

Statement of Management Responsibility Including Internal Control Over Financial Reporting

CANADIAN SPACE AGENCY

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2013, and all information contained in these statements rests with the management of the Canadian Space Agency. These financial statements have been prepared by management using the Government's accounting standards, which are based on the Government's accounting policies and Canadian accounting standards stated in the Public Sector Accounting Handbook.

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 Performance 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; 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, 2013 was completed in accordance with the Treasury Board Policy on Internal Control. The results of this assessment and the action plans are summarized in the annex.

The effectiveness and adequacy of the Agency's system of internal control is reviewed by the work of internal audit staff, who conduct periodic audits of different areas of the Agency's operations, and by the **Audit Committee**, which oversees management's responsibilities for maintaining adequate control systems and the quality of financial reporting, and which recommends the financial statements to the Deputy Head of the Agency.

The financial statements of the Canadian Space Agency have not been audited.

The original version was
signed by Gilles Leclerc.

July 23, 2013

Gilles Leclerc
Acting President
Longueuil, Canada

Date

The original version was

signed by Marie-Claude Guérard July 23, 2013

Marie-Claude Guérard, CPA, CGA
Chief Financial Officer
Longueuil, Canada

Date

Statement of Financial Position (Unaudited)

CANADIAN SPACE AGENCY

As at March 31	2013	2012
(in thousands of dollars)	\$	\$
Liabilities		
Accounts payable and accrued liabilities (note 4)	106,236	97,020
Vacation pay and compensatory leave	5,028	4,437
Deferred revenue (note 5)	9	76
Severance benefits (note 6(b))	5,365	11,961
Other liabilities (note 7)	502	8,454
Total net liabilities	117,140	121,948
Assets		
Financial assets		
Due from the Consolidated Revenue Fund	82,981	84,856
Accounts receivable and advances (note 8)	2,585	2,056
Total gross financial assets	85,566	86,912
Financial assets held on behalf of Government		
Accounts receivable and advances (note 8)	(1,121)	(826)
Total financial assets held on behalf of Government	(1,121)	(826)
Total net financial assets	84,445	86,086
Agency's net debt	32,695	35,862
Non-financial assets		
Prepaid expenses (note 9)	265,951	315,288
Tangible capital assets (note 10)	967,494	932,180
Other receivables (note 11)	8,194	8,224
Total non-financial assets	1,241,639	1,255,692
Agency's net financial position	1,208,944	1,219,830

Contractual obligations (note 12)

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

The original version was
signed by Gilles Leclerc. July 23, 2013
Gilles Leclerc Date
Acting President
Longueuil, Canada

The original version was
signed by Marie-Claude Guérard July 23, 2013
Marie-Claude Guérard, CPA, CGA Date
Chief Financial Officer
Longueuil, Canada

Statement of Operations and the Agency's Net Financial Position (Unaudited)

CANADIAN SPACE AGENCY

For the Year Ended March 31

(in thousands of dollars)

	2013 \$ Planned	2013 \$	2012 \$
Expenses			
Space Exploration	170,143	144,395	242,498
Space Data, Information and Services	82,746	87,840	96,309
Future Canadian Space Capacity	65,459	56,702	74,307
Internal Services	45,728	45,608	54,592
Expenses incurred on behalf of Government	-	-	(7)
Total Expenses	364,076	334,545	467,699
Revenues			
Sale of goods and services	4,000	2,193	5,311
Sale of rights and privileges	1,044	1,011	715
Location and use of public property	265	305	282
Other revenues	-	134	21,063
Revenues earned on behalf of Government	(5,309)	(2,680)	(5,977)
Total Revenues	-	963	21,394
Net cost from continuing operations	364,076	333,582	446,305
Transferred operations (note 14)			
Expenses	-	-	3,680
Net cost of transferred operations	-	-	3,680
Net cost of operations before government funding and transfers	364,076	333,582	449,985
Government funding and transfers			
Net cash provided by Government	379,718	318,003	409,150
Change in due from Consolidated Revenue Fund	1,112	(1,875)	(8,041)
Services provided without charge by other government departments (note 13(a))	5,753	6,568	6,292
Transfer of assets and liabilities to another government department (note 14)	-	-	(1,437)
Transfer of capital assets to another government department	-	-	(35)
Total Government funding and transfers	386,583	322,696	405,929
Net cost of operations after government funding and transfers	(22,507)	10,886	44,056
Agency's net financial position - Beginning of year	1,211,025	1,219,830	1,263,886
Agency's net financial position - End of year	1,233,532	1,208,944	1,219,830

