

## COURTS ADMINISTRATION SERVICE

### 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, 2019, and all information contained in these statements rests with the management of the Courts Administration Service. 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 Courts Administration Service's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in the Courts Administration Service'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 Courts Administration Service; 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, 2019 was completed in accordance with the Treasury Board Policy on Financial Management and the results and action plans are summarized in the annex.

The effectiveness and adequacy of the Courts Administration Service's system of internal control is reviewed by the Chief Audit Executive, who conducts periodic audits of different areas of the Courts Administration Service's operations, and by the Departmental Audit Committee, which provides objective advice and recommendations to the Deputy Head.

The financial statements of the Courts Administration Service have not been subject to an external audit or review but have been shared with the Courts Administration Service Departmental Audit Committee and they reflect the committee members' comments.

Original signed by

Daniel Gosselin, FCPA, FCA  
Deputy Head  
Chief Administrator

Ottawa, Canada  
August 30, 2019

Original signed by

Francine Côté, CPA, CA, CISA  
Chief Financial Officer  
Deputy Chief Administrator, Corporate Services

# COURTS ADMINISTRATION SERVICE

## Statement of Financial Position (Unaudited)

As at March 31

(in thousands of dollars)

	2019	2018
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	13 180	14 083
Vacation pay and compensatory leave	2 862	2 694
Deposit accounts (Note 5)	6 846	8 346
Employee future benefits (Note 6)	2 084	2 164
<b>Total liabilities</b>	<b>24 972</b>	<b>27 287</b>
<b>Assets</b>		
<b>Financial assets</b>		
Due from the Consolidated Revenue Fund	18 092	19 157
Accounts receivable and advances (Note 7)	2 678	3 827
<b>Total gross financial assets</b>	<b>20 770</b>	<b>22 984</b>
<b>Financial assets held on behalf of Government</b>		
Accounts receivable and advances (Note 7)	(1 045)	(1 051)
<b>Total net financial assets</b>	<b>19 725</b>	<b>21 933</b>
<b>Departmental net debt</b>	<b>5 247</b>	<b>5 354</b>
<b>Non-financial assets</b>		
Prepaid expenses	675	768
Tangible capital assets (Note 8)	18 189	18 105
<b>Total non-financial assets</b>	<b>18 864</b>	<b>18 873</b>
<b>Departmental net financial position</b>	<b>13 617</b>	<b>13 519</b>

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

Original signed by

\_\_\_\_\_  
Daniel Gosselin, FCPA, FCA  
Deputy Head  
Chief Administrator

Ottawa, Canada  
August 30, 2019

Original signed by

\_\_\_\_\_  
Francine Côté, CPA, CA, CISA  
Chief Financial Officer  
Deputy Chief Administrator, Corporate Services

## COURTS ADMINISTRATION SERVICE

### Statement of Operations and Departmental Net Financial Position (Unaudited)

For the year ended March 31	Planned Results		
<i>(in thousands of dollars)</i>	2019	2019	2018
<b>Expenses</b>			
Administration Services for the Federal Courts	81 877	87 881	84 920
Internal Services	23 140	28 459	23 820
Expenses incurred on behalf of Government	-	-	(3)
<b>Total Expenses</b>	<b>105 017</b>	<b>116 340</b>	<b>108 737</b>
<b>Revenues</b>			
Filing fees	1 687	1 570	1 440
Recovery of administration costs - Employment Insurance	1 098	1 007	1 017
Fines	86	12	2
Miscellaneous	92	102	101
Revenues earned on behalf of Government	(2 955)	(2 675)	(2 546)
<b>Total Revenues</b>	<b>8</b>	<b>16</b>	<b>14</b>
<b>Net cost of operations before government funding and transfers</b>	<b>105 009</b>	<b>116 324</b>	<b>108 723</b>
<b>Government funding and transfers</b>			
Net cash provided by Government		86 004	74 858
Change in due from Consolidated Revenue Fund		(1 065)	8 034
Services provided without charge by other government departments (Note 9)		31 483	31 700
<b>Net cost of operations after government funding and transfers</b>		<b>(98)</b>	<b>(5 869)</b>
<b>Departmental net financial position - Beginning of year</b>		<b>13 519</b>	<b>7 650</b>
<b>Departmental net financial position - End of year</b>		<b>13 617</b>	<b>13 519</b>

