

Courts Administration Service
Financial Statements Discussion and Analysis
2020-21

INTRODUCTION

This Financial Statements Discussion and Analysis (FSD&A) should be read in conjunction with the Financial Statements of the Courts Administration Service (CAS) for the fiscal year ended March 31, 2021. These Financial Statements have been prepared using the Government's accounting policies, which are based on Canadian public sector accounting standards. The FSD&A has been prepared following the *Public Sector Statement of Recommended Practice* (SORP-1).

Responsibility for the preparation of the FSD&A rests with the management of CAS. The purpose of the FSD&A is to enhance the user's understanding of the organization's financial position and results of operations while demonstrating its accountability for its resources. Additional information on the organization's performance is available in the [Departmental Results Report](#).

Following this introduction, the FSD&A consists of three sections:

- Overview
- Highlights
- Discussion and Analysis

Please note that all financial information presented herein is denominated in Canadian dollars, unless otherwise indicated.

Special note regarding forward-looking statements

The words "estimate", "will", "intend", "should", "anticipate", and similar expressions are intended to identify forward-looking statements that reflect assumptions and expectations of the organization, based on its experience and perceptions of trends and current conditions. Although CAS believes the expectations reflected in such forward-looking statements are reasonable, they may prove inaccurate; consequently, actual results could differ materially from expectations set out in this FSD&A. In particular, the risk factors described in this report could cause actual results or events to differ materially from those contemplated in forward-looking statements.

OVERVIEW

CAS was established in 2003 by the [Courts Administration Service Act, S.C. 2002, c. 8](#). CAS's role is to provide effective and efficient judicial, registry, e-courts, court security and internal services to the Federal Court of Appeal, the Federal Court, the Court Martial Appeal Court of Canada and the Tax Court of Canada ("the Courts"). The Chief Administrator of CAS serves as Deputy Head.

CAS was created to ensure the effective and efficient provision of administrative, judicial and registry support to the four superior courts of record; to enhance judicial independence by placing administrative services at arm's length from the Government of Canada and affirming the roles of the chief justices and judges in the management of the Courts; and to enhance accountability for the use of public money in support of court administration while safeguarding the independence of the judiciary. This ensures timely and fair access to the judicial system, which is essential to constitutional governance.

CAS's budget is allocated through authorities approved by Parliament. CAS has one voted authority for program expenditures and statutory authorities for contributions to employee benefit plans, spending of proceeds from the disposal of surplus Crown assets, and refunds of amounts credited to revenues in previous years.

Since authorities are primarily based on cash flow requirements, authorities provided to CAS do not parallel financial reporting according to generally accepted accounting principles. Consequently, items recognized in the Statement of Financial Position and the Statement of Operations and Departmental Net Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 of the Financial Statements provides a reconciliation between the bases of reporting.

The Financial Statements of CAS have not been audited. A Statement of Management Responsibility, including Internal Control over Financial Reporting (ICFR), is provided by Management as part of the annual departmental financial statement publication.

Special note regarding COVID-19

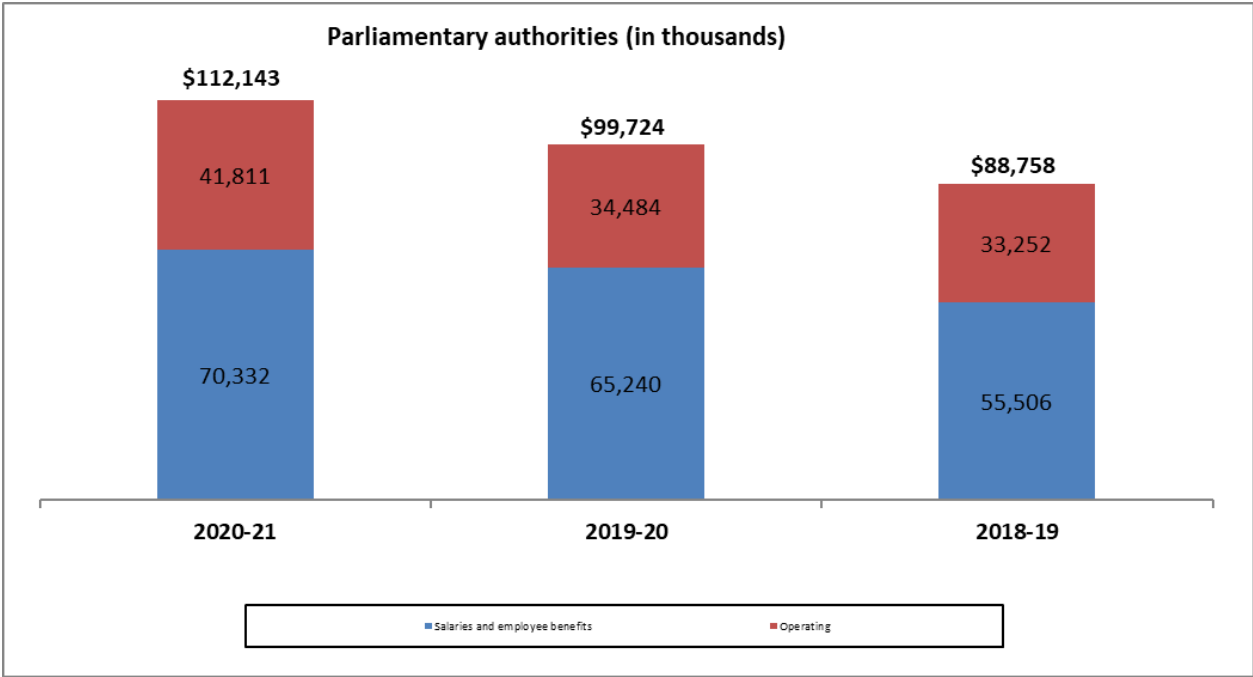
The outbreak of the COVID-19 pandemic has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses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

CAS has assessed the impact of the COVID-19 pandemic on CAS's internal controls over financial reporting and has not identified deficiencies which could have a material impact on its financial statements.