Segmented information (note 15)

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

Statement of Change in the Agency's Net Debt (Unaudited)

CANADIAN SPACE AGENCY

For the Year Ended March 31

(in thousands of dollars)

	2013 \$ Planned	2013 \$	2012 \$
Net cost of operations after government funding and transfers	(22,507)	10,886	44,056
Change due to tangible capital assets			
Acquisition of tangible capital assets (note 10)	180,535	114,881	106,581
Amortization of tangible capital assets (note 10)	(108,038)	(74,863)	(98,809)
Proceeds from disposal of tangible capital assets	-	-	(3)
Loss on disposal, write-offs and write-downs of tangible capital assets	-	(4,704)	(14,252)
Transfer to another government department (note 14)	-	-	(2,028)
Transfer of capital assets to another government department	-	-	(35)
Total change due to tangible capital assets	72,497	35,314	(8,546)
Change due to prepaid expenses	(49,672)	(49,337)	(49,624)
Change due to other receivables	-	(30)	8,224
Net increase (decrease) in the Agency's net debt	318	(3,167)	(5,890)
Agency's net debt - Beginning of year	36,978	35,862	41,752
Agency's net debt - End of year	37,296	32,695	35,862

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

Statement of Cash Flows (Unaudited)

CANADIAN SPACE AGENCY

For the Year Ended March 31

(in thousands of dollars)

	2013	2012
	\$	\$
Operating Activities		
Net cost of operations before government funding and transfers	333,582	449,985
Non-cash items:		
Amortization of tangible capital assets (note 10)	(74,863)	(98,809)
Loss on disposal, write-offs and write-downs of tangible capital assets	(4,704)	(14,252)
Services provided without charge by other government departments (note 13(a))	(6,568)	(6,292)
Variations in Statement of Financial Position:		
Increase (decrease) in accounts receivable and advances	234	(902)
Decrease in prepaid expenses	(49,337)	(49,624)
Increase (decrease) in other receivables	(30)	8,224
Decrease (increase) in accounts payable and accrued liabilities	(9,216)	765
Decrease (increase) in deferred revenue	67	(67)
Increase in vacation pay and compensatory leave	(591)	(8)
Decrease in severance benefits	6,596	1,111
Decrease in other liabilities	7,952	13,032
Transfer of prepaids and liabilities to another government department (note 14)	-	(591)
Cash used in operating activities	203,122	302,572
Capital Investing Activities		
Acquisition of tangible capital assets (note 10)	114,881	106,581
Proceeds from disposal of capital assets	-	(3)
Cash used in capital investing activities	114,881	106,578
Net cash provided by Government of Canada	318,003	409,150

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

Notes to the Financial Statements (Unaudited)

CANADIAN SPACE AGENCY

For the Year Ended March 31

1. Authority and Objectives

The Canadian Space Agency "Agency" was decreed a "Department" on March 1st, 1989 under the *Financial Administration Act*, Section 2, paragraph (b).

For its part, the *Canadian Space Agency Act*, on legal notice of the *Prime Minister*, and under *Section 29 of the Act to establish the Canadian Space Agency* and to provide for other matters in relation to space, was sanctioned on May 10, 1990 under Chapter 13 of the Laws of Canada (L.C. 1990). His excellence, the Governor-in-Council, had fixed the effective date of this Act at December 14, 1990. The objectives of the Canadian Space Program (CSP) are to ensure the development and application of space science and technology to meet Canadian needs and to ensure the development of an international competitive space industry in Canada.

According to the approved Program Alignment Architecture (PAA), the Statement of Operations and the Agency's Net Financial Position is detailed by the following Programs (Business Lines):

Space Data, Information and Services

This Program includes the provision of space-based solutions (data, information and services) and the progression of their utilization. It also serves to install and run ground infrastructure that processes the data and operates satellites. This Program utilizes space-based solutions to assist Government of Canada (GoC) organizations in delivering growing, diversified or cost-effective programs and services within their mandate, which is related to key national priorities, such as sovereignty, defence, safety and security, resource management, environmental monitoring and the North. It also provides academia with data required to perform its own research.

