

**PATENTED MEDICINE PRICES REVIEW BOARD****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, 2018, and all information contained in these statements rests with the management of the Patented Medicine Prices Review Board (PMPRB). 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 PMPRB's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in the PMPRB'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 PMPRB 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.

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

A Core Control Audit was performed in 2011-12 by the Office of the Comptroller General of Canada (OCG). The Audit Report and related Management Action Plan are posted on the PMPRB's web site at <http://www.pmprb-cepmb.gc.ca/en/transparency/accountability>.

The financial statements of the PMPRB have not been audited.

Dr. Mitchell Levine

Chairperson

Ottawa, Canada

Date: August 20, 2018

Douglas Clark

Executive Director and Chief Financial Officer

Ottawa, Canada

Date: August 8, 2018

**PATENTED MEDICINE PRICES REVIEW BOARD**  
**Statement of Financial Position (Unaudited)**  
**As at March 31**

(in dollars)	2018	2017
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 4)	<b>\$ 1,307,889</b>	\$ 1,722,674
Vacation pay and compensatory leave	<b>457,239</b>	217,389
Employee future benefits (note 5)	<b>322,331</b>	354,920
<b>Total net liabilities</b>	<b>2,087,459</b>	2,294,983
<b>Financial assets</b>		
Due from Consolidated Revenue Fund	<b>976,738</b>	1,540,471
Accounts receivable and advances (note 6)	<b>469,190</b>	317,900
<b>Total gross financial assets</b>	<b>1,445,928</b>	1,858,371
<b>Financial assets held on behalf of Government</b>		
Accounts receivable and advances (note 6)	<b>(138,039)</b>	(135,697)
<b>Total financial assets held on behalf of Government</b>	<b>(138,039)</b>	(135,697)
<b>Total net financial assets</b>	<b>1,307,889</b>	1,722,674
<b>Departmental net debt</b>	<b>779,570</b>	572,309
<b>Non-financial assets</b>		
Tangible capital assets (note 7)	<b>120,272</b>	100,895
<b>Total non-financial assets</b>	<b>120,272</b>	100,895
<b>Departmental net financial position</b>	<b>\$ (659,298)</b>	\$ (471,414)

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

Dr. Mitchell Levine  
Chairperson  
Ottawa, Canada  
Date: August 20, 2018

Douglas Clark  
Executive Director and Chief Financial Officer  
Ottawa, Canada  
Date: August 8, 2018

**PATENTED MEDICINE PRICES REVIEW BOARD**  
**Statement of Operations and Departmental Net Financial Position (Unaudited)**  
**For the Year Ended March 31**

(in dollars)	2018 Planned Results	2018	2017
<b>Expenses</b>			
Patented Medicine Prices Regulation Program	\$ 7,291,332	<b>\$ 6,387,913</b>	\$ 6,624,334
Pharmaceutical Trends Program	1,786,721	<b>1,732,805</b>	1,801,420
Internal Services	2,913,383	<b>3,054,327</b>	2,714,586
<b>Total expenses</b>	11,991,436	<b>11,175,045</b>	11,140,340
<b>Revenues</b>			
Voluntary compliance undertakings	-	<b>32,943,963</b>	5,412,096
Settlement payments	-	-	4,842,243
Other	-	<b>4,701</b>	9,302
Revenues earned on behalf of Government	-	<b>(32,947,978)</b>	(10,254,344)
<b>Total revenues</b>	-	<b>686</b>	9,297
<b>Net cost of operations before government funding and transfers</b>	11,991,436	<b>11,174,359</b>	11,131,043
<b>Government funding and transfers</b>			
Net cash provided by Government of Canada		<b>10,286,460</b>	9,641,940
Change in due from Consolidated Revenue Fund		<b>(563,733)</b>	341,286
Services provided without charge by other government departments (note 8)		<b>1,263,748</b>	1,224,997
<b>Net (revenue from) cost of operations after government funding and transfers</b>		<b>187,884</b>	(77,180)
<b>Departmental net financial position - Beginning of year</b>		<b>(471,414)</b>	(548,594)
<b>Departmental net financial position - End of year</b>		<b>\$ (659,298)</b>	\$ (471,414)