Segmented information (Note 10)

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

## COURTS ADMINISTRATION SERVICE

### Statement of Change in Departmental Net Debt (Unaudited)

For the year ended March 31

*(in thousands of dollars)*

	2019	2018
<b>Net cost of operations after government funding and transfers</b>	<b>(98)</b>	<b>(5 869)</b>
<b>Change due to tangible capital assets</b>		
Acquisition of tangible capital assets (Note 8)	3 789	7 810
Amortization of tangible capital assets (Note 8)	(3 567)	(2 106)
Proceeds from disposal of tangible capital assets	(18)	(10)
Net gain (loss) on disposal of tangible assets including adjustments	(120)	(51)
<b>Total change due to tangible capital assets</b>	<b>84</b>	<b>5 643</b>
<b>Change due to prepaid expenses</b>	<b>(93)</b>	<b>382</b>
<b>Net increase (decrease) in departmental net debt</b>	<b>(107)</b>	<b>156</b>
<b>Departmental net debt - Beginning of year</b>	<b>5 354</b>	<b>5 198</b>
<b>Departmental net debt - End of year</b>	<b>5 247</b>	<b>5 354</b>

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

## COURTS ADMINISTRATION SERVICE

### Statement of Cash Flows (Unaudited)

For the year ended March 31

(in thousands of dollars)

	2019	2018
<b>Operating activities</b>		
Net cost of operations before government funding and transfers	116 324	108 723
<b>Non-cash items:</b>		
Amortization of tangible capital assets (Note 8)	(3 567)	(2 106)
Services provided without charge by other government departments (Note 9)	(31 483)	(31 700)
Gain (Loss) on disposal and write-down of tangible capital assets	-	(51)
<b>Variations in Statement of Financial Position:</b>		
Increase (decrease) in accounts receivable and advances	(1 143)	1 442
Increase (decrease) in prepaid expenses	(93)	382
Decrease (increase) in accounts payable and accrued liabilities	903	(6 411)
Decrease (increase) in vacation pay and compensatory leave	(168)	(453)
Decrease (increase) in deposit accounts	1 500	(2 733)
Decrease (increase) in employee future benefits	80	(35)
<b>Cash used in operating activities</b>	<b>82 353</b>	<b>67 058</b>
<b>Capital investing activities</b>		
Acquisitions of tangible capital assets (Note 8)	3 789	7 810
Adjustments to tangible capital assets (Note 8)	(120)	-
Proceeds from disposal of tangible capital assets	(18)	(10)
<b>Cash used in capital investing activities</b>	<b>3 651</b>	<b>7 800</b>
<b>Net cash provided by Government of Canada</b>	<b>86 004</b>	<b>74 858</b>

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

# COURTS ADMINISTRATION SERVICE

## Notes to the Financial Statements (Unaudited)

For the year ended March 31

### 1. Authority and objectives

The Courts Administration Service, which was established on July 2, 2003 by the Courts Administration Service Act, S.C. 2002, c.8, is responsible for providing administrative services to the Federal Court of Appeal (FCA), the Federal Court (FC), the Court Martial Appeal Court of Canada (CMAC) and the Tax Court of Canada (TCC) - "the Courts".

These services permit individuals, companies, organizations and the Government of Canada to submit disputes and other matters to the Courts, and enable the Courts to hear and resolve the cases before them fairly, without delay and as efficiently as possible.

The Courts Administration Service has two core responsibilities, Administration services for the federal courts and Internal services. The Administration services for the federal courts consists of four programs, Judicial Services, Registry Services, E-Courts and Court Security to provide timely and efficient judicial, registry, court security and electronic court services to the FCA, the FC, the CMAC and the TCC; coordinate the provision of services among the four Courts; and safeguard the independence of the Courts by placing administrative services at arm's length from the Government of Canada.