HIGHLIGHTS

Parliamentary Authorities

The parliamentary authorities available for use by CAS include funding received through the Main Estimates, Supplementary Estimates, Transfers, Adjustments and Warrants. These authorities increased by \$12,419 thousand, from \$99,724 thousand in 2019-20 to \$112,143 thousand in 2020-21. This variance is the result of several factors, as outlined below.



The increase in authorities is largely due to \$5,501 thousand in off-cycle funding received for Restarting the Court System and Supporting Access to Justice (COVID) and \$4,949 thousand in compensation for collective bargaining and payments for Phoenix damages. The increase also includes: \$2,311 thousand in new funding for the delivery of justice through the CAS; \$800 thousand in program integrity funding; \$431 thousand for the Courts and Registry Management System (CRMS); \$1,260 thousand in contributions to employee benefit plans; and \$103 thousand in other minor changes. The above increases are partially offset by funding decreases of \$943 thousand to enhance the integrity of Canada’s Borders and Asylum System, \$1,113 thousand in the operating budget carry-forward and \$880 thousand to implement a new comprehensive Intellectual Property (IP) Strategy.

Financial Highlights

Statement of Financial Position

The **Departmental Net Financial Position** is the amount remaining when total liabilities are deducted from total assets. CAS's Departmental Net Financial Position was \$20,476 thousand as of March 31, 2021 (\$15,563 thousand as of March 31, 2020).

Financial assets: The total net financial assets amounted to \$17,501 thousand at March 31, 2021 (\$15,883 thousand at March 31, 2020).

Non-financial assets: The year-end balance was \$27,516 thousand at March 31, 2021 (\$21,648 thousand at March 31, 2020).

Significant variations are further explained in the **Financial Analysis** section.

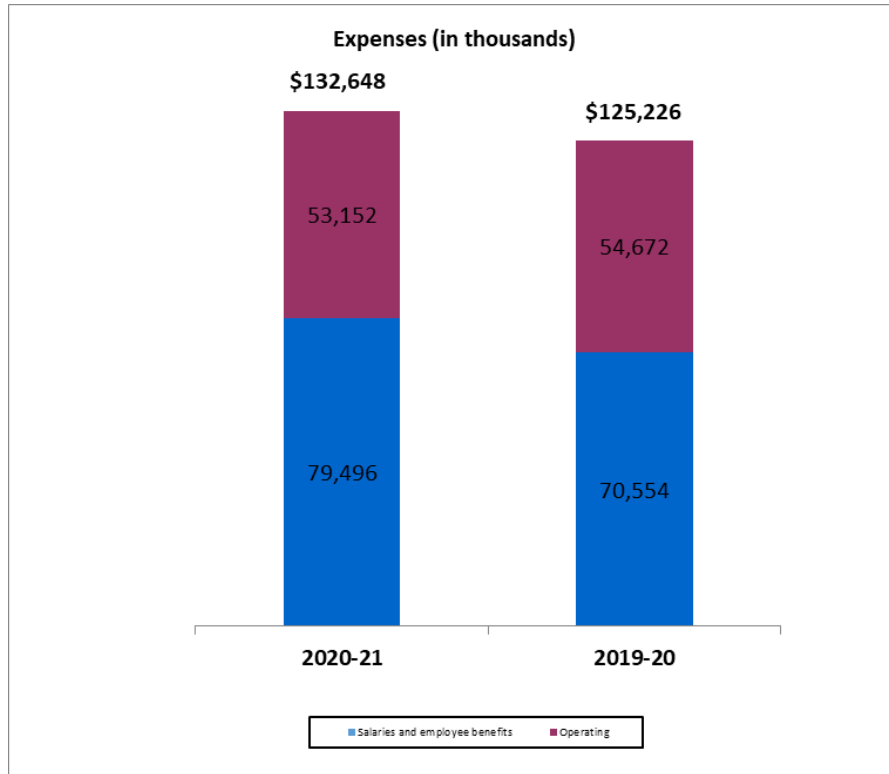
Statement of Operations and Departmental Net Financial Position

CAS's net cost of operations before government funding and transfers was \$132,643 thousand in 2020-21, an increase of \$7,420 thousand (6%) compared to \$125,223 thousand in 2019-20. These figures represent the total expenses incurred and revenues earned on behalf of Government. The increase in total expenses is mainly due to increases in employee salaries and benefits, as well as materials and supplies, rentals and amortization of tangible capital assets, which are explained further in the next section.

