

# Statement of Management Responsibility

## CANADIAN SPACE AGENCY

Departmental management is responsible for these future-oriented financial statements, including responsibility for the appropriateness of the assumptions on which these statements are prepared. These statements are based on the best information available and include actual amounts from April 1, 2011 to November 30, 2011. The assumptions are those known as at February 6, 2012 and reflect the plans described in the Report on Plans and Priorities.

The actual results achieved for the fiscal years covered in the accompanying future-oriented financial statements will vary from the information presented and the variations may be material.

The Audit Committee's role is to provide independent and objective advice and recommendations to the deputy head regarding the sufficiency, quality and results of assurance on the adequacy and functioning of the Agency's risk management, control and governance frameworks and processes (including accountability systems). In accordance with the Treasury Board's directive on Departmental Audit Committee, the Audit Committee has reviewed the Agency's future-oriented financial statements and has provided advice to the deputy head on appropriateness of the assumptions and on any material misstatements or omissions that may come to their attention.

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

The original version was signed by Steve MacLean      April 18, 2012

Steve MacLean      Date  
President  
Longueuil, Canada

The original version was signed by Marie-Claude Guérard      April 18, 2012

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

# Future-oriented Statement of Financial Position (Unaudited)

## CANADIAN SPACE AGENCY

As at March 31	Planned 2013	Estimated 2012
(in thousands of dollars)	\$	\$

### Assets

<b>Financial assets</b>		
Due from the Consolidated Revenue Fund	101,563	100,451
Accounts receivable and advances (note 6)	2,527	3,649
Total financial assets	104,090	104,100
<b>Non-financial assets</b>		
Prepaid expenses (note 7)	276,358	326,030
Tangible capital assets (note 8)	994,470	921,973
Total non-financial assets	1,270,828	1,248,003
<b>TOTAL</b>	<b>1,374,918</b>	<b>1,352,103</b>

### Liabilities and Equity of Canada

<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 9)	108,259	106,243
Deferred revenue (note 10)	9	176
Vacation pay and compensatory leave	4,151	5,224
Severance benefits (note 11 (b))	4,552	10,612
Other liabilities (note 12)	19,106	18,823
Total liabilities	136,077	141,078
<b>Equity of Canada</b>	<b>1,238,841</b>	<b>1,211,025</b>
<b>TOTAL</b>	<b>1,374,918</b>	<b>1,352,103</b>

Contractual obligations (note 13)

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

The original version was signed by Steve MacLean      April 18, 2012  
Steve MacLean      Date  
 President  
 Longueuil, Canada

The original version was signed by Marie-Claude Guérard      April 18, 2012  
Marie-Claude Guérard, CGA      Date  
 Chief Financial Officer  
 Longueuil, Canada

# Future-oriented Statement of Operations (Unaudited)

## CANADIAN SPACE AGENCY

	Planned 2013	Estimated 2012
For the Year Ending March 31		
(in thousands of dollars)	\$	\$
<b>Expenses</b>		
Space Data, Information and Services	165,237	172,151
Space Exploration	90,359	167,560
Future Canadian Space Capacity	66,184	85,041
Internal Services	42,296	56,008
<b>Total Expenses</b>	<b>364,076</b>	<b>480,760</b>
<b>Revenues</b>		
Space Data, Information and Services	1,044	715
Future Canadian Space Capacity	4,000	7,000
Internal Services	265	252
<b>Total Revenues</b>	<b>5,309</b>	<b>7,967</b>
<b>Net cost from continuing operations</b>	<b>358,767</b>	<b>472,793</b>
<b>Transferred operations</b>		
Expenses	-	2,695
<b>Net cost of transferred operations</b>	<b>-</b>	<b>2,695</b>
<b>Net cost of operations</b>	<b>358,767</b>	<b>475,488</b>

Segmented information (note 15)