The Judicial Services program provides legal services and judicial administrative support to assist members of the Courts in the discharge of their judicial functions. These services are provided by legal counsel, judicial administrators, law clerks, jurilinguists, judicial assistants, library personnel and court attendants, under the direction of the four Chief Justices.

Registry Services are delivered under the jurisdiction of the Courts. The registries process legal documents, provide information to litigants on court procedures, maintain court records, participate in court hearings, support and assist in the enforcement of court orders, and work closely with the Office of the four Chief Justices to ensure that matters are heard, and decisions are rendered in a timely manner. Registry Services are offered in every province and territory through a network of permanent offices, and agreements with provincial and territorial partners.

The E-Courts Program aims to harness the potential of technology to modernize the administration of justice by providing a range of modern, scalable and fully integrated electronic court and registry management solutions.

The Court Security Program contributes to the safety of the courts, through the development, implementation, and compliance with policies and procedures designed to ensure the safety and security of members of the judiciary, litigants and employees. The program also cultivates and enhances the organization's capacity to respond to threats through ongoing collaboration with law enforcement departments and agencies and the optimum use of security intelligence. The program also identifies gaps in capability and develops potential solutions to address deficiencies, in order to enhance the organization capabilities against potential threats.

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services, Communications Services, Legal Services, Human Resources Management Services, Financial Management Services, Information Management Services, Information Technology Services, Real Property Services, Material Services, Acquisition Services, and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

### 2. Summary of significant accounting policies

These financial statements have been prepared using the Government'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 Courts Administration Service is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to the Courts Administration Service 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 authorities from Parliament. Note 3 provides a reconciliation between the bases of reporting.

# COURTS ADMINISTRATION SERVICE

## Notes to the Financial Statements (Unaudited)

For the year ended March 31

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

### (a) Parliamentary authorities (continued)

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 2018-19 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 2018-19 Departmental Plan.

### (b) Net cash provided by Government

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

### (d) Revenues

- ✓ Revenues consist primarily of filing fees and fines. It also includes Employment Insurance Operating Account cost recoveries, for presentation purposes (refer to last point below). All such revenue is non-respendable.
- ✓ All revenues are accounted for in the period in which the underlying transaction or event that gave rise to the revenue takes place.
- ✓ Revenues that are non-respendable are not available to discharge the Courts Administration Service's liabilities. While the Deputy Head is expected to maintain accounting control, he 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 and are therefore presented as a reduction of the entity's gross revenues.
- ✓ Recovery of administration costs - Employment Insurance: At the end of each fiscal year, the Courts Administration Service determines the cost associated with the administration of Employment Insurance (EI) cases. The total cost allocated by the Courts Administration Service for handling EI cases are expended against Employment and Social Development Canada, the department responsible for the Employment Insurance Operating Account. As such, Employment and Social Development Canada would show an expense and the Courts Administration Service would show an equivalent non-respendable revenue item. The purpose of this accounting treatment is to reflect more accurately the total cost of running the EI program and does not involve any transfer of authorities or funds.

### (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 and employer contributions to the health and dental insurance plans are recorded as operating expenses at their carrying value.

# COURTS ADMINISTRATION SERVICE

## Notes to the Financial Statements (Unaudited)

For the year ended March 31

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

### (f) Employee future benefits

- ✓ Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer pension plan administered by the Government. The Courts Administration Service's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. The Courts Administration Service'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, as the Plan's sponsor.
- ✓ 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) Non-financial assets

The cost of acquiring machinery, equipment and other 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. At Courts Administration Service, all tangible capital assets and leasehold improvements having an initial cost of \$5,000 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 and museum collection, to which no acquisition cost is attributable; and intangible assets.

