



Building a Strong North Together

CanNor

2022-2023 FINANCIAL STATEMENTS

Cat. No. R105-5E-PDF



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 financial statements rests with the management of the Canadian Northern Economic Development Agency (the "Agency"). 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 Agency's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in the Agency'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 Agency. CanNor applies a multi-year, risk-based approach to the 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, assess the effectiveness of associated key controls, and make any necessary adjustments.

The Agency is subject to periodic Core Control Audits performed by the Office of the Comptroller General of Canada (OCG) and uses the results of such audits to comply with the Treasury Board Policy on Financial Management.

These financial statements have not been audited.

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Paula Isaak
President

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Roger Tetreault, CPA, CMA
Chief Financial Officer

Ottawa, Canada
August 18, 2023

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Statement of Financial Position (Unaudited)
As at March 31
(in dollars)

	<u>2023</u>	<u>2022</u>
Liabilities		
Accounts payable and accrued liabilities (Note 4)	54,016,227	35,499,226
Vacation pay and compensatory leave	879,581	1,118,399
Employee future benefits (Note 5)	325,292	354,318
Total Liabilities	55,221,100	36,971,943
Financial assets		
Due from Consolidated Revenue Fund	51,651,680	32,824,570
Accounts receivable and advances (Note 6)	2,364,547	2,674,656
Loans receivable (Note 7)	13,765,046	10,116,922
Total gross financial assets	67,781,273	45,616,149
Financial assets held on behalf of Government		
Loans receivable (Note 7)	(13,765,046)	(10,116,922)
Total financial assets held on behalf of Government	(13,765,046)	(10,116,922)
Total net financial assets	54,016,227	35,499,227
Departmental net debt	1,204,873	1,472,717
Non-Financial assets		
Tangible capital assets (Note 8)	70,260	92,134
Total non-financial assets	70,260	92,134
Departmental net financial position	(1,134,613)	(1,380,583)

Contractual obligations (Note 9)

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

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Paula Isaak
President

Tetreault, Roger

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Roger Tetreault, CPA, CMA
Chief Financial Officer

Ottawa, Canada
August 18, 2023

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Statement of Operations and Departmental Net Financial Position (Unaudited)
For the Year Ended March 31
(in dollars)

	<u>2023</u>	<u>2023</u>	<u>2022</u>
	Planned Results	Actual Results	Actual Results
Expenses			
Economic Development in the Territories	81,439,402	90,910,570	70,462,806
Internal Services	6,352,224	9,408,118	8,651,896
Total Expenses	87,791,626	100,318,688	79,114,701
Revenues			
Miscellaneous Revenue	4,133	15,270	15,318
Revenues earned on behalf of Government	(4,133)	(15,093)	(15,318)
Total Revenues	0	177	0
Net Cost of Operations before government funding and transfers	87,791,626	100,318,511	79,114,701
Government funding and transfers			
Net cash provided by Government		77,641,789	66,274,682
Change in due from Consolidated Revenue Fund		18,827,110	9,525,475
Services provided without charge by other government departments (Note 10)		4,095,582	3,421,738
Total Government Funding and Transfers		100,564,481	79,221,895
Net cost of operations after government funding and transfers		(245,970)	(107,194)
Departmental net financial position - Beginning of year		(1,380,583)	(1,487,777)
Departmental net financial position - End of year		(1,134,613)	(1,380,583)

Segmented information (Note 11)

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

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Statement of Change in Departmental Net Debt (Unaudited)
For the Year Ended March 31
(in dollars)

	<u>2023</u>	<u>2022</u>
Net cost of operations after government funding and transfers	(245,970)	(107,194)
Change due to tangible capital assets		
Amortization of tangible capital assets	(21,874)	(30,240)
Total change due to tangible capital assets	(21,874)	(30,240)
Net increase (decrease) in departmental net debt	(267,844)	(137,434)
Departmental net debt - Beginning of year	1,472,717	1,610,151
Departmental net debt - End of year	<u>1,204,873</u>	<u>1,472,717</u>