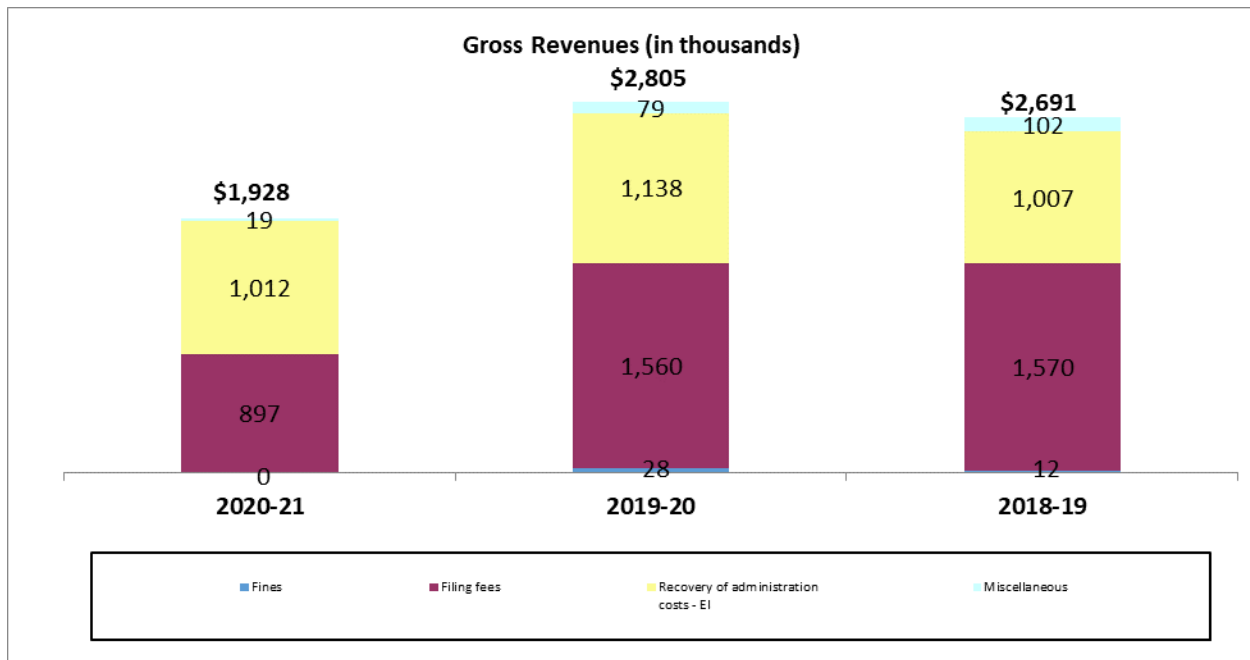
Expenses: CAS's total expenses were \$132,648 thousand in 2020-21 (\$125,226 thousand in 2019-20).

Salary and employee benefits: Salary and employee benefit expenses amounted to \$79,496 thousand (\$70,554 thousand in 2019-20), an increase of \$8,942 thousand (13%). The increases in personnel expenditures were principally driven by the signature of the new collective agreements, which resulted in retroactive pay as well as increases in salaries of \$4,414 thousand. Other increases included \$1,066 thousand in payments of Phoenix damages, \$1,395 thousand in compensatory and vacation pay, \$301 thousand in severance pay, \$1,260 thousand in employer contributions to employee benefit plans and other minor variances totalling \$32 thousand.

Operating: Operating expenses totalled \$53,152 thousand (\$54,672 thousand in 2019-20). The \$1,520 thousand (3%) variance is mainly attributable to decreases of \$2,308 thousand in professional and special services, \$1,163 thousand in transportation and telecommunications, \$366 thousand in repairs and maintenance and \$251 thousand in machinery and equipment. These decreases were partly offset by an increase of \$1,361 thousand in materials and supplies, \$586 thousand in the amortization of tangible capital assets, \$501 thousand in rentals, \$87 thousand in accommodation, \$19 thousand in information and \$14 thousand in other miscellaneous operating expenses and expenses incurred on behalf of Government.



Revenues: The majority of CAS’s revenues are earned on behalf of Government. Such revenues are non-respensible, meaning that they cannot be used by CAS, and are deposited directly into the Consolidated Revenue Fund (CRF). CAS earns a small amount of respensible revenue from the sale of Crown assets. CAS’s gross revenues were \$1,928 thousand (\$2,805 thousand in 2019-20), and net revenues were \$5 thousand (\$3 thousand in 2019-20).



DISCUSSION AND ANALYSIS

Risks and Uncertainties

Funding

CAS received funding in 2020-21 to continue the Definition Phase of the Courts and Registry Management System (CRMS) Project, for the delivery of justice, and for the expenditures incurred due to the COVID-19 pandemic.

The impacts of COVID-19 and related measures to prevent the spread are expected to continue for the foreseeable future, requiring continued expenditures, such as for distancing, personal protective equipment, increased cleaning and specialized sanitization. In addition, CAS's increased resourcing costs related to supporting Court operations as well as significant IT costs, including hardware, software and bandwidth in 2020-21 will result in ongoing costs for licenses and maintenance. As such, CAS will require ongoing funding to offset these costs and prevent impacts on its program integrity. CAS received COVID-19 funding in Budget 2021 for 2021-22 only.

The majority of non-personnel expenses incurred by CAS are contracted costs for services supporting the judicial process, court hearings, court security and e-court. They include translation services, protection services, informatics services, court reporters, transcripts, deputy judges, court ushers and court facility rental. These costs are mostly driven by the number, type and duration of hearings conducted in any given year, which are non-discretionary and limit the organization's financial flexibility.

Risk Management

Funding for CRMS was provided for the Definition Phase to define requirements, initiate digitization activities, and issue a request for proposals prior to advancing to the execution phase of the project. The Definition Phase has been extended to allow for further consultation with the industry and refinement of the project scope and approach. CAS must ensure that even with the extension of the timelines the Definition Phase remains within the funding envelope provided.

