

Unaudited Financial Statements of



**CANADIAN INTERGOVERNMENTAL
CONFERENCE SECRETARIAT**

Year ended March 31, 2009

Canadian Intergovernmental Conference Secretariat (CICS) Management Responsibility for Financial Statements

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2009 and all information contained in this report rests with management of the Canadian Intergovernmental Conference Secretariat (the Secretariat). These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

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 fulfil its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Secretariat's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in the *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate division of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the Secretariat.

The financial statements of the Secretariat have not been audited.

André M. McArdle
Secretary
Ottawa, Canada
September 2, 2009

Daniel Plourde
Assistant Secretary and
Senior Financial Officer
Ottawa, Canada
September 2, 2009

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT
Statement of Operations (unaudited)
For the Year ended March 31
(in dollars)

	2009	2008
Expenses		
Salaries and employee benefits	2,976,361	2,707,861
Transportation and communication	852,762	1,070,404
Rentals	814,164	929,224
Professional and special services	1,059,222	701,883
Amortization of tangible capital assets	99,204	142,094
Repairs and upkeep	91,585	106,978
Utilities, materials and supplies	105,719	70,903
Information	20,250	1,200
Total Expenses	6,019,267	5,730,547
Revenue		
Provincial contributions	1,081,900	1,113,900
Miscellaneous revenue	113	207
Total	1,082,013	1,114,107
Net Cost of Operations	4,937,254	4,616,440

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

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

Statement of Financial Position (unaudited)

At March 31

(in dollars)

	2009	2008
Assets		
Financial Assets		
Accounts receivable and advances (Note 4)	131,388	311,940
Non-Financial Assets		
Tangible capital assets (Note 5)	242,488	166,548
Total	373,876	478,488
Liabilities		
Accounts payable and accrued liabilities (Note 6)	502,878	374,666
Vacation and compensatory leave	91,578	95,874
Employee severance benefits (Note 7)	394,487	307,522
Total Liabilities	988,943	778,062
Equity of Canada	(615,067)	(299,574)
Total	373,876	478,488

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

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

Statement of Equity of Canada (unaudited)

For the Year Ended March 31

(in dollars)

	2009	2008
Equity of Canada, beginning of year	(299,574)	(348,490)
Net cost of operations	(4,937,254)	(4,616,440)
Current year appropriations used (Note 3)	5,412,126	5,024,212
Revenue not available for spending	(1,082,013)	(1,114,107)
Change in net position in the Consolidated Revenue Fund (Note 3)	(308,764)	163,339
Services provided without charge by other government departments (Note 8)	600,412	591,912
Equity of Canada, end of year	(615,067)	(299,574)

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

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

Statement of Cash Flow (unaudited)

For the year ended March 31

(in dollars)

	2009	2008
Operating activities		
Net cost of operations	4,937,254	4,616,440
Non-cash items:		
Amortization of tangible capital assets	(99,204)	(142,094)
Services provided without charge by other government departments	(600,412)	(591,912)
Variations in statement of Financial Position		
Increase decrease) in accounts receivables and advances	(180,552)	77,748
Decrease (increase) in accounts payable and accrued liabilities	(128,212)	86,424
Increase in vacation pay and compensatory leave	4,296	(2,721)
Increase in employee severance benefits	(86,965)	(12,960)
Cash Used by Operating Activities	3,846,205	4,030,925
Capital investment activities		
Acquisition of tangible capital assets	175,144	42,519
Financing activities		
Net Cash Provided by Government of Canada	4,021,349	4,073,444

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

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

Notes to the Financial Statements (unaudited)

1. Authority and objectives

The Canadian Intergovernmental Conference Secretariat (the Secretariat) was designated a department within the Government of Canada in November 1973, by an Order-in-Council. The Secretariat is an agency of the Federal and Provincial governments. The Secretariat is named in Section II of the *Financial Administration Act* and reports to Parliament through the President of the Queen's Privy Council for Canada.

The mandate of the Secretariat is to excel in the planning, conduct and serving of senior intergovernmental conferences. The objective of the program is to relieve client departments, in virtually all sectors of government activity, of the numerous technical and administrative tasks associated with the planning and conduct of such conferences, thereby enabling them to concentrate on the substantive issues. The Secretariat not only provides services to the federal-provincial-territorial meetings, but as well to provincial-territorial conferences.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

(a) Parliamentary appropriations - the Secretariat is financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to the Secretariat do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and the Statement of Financial Position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the bases of reporting.

(b) Net Cash Provided by Government - The Secretariat operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the department is deposited to the CRF and all cash disbursements made by the Secretariat 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 federal government.

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

Notes to the Financial Statements (unaudited)

(c) Change in net position in the Consolidated Revenue Fund is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non spendable revenue recorded by the Secretariat. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

(d) Revenues:

Revenue relating to the provincial support of the operations of the Secretariat is recognized in the period in which the funds are received.

Other revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.

(e) Expenses - Expenses are recorded on the accrual basis:

Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.

Services provided without charge by other government departments for accommodation, the employer's contribution to the health and dental insurance plans are recorded as operating expenses at their estimated cost.

(f) Employee future benefits

- i. Pension benefits: Eligible employees participate in the Public Service Superannuation Pension Plan, a multiemployer plan administered by the Government of Canada. The Secretariat's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. Current legislation does not require the Secretariat 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.

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

Notes to the Financial Statements (unaudited)

(g) Accounts and loans receivables - are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

(h) Tangible capital assets - All tangible capital assets having an initial cost of \$2,000 or more are recorded at their acquisition cost. The Secretariat does not capitalize intangibles, works of arts and historical treasures that have cultural, aesthetic or historical value.

