

## 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, 2025, 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, 2025 was completed in accordance with the Treasury Board *Policy on Financial Management* and the results and action plans are summarized in the Annex to the Statement of Management Responsibility.

CAS's internal audit staff conduct risk-based audits and engagements on various processes, including those used to report on financial information when relevant. The results of those audits and engagements are reviewed by the Departmental Audit Committee, which provides independent and objective advice and guidance to the Deputy Head in the areas of governance, risk management and control.

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

---

Darlene H. Carreau, LL.B,  
Deputy Head  
Chief Administrator & Chief Executive Officer

---

Paul Mokha, CPA, MBA  
Acting Assistant Deputy Minister, Corporate Services Sector,  
Chief Financial Officer & Chief Security Officer

Ottawa, Canada  
September 13, 2025

# COURTS ADMINISTRATION SERVICE

## Statement of Financial Position (Unaudited)

As at March 31

(in thousands of dollars)

	2025	2024
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	11,709	11,915
Vacation pay and compensatory leave	4,956	4,716
Deposit accounts (Note 5)	6,479	8,018
Employee future benefits (Note 6)	1,579	1,426
<b>Total liabilities</b>	<b>24,723</b>	<b>26,075</b>
<b>Assets</b>		
<b>Financial assets</b>		
Due from the Consolidated Revenue Fund	16,293	17,012
Accounts receivable and advances (Note 7)	2,288	2,880
<b>Total gross financial assets</b>	<b>18,581</b>	<b>19,892</b>
<b>Financial assets held on behalf of Government</b>		
Accounts receivable and advances (Note 7)	(1,239)	(1,738)
<b>Total net financial assets</b>	<b>17,342</b>	<b>18,154</b>
<b>Departmental net debt</b>	<b>7,381</b>	<b>7,921</b>
<b>Non-financial assets</b>		
Prepaid expenses	1,282	1,783
Inventory (Note 8)	892	687
Tangible capital assets (Note 9)	28,891	23,990
<b>Total non-financial assets</b>	<b>31,065</b>	<b>26,460</b>
<b>Departmental net financial position</b>	<b>23,684</b>	<b>18,539</b>

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

Darlene H. Carreau, LL.B.,  
Deputy Head  
Chief Administrator & Chief Executive Officer

Ottawa, Canada  
September 13, 2025

Paul Mokha, CPA, MBA  
Acting Assistant Deputy Minister, Corporate Services Sector,  
Chief Financial Officer & Chief Security Officer

## 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>	2025	2025	2024
<b>Expenses</b>			
Administration Services for the Federal Courts	107,498	120,099	115,171
Internal Services	47,311	48,521	46,838
Expenses incurred on behalf of Government	-	-	(4)
<b>Total Expenses</b>	<b>154,809</b>	<b>168,620</b>	<b>162,005</b>
<b>Revenues</b>			
Filing fees	1,667	2,299	1,816
Recovery of administration costs - Employment Insurance	1,619	1,212	1,686
Fines	34	-	64
Miscellaneous	25	58	32
Revenues earned on behalf of Government	(3,345)	(3,569)	(3,583)
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>15</b>
<b>Net cost of operations before government funding and transfers</b>	<b>154,809</b>	<b>168,620</b>	<b>161,990</b>
<b>Government funding and transfers</b>			
Net cash provided by Government		136,774	123,149
Increase (decrease) in due from Consolidated Revenue Fund		(719)	1,702
Services provided without charge by other government departments (Note 10)		37,703	37,136
Transfer of asset (to) from other government department		7	30
<b>Net cost of operations after government funding and transfers</b>		<b>(5,145)</b>	<b>(27)</b>
<b>Departmental net financial position - Beginning of year</b>		<b>18,539</b>	<b>18,512</b>
<b>Departmental net financial position - End of year</b>		<b>23,684</b>	<b>18,539</b>