The outbreak of the COVID-19 pandemic has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures include the implementation of travel bans, quarantine periods and social distancing. The duration and global impact of the COVID-19 outbreak are unknown at this time. During the year, CAS supported the Courts in providing critical services and addressing backlogs as applicable. Given that measures to combat the spread of the virus, including hybrid/virtual proceedings and other investments to better support the Courts (e-filing, digital documents, online services), are expected to continue for the foreseeable future, CAS has identified the need for ongoing funding beyond 2021-22.

CAS continues to address the risks to its program integrity, including baselining budgets, establishment of multi-year budgets, reorganizing and realigning services, reallocating resources, and regular reassessment of priorities, exploring alternate funding models while seeking efficiencies wherever possible. The Courts have important facilities requirements that create financial pressures, and CAS is looking at solutions. CAS has developed an efficient Enterprise Risk Management (ERM) process, which includes management participation at the organization's highest levels. The ERM process allows management to identify, evaluate and mitigate key risks to achieving its mandate and organizational priorities, and drives resource allocation accordingly.

The Chief Justices and CAS have initiated discussions with government officials regarding a potential funding model. In the meantime, CAS has been able to secure additional funding through the budgetary process to address a number of specific pressures in the short term.

Financial Analysis

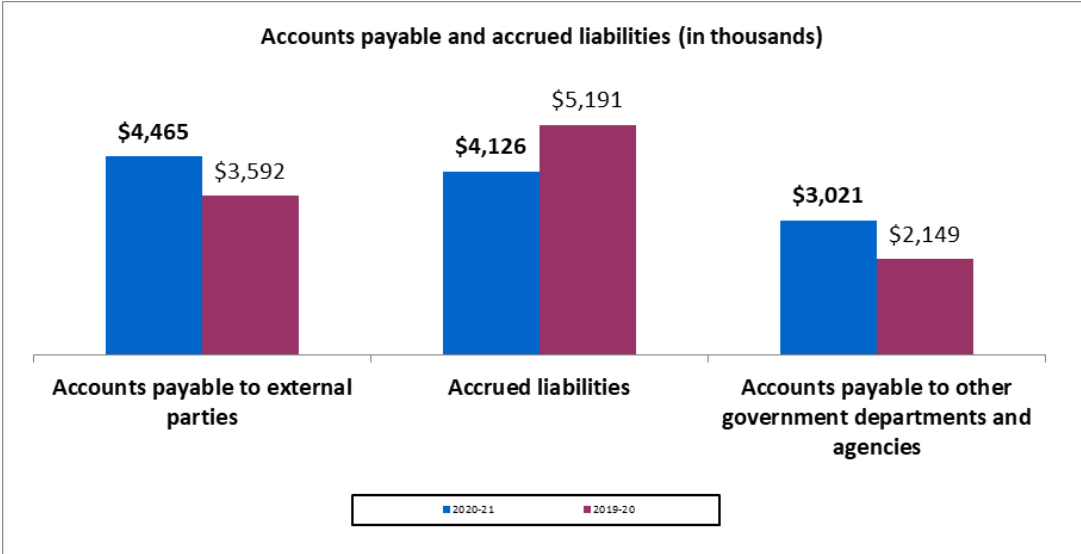
The following analysis describes the main items appearing on the financial statements, as well as significant variances.

Liabilities

Summary: CAS’s total liabilities were \$24,541 thousand as of March 31, 2021 (\$21,968 thousand as of March 31, 2020). The variance of \$2,573 thousand is due to increases in the accounts payable and accrued liabilities, vacation pay and compensatory leave and in deposit accounts. The increases were partly offset by a decrease in Employee future benefits.

Accounts payable and accrued liabilities: CAS’s accounts payable and accrued liabilities totalled \$11,612 thousand as of March 31, 2021 (\$10,932 thousand as of March 31, 2020). The variance of \$680 thousand is due to an increase of \$873 thousand in accounts payable to external parties and \$872 thousand in accounts payable to other government departments and agencies, primarily related to common service delivery.

The increases were offset by a decrease of \$1,067 thousand in accrued liabilities related to salaries and wages due to timing of the last pay period of the year (salary accrued) and a small increase of \$2 thousand related to asset retirement obligation.