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

# Future-oriented Statement of Equity of Canada (Unaudited)

## CANADIAN SPACE AGENCY

	Planned	Estimated
For the Year Ending March 31	2013	2012
(in thousands of dollars)	\$	\$
<b>Equity of Canada, beginning of year</b>	<b>1,211,025</b>	<b>1,264,514</b>
Net cost of operations	(358,767)	(475,488)
Net cash provided by Government	379,718	409,956
Change in due from the Consolidated Revenue Fund	1,112	7,554
Services provided without charge by other government departments (note 14(a))	5,753	7,153
Transfer of assets and liabilities to another government department (note 16)	-	(2,664)
<b>Equity of Canada, end of year</b>	<b>1,238,841</b>	<b>1,211,025</b>

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

# Future-oriented Statement of Cash Flow (Unaudited)

## CANADIAN SPACE AGENCY

	Planned 2013	Estimated 2012
<b>For the Year Ending March 31</b>	<b>2013</b>	<b>2012</b>
(in thousands of dollars)	\$	\$
<b>Operating activities</b>		
<b>Net cost of operations</b>	<b>358,767</b>	<b>475,488</b>
<b>Non-cash items:</b>		
Amortization of tangible capital assets (note 8)	(108,038)	(105,683)
Loss on write-offs and disposal of tangible capital assets	-	(10,086)
Services provided without charge by other government departments (note 14(a))	(5,753)	(7,153)
<b>Variations in Future-oriented Statement of Financial Position:</b>		
Increase (decrease) in accounts receivable and advances	(1,122)	889
Decrease in prepaid expenses	(49,672)	(38,882)
Increase in accounts payable and accrued liabilities	(2,016)	(8,458)
Decrease (increase) in deferred revenue	167	(167)
Decrease (increase) in vacation pay and compensatory leave	1,073	(795)
Decrease in severance benefits	6,060	2,460
Decrease (increase) in other liabilities	(283)	2,663
Transfer of liabilities to other government departments (note 16)	-	(640)
<b>Cash used in operating activities</b>	<b>199,183</b>	<b>309,636</b>
<b>Capital investing activities</b>		
Acquisition of tangible capital assets (note 8)	180,535	100,320
<b>Cash used in capital investing activities</b>	<b>180,535</b>	<b>100,320</b>
<b>Net cash provided by Government of Canada</b>	<b>379,718</b>	<b>409,956</b>

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

# Notes to the Future-oriented Financial Statements (Unaudited)

## CANADIAN SPACE AGENCY

### 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 Canadian Space Program (CSP) aims 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 Activity Architecture (PAA), the Future-oriented Statement of Operations is detailed by the following Program Activities (Business Lines):

#### ***Space Data, Information and Services***

This Program Activity utilizes space-based solutions to assist Government of Canada 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 Activity provides valuable Canadian science, signature technologies and qualified astronauts to international space exploration endeavours. This Program Activity 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 and could foster nation-building.

#### ***Future Canadian Space Capacity***

This Program Activity secures the nation's strategic and ongoing presence in space in the future and to preserves Canada's capability to deliver internationally renowned space assets for future generations.

#### ***Internal Services***

In accordance with the Management Accountability Framework (MAF), this activity implement the government’s commitment to modern public service management in the areas of governance and management support, resource management and asset management.

# Notes to the Future-oriented Financial Statements (Unaudited)

## CANADIAN SPACE AGENCY

### 2. Significant Assumptions

The future-oriented financial statements have been prepared on the basis of the government priorities and the plans of the Agency as described in the *Report on Plans and Priorities*.

The main assumptions are as follows:

- ✓ The Agency's activities will be substantially the same as for the previous year;
- ✓ Expenses and revenues, including the determination of amounts internal and external to the government, are based on historical experience. The general historical pattern is expected to continue;
- ✓ Allowances for doubtful accounts are based on historical experience. The general historical pattern is expected to continue;
- ✓ Estimated year end information for 2011-2012 is used as the opening position for the 2012-2013 forecasts.

These assumptions are those known as at February 6, 2012.

### 3. Variations and Changes to Forecast Financial Information

While every attempt has been made to forecast final results for the remainder of 2011-2012 and for 2012-2013, actual results achieved for both years are likely to vary from the forecast information presented, and this variation could be material.