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

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Statement of Cash Flows (Unaudited)
For the Year Ended March 31
(in dollars)

	2023	2022
Operating Activities		
Net cost of operations before government funding and transfers	100,318,511	79,114,701
Non-cash items:		
Amortization of tangible capital assets	(21,874)	(30,240)
Gain on disposal of tangible capital assets	177	0
Services provided without charge by other government departments (Note 10)	(4,095,582)	(3,421,738)
Variations in Statement of Financial Position:		
Increase (decrease) in accounts receivable and advances	(310,109)	1,172,351
Decrease (increase) in accounts payable and accrued liabilities	(18,517,001)	(10,697,826)
Decrease (increase) in vacation pay and compensatory leave	238,818	67,698
Decrease (increase) in future employee benefits	29,026	69,736
Cash used in operating activities	77,641,966	66,274,682
Capital investing activities		
Proceeds from disposal of tangible capital assets	(177)	0
Cash Used by Capital Investing Activities	(177)	0
Net Cash Provided by Government of Canada	77,641,789	66,274,682

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

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Notes to the Financial Statements (*Unaudited*)
For the Year Ended March 31

1. Authority and objectives

The Canadian Northern Economic Development Agency (the “Agency”) was established on August 18, 2009, in accordance with paragraph 2(a) of the *Public Service Rearrangement and Transfer of Duties Act*. Pursuant to Order-in-Council P.C. 2009-1423, the control and supervision portion of the Northern Economic Development Branch in the Department of Indian Affairs and Northern Development was transferred to the Agency. The Agency is listed in Schedule I.1 of the *Financial Administration Act*.

Contributing to the jobs and growth in Canada, the Agency works to develop a diversified, sustainable and dynamic economy across Canada’s three territories. It does this by delivering funding programs to Northerners and Indigenous people, guiding resource development and major projects across the North through the Northern Projects Management Office, undertaking research to support the development of evidence-based policies, advocating for northern economic prosperity and diversification, and collaborating with other federal departments, territorial governments, Indigenous organizations, and industry.

In pursuit of its mandate, the Agency has structured its core responsibilities as follows:

- a. **Economic Development in the Territories** – Work in the territories to support the conditions for a sustainable, diversified and innovative economy in collaboration with Northerners/Indigenous people, businesses, organizations, other federal departments and other levels of government.
- b. **Internal Services** – Internal services are the services that are provided within a department so that it can meet its corporate obligations and deliver its programs. There are 10 categories of internal services: Acquisition Management Services; Communications Services; Financial Management Services; Human Resources Management Services; Information Management Services; Information Technology Services; Legal Services; Management and Oversight Services; Materiel Management Services; and Real Property Management Services.

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Notes to the Financial Statements (*Unaudited*)
For the Year Ended March 31

2. Summary of significant accounting policies

These financial statements are prepared using the Agency'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 Agency is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to the Agency 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 Financial Position and in the Statement of Operations and Departmental Net Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a reconciliation between the bases of reporting. The planned results amounts in the "Expenses" and "Revenues" sections of the Statement of Operations and Departmental Net Financial Position are the amounts reported in the Future-oriented Statement of Operations included in the 2022-2023 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 the Statement of Change in Departmental Net Debt because these amounts were not included in the 2022-2023 Departmental Plan.

(b) Net cash provided by the Government

The Agency operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the Department is deposited to the CRF, and all cash disbursements made by the Department 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 the Consolidated Revenue Fund

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 the Department is entitled to draw from the CRF without further authority to discharge its liabilities.

(d) Revenues

- i. Revenues from regulatory fees are recognized based on the services provided in the year.
- ii. Other revenues are recognized in the period the event giving rise to the revenues occurred.
- iii. Revenues that are non-respendable are not available to discharge the Agency's liabilities. While the President 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 of Canada and are therefore presented as a reduction of the entity's gross revenues.