Space Exploration

This Program provides valuable Canadian science, signature technologies and qualified astronauts to international space exploration endeavours. This Program contributes to the Government of Canada's Science and Technology Strategy. It fosters the generation of knowledge as well as technological spin-offs that contribute to a higher quality of life for Canadians. It generates excitement within the population in general and contributes to nation-building. This Program appeals to the science and technology communities. It is targeted mostly towards Canadian academia and international space exploration partnerships. Canadian industry also benefits from the work generated within this Program.

Future Canadian Space Capacity

This Program attracts, sustains and enhances the nation's critical mass of Canadian space specialists, fosters Canadian space innovation and know-how, and preserves the nation's space-related facilities capability. In doing so, it encourages private-public collaboration that requires a concerted approach to future space missions. This Program secures the nation's strategic and ongoing presence in space in the future and to preserve Canada's capability to deliver internationally renowned space assets for future generations. It is targeted at Canadian academia, industry and youth, as well as users of Canadian space solutions (Government of Canada (GoC) organizations) and international partners.

Internal Services

In accordance with the Management Accountability Framework, this Program serves to implement the government's commitment to modern Public Service management. Internal Services include only those activities and resources that apply across an organization in the areas of Governance and Management Support which includes Management and Oversight Services, Communications Services, and Legal Services; Resource Management which includes Human Resources Management Services, Financial Management Services, Information Management Services and Information Technology Services; and Asset Management which includes Real Property Services, Material Services and Acquisition Services.

Notes to the Financial Statements (Unaudited)

CANADIAN SPACE AGENCY

For the Year Ended March 31

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 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 the Statement of Operations and Agency Net Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a reconciliation between the two bases of reporting. The planned results amounts in the Statement of Operations and Agency Net Financial Position are the amounts reported in the future-oriented financial statements included in the *2012-2013 Report on Plans and Priorities*.

The future-oriented financial statements for 2012-2013 have been restated to reflect the revenue net of non-respendable amounts. This restatement resulted in an increase of \$5.3 million in net costs of operations before government funding and transfers. In addition, the future-oriented financial statements have also been reclassified to conform to the current year presentation.

(b) Net cash provided by Government

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

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 Agency is entitled to draw from the CRF without further authorities to discharge its liabilities.

(d) Revenues

- ✓ Revenues are accounted for in the period in which the underlying transaction or event that gave rise to the revenue takes place.
- ✓ Funds that have been received are recorded as deferred revenue, provided the Agency has an obligation to other parties for the provision of goods, services or the use of assets in the future (note 5).
- ✓ Revenues that are non-respendable are not available to discharge the Agency's liabilities. While the deputy head 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

Expenses are recorded on the accrual basis:

- ✓ Transfer payments are recorded as expenses when authorization for the payment exists and the recipient has met the eligibility criteria or entitlements for the transfer payment program.
- ✓ Vacation pay and compensatory leave are accrued as benefits are earned by employees under their respective terms of employment.
- ✓ Services provided without charge by other government departments for accommodation, employer contributions to the health and dental insurance plans and legal services are recorded as operating expenses at their estimated cost.

Notes to the Financial Statements (Unaudited)

CANADIAN SPACE AGENCY

For the Year Ended March 31

2. Summary of Significant Accounting Policies (Continued)

(f) Employee future benefits (note 6)

- i Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer pension plan administered by the Government. The Agency's contributions to the Plan are charged to expenses in the year incurred and represent the Agency's total 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: Employees entitled to severance benefits under labour contracts or conditions of employment earn these benefits as services necessary to earn them are rendered. The obligation relating to the benefits earned by employees 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 receivables and advances

Accounts receivables and advances are stated at the lower of cost and net recoverable value. A provision is recorded for receivables where recovery is considered uncertain.

(h) Foreign currency transactions

Transactions involving foreign currencies are translated into Canadian dollar equivalents using rates of exchange in effect at the time of those transactions. Monetary assets and liabilities denominated in a foreign currency are translated into Canadian dollars using the rate of exchange in effect at year-end. Gains and losses resulting from foreign currency transactions are included in "others" on the Statement of Operations and the Agency's Net Financial Position.

(i) Tangible capital assets

All tangible capital assets and leasehold improvements having an initial cost of \$10,000 or more are recorded at their acquisition cost. The Agency does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value, assets located on Indian Reserves and museum collections.