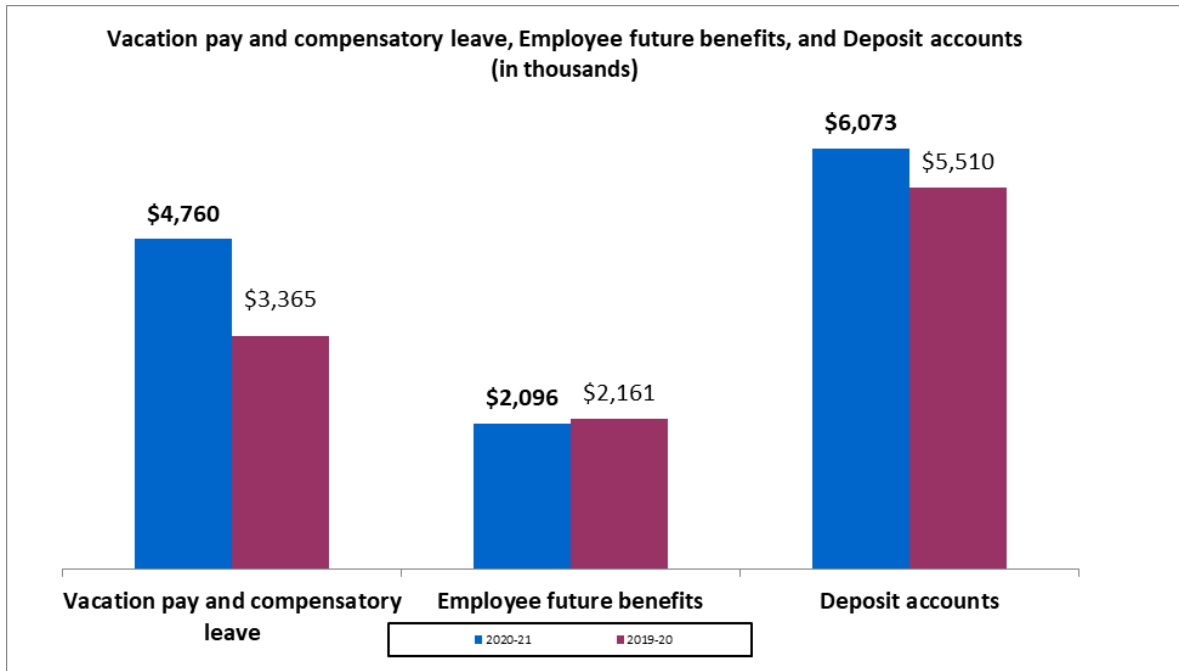


Vacation pay and compensatory leave: CAS’s vacation pay and compensatory leave year-end balances were \$4,760 thousand as of March 31, 2021 (\$3,365 thousand as of March 31, 2020). The increase of \$1,395 thousand is subsequent to the Treasury Board Secretariat’s decision to postpone the automatic cash-out of vacation and compensatory leave, unless requested by the employee, due to the ongoing issues with the Phoenix Pay System.

Deposit accounts: CAS’s deposit accounts amounted to \$6,073 thousand as of March 31, 2021 (\$5,510 thousand as of March 31, 2020). CAS maintains two Specified Purpose Accounts (SPAs), one for deposits by litigants appearing before the Federal Court of Appeal or the Federal Court, and the other for those appearing before the Tax Court of Canada. These two accounts were established pursuant to Section

21.1 of the *Financial Administration Act* under *Order in Council P.C. 1970 4/2* and *Order in Council P.C. 1970-300*, respectively. Pursuant to an order of the Court, amounts are held in trust and eventually released with accrued interest. Because payments into or out of the accounts are determined by the Courts, depending on the particular case, the balance is unpredictable and may vary significantly from year to year.

Employee severance benefits: CAS’s employee future benefits balance was \$2,096 thousand as of March 31, 2021 (\$2,161 thousand as at March 31, 2020). This allowance for severance benefits is payable to employees. Significant changes were made to the severance pay program, beginning in 2011-12, whereby benefits for voluntary departures ceased for some employee groups. 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. The severance percentage factor used in calculating the liability is provided by the Treasury Board Secretariat, which is derived from the actuarially determined liability for severance benefits for the Government as a whole that takes into account this curtailment and planned settlements to date. The \$65 thousand decrease in the employee future benefits liability is mainly caused by the increase in indeterminate employees and in average salary earned but offset by a rate reduction of 0.76% (from 4.71% to 3.95%).



Assets

Financial Assets

Summary: CAS’s assets are presented as financial assets (amount due from the CRF account, and accounts receivable and advances) and non-financial assets (prepaid expenses, inventory and tangible capital assets).

Total Net Financial Assets: The Net Financial Assets represent the Gross Financial Assets net of the Accounts Receivable Held on behalf of Government. The increase of \$1,618 thousand between the total net financial assets of \$17,501 thousand as of March 31, 2021 and \$15,883 thousand as of March 2020 is explained as follows:

- **Gross Financial Assets:** The Gross Financial Assets is composed of the Due from the Consolidated Revenue Fund and the total Accounts Receivable and Advances. The year-end balance of the gross financial assets was \$18,519 thousand as of March 31, 2021 (\$17,068 thousand as of March 31, 2020). The variance of \$1,451 thousand is due to an increase in the amount Due from the CRF of \$1,828 thousand offset by a decrease in the total Accounts Receivable and Advances of \$377 thousand.
- **Accounts Receivable and Advances Held on Behalf of Government:** Accounts receivable from non-respendable revenues in the amount \$1,018 thousand as of March 31, 2021 (\$1,185 thousand as of March 31, 2020) are not available to discharge liabilities and therefore are presented under financial assets held on behalf of Government as a reduction to the gross financial assets. The variance is \$167 thousand.

Due from the Consolidated Revenue Fund: CAS's due from the CRF year-end balance was \$15,906 thousand as of March 31, 2021 (\$14,078 thousand as of March 31, 2020). The increase of \$1,828 thousand is mainly due to a \$1,138 thousand increase in accounts payable, accrued liabilities, and deposit accounts and a decrease of \$697 thousand in accounts receivable from other government departments, offset by a \$7 thousand decrease in loans and advances to employees.

The Due from the CRF account represents the net amount of cash that CAS is entitled to withdraw from the CRF in order to discharge its liabilities without generating any additional charges against its authorities in the year of the withdrawal. This includes expenses incurred but not yet paid and amounts received by CAS that will be paid out in future years, offset by accounts receivable from other government departments and agencies.

Accounts receivable and advances: CAS's accounts receivable and advances balance was \$2,613 thousand as of March 31, 2021 (\$2,990 thousand as of March 31, 2020). The key components are accounts receivable from other government departments and agencies, and accounts receivable from external parties, offset by the allowance for doubtful accounts.