(e) Expenses

- i. Transfer payments are recorded as an expense in the year the transfer is authorized, and all eligibility criteria have been met by the recipient.
- ii. Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.
- iii. Services provided without charge by other government departments for accommodation, employer contributions to the health and dental insurance plans, legal services and workers' compensation are recorded as operating expenses at their carrying value.

(f) Employee future benefits

- i. Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multi-employer pension plan administered by the Government. The Agency's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. The Agency's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.
- ii. Severance benefits: The accumulation of severance benefits for voluntary departures ceased for applicable employee groups. The remaining obligation for employees who did not withdraw benefits is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(g) Accounts and loans receivable

Accounts and loans receivable are initially recorded at cost and where necessary, are discounted to reflect their concessionary terms. Concessionary terms of loans include cases where loans are made on a long-term, low interest or interest-free basis. Transfer payments that are unconditionally repayable are recognized as loans receivable. When necessary, an allowance for valuation is recorded to reduce the carrying value of accounts and loans receivable to amounts that approximate their net recoverable value.

(h) Non-financial assets

The costs of acquiring capital property are capitalized as tangible capital assets and are amortized to expense over the estimated useful lives of the assets, as described in Note 8. 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, museum collection and Crown land to which no acquisition cost is attributable; and intangible assets.

(i) Contingent liabilities

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

(j) Contingent assets

Contingent assets are possible assets that may become actual assets when one or more future events occur or fail to occur. If the future event is likely to occur or fail to occur, the contingent asset is disclosed in the notes to the financial statements.

(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 Agency'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, the useful life of tangible capital assets and the allowance for doubtful accounts.

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

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. Certain services received on a without charge basis are recorded, for departmental financial statement purposes, at the carrying amount.

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

3. Parliamentary authorities

The Agency receives most of its funding through annual parliamentary authorities. Items recognized in the Statement of Financial Position and in the Statement of Operations and Departmental Net Financial Position in one year may be funded through parliamentary authorities in prior, current or future years. Accordingly, the Agency 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

<i>(in dollars)</i>	<u>2023</u>	<u>2022</u>
Net cost of operations before government funding and transfers	100,318,511	79,114,701
Adjustments for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(21,874)	(30,240)
Services provided without charge by other government departments	(4,095,582)	(3,421,738)
Adjustments of prior year accounts payable	951,447	3,002,997
Refunds of prior year's expenditures	1,553,232	3,008,774
Refund of Payments related to Public Health Events of National Concern and income support	14,604	255,594
Decrease (increase) in employee future benefits	29,026	69,736
Decrease (increase) in vacation pay and compensatory leave	238,818	67,698
Other	(936,902)	963,785
Total items affecting net cost of operations but not affecting authorities	(2,267,231)	3,916,605
Adjustments for items not affecting net cost of operations but affecting authorities:		
Increase in accounts receivable and advances	111,083	117,470
Authorities available for future years	177	0
Unconditionally repayable contributions	6,914,803	5,222,738
Total items not affecting net cost of operations but affecting authorities	7,026,063	5,340,208
Current year authorities used	105,077,343	88,371,514

(b) Authorities provided and used

<i>(in dollars)</i>	<u>2023</u>	<u>2022</u>
Authorities Provided:		
Vote 1 – Operating expenditures	23,128,158	21,361,404
Vote 5 – Contributions	83,751,245	68,763,033
Statutory amounts	1,861,791	1,836,526
Total authorities provided	108,741,194	91,960,963
Less:		
Authorities available for future years	(177)	0
Lapsed: Authorities available from previous years	0	(15)
Lapsed: Vote 1 – Operating expenditures	(1,993,219)	(1,342,974)
Lapsed: Vote 5 – Contributions	(1,670,455)	(2,246,460)
Current year authorities used	105,077,343	88,371,514

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

4. Accounts payable and accrued liabilities

The following table presents the Agency's accounts payable and accrued liabilities:

<i>(in dollars)</i>	<u>2023</u>	<u>2022</u>
Accounts payable – Other government departments and agencies	447,175	378,623
Accounts payable – External parties	2,223,100	5,118,258
Accounts payable – Salaries owing to employees	1,605,589	1,086,808
Total accounts payable	<u>4,275,864</u>	<u>6,583,690</u>
Accrued liabilities	49,740,363	28,915,536
Total accounts payable and accrued liabilities	<u>54,016,227</u>	<u>35,499,226</u>

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

5. Employee future benefits

a) Pension benefits

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

The 2022-2023 expense amounts to \$1,216,193 (\$1,240,747 in 2021-2022). For Group 1 members, the expense represents approximately 1.02 times (1.01 times in 2021-2022) the employee contributions, and for Group 2 members, approximately 1.00 times (1.00 times in 2021-2022) the employee contributions.

The Agency'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 Agency's employees were previously based on an employee's eligibility, years of service and salary at the 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 by future authorities.

The changes in the obligations during the year were as follows:

<i>(in dollars)</i>	<u>2023</u>	<u>2022</u>
Accrued benefit obligation – Beginning of year	354,318	424,054
Expense for the year	(29,026)	(69,736)
Benefits paid during the year	0	0
Accrued benefit obligation – End of year	<u>325,292</u>	<u>354,318</u>

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

6. Accounts receivable and advances

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

<i>(in dollars)</i>	<u>2023</u>	<u>2022</u>
Receivables – Other government departments and agencies	326,636	477,272
Receivables – Salaries owing from employees	407,327	349,626
Receivables – External parties	2,079,012	1,857,246
Employee advances	936	936
Sub-total	<u>2,813,911</u>	<u>2,685,079</u>
Allowance for doubtful accounts on receivables from external parties	(449,364)	(10,423)
Gross accounts receivable and advances	<u>2,364,547</u>	<u>2,674,656</u>
Accounts receivable held on behalf of Government	0	0
Net accounts receivable and advances	<u>2,364,547</u>	<u>2,674,656</u>

The following table provides an aging analysis of accounts receivable from employees and external parties, and the associated allowance for doubtful accounts used to reflect their net recoverable value:

<i>(in dollars)</i>	<u>2023</u>	<u>2022</u>
Receivables from employees and external parties		
Not past due.....	495,188	579,825
Number of days past due.....		
1 to 30.....	246,892	24,948
31 to 60.....	390,234	102,423
61 to 90.....	445,314	17,198
91 to 365.....	286,266	1,482,477
Over 365.....	622,445	0
Sub-total.....	<u>2,486,339</u>	<u>2,206,871</u>
Less: Allowance for doubtful accounts on receivables from external parties.....	(449,364)	(10,423)
Total.....	<u>2,036,975</u>	<u>2,196,448</u>

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

7. Loans receivable

The following table presents details of the Agency's unconditionally repayable contributions balances:

<i>(in dollars)</i>	<u>2023</u>	<u>2022</u>
Unconditionally repayable contributions	15,011,725	10,116,922
Less: Unamortized discount	<u>0</u>	<u>0</u>
Sub-total	15,011,725	10,116,922
Less: Allowance for uncollectibility	(1,246,679)	0
Gross loans receivable	<u>13,765,046</u>	<u>10,116,922</u>
Loans receivable held on behalf of Government	(13,765,046)	(10,116,922)
Net loans receivable	<u>0</u>	<u>0</u>

Unconditionally repayable contributions

Unconditionally repayable contributions relate to contributions made to outside parties that must be repaid without qualification. The portfolio consists of 19 (11 in 2021-2022) non-interest-bearing loans with prescribed annual repayment terms. The loans are recorded at face value since they have been determined to not have significant concessionary terms. An allowance of \$1,246,679 (\$0 in 2021-2022) has been recorded.