### (i) 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, 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.

### (j) Related party transactions

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

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

- i. Services provided on a recovery basis are recognized as revenues and expenses on a gross basis and measured at the exchange amount.
- ii. Certain services received on a without charge basis are recorded for departmental financial statement purposes at the carrying amount.



# COURTS ADMINISTRATION SERVICE

## Notes to the Financial Statements (Unaudited)

For the year ended March 31

### 3. Parliamentary authorities

The Courts Administration Service receives most of its funding through 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 Courts Administration Service 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 thousands of dollars)	2019	2018
<b>Net cost of operations before government funding and transfers</b>	<b>116 324</b>	108 723
<b>Adjustments for items affecting net cost of operations but not affecting authorities:</b>		
Services provided without charge by other government departments	(31 483)	(31 700)
Amortization of tangible capital assets	(3 567)	(2 106)
Increase (decrease) in vacation pay and compensatory leave	(168)	(453)
Increase (decrease) in employee future benefits	113	(35)
Gain (Loss) on disposal of tangible capital assets	-	(51)
Refund of prior years' expenditures	9	68
Adjustments of previous years payables at year-end (PAYE)	171	85
Increase (decrease) in accrued liabilities not charged to authorities	-	(17)
Other	(35)	(4)
<b>Total items affecting net cost of operations but not affecting authorities</b>	<b>(34 960)</b>	(34 213)
<b>Adjustments for items not affecting net cost of operations but affecting authorities:</b>		
Acquisition of tangible capital assets	3 789	7 810
Salary overpayments	257	52
Increase (decrease) in advances	(3)	(7)
Increase (decrease) in prepaid expenses	(93)	382
Refund of prior years' revenues	5	4
Other	-	40
<b>Total items not affecting net cost of operations but affecting authorities</b>	<b>3 955</b>	<b>8 281</b>
<b>Current year authorities used</b>	<b>85 319</b>	82 791

#### (b) Authorities provided and used

(in thousands of dollars)	2019	2018
<b>Authorities provided:</b>		
Vote 1 - Operating expenditures	81 326	78 786
Statutory amounts	7 432	6 890
	<b>88 758</b>	85 676
<b>Less:</b>		
Lapsed: Operating	(3 409)	(2 871)
Authorities available for future years	(30)	(14)
<b>Current year authorities used</b>	<b>85 319</b>	82 791

# COURTS ADMINISTRATION SERVICE

## 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 Courts Administration Service's accounts payable and accrued liabilities:

(in thousands of dollars)	2019	2018
Accounts payable - Other government departments and agencies	2 647	3 203
Accounts payable - External parties	5 767	7 213
Total accounts payable	8 414	10 416
Accrued liabilities	4 766	3 667
<b>Total accounts payable and accrued liabilities</b>	<b>13 180</b>	<b>14 083</b>

### 5. Deposit accounts

The Courts Administration Service maintains two deposit accounts on behalf of litigants before the Courts. Pursuant to an order of the Court, the deposit accounts will record funds paid into the Federal Court of Appeal, Federal Court and Tax Court of Canada. These amounts are held as payments and eventually released, pending judgment of the Courts. The difference between these two accounts is the calculation of interest, as described below.

#### Calculation of Interest:

Deposit Account for the Federal Court of Appeal and Federal Court: Pursuant to the Order in Council P.C. 1970 4/2, the account earns interest semi-annually at a rate that is equal to nine-tenths of the monthly average of tender rates for three-month Treasury bills and is calculated on the minimum monthly balance.

Deposit Account for the Tax Court of Canada: Pursuant to the Order in Council P.C. 1970-300, the account earns interest semi-annually at a rate that is equal to ninety percent of the average of the weekly three-month Treasury bills and is calculated on a daily basis.

