

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, 2023, and all information contained in these statements rests with the management of the Courts Administration Service (CAS). 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 CAS'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 CAS; 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, 2023 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 CAS's system of internal control is reviewed by the work of internal audit staff, who conduct periodic audits of different areas of the CAS's operations, and by the Departmental Audit Committee, which oversees management's responsibilities for maintaining adequate control systems and the quality of financial reporting.

The financial statements of the Courts Administration Service have not been audited.

Darlene H. Carreau, LL.B.,
Deputy Head
Chief Administrator

Ottawa, Canada
September 15, 2023

Jean-François Talbot
Executive Director, Corporate Services and
Chief Financial Officer

COURTS ADMINISTRATION SERVICE

Statement of Financial Position (Unaudited)

As at March 31

(in thousands of dollars)

	2023	2022
Liabilities		
Accounts payable and accrued liabilities (Note 4)	14,412	11,358
Vacation pay and compensatory leave	4,546	4,414
Deposit accounts (Note 5)	6,089	7,013
Employee future benefits (Note 6)	1,446	1,586
Total liabilities	26,493	24,371
Assets		
Financial assets		
Due from the Consolidated Revenue Fund	15,310	16,545
Accounts receivable and advances (Note 7)	3,063	4,168
Total gross financial assets	18,373	20,713
Financial assets held on behalf of Government		
Accounts receivable and advances (Note 7)	(1,792)	(866)
Total net financial assets	16,581	19,847
Departmental net debt	9,912	4,524
Non-financial assets		
Prepaid expenses	2,037	1,077
Inventory (Note 8)	711	682
Tangible capital assets (Note 9)	25,676	27,406
Total non-financial assets	28,424	29,165
Departmental net financial position	18,512	24,641

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

Darlene H. Carreau, LL.B,
Deputy Head
Chief Administrator

Ottawa, Canada
September 15, 2023

Jean-François Talbot
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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>	2023	2023	2022
Expenses			
Administration Services for the Federal Courts	97,848	105,889	95,511
Internal Services	33,275	40,052	35,409
Expenses incurred on behalf of Government	-	-	1
Total Expenses	131,123	145,941	130,921
Revenues			
Filing fees	1,012	1,736	1,502
Recovery of administration costs - Employment Insurance	1,342	1,667	838
Fines	13	18	51
Miscellaneous	7	10	7
Revenues earned on behalf of Government	(2,374)	(3,431)	(2,398)
Total Revenues	-	-	-
Net cost of operations before government funding and transfers	131,123	145,941	130,921
Government funding and transfers			
Net cash provided by Government		106,266	100,753
Change in due from Consolidated Revenue Fund		(1,235)	639
Services provided without charge by other government departments (Note 10)		34,775	33,701
Transfer of asset (to) from other government department		6	(7)
Net cost of operations after government funding and transfers		6,129	(4,165)
Departmental net financial position - Beginning of year		24,641	20,476
Departmental net financial position - End of year		18,512	24,641

Segmented information (Note 11)

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)

	2023	2022
Net cost of operations after government funding and transfers	6,129	(4,165)
Change due to tangible capital assets		
Acquisition of tangible capital assets (Note 9)	5,528	7,016
Amortization of tangible capital assets (Note 9)	(5,959)	(4,812)
Net loss on disposal of tangible assets including adjustments	(1,299)	(208)
Total change due to tangible capital assets	(1,730)	1,996
Change due to inventory	29	(242)
Change due to prepaid expenses	960	(105)
Net increase (decrease) in departmental net debt	5,388	(2,516)
Departmental net debt - Beginning of year	4,524	7,040
Departmental net debt - End of year	9,912	4,524

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)