In preparing these future-oriented financial statements, the Canadian Space Agency has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Factors that could lead to material differences between the future-oriented financial statements and the historical financial statements include:

- ✓ The timing and amounts of acquisitions and disposals of capital assets may affect gains/losses on disposal of assets and amortization expense.
- ✓ Implementation of new collective agreements.
- ✓ Economic conditions may affect both the amount of revenue earned and the collectibility of external accounts receivable.
- ✓ Further changes to the operating budget through additional new initiatives or technical adjustments in the year.

Once the *Report on Plans and Priorities* is presented, the Canadian Space Agency will not be updating the future-oriented financial statements for any changes to appropriations or forecast financial information made in ensuing supplementary estimates.

# Notes to the Future-oriented Financial Statements (Unaudited)

## CANADIAN SPACE AGENCY

### 4. Summary of Significant Accounting Policies

The future-oriented financial statements have been prepared in accordance with the Treasury Board accounting policies stated below, which are based on Canadian generally accepted accounting principles for the public sector. The presentation and results from using the stated accounting policies do not result in any significant differences from Canadian generally accepted accounting principles.

Significant accounting policies are as follows:

#### ***(a) Parliamentary authorities***

The Agency is financed by the Government of Canada through Parliamentary authorities. Financing 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 Future-oriented Statement of Operations and the Future-oriented Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 5 provides a reconciliation between the two bases of reporting.

#### ***(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 parliamentary expenditure authorities to discharge its liabilities.

#### ***(d) Revenues***

Revenues are presented on an accrual basis:

- ✓ Revenues from regulatory fees are recognized in the accounts based on the services provided in the year.
- ✓ Revenues that have been received but not yet earned are recorded as deferred revenue (note 10).

#### ***(e) Expenses***

Expenses are presented on an accrual basis:

- ✓ Grants are recognized in the year in which the conditions for payment are met;
- ✓ Contributions are recognized in the year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement, provided that the transfer is authorized and a reasonable estimate can be made;
- ✓ Vacation pay and compensatory leave are accrued as the benefits are earned under the respective terms of employment; and,
- ✓ Services provided without charge by other government departments for employer's contribution to the health and dental insurance plans, legal services and accommodation are reported as operating expenses at their estimated cost (note 14(a)).

#### ***(f) Employee future benefits (note 11)***

- i Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer plan administered by the Government of Canada. 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. Current legislation does not require the Agency to make contributions for any actuarial deficiencies of the Plan.
- ii Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. 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.

# Notes to the Future-oriented Financial Statements (Unaudited)

## CANADIAN SPACE AGENCY

### 4. Summary of Significant Accounting Policies (Continued)

**(g) Accounts receivable and advances**

Accounts receivable and advances are stated at the lower of cost and net recoverable value. A valuation allowance is established 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.

**(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 department 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.

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

Asset class	Amortization period
Buildings, works and infrastructure	30-40 years
Material and equipment	10-20 years
Computer material	5-7 years
Computer software	3 years
Other equipment including furniture	3-15 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 thus begin their amortization period.

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 future-oriented financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the future-oriented financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. Actual results could significantly differ from those estimated.

# Notes to the Future-oriented Financial Statements (Unaudited)

## CANADIAN SPACE AGENCY

### 5. Parliamentary Authorities

The Agency receives most of its funding through annual parliamentary authorities. Items recognized in the Future-oriented Statement of Operations and 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 forecast authorities

	Planned	Estimated
	2013	2012
(in thousands of dollars)	\$	\$
Net cost of operations	358,767	475,488
<i>Adjustments for items affecting net cost of operations but not affecting authorities</i>		
<i>Add (Less):</i>		
Amortization of tangible capital assets (note 8)	(108,038)	(105,683)
Revenue not available for spending	5,309	7,967
Services provided without charge by other government departments (note 14(a))	(5,753)	(7,153)
Increase in accrued liabilities not charged to authorities	(5)	(3,343)
Decrease in severance benefits	6,060	2,460
Decrease (increase) in vacation pay and compensatory leave	1,073	(795)
Loss on write-off of physical assets	-	(10,086)
	257,413	358,855
<i>Adjustments for items not affecting net cost of operations but affecting authorities</i>		
<i>Add (Less):</i>		
Acquisition of tangible capital assets (note 8)	180,535	100,320
Prepaid expenses	(49,672)	(38,882)
	130,863	61,438
<b>Forecast authorities</b>	<b>388,276</b>	<b>420,293</b>