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

<i>(in thousands of dollars)</i>	2025	2024
<b>Net cost of operations after government funding and transfers</b>	(5,145)	(27)
<b>Change due to tangible capital assets</b>		
Acquisition of tangible capital assets (Note 9)	10,421	4,786
Amortization of tangible capital assets (Note 9)	(5,199)	(6,422)
Net loss on disposal of tangible assets including adjustments	(321)	(50)
<b>Total change due to tangible capital assets</b>	<b>4,901</b>	<b>(1,686)</b>
<b>Change due to inventory</b>	<b>205</b>	<b>(24)</b>
<b>Change due to prepaid expenses</b>	<b>(501)</b>	<b>(254)</b>
<b>Net increase (decrease) in departmental net debt</b>	<b>(540)</b>	<b>(1,991)</b>
<b>Departmental net debt - Beginning of year</b>	<b>7,921</b>	<b>9,912</b>
<b>Departmental net debt - End of year</b>	<b>7,381</b>	<b>7,921</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

<i>(in thousands of dollars)</i>	2025	2024
<b>Operating activities</b>		
Net cost of operations before government funding and transfers	168,620	161,990
<b>Non-cash items:</b>		
Amortization of tangible capital assets (Note 9)	(5,199)	(6,422)
Services provided without charge by other government departments (Note 10)	(37,703)	(37,136)
Gain (loss) on disposal and write-down of tangible capital assets	(235)	13
<b>Variations in Statement of Financial Position:</b>		
Increase (decrease) in accounts receivable and advances	(93)	(129)
Increase (decrease) in prepaid expenses	(501)	(254)
Increase (decrease) in inventory (Note 8)	205	(24)
Decrease (increase) in accounts payable and accrued liabilities	206	2,497
Decrease (increase) in vacation pay and compensatory leave	(240)	(170)
Decrease (increase) in deposit accounts	1,539	(1,929)
Decrease (increase) in employee future benefits	(153)	20
Transfer of asset to (from) other government department	(7)	(30)
<b>Cash used in operating activities</b>	<b>126,439</b>	<b>118,426</b>
<b>Capital investing activities</b>		
Acquisitions of tangible capital assets (Note 9)	10,421	4,786
Adjustments to tangible capital assets (Note 9)	(86)	(48)
Proceeds from disposal of tangible capital assets	-	(15)
<b>Cash used in capital investing activities</b>	<b>10,335</b>	<b>4,723</b>
<b>Net cash provided by Government of Canada</b>	<b>136,774</b>	<b>123,149</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 (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, in a timely and efficient manner.

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 2024-25 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 2024-25 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 and deferred 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.
- ✓ Deferred revenue consists of amounts received in advance of the delivery of goods and rendering of services that will be recognized as revenue in a subsequent fiscal year as it is earned. Other revenues are recognized in the period the event giving rise to the revenues occurred.
- ✓ Revenues that are non-respendable are not available to discharge the CAS's liabilities. While the Deputy Head is expected to maintain accounting control, she has no authority regarding the disposition of non-respendable revenues. As a result, non-respendable revenues are considered to be earned on behalf of the Government 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) court cases. The total costs allocated by the CAS for handling EI court 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-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. 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.

All tangible capital assets and leasehold improvements having an initial cost of \$10,000 or more are recorded at their acquisition cost. Tangible capital assets do not include immovable assets located on reserves as defined in the *Indian Act*, works of art 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.