	2023	2022
Operating activities		
Net cost of operations before government funding and transfers	145,941	130,921
Non-cash items:		
Amortization of tangible capital assets (Note 9)	(5,959)	(4,812)
Services provided without charge by other government departments (Note 10)	(34,775)	(33,701)
Variations in Statement of Financial Position:		
Increase (decrease) in accounts receivable and advances	(2,031)	1,707
Increase (decrease) in prepaid expenses	960	(105)
Increase (decrease) in inventory (Note 8)	29	(242)
Decrease (increase) in accounts payable and accrued liabilities	(3,054)	254
Decrease (increase) in vacation pay and compensatory leave	(132)	346
Increase in deposit accounts	924	(940)
Decrease in employee future benefits	140	510
Transfer of asset to other government department	(6)	7
Cash used in operating activities	102,037	93,945
Capital investing activities		
Acquisitions of tangible capital assets (Note 9)	5,528	7,016
Adjustments to tangible capital assets (Note 9)	(1,299)	(208)
Cash used in capital investing activities	4,229	6,808
Net cash provided by Government of Canada	106,266	100,753

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 (CAS), 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 CAS 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, electronic court services and court security 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 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 a department. 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 and Acquisition 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 Department is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to the Department 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.

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)

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 2022-23 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 2022-23 Departmental Plan.

(b) Net cash provided by Government

The CAS operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the CAS is deposited to the CRF, and all cash disbursements made by the CAS are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements, including transactions between departments of the Government.

(c) Amounts due from or to Consolidated 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 CAS 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-respondable.
- ✓ 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-respondable are not available to discharge the CAS's liabilities. While the Deputy Head is expected to maintain accounting control, she has no authority regarding the disposition of non-respondable revenues. As a result, non-respondable 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 CAS determines the cost associated with the administration of Employment Insurance (EI) cases. The total costs allocated by the CAS 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 CAS would show an equivalent non-respondable 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. Salaries and wages include accruals for retroactive payments due to expired collective agreements.
- ✓ 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 CAS's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. The CAS'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) Financial instruments

A contract establishing a financial instrument creates, at its inception, rights, and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The Department recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of accounts and loans receivable, and accounts payable and accrued liabilities.

All financial assets and liabilities are recorded at cost or amortized cost. Any associated transaction costs are added to the carrying value upon initial recognition.

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 costs 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 9.

At CAS, the threshold to capitalize tangible capital assets and leasehold improvements is \$10,000. As of April 1, 2020, the threshold was increased from \$5,000 to \$10,000, given the value of CAS's capital assets. 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.

Inventories are valued at cost and are comprised of spare parts and supplies held for future program delivery and are not primarily intended for resale. Inventories that no longer have service potential are valued at the lower of cost or net realizable value.

(i) Contingent Liabilities

Contingent liabilities, including the allowance for guarantees, 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.

For guarantees, an allowance is recorded when it is determined that a loss is likely and the amount of the allowance is estimated taking into consideration the nature of the guarantee, loss experience and current conditions. The allowance is reviewed on an ongoing basis and changes in the allowance are recorded as expenses in the year they become known.

CAS is not aware of any contingent liabilities as at March 31, 2023.

COURTS ADMINISTRATION SERVICE

Notes to the Financial Statements (Unaudited)

For the year ended March 31

2. Summary of significant accounting policies (continued)

(j) Asset retirement obligations

An asset retirement obligation is recognized when all of the following criteria are satisfied: there is a legal obligation to incur retirement costs in relation to a tangible capital asset, the past event or transaction giving rise to the retirement liability has occurred, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. The costs to retire an asset are normally capitalized and amortized over the asset's estimated remaining useful life. An asset retirement obligation may arise in connection with a tangible capital asset that is not recognized or no longer in productive use. In this case, the asset retirement cost would be expensed. The measurement of the liability is the government's best estimate of the amount required to retire a tangible capital asset.

When the future cash flows required to settle or otherwise extinguish a liability are estimable, predictable, and expected to occur over extended future periods, a present value technique is used. The discount rate used reflects the government's cost of borrowing, associated with the estimated number of years to complete remediation.

The recorded liabilities are adjusted each year, as required, for present value adjustments, inflation, new obligations, changes in management estimates and actual costs incurred.