#### (b) Forecast Authorities

	Planned	Estimated
	2013	2012
(in thousands of dollars)	\$	\$
<b>Forecast Authorities</b>		
<b>Vote 25 - Operating expenditures</b>	<b>164,380</b>	254,956
<b>Vote 30 - Capital expenditures</b>	<b>176,266</b>	95,678
<b>Vote 35 - Grants and contributions</b>	<b>36,597</b>	58,159
Statutory amounts	11,033	11,500
<b>Forecast Authorities</b>	<b>388,276</b>	<b>420,293</b>

Forecast Authorities presented reflect current forecasts of statutory items, approved initiatives included and expected to be included in Estimates documents and, when reasonable estimates can be made, estimates of amounts to be allocated from Treasury Board central votes.

# Notes to the Future-oriented Financial Statements (Unaudited)

## CANADIAN SPACE AGENCY

### 6. Accounts Receivable and Advances

	Planned 2013	Estimated 2012
(in thousands of dollars)	\$	\$
Receivables from other federal departments or agencies	1,093	1,098
Receivables from external entities	1,456	2,547
Employee advances	23	83
Less: Allowance for doubtful accounts on receivables from external entities	(45)	(79)
	2,527	3,649

### 7. Prepaid Expenses

	Planned 2013	Estimated 2012
(in thousands of dollars)	\$	\$
RADARSAT-2 prepaid services	276,054	321,054
Prepaid transfer payments	-	4,672
Other prepaid expenses	303	303
	276,358	326,030

# Notes to the Future-oriented Financial Statements (Unaudited)

## CANADIAN SPACE AGENCY

### 8. Tangible Capital Assets

<b>Cost</b> (in thousands of dollars)	<b>Opening Balance as at April 1, 2012</b> \$	<b>Acquisitions</b> \$	<b>Transfers, Disposals and Write-Offs</b> \$	<b>Closing Balance as at March 31, 2013</b> \$
Land	85	-	-	85
Buildings, works and infrastructure	127,726	233	80	128,039
Material and equipment	45,158	6,710	-	51,868
Computer material	18,081	5,030	-	24,242
Computer software	8,189	514	787	10,178
Other equipment	1,877,083	1,195	31,694	1,909,972
Motor vehicles	53	-	-	53
Other vehicles	518	138	-	656
Assets under construction	350,631	166,715	(32,561)	484,785
	<b>2,427,524</b>	<b>180,535</b>	<b>-</b>	<b>2,609,878</b>
<b>Accumulated amortization</b> (in thousands of dollars)	<b>Opening Balance as at April 1, 2012</b> \$	<b>Amortization</b> \$	<b>Transfers, Disposals and Write-Offs</b> \$	<b>Closing Balance as at March 31, 2013</b> \$
Buildings, works and infrastructure	72,647	4,168	-	76,815
Material and equipment	29,752	2,117	-	31,869
Computer material	13,386	1,942	-	16,829
Computer software	5,944	815	-	7,077
Other equipment	1,383,552	98,955	-	1,482,507
Motor vehicles	36	6	-	42
Other vehicles	234	35	-	269
	<b>1,505,551</b>	<b>108,038</b>	<b>-</b>	<b>1,615,408</b>
<b>Net book value</b> (in thousands of dollars)	<b>Opening Balance as at April 1, 2012</b> \$			<b>Closing Balance as at March 31, 2013</b> \$
Land	85			85
Buildings, works and infrastructure	55,079			51,224
Material and equipment	15,406			19,999
Computer material	4,694			7,413
Computer software	2,245			3,101
Other equipment	493,531			427,465
Motor vehicles	17			11
Other vehicles	284			387
Assets under construction	350,631			484,785
<b>Net Book Value</b>	<b>921,973</b>			<b>994,470</b>

# Notes to the Future-oriented Financial Statements (Unaudited)

## CANADIAN SPACE AGENCY

### 8. Tangible Capital Assets (Continued)

Disposals of assets under construction represent assets that are put into use in the year and transferred to the other capital asset classes as applicable.