- **Accounts receivable from other government departments and agencies:** The year-end balance was \$1,907 thousand (\$2,332 thousand as of March 31, 2020). The decrease of \$425 thousand is largely due to a \$703 thousand decrease in receivables related to salary recoveries and the Employment Insurance account, offset by a \$278 thousand increase in recoverable amounts related to taxes (GST/HST/QST).
- **Accounts receivable from external parties:** The year-end balance was \$691 thousand (\$652 thousand as of March 31, 2020). It includes photocopy fees charged to litigants and members of the general public, as well as employees' salaries overpayments and other adjustments. The increase of \$39 thousand is due to an increase of \$45 thousand in salary recoveries from employees (2020-21 Phoenix issues), offset by \$6 thousand decrease in other recoveries.
- **Employee Advances:** The year-end balance was \$25 thousand (\$18 thousand as of March 31, 2020), and is mostly attributable to the situation with the Phoenix pay system.
- **Allowance for doubtful accounts:** The year-end balance was \$10 thousand (\$12 thousand as of March 31, 2020). Over the years, CAS has been diligently reviewing and pursuing outstanding accounts receivable.

Financial assets held on behalf of Government: Accounts receivable from non-respendable revenues are presented under financial assets held on behalf of Government in the reduction of the gross financial assets. The year-end balance was \$1,018 thousand (\$1,185 thousand as of March 31, 2020).

The \$167 thousand increase is mainly due to a decrease in the accounts receivable from other government departments.

Departmental Net Debt

The Departmental Net Debt (total liabilities less total net financial assets) is an indicator that provides a measure of the future authorities required to pay for past transactions and events. The year-end balance was \$7,040 thousand (\$6,085 thousand as of March 31, 2020).

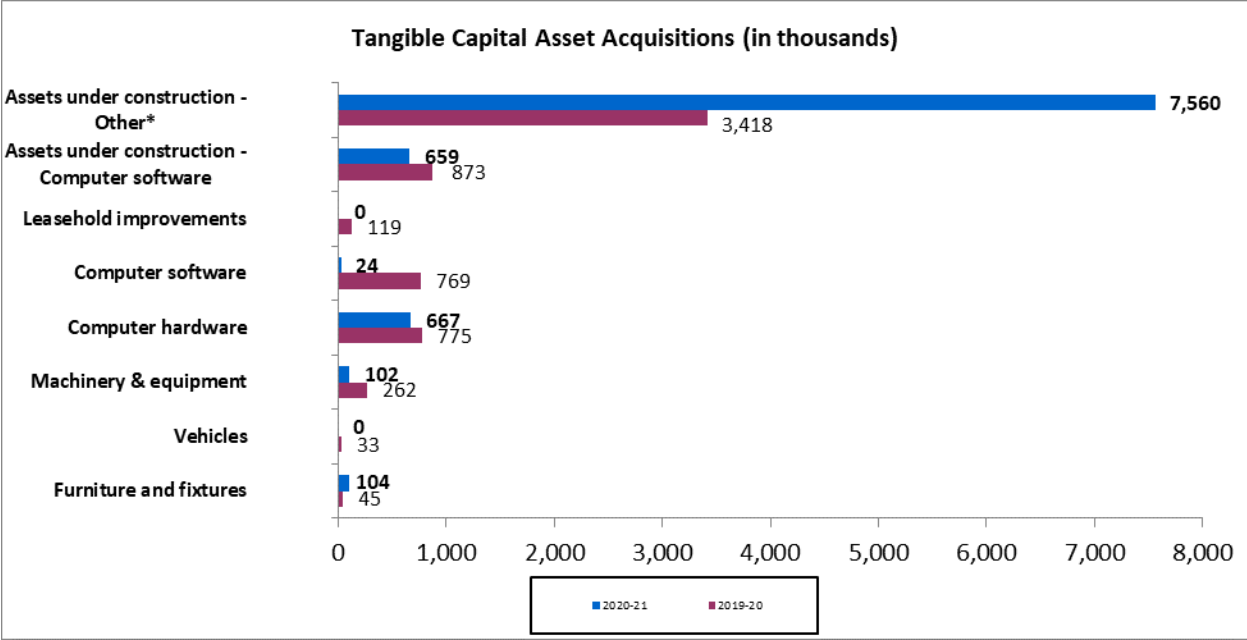
Non-financial Assets

Summary: The year-end balance was \$27,516 thousand (\$21,648 thousand as of March 31, 2020). The increase of \$5,868 thousand is due to increases of \$4,700 thousand in tangible capital assets, \$716 thousand in prepaid expenses and \$452 thousand in inventories. Total tangible capital asset acquisitions were \$9,116 thousand. Leasehold improvements account for 40%, computer hardware and software account for 12%, machinery and equipment account for 9%, furniture and fixtures account for 4% and vehicles for 1% of CAS's tangible capital assets, respectively. Together, these categories account for 66% of CAS's tangible capital assets. Assets under construction – computer software of \$1,716 thousand and assets under construction other of \$6,797 thousand – represent 34% of CAS's tangible capital assets.

Tangible capital assets: As of March 31, 2021, CAS's net book value of tangible capital assets was \$25,410-thousand (\$20,710 thousand as of March 31, 2020). The variance of \$4,700 thousand represents acquisitions of \$9,116 thousand, offset by amortization of \$4,324 thousand, disposals and write-off of \$19 thousand and net adjustments of \$73 thousand.

