others	171	170
Increase (decrease) in prepaid expenses	154	150
Total items not affecting net cost of operations but affecting authorities	1,715	1,537
Current year authorities used	13,979	39,335

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Notes to the Financial Statements (unaudited)
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(b) Authorities provided and used

	2022	2021
	(in thousands of dollars)	
Authorities provided:		
Vote 1 - Operating expenditures	13,083	85,443
Statutory amounts	7,836	7,949
Less:		
Lapsed: Operating	(6,940)	(54,057)
Current year authorities used	13,979	39,335

4. Accounts payable and accrued liabilities

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

	2022	2021
	(in thousands of dollars)	
Accounts payable - Other government departments and agencies	95	411
Accounts payable - External parties	-	1,122
Total accounts payable	95	1,533
Accrued liabilities	5,298	4,472
Total accounts payable and accrued liabilities	5,393	6,005

5. Employee future benefits

(a) Pension benefits

The CRTC'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 CRTC 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 2021-2022 expense amounts to \$5.3 million (\$5.4 million in 2020-2021). For Group 1 members, the expense represents approximately 1.01 times (1.01 times in 2020-2021) the

Canadian Radio-television and Telecommunications Commission
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employee contributions and, for Group 2 members, approximately 1.00 times (1.00 times in 2020-2021) the employee contributions.

The CRTC'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 CRTC'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, 2022, 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:

	2022	2021
	(in thousands of dollars)	
Accrued benefit obligation - Beginning of year	1,907	2,065
Expense for the year	(93)	43
Benefits paid during the year	(168)	(201)
Accrued benefit obligation - End of year	1,646	1,907

Canadian Radio-television and Telecommunications Commission
Notes to the Financial Statements (unaudited)
For the Year Ended March 31, 2022

6. Accounts receivable and advances

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

	2022	2021
	(in thousands of dollars)	
Receivables - Other government departments and agencies	191	340
Receivables - External parties	1,435	1,771
Employee advances	1,124	1,089
Overpayments to be recovered	188	202
Subtotal	2,938	3,402
Allowance for doubtful accounts on receivables from external parties	(757)	(506)
Gross accounts receivable	2,181	2,896
Accounts receivable held on behalf of Government	(674)	(1,265)
Net accounts receivable	1,507	1,631

7. Tangible capital assets *(in thousands of dollars)*

Capital asset class	Cost				Accumulated amortization				Net book value	
	Opening balance	Acquisitions	Disposals and write-offs	Closing balance	Opening balance	Amortization	Disposals and write-offs	Closing balance	2022	2021
Equipment	500	52	-	552	285	103	-	388	164	215
Vehicles	71	-	-	71	42	10	-	52	19	29
Informatics equipment	2,948	10	-	2,958	2,815	72	-	2,887	71	133
Informatics software	7,499	1,326	1,548	7,277	4,733	291	1,422	3,602	3,675	2,766
Leasehold improvements	347	-	-	347	146	14	-	160	187	201
Total	11,365	1,388	1,548	11,205	8,021	490	1,422	7,089	4,116	3,344

Canadian Radio-television and Telecommunications Commission
Notes to the Financial Statements (unaudited)
For the Year Ended March 31, 2022

8. Contingent liabilities

Claims have been made against the CRTC in the normal course of operations. These claims for which the outcomes are not determinable and reasonable estimates can be made by management amount to approximately \$30,000 at March 31, 2022.

9. Related party transactions

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

	2022	2021
	(in thousands of dollars)	
Employer's contribution to the health and dental insurance plans	5,071	4,679
Accommodation	3,095	3,146
Worker's compensation	59	59
Total	8,225	7,884

The Government has centralized some of its administrative activities for efficiency, cost-effectiveness purposes and economic delivery of programs to the public. As a result, the Government uses central agencies and common service organizations so that one department performs services for all other departments and agencies without charge. The costs of these services, such as the payroll and cheque issuance services provided by Public Services and Procurement Canada and audit services provided by the Office of the Auditor General of Canada are not included in the CRTC's Statement of Operations and Departmental Net Financial Position.