Segmented information (note 9)

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

**PATENTED MEDICINE PRICES REVIEW BOARD**  
**Statement of Change in Departmental Net Debt (Unaudited)**  
**For the Year Ended March 31**

(in dollars)	2018	2017
<b>Net (revenue from) cost of operations after government funding and transfers</b>	<b>\$ 187,884</b>	<b>\$ (77,180)</b>
<b>Change due to tangible capital assets</b>		
Acquisition of tangible capital assets	74,924	-
Amortization of tangible capital assets	(55,547)	(54,176)
<b>Total change due to tangible capital assets</b>	<b>19,377</b>	<b>(54,176)</b>
<b>Net (decrease) increase in departmental net debt</b>	<b>207,261</b>	<b>(131,356)</b>
<b>Departmental net debt - Beginning of year</b>	<b>572,309</b>	<b>703,665</b>
<b>Departmental net debt - End of year</b>	<b>\$ 779,570</b>	<b>\$ 572,309</b>

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

**PATENTED MEDICINE PRICES REVIEW BOARD**  
**Statement of Cash Flows (Unaudited)**  
**For the Year Ended March 31**

(in dollars)	2018	2017
<b>Operating activities</b>		
Net cost of operations before government funding and transfers	<b>\$ 11,174,359</b>	\$ 11,131,043
Non-cash items:		
Amortization of tangible capital assets	(55,547)	(54,176)
Services provided without charge by other government departments (note 8)	(1,263,748)	(1,224,997)
Variations in Statement of Financial Position:		
Decrease (increase) in accounts payable and accrued liabilities	<b>414,785</b>	(431,075)
Decrease (increase) in vacation pay and compensatory leave	(239,850)	41,340
Decrease (increase) in employee future benefits	<b>32,589</b>	90,016
Increase (decrease) in accounts receivable and advances	<b>148,948</b>	89,789
<b>Cash used in operating activities</b>	<b>10,211,536</b>	9,641,940
<b>Capital investing activities</b>		
Acquisitions of tangible capital assets	<b>74,924</b>	-
<b>Cash used in capital investing activities</b>	<b>74,924</b>	-
<b>Net cash provided by Government of Canada</b>	<b>\$ 10,286,460</b>	\$ 9,641,940

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

**PATENTED MEDICINE PRICES REVIEW BOARD**  
**Notes to the Financial Statements (Unaudited)**  
**For the Year Ended March 31, 2018**

**1. Authority and objectives**

The Patented Medicine Prices Review Board (PMPRB) is an independent quasi-judicial body established by Parliament in 1987 under the Patent Act (the Act).

Although the PMPRB is part of the Health Portfolio, it carries out its mandate at arm's length from the Minister of Health. It also operates independently of other bodies such as Health Canada, which approves drugs for safety and efficacy, and public drug plans, which approve the listing of drugs on their respective formularies for reimbursement purposes.

**Strategic Outcome: Canadians are protected from excessive prices for patented medicines sold in Canada and stakeholders are informed on pharmaceutical trends.**