CAS's capital asset acquisitions of \$9,116 thousand (\$6,294 thousand in 2019-20) were largely driven by projects related to facilities renovation, physical security as well as IT infrastructure and applications:

- Other work under construction (\$7,560 thousand) are mainly related to facilities renovations, security enhancements and modernizing of the courtrooms.
- Software upgrades and improvements (\$24 thousand) as well as software assets under construction (\$659 thousand), include purchase of software and projects to develop and enhance in-house applications (e.g., e-filing, electronic court calendar, court websites).
- IT hardware upgrades (\$667 thousand) are mainly related to IT equipment required to support remote work and virtual court proceedings during the COVID-19 pandemic.
- Machinery and equipment purchases (\$102 thousand) are security equipment in support of the physical security enhancement project;
- Purchases of furniture and fixtures (\$104 thousand) are mainly related to the measures implemented to support the Courts during the COVID-19 pandemic.



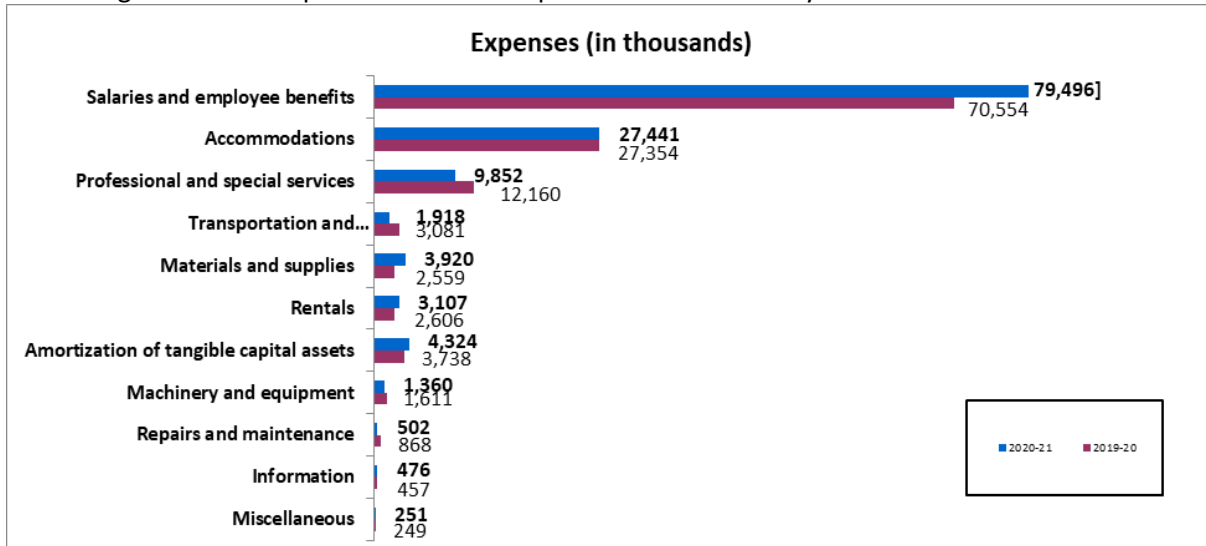
*Note: The category “Assets under construction – Other” includes all assets under construction except for the Computer software. The majority of these represent leasehold improvements that are not yet completed and put into service.

Expenses

CAS’s total expenses were \$132,648 thousand in 2020-21 (\$125,226 thousand in 2019-20). The increase of \$7,422 thousand (6%) is comprised of increases of \$8,942 thousand in salaries and employee benefits, \$1,361 thousand in materials and supplies, \$586 thousand in the amortization of tangible capital assets, \$501 thousand in rentals, \$87 thousand in accommodation, \$19 thousand in information, \$12 thousand in expenses incurred on behalf of Government and \$2 thousand in other miscellaneous operating expenses. These increases were partly offset by a decrease of \$2,308 thousand in professional and special services, \$1,163 thousand in transportation and telecommunications, \$366 thousand in repairs and maintenance and \$251 thousand in machinery and equipment. The variances are explained below.

The largest categories of expenses are: salaries and employee benefits (60% of total expenses in 2020-21, 56% in 2019-20), and accommodations (21% of total expenses in 2020-21, 22% in 2019-20). These

two categories make up 81% of total expenses in the fiscal year 2020-21 and 78% in 2019-20.



Salaries and employee benefits: Salaries and employee benefits expense was \$79,496 thousand in 2020-21 (\$70,554 thousand in 2019-20). These costs represent gross salaries and wages, overtime pay, retroactive salary adjustments, employee entitlements and allowances, severance pay, and pension and medical benefits. The \$8,942 thousand (13%) variance is mainly due to the signature of the new collective agreements, which resulted in retroactive pay, as well as increases in salaries totalling \$4,949 thousand. Other increases included \$1,066 thousand in payment of Phoenix damages, \$1,334 thousand in compensatory and vacation pay cash out, \$301 thousand in severance pay, \$1,260 thousand in employer contributions to employee benefit plans and other minor variances totalling \$32 thousand.

Accommodations: Accommodations expense was \$27,441 thousand in 2020-21 (\$27,354 thousand in 2019-20). This amount represents the value of accommodation services, including rent, provided without charge by Public Services and Procurement Canada, a common service organization providing accommodation services to the Government.

Professional and special services: Professional and special services expense was \$9,852 thousand in 2020-21 (\$12,160 thousand in 2019-20), a decrease of \$2,308 thousand (-19%). These costs include translation services, protection services, IT services, court reporter and transcription services, deputy judges and training services. The decrease is mainly due to a decrease of \$813 thousand in protection services, \$712 thousand in interpretation and translation services, \$460 thousand in business services, \$235 thousand in engineering and architectural services, \$123 thousand in management consulting, \$115 thousand in temporary help services and various other minor changes resulted in a decrease of \$98 thousand. These decreases were partly offset by an increase of \$248 thousand in informatics services. The impacts of COVID-19 resulted in a reduction in the number of hearings requiring protection services and interpretation and translation services, as well as delays in some activities and projects causing an overall decrease in professional and special services.