(in thousands of dollars)	2019	2018
Balance, beginning of year	8 346	5 613
Receipts and other credits	1 727	6 153
Disbursements and other charges	(3 227)	(3 420)
<b>Balance, end of year</b>	<b>6 846</b>	<b>8 346</b>

## COURTS ADMINISTRATION SERVICE

### Notes to the Financial Statements (Unaudited)

For the year ended March 31

## 6. Employee future benefits

### (a) Pension benefits

The Courts Administration Service'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 Courts Administration Service contribute to the cost of the Plan. Due to the amendment of the Public Service Superannuation Act following the implementation of provisions related to Economic Action Plan 2012, employee contributors have been divided into two groups – Group 1 relates to existing plan members as of December 31, 2012 and Group 2 relates to members joining the Plan as of January 1, 2013. Each group has a distinct contribution rate.

The 2018-19 expense amounts to \$5,148,785 (\$4,674,665 in 2017-18). For Group 1 members, the expense represents approximately 1.01 times (1.01 times in 2017-18) the employee contributions and, for Group 2 members, approximately 1.00 times (1.00 times in 2017-18) the employee contributions.

The Courts Administration Service'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 Courts Administration Service'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, 2019, 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:

(in thousands of dollars)	2019	2018
Accrued benefit obligation - Beginning of year	2 164	2 129
Expense for the year	159	305
Benefits paid during the year	(239)	(270)
<b>Accrued benefit obligation - End of year</b>	<b>2 084</b>	<b>2 164</b>

## 7. Accounts receivable and advances

The following table presents details of the Courts Administration Service's accounts receivable and advances balances:

(in thousands of dollars)	2019	2018
Accounts receivable - Other government departments and agencies	1 997	3 501
Accounts receivable - External parties	668	317
Employee advances	14	15
Subtotal	2 679	3 833
Allowance for doubtful accounts on receivable from external parties	(1)	(6)
<b>Gross accounts receivable</b>	<b>2 678</b>	<b>3 827</b>
Accounts receivable held on behalf of Government	(1 045)	(1 051)
<b>Net accounts receivable</b>	<b>1 633</b>	<b>2 776</b>

# COURTS ADMINISTRATION SERVICE

## 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:

Asset class	Amortization Period
Machinery and equipment	10 years
Computer hardware	3 years
Computer software	4 years
Furniture and fixtures	10 years
Vehicles	8 years
Leasehold improvements	Lesser of useful life or remainder of lease term

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

Capital Asset Class	Cost				
	Opening Balance	Acquisitions	Adjustments (1)	Disposals and Write-Offs	Closing Balance
(in thousands of dollars)					
Machinery and equipment	4 049	129	(119)	-	4 059
Computer hardware	8 305	1 051	211	(121)	9 446
Computer software	3 955	214	2	-	4 171
Furniture and fixtures	2 076	78	(10)	-	2 144
Vehicles	405	91	-	(110)	386
Leasehold improvements	9 730	-	2 253	-	11 983
Assets under construction - Computer software	268	53	(128)	-	193
Assets under construction - Other	983	2 173	(2 333)	-	823
<b>Total</b>	<b>29 771</b>	<b>3 789</b>	<b>(124)</b>	<b>(231)</b>	<b>33 205</b>

#### Accumulated amortization

Capital Asset Class	Opening Balance	Amortization	Adjustments (1)	Disposals and Write-Offs	Closing Balance
(in thousands of dollars)					
Machinery and equipment	1 039	373	-	-	1 412
Computer hardware	5 658	1 419	(4)	(121)	6 952
Computer software	2 179	691	-	-	2 870
Furniture and fixtures	940	132	-	-	1 072
Vehicles	159	46	-	(92)	113
Leasehold improvements	1 691	906	-	-	2 597
<b>Total</b>	<b>11 666</b>	<b>3 567</b>	<b>(4)</b>	<b>(213)</b>	<b>15 016</b>

## COURTS ADMINISTRATION SERVICE

### Notes to the Financial Statements (Unaudited)

For the year ended March 31

## 8. Tangible capital assets (continued)

Net book value

Capital Asset Class	2018	2019
(in thousands of dollars)		
Machinery and equipment	3 010	2 647
Computer hardware	2 647	2 494
Computer software	1 776	1 301
Furniture and fixtures	1 136	1 072
Vehicles	246	273
Leasehold improvements	8 039	9 386
Assets under construction - Computer software	268	193
Assets under construction - Other	983	823
<b>Total</b>	<b>18 105</b>	<b>18 189</b>

(1) Adjustments include assets under construction, leasehold improvements and machinery and equipments that were transferred from work in progress to the other categories upon completion of the assets as well as reallocation of previous years' expenditures.