**Patented Medicine Prices Regulation Program**

The PMPRB is responsible for ensuring that the prices that patentees charge for patented medicines sold in Canada are not excessive based on the price review factors in the Act. To make this determination the Board must consider each of the following factors: prices at which the medicine and other medicines in the same therapeutic class have been sold in Canada and in the seven comparator countries listed in the Patented Medicines Regulations (Regulations); changes in the Consumer Price Index; and in accordance with the Act, such other factors as may be specified in any regulations made for the purposes of the price review. Under the Act, and as per the Regulations, patentees are required to file price and sales information for each patented medicine sold in Canada, for the duration of the patent(s). Board Staff reviews the introductory and ongoing information filed by patentees, for all patented medicines sold in Canada. When it finds that the price of a patented medicine appears to be excessive, Board Staff will conduct an investigation into the price. An investigation could result in: its closure, where it is concluded that the price was non-excessive; a Voluntary Compliance Undertaking by the patentee to reduce the price and offset excess revenues obtained as a result of excessive prices through a payment and/or a price reduction of another patented drug product; or a public hearing to determine if the price is excessive, including any remedial order determined by the Board. In the event that the Board Hearing Panel finds, after a public hearing, that a price is or was excessive, it may order the patentee to reduce the price and take measures to offset any excess revenues. This program, by reviewing the prices charged by patentees for patented medicines sold in Canada, protects Canadians and the health care system from excessive prices.

**Pharmaceutical Trends Program**

The PMPRB reports annually to Parliament through the Minister of Health on its price review activities, the prices of patented medicines and price trends for all drugs, and R&D expenditures as reported by pharmaceutical patentees. In supporting this requirement, the pharmaceutical trends program provides complete and accurate information on trends in manufacturers' prices of patented medicines sold in Canada and on patentees' research-and-development expenditures to interested stakeholders including: industry (i.e., brand-name, biotech, generic); Federal, Provincial and Territorial governments; consumer and patient advocacy groups; third party payers; and others. This information also provides assurance to Canadians that the prices of patented medicines are not excessive. In addition, as a result of the establishment of the National Prescription Drug Utilization Information System by Federal, Provincial and Territorial Ministers of Health the Federal Minister of Health requested that the PMPRB conduct analysis of price, utilization and cost trends for patented and non-patented prescription drugs so that Canada's health system has more comprehensive, accurate information on how all prescription drugs are being used and on the sources of cost increases. This function is aimed at providing Federal, Provincial and Territorial governments and other interested stakeholders with a centralized credible source of information on all prescription drug prices.

**Internal Services**

Internal Services are those groups of related activities and resources that the federal government considers to be services in support of programs and/or required to meet corporate obligations of an organization. Internal Services refers to the activities and resources of the 10 distinct service categories that support Program delivery in the organization, regardless of the Internal Services delivery model in a department. The 10 service categories 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; Materiel Services; and Acquisition Services.

**2. Summary of significant accounting policies**

These financial statements have been prepared using the PMPRB'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 PMPRB is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to the PMPRB 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 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 2017-18 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 2017-18 Departmental Plan.

**(b) Net cash provided by Government**

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

Amounts due from 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 PMPRB is entitled to draw from the CRF without further authorities to discharge its liabilities.

**(d) Revenues**

- Revenues from regulatory fees are recognized in the accounts based on the services provided in the year.
- Other revenues are recognized in the period the event giving rise to the revenue occurred.
- Revenues that are non-respendable are not available to discharge the PMPRB's liabilities. While the Chairperson is expected to maintain accounting control, he has no authority regarding the disposition of non-respendable revenues. As a result, non-respendable revenues are considered to be earned on behalf of the Government of Canada and are therefore presented in reduction of the entity's gross revenues.

**(e) Expenses**

- Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.
- Services provided without charge by other government departments for accommodation, and employer contributions to the health and dental insurance plans are recorded as operating expenses at their carrying value.

**(f) Employee future benefits**

- i. Pension benefits: Eligible employees participate in the Public Service Pension Plan (the "Plan"), a multiemployer pension plan administered by the Government. The PMPRB's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. The PMPRB'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 receivable**

Accounts receivable are initially recorded at cost and where necessary, are discounted to reflect their concessionary terms. 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 land, buildings, equipment and other capital property are capitalized as tangible capital assets

and, except for land, are amortized to expense over the estimated useful lives of the assets, as described in Note 7. 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, 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.