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(b) Other transactions with other government departments and agencies:

		2022	2021
		(in thousands of dollars)	
Accounts receivable		191	340
Accounts payable		95	411
Expenses		510	1,159
<i>Expenses and revenues disclosed in note (b) exclude common services provided without charge, which are already disclosed in (a).</i>			

10. Segmented information

Presentation by segment is based on the CRTC's Departmental Results Framework. 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 segment results for the period are as follows:

<i>(in thousands of dollars)</i>	Support for Canadian Content Creation	Connection to the Communication s System	Protection Within the Communication s System	Internal Services	2022 Total	2021 Total
Expenses						
Salaries and employee benefits	17,174	22,231	11,295	16,625	67,325	67,662
Professional and special services	824	1,974	594	1,033	4,425	4,180
Accommodation	792	1,021	518	764	3,095	3,146
Information	834	437	269	143	1,683	1,630
Rentals	261	364	210	241	1,076	1,026
Bad debt	34	4	986	-	1,024	24
Transportation and telecommunications	203	292	156	185	836	758
Amortization	127	155	107	101	490	1,067
Machinery and equipment	108	153	89	106	456	1,130
Repair and maintenance	30	43	23	30	126	294
Loss on disposal of tangible capital assets	35	43	20	28	126	35
Utilities, materials and supplies	28	35	23	21	107	136
Other	4	5	3	5	17	1
Expenses incurred on behalf of Government	(34)	(4)	(986)	-	(1,024)	(24)
Total expenses	20,420	26,753	13,307	19,282	79,762	81,065
Revenues						
Rights and privileges	119,642	-	-	-	119,642	82,330
Regulatory fees	22,581	30,074	8,183	14,604	75,442	40,022
Miscellaneous revenues	5	4	895	-	904	590
Revenues earned on behalf of Government	(126,315)	(8,584)	(1,550)	(171)	(136,620)	(89,900)
Total revenues	15,913	21,494	7,528	14,433	59,368	33,042
Net cost of operations before government funding and transfers	4,507	5,259	5,779	4,849	20,394	48,023

11. Subsequent events

The outbreak of the Coronavirus disease ["COVID-19"] has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time. As a result, it is not possible to reliably estimate the length and severity of the impact on CRTC's financial position and financial results in future periods.

During fiscal year 2021-22, a significant increase in revenues versus 2020-21 is attributable to financial relief provided by Government of Canada during 2020-21 in response to the crisis resulting from the COVID-19 pandemic. The measures put forward was a remission of the Part I broadcasting licence fees for all broadcasters and financial relief to eligible local television and radio stations for the Part II broadcasting licence fees in respect to the fiscal year 2020-21.

Annex to the Statement of Management Responsibility Including Internal Control Over Financial Reporting – Fiscal Year 2021–22 (Unaudited)

Introduction

In support of an effective system of internal control, the Canadian Radio-television and Telecommunications Commission (CRTC) annually assesses the performance of its financial control to ensure that:

- financial arrangements or contracts are entered into only when sufficient funding is available;
- payments for goods and services are made only when the goods or services are received or the conditions of contracts or other arrangements have been satisfied; and
- payments have been properly authorized.

The CRTC will leverage the results of the periodic core control audits performed by the Office of the Comptroller General. A summary of the work carried out by the CRTC during fiscal year 2021–22 appears below.

Assessment results during fiscal year 2021–22

For the most part, controls related to payment for goods and services and payment authority were functioning well and form an adequate basis for the CRTC's system of internal control.

In 2021-22, given the current recommendations to telework, the work focused on strengthening our existing key management controls such as separation of duties, access controls, standardized documentation, monthly review of trial balances, periodic reconciliations, and approval authority.

The Finance team reviewed on a weekly basis the use of travel and acquisition cards to ensure that there were no fraudulent charges or irregularities. Financial officers approved all accounts payable payments and employees' payrolls before issuing payments. Also, monthly reviews of customer accounts were performed and statements were sent to customers with outstanding bills.

Assessment plan

The CRTC will continue to monitor the performance of its system of internal control with a focus on the core controls related to financial transactions.