# COURTS ADMINISTRATION SERVICE

## Notes to the Financial Statements (Unaudited)

For the year ended March 31

### 9. Related party transactions

The Courts Administration Service is related as a result of common ownership to all government departments, agencies, and Crown corporations. The Courts Administration Service 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 Courts Administration Service 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 in the Courts Administration Service's Statement of Operations and Departmental Net Financial Position as follows:

(in thousands of dollars)	2019	2018
Accommodation <sup>(1)</sup>	27 296	27 295
Employer's contribution to the health and dental insurance plans	4 187	4 405
	<b>31 483</b>	<b>31 700</b>

<sup>(1)</sup> Accommodation costs include the space of the court rooms, the offices of the Members of the Courts, the discovery rooms, etc.

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 are not included in the Courts Administration Service's Statement of Operations and Departmental Net Financial Position.

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

(in thousands of dollars)	2019	2018
Revenues	1 320	1 273
Expenses	12 762	7 934

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

## COURTS ADMINISTRATION SERVICE

### Notes to the Financial Statements (Unaudited)

For the year ended March 31

## 10. Segmented information

Presentation by segment is based on the Courts Administration Service's core responsibility. The presentation by segment is based on the same accounting policies as described in the Summary of significant accounting policies in Note 2. The following table presents the expenses incurred and revenues generated for the main core responsibilities, by major object of expense and by major type of revenue. The segment results for the period are as follows:

(in thousands of dollars)	Administration Services for the Federal Courts	Internal Services	2019 Total	2018 Total
<b>Operating expenses</b>				
Salaries and employee benefits	45 948	16 462	<b>62 410</b>	59 338
Accommodation (Note 9)	25 931	1 365	<b>27 296</b>	27 295
Professional and special services	8 436	2 030	<b>10 466</b>	9 361
Transportation and telecommunications	1 163	2 014	<b>3 177</b>	2 796
Materials and supplies	2 181	367	<b>2 548</b>	2 282
Rentals	1 332	1 351	<b>2 683</b>	2 348
Amortization of tangible capital assets	1 577	1 990	<b>3 567</b>	2 106
Machinery and equipment	155	1 889	<b>2 044</b>	1 989
Repairs and maintenance	782	275	<b>1 057</b>	407
Information	291	214	<b>505</b>	561
Miscellaneous	85	502	<b>587</b>	257
Expenses incurred on behalf of Government	-	-	-	(3)
<b>Total operating expenses</b>	<b>87 881</b>	<b>28 459</b>	<b>116 340</b>	<b>108 737</b>
<b>Revenues</b>				
Filing fees	1 570	-	<b>1 570</b>	1 440
Recovery of administration costs - Employment Insurance	-	1 007	<b>1 007</b>	1 017
Fines	12	-	<b>12</b>	2
Miscellaneous revenues	86	16	<b>102</b>	101
Revenues earned on behalf of Government	(1 668)	(1 007)	<b>(2 675)</b>	(2 546)
<b>Total revenues</b>	<b>-</b>	<b>16</b>	<b>16</b>	<b>14</b>
<b>Net cost from continuing operations</b>	<b>87 881</b>	<b>28 443</b>	<b>116 324</b>	<b>108 723</b>

## 11. Comparative information

Certain comparative figures have been reclassified to conform to the Courts Administration Service's current year's presentation. To reflect the change to the new Departmental Results Framework (DRF) effective in 2018-19 and to be consistent with the presentation of the Planned Spending in the 2018-19 DP, the expenses are presented at the Core Responsibility level as opposed to the Program Inventory level as presented in previous year.