# 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)	2025	2024
<b>Net cost of operations before government funding and transfers</b>	<b>168,620</b>	161,990
<b>Adjustments for items affecting net cost of operations but not affecting authorities:</b>		
Services provided without charge by other government departments	(37,703)	(37,136)
Amortization of tangible capital assets	(5,199)	(6,422)
Variation in vacation pay and compensatory leave	(240)	(170)
Variation in employee future benefits	(153)	20
Gain (loss) on disposal of tangible capital assets	(235)	13
Refund of program expenditures	61	136
Adjustments of previous years payables at year-end	-	41
Increase (decrease) in accrued liabilities not charged to authorities	328	2,172
Other	(70)	(194)
<b>Total items affecting net cost of operations but not affecting authorities</b>	<b>(43,211)</b>	(41,540)
<b>Adjustments for items not affecting net cost of operations but affecting authorities:</b>		
Acquisition of tangible capital assets	10,421	4,786
Salary overpayments	175	139
Increase in advances	12	31
Increase (decrease) in prepaid expenses	(501)	(254)
Increase (decrease) in inventory	205	(24)
<b>Total items not affecting net cost of operations but affecting authorities</b>	<b>10,312</b>	4,678
<b>Current year authorities used</b>	<b>135,721</b>	125,128

#### (b) Authorities provided and used

(in thousands of dollars)	2025	2024
<b>Authorities provided:</b>		
Vote 1 - Operating expenditures	194,547	128,454
Statutory amounts	12,459	11,760
	<b>207,006</b>	140,214
<b>Less:</b>		
Lapsed: Regular	(3,149)	
Lapsed: Special Purpose Allotment (SPA)	(68,136)	
Lapsed Total	<b>(71,285)</b>	(15,072)
Authorities available for future years	-	(14)
<b>Current year authorities used</b>	<b>135,721</b>	125,128

In 2024-25, CAS made a temporary internal reallocation of SPA funding of \$4 million to cover financial pressures in its regular operations. This temporary reallocation will be reimbursed to the National Court Facilities Modernisation Program SPA in 2028-29.

## 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 CAS's accounts payable and accrued liabilities:

(in thousands of dollars)	2025	2024
Accounts payable - Other government departments and agencies	3,209	3,757
Accounts payable - External parties	2,865	2,911
Total accounts payable	6,074	6,668
Accrued liabilities	5,635	5,247
<b>Total accounts payable and accrued liabilities</b>	<b>11,709</b>	<b>11,915</b>

#### 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)	2025	2024
Balance - Beginning of year	8,018	6,089
Receipts and other credits	1,393	3,358
Disbursements and other charges	(2,932)	(1,429)
<b>Balance - End of year</b>	<b>6,479</b>	<b>8,018</b>

# 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 2024-25 expense amounts to \$7,982,025 (\$6,954,310 in 2023-24). For Group 1 members, the expense represents approximately 1.02 times (1.02 times in 2023-24) the employee contributions and, for Group 2 members, approximately 1.00 times (1.00 times in 2023-24) 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, 2024, 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)	2025	2024
Accrued benefit obligation - Beginning of year	1,426	1,446
Expense for the year	298	96
Benefits paid during the year	(145)	(116)
<b>Accrued benefit obligation - End of year</b>	<b>1,579</b>	<b>1,426</b>

### 7. Accounts receivable and advances

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

(in thousands of dollars)	2025	2024
Accounts receivable - Other government departments and agencies	1,578	2,273
Accounts receivable - External parties	810	719
Employee advances	70	62
Subtotal	2,458	3,054
Allowance for doubtful accounts on receivable from external parties	(170)	(174)
<b>Gross accounts receivable and advances</b>	<b>2,288</b>	<b>2,880</b>
Accounts receivable held on behalf of Government	(1,239)	(1,738)
<b>Net accounts receivable and advances</b>	<b>1,049</b>	<b>1,142</b>

### 8. Inventory

(in thousands of dollars)	2025	2024
Materials	892	687
<b>Total inventory</b>	<b>892</b>	<b>687</b>