Asset class	Amortization period
Buildings, works and infrastructure	15-40 years
Material and equipment	10-20 years
Computer material	5-10 years
Computer software	3 years
Other equipment including furniture	2-30 years
Motor vehicles	5 years
Other vehicles	10 years

Assets under construction are recorded in the applicable capital asset class in the year that they become available for use and are not amortized until they become available for use.

The space assets are not considered operational until they have attained orbit or their expected trajectory or the landing date on the International Space Station.

(j) Measurement uncertainty

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are the liability for employee severance 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.

Notes to the Financial Statements (Unaudited)

CANADIAN SPACE AGENCY

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 the Statement of Operations and the Agency's 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

	2013	2012
	\$	\$
<i>(in thousands of dollars)</i>		
Net cost of operations before government funding and transfers	333,582	449,985
<i>Adjustments for items affecting net cost of operations but not affecting authorities</i>		
Amortization of tangible capital assets (note 10)	(74,863)	(98,809)
Services provided without charge by other government departments (note 13(a))	(6,568)	(6,292)
Refund of previous years' expenditures	1,194	1,080
Decrease in severance benefits	6,596	651
Increase in vacation pay and compensatory leave	(591)	(139)
Loss on disposal, write-offs and write-downs of tangible capital assets	(4,704)	(14,252)
Change in non-monetary exchange CSA/NASA	-	20,748
Other	55	(791)
	254,701	352,181
<i>Adjustments for items not affecting net cost of operations but affecting authorities</i>		
Acquisition of tangible capital assets (note 10)	114,881	106,581
Proceeds from disposal of tangible capital assets	-	(3)
Decrease in prepaid expenses	(49,337)	(49,624)
	65,544	56,954
Current year authorities used	320,245	409,135

(b) Authorities provided and used

	2013	2012
	\$	\$
<i>(in thousands of dollars)</i>		
Authorities provided		
<i>Vote 25</i> - Operating expenditures	176,416	253,796
<i>Vote 30</i> - Capital expenditures	162,228	118,663
<i>Vote 35</i> - Grants and contributions	37,599	58,159
Statutory amounts	10,392	11,400
	386,635	442,018
Less:		
Authorities available for future years	4	11
Lapsed : Operating	7,805	5,894
Lapsed : Capital	51,651	15,860
Lapsed : Grants and contributions	6,930	11,118
	66,390	32,883
Current year authorities used	320,245	409,135

Notes to the Financial Statements (Unaudited)

CANADIAN SPACE AGENCY

For the Year Ended March 31

4. Accounts Payable and Accrued Liabilities

(in thousands of dollars)	2013	2012
	\$	\$
Accrued liabilities	52,510	52,777
Accounts payable	27,636	27,402
Contractor's holdbacks	21,584	11,640
Accrued salaries and wages	3,194	3,365
Accounts payable – Other Departments	1,278	1,787
Other accounts payable	34	49
	106,236	97,020

In *Canada's Economic Action Plan 2012*, the Government announced savings measures to be implemented by departments over the next three fiscal years starting in 2012–2013. As a result, the Agency has recorded at March 31, 2013, an obligation for termination benefits for an amount of \$793,106 (\$1,439,283 in 2011–2012) as part of accrued liabilities to reflect the estimated workforce adjustment costs.

5. Deferred Revenue

Deferred revenue represents the balance at year-end of unearned revenues stemming from amounts received prior to services being performed as part of the activities of RADARSAT-2 to cover expenses related to the reception, archiving, cataloguing and satellite acquisition services and to the accommodation and installation of MacDonald Dettwiler and Associates Ltd. (MDA) employees. Revenue is recognized in the period that these expenditures are incurred or the service is performed. Details of the transactions related to this account are as follows:

(in thousands of dollars)	2013	2012
	\$	\$
Deferred revenue as at April 1st	76	9
Plus: Amounts received	1,483	1,441
Less: Services rendered	1,550	1,374
Deferred revenue as at March 31	9	76

Notes to the Financial Statements (Unaudited)

CANADIAN SPACE AGENCY

For the Year Ended March 31

6. Employee Future Benefits

(a) Pension benefits

The Agency's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government. 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. Benefits are integrated with Canada/Quebec Pension Plans benefits and they are indexed to inflation.

Both the employees and the Agency contribute to the cost of the Plan. The 2012-2013 expense amounts to \$7.4 million (\$8.2 million in 2011-2012), which represents approximately 1.7 times (1.8 times in 2011-2012) employees' contributions.