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

Furniture, furnishings and office equipment	5 years
Informatics hardware	3 years

(i) Contingent Liabilities - Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements. The Secretariat does not have any contingent liabilities as at March 31, 2009.

(j) Measurement uncertainty - The preparation of these financial statements in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector 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.

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

3. Parliamentary Appropriations

The Secretariat receives most of its funding through annual Parliamentary appropriations. Items recognized in the Statement of Operations and the Statement of Financial Position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the Secretariat 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 appropriations used:

	2009	2008
	(in dollars)	
Net cost of operations	4,937,254	4,616,440
Adjustments for items affecting net costs of operations but not affecting appropriations:		
Add (Less): Services provided without charge by OGD	(600,412)	(591,912)
Amortization of tangible capital assets	(99,204)	(142,094)
Revenue not available for spending	1,082,013	1,114,107
Decrease (Increase) in vacation pay and compensatory leave	4,296	(2,721)
Increase in employee severance benefits	(86,965)	(12,959)
Other	-	832
Sub-Total	5,236,982	4,981,693
Adjustments for items not affecting net cost of operations but affecting appropriations:		
Add (Less): Acquisitions of tangible capital assets	175,144	42,519
Current year appropriation used	5,412,126	5,024,212

(b) Appropriations provided and used	Appropriations Provided	
	(in dollars)	
	2009	2008
Vote 5 - Operating expenditures	6,614,275	6,389,080
Statutory amounts	398,268	376,846
Less:		
Lapsed appropriations: Operating	(1,600,417)	(1,741,714)
Current year appropriation used	5,412,126	5,024,212

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

(c) Reconciliation of net cash provided by Government to current year appropriations used

	2009	2008
	(in dollars)	
Net cash provided by Government	4,021,349	4,073,444
Revenue not available for spending	1,082,013	1,114,107
Change in net position in the Consolidated Revenue Fund		
Increase (decrease) in accounts receivable and advances	180,552	(77,748)
Increase (decrease) in accounts payable and accrued liabilities	128,212	(86,423)
Other adjustments	-	832
Sub-Total	308,764	(163,339)
Current year appropriations used	5,412,126	5,024,212

4. Accounts Receivable and Advances

Receivables and advances	2009	2008
	(in dollars)	
Receivables from other Federal Government departments and agencies	116,931	202,254
Receivables from external parties	1,057	97,086
Employee advances	13,400	12,600
Total	131,388	311,940

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

5. Tangible Capital Assets

(in dollars)

Cost				
Capital Asset Class	Opening Balance	Acquisitions	Disposals and write-offs	Closing Balance
Furniture, Furnishings and Office Equipment	138,011	33,477	74,859	96,629
Informatics Hardware	229,202	141,667	105,700	265,169
Total	367,213	175,144	180,559	361,798

5. Tangible Capital Assets (cont'd)

(in dollars)

Accumulated amortization				
Capital Asset Class	Opening Balance	Amortization	Disposals and write-offs	Closing Balance
Furniture, Furnishings and Office Equipment	87,964	20,390	74,859	33,495
Informatics Hardware	112,701	78,814	105,700	85,815
Total	200,665	99,204	180,559	119,310

5. Tangible Capital Assets (cont'd)

(in dollars)

Capital Asset Class	2009 Net book value	2008 Net book value
Furniture, Furnishings and Office Equipment	63,134	50,047
Informatics Hardware	179,354	116,501
Total	242,488	166,548

Amortization expenses for the year ended March 31, 2009 amounted to \$99,204 (\$142,094 for 2007-2008).

6. Accounts Payable

Accounts Payable	2009	2008
	(in dollars)	
Ongoing - External Parties	245,215	236,307
Salaries and Wages	151,881	85,262
Other Government departments and agencies	105,782	53,097
Total	502,878	374,666

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

7. Employee Benefits

(a) Pension benefits: The Secretariat'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/Québec Pension Plans benefits and they are indexed to inflation.

Both the employees and the Secretariat contribute to the cost of the Plan. The 2008-09 expense amounts to \$398,268 (\$376,848 in 2007-08), which represents approximately 2.0 times the contributions by employees (2.1 times in 2007-08).

The Secretariat'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 Secretariat 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 appropriations. Information about the severance benefits, measured as at March 31, is as follows:

	2009	2008
	(in dollars)	
Accrued benefit obligation, beginning of year	307,523	294,562
Expense for the year	179,028	78,329
Benefits paid during the year	(92,064)	(65,369)
Accrued benefit obligation, end of year	394,487	307,522

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

8. Related party transactions

The Secretariat is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. The Secretariat enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, the Secretariat received services which were obtained without charge from other Government departments as presented in part (a).

(a) Services provided without charge

During the year the Secretariat received without charge from other government departments, accommodation and the employer's contribution to the health and dental insurance plans. These services without charge have been recognized in the Secretariat's Statement of Operations as follows:

	2009	2008
	(in dollars)	
Accommodation	410,671	410,671
Other Benefits	5,641	5,641
Employer's contribution to the health and dental insurance plans	184,100	175,600
Total	600,412	591,912

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The costs of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada are not included as an expense in the Secretariat's Statement of Operations.

(b) Payables and receivables at year-end with related parties:

	2009	2008
	(in dollars)	
Account receivables with other government departments and agencies	116,931	202,254
Accounts payable to other government departments and agencies	105,782	53,097