Transportation and telecommunications: Transportation and telecommunications expense was \$1,918 thousand in 2020-21 (\$3,081 thousand in 2019-20). The decrease of \$1,163 thousand (-38%) is mainly driven by a \$902 decrease in travel, \$388 thousand in postage & freight, a \$35 thousand in relocation, offset by an increase of \$162 thousand for telecommunication services. The variances are primarily due to COVID-19 restrictions, which reduced travel expenses, shipping associated with itinerant hearings as well as relocation. Remote work arrangements contributed to increases in telecommunication expenses.

Materials and supplies: Materials and supplies expense was \$3,920 thousand in 2020-21 (\$2,559 thousand in 2019-20). This includes legal books, publications and subscriptions (except electronic subscriptions), toner as well as stationery and supplies. The increase of \$1,361 thousand (53 %) is mainly due to an increase of \$1,413 thousand in miscellaneous goods and products (masks, sanitization products and gloves), \$45 thousand in books, publications and subscriptions and \$4 thousand in mineral products (gasoline). These increases were offset by a \$59 thousand decrease in chemical products (toner), \$25 thousand in personal goods (robes, uniforms) and \$17 thousand in metals and metal products (filing cabinets and locks).

Rentals: Rentals expense was \$3,107 thousand in 2020-21 (\$2,606 thousand in 2019-20). The increase of \$501 thousand (19%) is primarily due to a \$278 thousand increase in IT licenses and maintenance fees and \$223 thousand in the rental of office buildings.

Amortization of tangible capital assets: Amortization expense was \$4,324 thousand in 2020-21 (\$3,738 thousand in 2019-20). Tangible capital assets are expected to yield benefits over several years. Consequently, their cost is amortized on a straight-line basis over the estimated useful life of each asset class. The variance of \$586 thousand is due to an increase of \$325 thousand related to leasehold improvements, \$269 thousand for IT hardware assets, \$10 thousand for other equipment including furniture and fixtures, \$3 thousand related to vehicles and \$1 thousand related to machinery and equipment. This is partially offset by a decrease of \$22 thousand related to IT software.

Machinery and equipment: Machinery and equipment expenses were \$1,360 thousand in 2020-21 (\$1,611 thousand in 2019-20). This includes purchases of assets with a cost less than \$10 thousand, such as computer equipment, parts and software, office equipment, furniture, and motor vehicle parts. The decrease of \$251 thousand (-16%) is mainly due to a decrease of \$162 thousand in computer equipment, parts and software, \$146 thousand in video equipment and \$8 thousand in other minor variances. This is offset by an increase of \$65 thousand in office furniture and furnishing.

Repairs and Maintenance: Repairs and maintenance expense was \$502 thousand in 2020-21 (\$868 thousand in 2019-20). The decrease of \$366 thousand (-42%) is mostly due to a decrease of \$234 thousand in the maintenance of machinery and equipment and a decrease of \$132 thousand in repairs and maintenance of buildings.

Information: Information expense was \$476 thousand in 2020-21 (\$457 thousand in 2019-20). The \$19 thousand increase (4%) is due to an increase of \$67 thousand in printing services partly offset by a decrease of \$33 thousand in communications professional services and \$15 thousand in electronic subscriptions.

Miscellaneous and Expenses incurred on behalf of Government: Miscellaneous expenses (recognition of prepaid expenses, loss on disposal of tangible capital assets and write-downs, reallocation of capital assets under construction to expenses, interest charges on overdue supplier accounts and bad debt expense) was \$251 thousand in 2020-21 (\$249 thousand in 2019-20) for a variance of \$2 thousand (1%).

Revenues

CAS's gross revenues were \$1,928 thousand in 2020-21 (\$2,805 thousand in 2019-20). CAS's revenues may fluctuate widely from year-to-year and consist almost entirely of revenues earned on behalf of the Government. Such revenues are non-respendable by CAS and are deposited directly into the CRF. In 2020-21, these non-respendable revenues totalled \$1,923 thousand (\$2,802 thousand in 2019-20).

CAS's net revenues were \$5 thousand in 2020-21 (\$3 thousand in 2019-20). This consists of revenues from the disposal of Crown assets, which are respendable.

Filing fees: Filing fees revenue was \$897 thousand in 2020-21 (\$1,560 thousand in 2019-20). Filing fees are charged to register court documents pursuant to the legislation and rules governing the Courts. In the context of COVID-19, there were fewer court proceedings. Also, given the lack of electronic payment options, Courts waived filing fees for part of the year.

Recovery of administration costs – Employment Insurance: Recovery of administration costs for Employment Insurance (EI) was \$1,012 thousand in 2020-21 (\$1,138 thousand in 2019-20). At the end of each fiscal year, CAS determines the cost associated with the administration of EI cases for presentation by Employment and Social Development Canada (ESDC), the department responsible for the EI account. Accordingly, ESDC reports an expense in its financial statements, and CAS reports an equivalent revenue item. This accounting exercise is intended to reflect the total cost of running the federal government's EI program.

Fines: Fines revenue was \$0 thousand in 2020-21 (\$28 thousand in 2019-20). As noted previously, these fines are imposed by the Courts. Consequently, the total amount of fine revenue may vary significantly from year to year and cannot be predicted.

Miscellaneous: Miscellaneous revenue was \$19 thousand in 2020-21 (\$79 thousand in 2019-20). Miscellaneous revenue is mainly composed of photocopy revenue.