Effective November 15, 2011, the Agency transferred computer material and computer software with a net book value of \$3,304 to Shares Services Canada (note 16).

### 9. Accounts Payable and Accrued Liabilities

	Planned 2013	Estimated 2012
(in thousands of dollars)	\$	\$
Accrued liabilities	66,024	62,719
Accounts payable	33,842	32,351
Contractor's holdback	5,688	5,438
Accrued salaries and wages	1,189	1,512
Accounts payable – Other Departments	1,516	4,224
	108,259	106,243

### 10. 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. Revenue will be recognized in the period that these expenditures will be incurred or the service performed.

	Planned 2013	Estimated 2012
(in thousands of dollars)	\$	\$
Deferred revenue as at April 1	176	9
Plus: Amounts received	1,446	1,587
Less: Services rendered	(1,613)	(1,420)
<b>Deferred revenue as at March 31</b>	<b>9</b>	<b>176</b>

# Notes to the Future-oriented Financial Statements (Unaudited)

## CANADIAN SPACE AGENCY

### 11. 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 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/Quebec Pension Plans benefits and they are indexed to inflation.

Both the employees and the Agency contribute to the cost of the Plan. The forecast expenses are \$8.1 million in 2012-2013 and \$10.3 million in 2011-2012, representing approximately 1.9 times the contributions of employees.

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.

#### *(b) Severance benefits*

The Agency provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future authorities.

As part of collective agreement negotiations with certain employee group, 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 the 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. Information about the severance benefits, estimated as at the date of these statements, is as follows:

	<b>Planned</b>	Estimated
	<b>2013</b>	2012
(in thousands of dollars)	\$	\$
Accrued benefit obligation, beginning of year	<b>10,612</b>	13,072
Plus: Expense for the year	<b>362</b>	1,328
Less: Expected benefits paid during the year	<b>(6,422)</b>	(3,788)
Accrued benefit obligation, end of year	<b>4,552</b>	10,612

# Notes to the Future-oriented Financial Statements (Unaudited)

## CANADIAN SPACE AGENCY

### 12. Other Liabilities

	Planned 2013	Estimated 2012
(in thousands of dollars)	\$	\$
Non-monetary exchange CSA/NASA	12,569	12,569
Contractor's holdbacks	6,440	6,156
Participation of provinces – RADARSAT-1	97	97
	19,106	18,823

#### a) Non-Monetary Exchange

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. Currently, all the costs are not available and the fair value of the yielded services must be revaluated when the identification of total costs will be possible. This agreement provides that the Agency exchanges a part of its utilization rights on the International Space Station, access to the Canadian Microgravity Isolation Mount, and agrees to assume repair costs for its Special Purpose Dexterous Manipulator. In return, NASA will provide to the Agency, astronaut training, satellite and launch services. The transactions under this Barter Agreement may take place over the lifetime of the International Space Station. During the fiscal years 2002 to 2013, the Agency received a part of astronaut training valued at \$12.6 million CDN. As NASA did not exercise the option to access its proportion of Canada's utilization rights on the International Space Station, a liability of \$12.6 million CDN has been created by the Agency. 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.

#### b) Participation of provinces – RADARSAT-1

This specified purpose 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.

### 13. 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 and when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

(in thousands of dollars)	2014	2015	2016	2017	2018 and Thereafter	Total
	\$	\$	\$	\$	\$	\$
Acquisitions of goods and services	76,000	41,000	21,000	-	-	138,000
Transfer payments	24,822	24,381	20,776	16,093	55,623	141,695
Total	100,822	65,381	41,776	16,093	55,623	279,695

# Notes to the Future-oriented Financial Statements (Unaudited)

## CANADIAN SPACE AGENCY

### 14. Related Party Transactions

The Agency is related as a result of common ownership to all Government of Canada departments, agencies 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 received without charge by other government departments*

During the year, the Agency is forecasted to receive 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 recognized in the Agency's Future-oriented Statement of Operations as follows:

	<b>Planned</b>	<b>Estimated</b>
	<b>2013</b>	<b>2012</b>
(in thousands of dollars)	\$	\$
Employer's contribution to the health and dental insurance plans	<b>5,241</b>	6,662
Legal services	<b>280</b>	270
Accommodation	<b>232</b>	221
	<b>5,753</b>	7,153

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 services organizations so that one department performs services for all departments and agencies without charge. The costs of these services, such as payroll and cheque issuance services provided by Public Works and Government Services Canada, are included as operating expenses in the Agency's Future-oriented Statement of Operations.