The Agency's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficits are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits

The Agency provides severance benefits to its employees based on eligibility, years of service and salary at termination of employment. These severance benefits are not pre-funded. Benefits will be paid from future authorities. Severance benefits, as at March 31, are as follows:

(in thousands of dollars)	2013 \$	2012 \$
Accrued benefits obligation, beginning of year	11,961	13,072
Transferred to another government department (note 14)	-	(460)
	11,961	12,612
Plus: Expense (adjustment) for the year	(1,928)	2,901
Less: Benefits paid during the year	(4,668)	(3,552)
Accrued benefits obligation, end of year	5,365	11,961

As part of collective agreement negotiations with certain employee groups, and changes to conditions of employment for executives and certain non-represented employees, the accumulation of severance benefits under the employee severance pay program ceased for these employees commencing in 2012. Employees subject to these changes have been given the option to be immediately paid in full or partial value of benefits earned to date or collect the full or remaining value of benefits on termination from the public service. These changes have been reflected in the calculation of the outstanding severance benefit obligation.

Notes to the Financial Statements (Unaudited)

CANADIAN SPACE AGENCY

For the Year Ended March 31

7. Other Liabilities

(in thousands of dollars)	2013	2012
	\$	\$
Contractor's holdbacks	405	8,357
Participation of provinces – RADARSAT-1	97	97
	502	8,454

Participation of provinces – RADARSAT-1

This account was established to record moneys received for both cost-sharing and advance payments for RADARSAT scenes. RADARSAT-1 is an Earth Observation satellite to monitor environmental change and planets natural resources. It provides information to both commercial and scientific users in the fields of agriculture, cartography, hydrology, forestry, oceanography, ice studies and coastal monitoring.

8. Accounts Receivable and Advances

(in thousands of dollars)	2013	2012
	\$	\$
Receivables from other federal departments and organizations	1,813	1,012
Receivables from external entities	768	1,005
Employee advances	27	69
Less: Allowance for doubtful accounts on receivables from external entities	(23)	(30)
Gross accounts receivable	2,585	2,056
Accounts receivable held on behalf of Government	(1,121)	(826)
Net accounts receivable	1,464	1,230

9. Prepaid Expenses

(in thousands of dollars)	2013	2012
	\$	\$
RADARSAT-2 prepaid services	265,533	311,800
Prepaid transfer payments	-	2,961
Other prepaid expenses	418	527
	265,951	315,288

RADARSAT-2 prepaid services

Under a private-public partnership agreement, the Agency has invested \$445.9 million in the construction and launch of the RADARSAT-2 satellite. For its participation, the Agency received credits for the supply of data (imagery) to Canadian Government departments and agencies over the life of the mission. Since the satellite is operational, federal departments and organizations received imagery valued at \$180.4 million.

Notes to the Financial Statements (Unaudited)

CANADIAN SPACE AGENCY

For the Year Ended March 31

10. Tangible Capital Assets

Cost	Opening Balance as at April 1st, 2012	Acquisitions	Adjustments (1)	Disposals, Write-Offs and Write-Downs	Closing Balance as at March 31, 2013
(in thousands of dollars)	\$	\$	\$	\$	\$
Land	85	-	-	-	85
Buildings, works and infrastructure	128,146	-	1,315	-	129,461
Material and equipment	41,925	875	-	(623)	42,177
Computer material	14,263	86	660	(465)	14,544
Computer software	7,745	472	789	-	9,006
Other equipment	1,860,954	501	9,923	(9,442)	1,861,936
Motor vehicles	53	-	-	-	53
Other vehicles	444	10	-	-	454
Assets under construction	364,534	112,937	(12,110)	(1,497)	463,864
	2,418,149	114,881	577	(12,027)	2,521,580
Accumulated amortization	Opening Balance as at April 1st, 2012	Amortization	Adjustments (1)	Disposals, Write-Offs and Write-Downs	Closing Balance as at March 31, 2013
(in thousands of dollars)	\$	\$	\$	\$	\$
Buildings, works and infrastructure	73,321	5,851	-	-	79,172
Material and equipment	28,863	1,955	-	(619)	30,199
Computer material	11,235	1,565	577	(464)	12,913
Computer software	6,274	1,141	-	-	7,415
Other equipment	1,366,009	64,316	-	(6,240)	1,424,085
Motor vehicles	36	6	-	-	42
Other vehicles	231	29	-	-	260
	1,485,969	74,863	577	(7,323)	1,554,086
Net book value	Opening Balance as at April 1st, 2012				Closing Balance as at March 31, 2013
(in thousands of dollars)	\$				\$
Land	85				85
Buildings, works and infrastructure	54,825				50,289
Material and equipment	13,062				11,978
Computer material	3,028				1,631
Computer software	1,471				1,591
Other equipment	494,945				437,851
Motor vehicles	17				11
Other vehicles	213				194
Assets under construction	364,534				463,864
Net Book Value	932,180				967,494