**(j) Contingent assets**

Contingent assets are possible assets which 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 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.

**3. Parliamentary authorities**

The PMPRB receives most of its funding through annual parliamentary authorities. Items recognized in the Statement of Financial Position and 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 PMPRB 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 dollars)	2018	2017
Net cost of operations before government funding and transfers	\$ 11,174,359	\$ 11,131,043
<b>Adjustments for items affecting net cost of operations but not affecting authorities:</b>		
Amortization of tangible capital assets	(55,547)	(54,176)
Services provided without charge by other government departments	(1,263,748)	(1,224,997)
Decrease (increase) in vacation pay and compensatory leave	(239,850)	41,340
Decrease (increase) in employee future benefits	32,589	90,016
Refund/adjustment of prior years' expenditures	11,527	14,588
Other	(12,332)	107,500
<b>Total items affecting net cost of operations but not affecting authorities</b>	<b>(1,527,361)</b>	<b>(1,025,729)</b>
<b>Adjustments for items not affecting net cost of operations but affecting authorities:</b>		
Acquisition of tangible capital assets	74,924	-
Proceeds from disposal of Crown assets	472	448
Salary overpayments	16,800	17,940
Issuance of accountable advances	-	10,257
<b>Total items not affecting net cost of operations but affecting authorities</b>	<b>92,196</b>	<b>28,645</b>
<b>Current year authorities used</b>	<b>\$ 9,739,194</b>	<b>\$ 10,133,959</b>

**(b) Authorities provided and used**

(in dollars)	2018	2017
Authorities provided:		
Vote 1 - Program expenditures	\$ 10,588,712	\$ 10,336,436
Statutory amounts	846,837	908,364
Less:		
Lapsed authorities	(1,696,355)	(1,110,841)
<b>Current year authorities used</b>	<b>\$ 9,739,194</b>	<b>\$ 10,133,959</b>

**4. Accounts payable and accrued liabilities**

The following table presents details of the PMPRB's accounts payable and accrued liabilities:

(in dollars)	2018	2017
Accounts payable - Other government departments and agencies	\$ 116,319	\$ 41,180
Accounts payable - External parties	378,873	1,031,343
Total accounts payable	495,192	1,072,523
Accrued liabilities	812,697	650,151
<b>Total accounts payable and accrued liabilities</b>	<b>\$ 1,307,889</b>	<b>\$ 1,722,674</b>

## **5. Employee future benefits**

### **(a) Pension benefits**

The PMPRB'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 Plans benefits and they are indexed to inflation.

Both the employees and the PMPRB 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 2017-18 expense amounts to the following:

(in dollars)	2018	2017
Expense for the year	\$ 576,375	\$ 632,545

For Group 1 members, the expense represents approximately 1.01 times (1.12 times in 2016-17) the employee contributions and, for Group 2 members, approximately 1.00 times (1.08 times in 2016-17) the employee contributions.

The PMPRB'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.

### **(b) Severance benefits**

Severance benefits provided to the PMPRB'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, 2018, 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 dollars)	2018	2017
<b>Accrued benefit obligation - Beginning of year</b>	\$ 354,920	\$ 444,936
Expense for the year	(14,980)	(90,016)
Benefits paid during the year	(17,609)	-
<b>Accrued benefit obligation - End of year</b>	<b>\$ 322,331</b>	<b>\$ 354,920</b>

## **6. Accounts receivable and advances**

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

(in dollars)	2018	2017
Accounts receivable - Other government departments and agencies	\$ 330,651	\$ 181,703
Employee advances	138,539	136,197
Gross accounts receivable and advances	469,190	317,900
Accounts receivable held on behalf of Government	(138,039)	(135,697)
<b>Net accounts receivable and advances</b>	<b>\$ 331,151</b>	<b>\$ 182,203</b>

## **7. 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	Sub-asset Class	Amortization Period
Machinery and equipment	Computer equipment	3-5 years
	Computer software	3 years