(k) Measurement uncertainty

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported and disclosed amounts of assets, liabilities, revenues and expenses reported in the financial statements and accompanying notes at March 31. The estimates are based on facts and circumstances, historical experience, general economic conditions and reflect the 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.

(l) 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 CAS 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 CAS 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)	2023	2022
Net cost of operations before government funding and transfers	145,941	130,921
Adjustments for items affecting net cost of operations but not affecting authorities:		
Services provided without charge by other government departments	(34,775)	(33,701)
Amortization of tangible capital assets	(5,959)	(4,812)
Variation in vacation pay and compensatory leave	(132)	346
Variation in employee future benefits	140	510
Refund of program expenditures	20	(29)
Adjustments of previous years payables at year-end	163	534
Increase in accrued liabilities not charged to authorities	(2,700)	2
Other	(1,290)	(181)
Total items affecting net cost of operations but not affecting authorities	(44,533)	(37,331)
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisition of tangible capital assets	5,528	7,016
Salary overpayments	122	86
Increase in advances	8	23
Increase (decrease) in prepaid expenses	960	(105)
Increase (decrease) in inventory	29	(242)
Refund of prior years' revenues	-	5
Total items not affecting net cost of operations but affecting authorities	6,647	6,783
Current year authorities used	108,055	100,373

(b) Authorities provided and used

(in thousands of dollars)	2023	2022
Authorities provided:		
Vote 1 - Operating expenditures	103,005	102,524
Statutory amounts	9,548	8,771
	112,553	111,295
Less:		
Lapsed: Operating	(4,498)	(10,922)
Current year authorities used	108,055	100,373

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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 CAS's accounts payable and accrued liabilities:

(in thousands of dollars)	2023	2022
Accounts payable - Other government departments and agencies	2,646	1,278
Accounts payable - External parties	4,857	6,173
Total accounts payable	7,503	7,451
Accrued liabilities	6,909	3,907
Total accounts payable and accrued liabilities	14,412	11,358

5. Deposit accounts

CAS maintains two deposits accounts, 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. Pursuant to an order of the Court, amounts are held in trust and eventually released with accrued interest. The interest on these two accounts is calculated differently, as explain 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)	2023	2022
Balance - Beginning of year	7,013	6,073
Receipts and other credits	1,319	2,532
Disbursements and other charges	(2,243)	(1,592)
Balance - End of year	6,089	7,013

COURTS ADMINISTRATION SERVICE

Notes to the Financial Statements (Unaudited)

For the year ended March 31

6. Employee future benefits

(a) Pension benefits

The CAS'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 CAS 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 2022-23 expense amounts to \$6,237,620 (\$5,915,347 in 2021-22). For Group 1 members, the expense represents approximately 1.02 times (1.01 times in 2021-22) the employee contributions and, for Group 2 members, approximately 1.00 times (1.00 times in 2021-22) the employee contributions.

The CAS'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 CAS'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, 2023, 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)	2023	2022
Accrued benefit obligation - Beginning of year	1,586	2,096
Expense for the year	(88)	(433)
Benefits paid during the year	(52)	(77)
Accrued benefit obligation - End of year	1,446	1,586

7. Accounts receivable and advances

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

(in thousands of dollars)	2023	2022
Accounts receivable - Other government departments and agencies	2,407	3,495
Accounts receivable - External parties	624	636
Employee advances	32	47
Subtotal	3,063	4,178
Allowance for doubtful accounts on receivable from external parties	-	(10)
Gross accounts receivable and advances	3,063	4,168
Accounts receivable held on behalf of Government	(1,792)	(866)
Net accounts receivable and advances	1,271	3,302

8. Inventory

(in thousands of dollars)	2023	2022
Materials	711	682
Total inventory	711	682

COURTS ADMINISTRATION SERVICE

Notes to the Financial Statements (Unaudited)