## 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:

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				Closing Balance
	Opening Balance	Acquisitions	Adjustments (1)	Disposals and Write-Offs	
(in thousands of dollars)					
Machinery and equipment	4,832	-	179	(190)	4,821
Computer hardware	18,189	189	476	(1,968)	16,886
Computer software	6,755	383	300	(26)	7,412
Furniture and fixtures	2,193	-	-	(265)	1,928
Vehicles	387	-	-	-	387
Leasehold improvements	23,759	-	(189)	(362)	23,208
Assets under construction - Computer software	517	941	(372)	(1)	1,085
Assets under construction - Other	4,963	8,908	(480)	1	13,392
<b>Total</b>	<b>61,595</b>	<b>10,421</b>	<b>(86)</b>	<b>(2,811)</b>	<b>69,119</b>

Capital Asset Class	Accumulated Amortization				Closing Balance
	Opening Balance	Amortization	Adjustments (1)	Disposals and Write-Offs	
(in thousands of dollars)					
Machinery and equipment	3,364	377	-	(119)	3,622
Computer hardware	14,556	2,396	-	(1,929)	15,023
Computer software	5,804	522	-	(21)	6,305
Furniture and fixtures	1,594	159	-	(145)	1,608
Vehicles	257	41	-	-	298
Leasehold improvements	12,030	1,704	-	(362)	13,372
<b>Total</b>	<b>37,605</b>	<b>5,199</b>	<b>-</b>	<b>(2,576)</b>	<b>40,228</b>

## COURTS ADMINISTRATION SERVICE

### Notes to the Financial Statements (Unaudited)

For the year ended March 31

## 9. Tangible capital assets (continued)

Net book value

<b>Capital Asset Class</b>	<b>2024</b>	<b>2025</b>
<i>(in thousands of dollars)</i>		
Machinery and equipment	1,468	1,199
Computer hardware	3,633	1,863
Computer software	951	1,107
Furniture and fixtures	599	320
Vehicles	130	89
Leasehold improvements	11,729	9,836
Assets under construction - Computer software	517	1,085
Assets under construction - Other	4,963	13,392
<b>Total</b>	<b>23,990</b>	<b>28,891</b>

(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.

# COURTS ADMINISTRATION SERVICE

## 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)	2025	2024
Accommodation <sup>(1)</sup>	30,375	29,980
Employer's contribution to the health and dental insurance plans	7,328	7,156
	<b>37,703</b>	<b>37,136</b>

<sup>(1)</sup> 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)	2025	2024
Revenues	1,385	1,807
Expenses	25,065	25,080

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	<b>2025 Total</b>	2024 Total
<b>Operating expenses</b>				
Salaries and employee benefits	71,855	32,076	<b>103,931</b>	95,542
Accommodation (Note 10)	27,785	2,590	<b>30,375</b>	29,980
Professional and special services	9,400	3,904	<b>13,304</b>	14,681
Transportation and telecommunications	1,355	1,797	<b>3,152</b>	3,246
Materials and supplies	2,380	206	<b>2,586</b>	2,794
Rentals	2,389	2,390	<b>4,779</b>	4,102
Amortization of tangible capital assets	3,500	1,699	<b>5,199</b>	6,422
Machinery and equipment	232	838	<b>1,070</b>	1,227
Repairs and maintenance	272	471	<b>743</b>	644
Information	685	37	<b>722</b>	367
Miscellaneous	246	2,513	<b>2,759</b>	3,004
Expenses incurred on behalf of Government	-	-	-	(4)
<b>Total operating expenses</b>	<b>120,099</b>	<b>48,521</b>	<b>168,620</b>	<b>162,005</b>
<b>Revenues</b>				
Filing fees	2,299	-	<b>2,299</b>	1,816
Recovery of administration costs - Employment Insurance	-	1,212	<b>1,212</b>	1,686
Fines	-	-	-	64
Miscellaneous revenues	6	52	<b>58</b>	32
Revenues earned on behalf of Government	(2,305)	(1,264)	<b>(3,569)</b>	(3,583)
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15</b>
<b>Net cost from continuing operations</b>	<b>120,099</b>	<b>48,521</b>	<b>168,620</b>	<b>161,990</b>