(in dollars)

Cost	Opening Balance	Acquisitions	Disposals/ Write-offs	Closing Balance
Machinery and equipment	\$234,940	\$74,924	\$-	\$309,864
<b>Total</b>	<b>\$234,940</b>	<b>\$74,924</b>	<b>\$-</b>	<b>\$309,864</b>
Accumulated Amortization	Opening Balance	Amortization	Disposals/ Write-offs	Closing Balance
Machinery and equipment	\$134,045	\$55,547	\$-	\$189,592
<b>Total</b>	<b>\$134,045</b>	<b>\$55,547</b>	<b>\$-</b>	<b>\$189,592</b>
Net Book Value	Net Book Value 2017			Net Book Value 2018
Machinery and equipment	\$100,895			\$120,272
<b>Total</b>	<b>\$100,895</b>			<b>\$120,272</b>

## **8. Related party transactions**

The PMPRB is related as a result of common ownership to all government departments, agencies, and Crown corporations. Related parties also include individuals who are members of key management personnel or close family members of those individuals, and entities controlled by, or under shared control of, a member of key management personnel or a close family member of that individual.

The PMPRB 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 PMPRB 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 PMPRB's Statement of Operations and Departmental Net Financial Position as follows:

(in dollars)	2018	2017
Accommodation	\$ 676,034	\$ 670,612
Employer's contribution to the health and dental insurance plans	587,714	554,385
<b>Total</b>	<b>\$ 1,263,748</b>	<b>\$ 1,224,997</b>

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

**(b) Other transactions with related parties**

(in dollars)	2018	2017
Expenses - Other government departments and agencies	\$ 396,296	\$ 289,287

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

**9. Segmented information**

Presentation by segment is based on the PMPRB's program alignment architecture. 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 segment results for the period are as follows:

(in dollars)	Patented Medicine Prices Regulation Program	Pharmaceutical Trends Program	Internal Services	2018 Total	2017 Total
<b>Expenses</b>					
Salaries and employee benefits	\$ 4,366,545	\$ 1,374,593	\$ 2,290,449	<b>\$ 8,031,587</b>	\$ 7,293,939
Professional and special services	1,273,021	105,174	119,607	<b>1,497,802</b>	2,240,814
Accommodation	371,788	114,670	189,576	<b>676,034</b>	670,612
Information services	302,193	105,356	18,120	<b>425,669</b>	466,495
Utilities, materials and supplies	2,003	2,809	206,552	<b>211,364</b>	52,071
Travel and relocation	62,056	27,766	23,979	<b>113,801</b>	137,241
Rentals	3,540	754	92,667	<b>96,961</b>	98,967
Amortization of tangible capital assets	-	-	55,547	<b>55,547</b>	54,176
Communications	51	78	34,651	<b>34,780</b>	58,469
Other	6,716	1,605	7,500	<b>15,821</b>	17,661
Repair and maintenance	-	-	15,679	<b>15,679</b>	49,895
<b>Total expenses</b>	<b>6,387,913</b>	<b>1,732,805</b>	<b>3,054,327</b>	<b>11,175,045</b>	11,140,340
<b>Revenues</b>					
Voluntary compliance undertakings	-	-	32,943,963	<b>32,943,963</b>	5,412,096
Settlement payments	-	-	-	-	4,842,243
Other	214	-	4,487	<b>4,701</b>	9,302
Revenues earned on behalf of Government	-	-	(32,947,978)	<b>(32,947,978)</b>	(10,254,344)
<b>Total revenues</b>	<b>214</b>	<b>-</b>	<b>472</b>	<b>686</b>	9,297
<b>Net cost of operations before government funding and transfers</b>	<b>\$ 6,387,699</b>	<b>\$ 1,732,805</b>	<b>\$ 3,053,855</b>	<b>\$ 11,174,359</b>	\$ 11,131,043