(1) Adjustments include assets under construction of \$12,109,571 that were transferred to the other categories upon completion of the following assets: buildings, works and infrastructure \$1,315,377; computer material \$82,640; computer software \$788,611; and other equipment \$9,922,943.

During the year, computer material in the amount of \$577,256 was transferred from another Department to the Agency. The net book value is zero since the asset was fully amortized; this transfer is included in the "Adjustments" column.

Notes to the Financial Statements (Unaudited)

CANADIAN SPACE AGENCY

For the Year Ended March 31

11. Other Receivables

	2013	2012
(in thousands of dollars)	\$	\$
Non-monetary exchange CSA/NASA	8,177	8,177
Other non-monetary exchange	17	47
	8,194	8,224

Non-monetary exchange CSA/NASA

Under the International Space Station Agreement, which was executed in 1998, and ratified by Canada in year 2000, following the passing of the Civil International Space Station Agreement Implementation Act, in 1999 the Agency signed a barter agreement with NASA in August 2001, which the fair value was estimated at \$20.8 million U.S. This agreement provided that the Agency would exchange a part of its utilization rights on the International Space Station and agreed to assume repair costs for its Special Purpose Dexterous Manipulator. In return, NASA would provide to the Agency, astronaut training, satellite and launch services. The transactions under this barter agreement took place over the lifetime of the International Space Station. During fiscal years 2002 to 2013, the Agency received all of the astronaut training valued at \$12.6 million CDN and NASA did exercise the option to access its proportion of Canada's utilization rights on the International Space Station valued at \$20.8 million CDN. Therefore, as at March 31, 2013, the Agency recorded a net value of \$8.2 million CDN as other receivables. Relative to this barter agreement or other agreements of the same kind that the Agency may enter into with its International Partners under the Agreement on the International Space Station, the Treasury Board grants to the Agency an exemption under the Policy on Accounting for Non-Monetary Transactions and does not have to charge the transaction(s) to its appropriation.

12. Contractual Obligations

The nature of the Agency's activities can 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, for the construction of assets and for the acquisitions of goods and services. Significant contractual obligations that can be reasonably estimated are summarized as follows:

	2014	2015	2016	2017	2018 & thereafter	Total
(in thousands of dollars)	\$	\$	\$	\$	\$	\$
Construction of assets	235,849	174,661	90,000	88,000	118,000	706,510
Transfer payments	21,548	21,433	20,375	18,667	44,239	126,262
Acquisitions of goods and services	21,225	27,238	27,000	-	-	75,463
Total	278,622	223,332	137,375	106,667	162,239	908,235

Contractual obligations for the construction of assets are mostly related to the construction of RADARSAT Constellation. The acquisition of goods and services is mostly related to the Canadian Space Station Program, while obligations for transfer payments are related to the contributions to the European Space Agency.

Notes to the Financial Statements (Unaudited)

CANADIAN SPACE AGENCY

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13. Related Party Transactions

The Agency is related as a result of common ownership to all government departments, organizations, and Crown Corporations. The Agency enters into transactions with these entities in the normal course of business and on normal trade terms. During the year, the Agency received common services which were obtained without charge from other government departments as disclosed below.

(a) Common services provided without charge by other government departments

During the year, the Agency received services without charge from certain common services organizations, related to accommodation, legal services and the employer's contribution to the health and dental insurance plans. These services provided without charge have been recorded in the Agency's Statement of Operations and Agency Net Financial Position as follows:

	2013	2012
(in thousands of dollars)	\$	\$
Employer's contribution to the health and dental insurance plans	6,018	5,823
Legal Services	341	257
Accommodation	209	212
	6,568	6,292

The Government has centralized some of its administrative activities for efficiency and cost-effectiveness purposes and economic delivery of programs to the public. As a result, the Government uses central agencies and common services organizations so that one department performs services for all departments and organizations without charge. The costs of these services, such as payroll and cheque issuance services provided by Public Works and Government Services Canada, are not included in the Agency's Statement of Operations and the Agency's Net Financial Position.