Loans receivable are considered a financial asset held on behalf of the Government since they are not available to discharge the Agency's liabilities. As such, loans receivable are presented as a reduction to the Agency's gross loans receivable balance.

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

8. Tangible capital assets

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

Asset Class	Amortization Period
Leasehold Improvements	Over the useful life of the improvement or the lease term, whichever is shorter
Motor vehicles	7 years

<i>(in dollars)</i>	Cost		Accumulated Amortization			Net Book Value	
Capital Asset Class	Opening Balance	Closing Balance	Opening Balance	Amortization	Closing Balance	2023	2022
Motor Vehicles	153,118	153,118	(60,984)	(21,874)	(82,858)	70,260	92,134
Leasehold Improvements	2,406,365	2,406,365	(2,406,365)	0	(2,406,365)	0	0
Total	2,559,483	2,559,483	(2,467,349)	(21,874)	(2,489,223)	70,260	92,134

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Notes to the Financial Statements (*Unaudited*)
For the Year Ended March 31

9. Contractual obligations

The nature of the Agency's activities may result in some large multi-year contracts and obligations whereby the Agency will be obligated to make future payments in order to carry out its transfer payment programs or when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

<i>(in dollars)</i>	<u>2024</u>	<u>2023</u>
Transfer payments	41,120,352	57,205,473
Rental of residential buildings	2,277,240	1,873,440

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

10. Related party transactions

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

<i>(in dollars)</i>	<u>2023</u>	<u>2022</u>
Accommodation	2,861,729	2,185,246
Employer's contribution to the health and dental insurance plans	1,233,853	1,236,492
Total	<u>4,095,582</u>	<u>3,421,738</u>

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 Works and Government Services and audit services provided by the Office of the Auditor General are not included in the Agency's Statement of Operations and Departmental Net Financial Position.

b) Other transactions with other government departments and agencies

<i>(in dollars)</i>	<u>2023</u>	<u>2022</u>
Expenses	6,307,543	6,366,906

Expenses disclosed in (b) include the cost of finance and administration services provided by Indigenous Services Canada, and other government departments and exclude common services provided without charge already disclosed in (a).

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Notes to the Financial Statements (Unaudited)
For the Year Ended March 31

11. Segmented information

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

<i>(in dollars)</i>	Economic Development in the Territories	Internal Services	2023 Total	2022 Total
Transfer Payments				
Transfer Payments	74,512,041	0	74,512,041	54,979,510
Total transfer payments	74,512,041	0	74,512,041	54,979,510
Operating Expenses				
Salaries and employee benefits	11,566,818	5,277,931	16,844,749	16,277,479
Professional and special services	1,362,743	1,526,052	2,888,795	2,914,361
Amortization of tangible capital assets	0	21,874	21,874	30,240
Travel and relocation	734,464	507,122	1,241,586	642,318
Buildings, machinery and equipment	2,303	88,900	91,203	285,507
Accommodation	1,965,128	896,601	2,861,729	2,185,246
Utilities, materials and supplies	32,378	44,930	77,308	64,118
Rentals of buildings and machinery	720,673	718,816	1,439,489	1,433,017
Transportation and telecommunication services	2,969	178,256	181,225	161,874
Information services	10,162	9,103	19,265	38,362
Repair and maintenance	891	138,351	139,242	91,554
Other expenses	0	182	182	11,114
Bad debt expense	1,685,620	0	1,685,620	10,423
Expenses incurred on behalf of Government	(1,685,620)	0	(1,685,620)	(10,423)
Total operating expenses	16,398,529	9,408,118	25,806,647	24,135,191
Total expenses	90,910,570	9,408,118	100,318,688	79,114,701
Revenues				
Miscellaneous revenue	0	15,270	15,270	15,318
Revenues earned on behalf of Government	0	(15,093)	(15,093)	(15,318)
Total revenues	0	177	177	0
Net cost of operations	90,910,570	9,407,941	100,318,511	79,114,701