For the year ended March 31

9. Tangible capital assets

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

<u>Asset class</u>	<u>Amortization Period</u>
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	4,669	16	-	-	4,685
Computer hardware	14,480	523	2,430	-	17,433
Computer software	5,316	88	1,186	-	6,590
Furniture and fixtures	2,120	44	-	-	2,164
Vehicles	363	-	-	-	363
Leasehold improvements	21,323	-	1,455	-	22,778
Assets under construction - Computer software	1,689	469	(1,991)	-	167
Assets under construction - Other	2,717	4,388	(4,379)	-	2,726
Total	52,677	5,528	(1,299)	-	56,906

Capital Asset Class	Accumulated Amortization				
	Opening Balance	Amortization	Adjustments (1)	Disposals and Write-Offs	Closing Balance
(in thousands of dollars)					
Machinery and equipment	2,530	422	-	-	2,952
Computer hardware	9,552	2,220	-	-	11,772
Computer software	4,352	746	-	-	5,098
Furniture and fixtures	1,274	159	-	-	1,433
Vehicles	197	45	-	-	242
Leasehold improvements	7,366	2,367	-	-	9,733
Total	25,271	5,959	-	-	31,230

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Notes to the Financial Statements (Unaudited)

For the year ended March 31

9. Tangible capital assets (continued)

Net book value

Capital Asset Class	2022	2023
<i>(in thousands of dollars)</i>		
Machinery and equipment	2,139	1,733
Computer hardware	4,928	5,661
Computer software	964	1,492
Furniture and fixtures	846	731
Vehicles	166	121
Leasehold improvements	13,957	13,045
Assets under construction - Computer software	1,689	167
Assets under construction - Other	2,717	2,726
Total	27,406	25,676

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

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Notes to the Financial Statements (Unaudited)

For the year ended March 31

10. Related party transactions

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

(in thousands of dollars)	2023	2022
Accommodation ⁽¹⁾	29,210	28,221
Employer's contribution to the health and dental insurance plans	5,565	5,480
	34,775	33,701

⁽¹⁾ Accommodation costs include the space of the courtrooms, 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 CAS's Statement of Operations and Departmental Net Financial Position.

(b) Other transactions with other government departments and agencies

(in thousands of dollars)	2023	2022
Revenues	1,735	877
Expenses	19,423	15,295

Expenses and revenues disclosed in (b) exclude common services provided without charge, which are already disclosed in (a). Revenues include mainly the recovery of administration costs for Employment Insurance. Expenses include costs related to employee benefit plans (pension and insurance), translation services, reimbursing accommodation, IT and other common services.

COURTS ADMINISTRATION SERVICE

Notes to the Financial Statements (Unaudited)

For the year ended March 31

11. Segmented information

Presentation by segment is based on the CAS'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	2023 Total	2022 Total
Operating expenses				
Salaries and employee benefits	57,123	25,479	82,602	74,191
Accommodation (Note 10)	26,811	2,399	29,210	28,221
Professional and special services	10,456	3,031	13,487	10,789
Transportation and telecommunications	1,005	2,474	3,479	2,686
Materials and supplies	2,394	291	2,685	3,237
Rentals	1,907	1,885	3,792	3,165
Amortization of tangible capital assets	3,941	2,018	5,959	4,812
Machinery and equipment	94	920	1,014	870
Repairs and maintenance	439	452	891	584
Information	411	149	560	609
Miscellaneous	1,308	954	2,262	1,756
Expenses incurred on behalf of Government	-	-	-	1
Total operating expenses	105,889	40,052	145,941	130,921
Revenues				
Filing fees	1,736	-	1,736	1,502
Recovery of administration costs - Employment Insurance	1,016	651	1,667	838
Fines	18	-	18	51
Miscellaneous revenues	10	-	10	7
Revenues earned on behalf of Government	(2,780)	(651)	(3,431)	(2,398)
Total revenues	-	-	-	-
Net cost from continuing operations	105,889	40,052	145,941	130,921