(b) Other transactions with related parties

	2013	2012
(in thousands of dollars)	\$	\$
Expenses - other government departments and organizations	25,198	36,478
Revenues - other government departments and organizations	47	141

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

Notes to the Financial Statements (Unaudited)

CANADIAN SPACE AGENCY

For the Year Ended March 31

14. Transfers to another Government Department

In 2011-2012, the Agency transferred the responsibility for e-mail, data centre and network services to Shared Services Canada (SSC) in accordance with the Order-in-Council P.C. 2011-1297, including the stewardship responsibility for the assets and liabilities related to the program. Accordingly, the Agency transferred the following assets and liabilities to SSC :

	2012
(in thousands of dollars)	\$
Assets:	
Tangible capital assets (net book value)	2,028
Total assets transferred	2,028
Liabilities:	
Vacation pay and compensatory leave	131
Severance benefits (note 6)	460
Total liabilities transferred	591
Adjustment to the Agency's net financial position	1,437

During the transition period, the Agency continued to administer the transferred activities on behalf of SSC. The administered expenses amounted to \$0 for 2013 (\$2,807,737 for 2012). These expenses are not recorded in these financial statements.

Notes to the Financial Statements (Unaudited)

CANADIAN SPACE AGENCY

For the Year Ended March 31

15. Segmented Information

Presentation by segment is based on the Agency's Program Alignment Architecture (PAA). 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 main programs, by major object of expense and by major type of revenue. The results for the period are as follows:

	Space Exploration \$	Space Data, Information and Services \$	Future Canadian Space Capacity \$	Internal Services \$	2013 \$	2012 \$
(in thousands of dollars)						
Operating expenses						
Professional and special services	48,315	18,263	7,784	5,976	80,338	150,906
Salaries and employee benefits	22,981	12,926	13,986	25,183	75,076	84,704
Amortization of tangible capital assets	66,259	2,959	1,288	4,357	74,863	98,375
Acquisition of machinery and material	452	46,721	363	671	48,207	52,005
Loss on disposal, write-offs and write-downs of tangible capital assets	3,202	1,502	-	-	4,704	14,252
Travel and communications	1,818	846	560	943	4,167	6,048
Rentals	318	515	1,250	2,072	4,155	3,779
Utilities, materials and supplies	149	1,652	291	1,291	3,383	3,567
Information	8	54	185	1,634	1,881	2,332
Purchased repair and maintenance	27	9	157	958	1,151	1,113
Other	142	208	197	2,523	3,070	3,399
Expenses incurred on behalf of Government	-	-	-	-	-	(7)
Total operating expenses	143,671	85,655	26,061	45,608	300,995	420,473
Transfer payments						
International organizations	-	-	26,240	-	26,240	35,419
Other Levels of Government	724	2,185	4,106	-	7,015	11,257
Industry	-	-	90	-	90	280
Individuals	-	-	38	-	38	203
Non-Profit Organizations	-	-	167	-	167	67
Total transfer payments	724	2,185	30,641	-	33,550	47,226
Total expenses	144,395	87,840	56,702	45,608	334,545	467,699
Revenues						
Sale of goods and services	-	-	2,193	-	2,193	5,311
Sale of rights and privileges	-	1,011	-	-	1,011	715
Lease and use of public property	-	30	-	275	305	282
Gain on disposal of tangible assets	-	-	-	14	14	30
Other revenues	12	70	1	37	120	21,033
Revenues earned on behalf of Government	(2)	(166)	(2,194)	(318)	(2,680)	(5,977)
Total Revenues	10	945	-	8	963	21,394
Net cost from continuing operations	144,385	86,895	56,702	45,600	333,582	446,305

Notes to the Financial Statements (Unaudited)

CANADIAN SPACE AGENCY

For the Year Ended March 31

16. Subsequent events

On March 29, 2013, the Radarsat-1 satellite experienced a technical anomaly and ceased responding to commands. The Agency tried to communicate with the satellite from that date until June 2013, without any success. Therefore, the end of the Radarsat-1 mission has been declared in June 2013 and the satellite will be written-off the Agency's tangible capital asset in 2013-2014. The cost of the satellite is \$481.7 million and the net book value is zero.

17. Comparative information

Planned results and comparative figures have been reclassified in order to comply with the current year's presentation.