#### *(b) Administration of programs on behalf of another government department*

As of November 15, 2011, the Agency transferred the responsibility for e-mail, data centre and network services to Shared Services Canada (SSC). During the transition period, the Agency continued to administer those activities on behalf of SSC. The administered expenses are estimated at \$640,000 for this transition period ended March 31, 2012.

#### *(c) Other transactions with related parties*

	<b>Planned</b>	<b>Estimated</b>
	<b>2013</b>	<b>2012</b>
(in thousands of dollars)	\$	\$
Expenses - other government departments and agencies	<b>35,000</b>	35,000
Revenues - other government departments and agencies	<b>70</b>	70

## 15. Segmented Information

Presentation by segment is based on the Agency's Program Activity Architecture (PAA). The presentation of segmented information is based on the same assumptions as described in note 2, Significant assumptions, and the same accounting policies as described in the note 4, Summary of significant accounting policies. The following table presents the forecasted expenses and revenues for the main program activities, by major object of expenses and by major type of revenues. The results for the period are as follows:

(in thousands of dollars)	Space Data, Information and Services \$	Space Exploration \$	Future Canadian Space Capacity \$	Internal Services \$	Planned 2013 \$	Estimated 2012 \$
<b>Operating expenses</b>						
Amortization of tangible capital assets (note 8)	85,060	19,679	1,732	1,567	108,038	105,683
Professional and special services	20,603	44,994	9,036	6,406	81,039	156,623
Salaries and employee benefits	11,876	20,899	12,619	24,833	70,227	86,677
Travel and communications	675	2,222	845	1,204	4,946	7,842
Utilities, materials and supplies	322	249	307	1,726	2,604	3,715
Acquisition of machinery and material	45,306	693	498	489	46,986	42,886
Information	37	15	523	1,772	2,347	2,601
Purchased repair and maintenance	144	165	292	1,382	1,983	2,264
Rentals	119	235	546	516	1,416	2,212
Loss on write-offs of tangible capital assets	-	-	-	-	-	10 086
Other	95	139	586	2,401	3,221	3,379
<b>Total operating expenses</b>	164,237	89,290	26,984	42,296	322,807	423,968
<b>Transfer payments</b>						
International organizations	-	-	33,813	-	33,813	44,247
Other Levels of Government	959	1,069	4,808	-	6,836	11,970
Industry	41	-	-	-	41	-
Individuals	-	-	318	-	318	316
Non-Profit Organizations	-	-	261	-	261	259
<b>Total transfer payments</b>	1,000	1,069	39,200	-	41,269	56,792
<b>Total expenses</b>	165,237	90,359	66,184	42,296	364,076	480,760
<b>Revenues</b>						
Sale of rights and privileges	1,044	-	-	-	1,044	715
Sale of goods and services	-	-	4,000	-	4,000	7,000
Rental and use of public property	-	-	-	265	265	252
<b>Total Revenues</b>	1,044	-	4,000	265	5,309	7,967
<b>Net cost of operations from continuing activities</b>	164,193	90,359	62,184	42,031	358,767	472,793

# Notes to the Future-oriented Financial Statements (Unaudited)

## CANADIAN SPACE AGENCY

### 16. Transfers to Another Government Department

Effective November 15, 2011, 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 on November 15, 2011:

	Estimated 2012
(in thousands of dollars)	\$
<b>Assets</b>	
Tangible capital assets (net book value) (note 8)	3,304
	3,304
<b>Liabilities</b>	
Accounts payable and accrued liabilities	395
Vacation pay and compensatory leave	52
Severance benefits	193
	640
Adjustment to Equity of Canada	2,664