

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 the assumptions are those known as at December 14, 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,
January 21, 2013.

Steve MacLean
President
Longueuil, Canada

Date

The original version was signed by Marie-Claude
Guérard, January 21, 2013.

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

Date

Future-oriented Statement of Financial Position (Unaudited)

CANADIAN SPACE AGENCY

As at March 31 (in thousands of dollars)	Planned 2014 \$	Estimated 2013 \$
Liabilities		
Accounts payable and accrued liabilities (note 6)	143,886	88,178
Vacation pay and compensatory leave	4,101	4,320
Deferred revenue (note 7)	9	76
Severance benefits (note 8(b))	4,135	6,000
Other liabilities (note 9)	12,852	7,862
Total net liabilities	164,983	106,436
Assets		
Financial assets		
Due from the Consolidated Revenue Fund	124,746	76,804
Accounts receivable and advances (note 10)	2,486	2,037
Total gross financial assets	127,232	78,841
Financial assets held on behalf of Government		
Accounts receivable and advances (note 10)	(782)	(641)
Total financial assets held on behalf of Government	(782)	(641)
Total net financial assets	126,450	78,200
Agency's net debt	38,533	28,236
Non-financial assets		
Prepaid expenses (note 11)	196,825	254,575
Tangible capital assets (note 12)	1,148,737	968,923
Other receivable (note 13)	8,224	8,224
Total non-financial assets	1,353,786	1,231,722
Agency's net financial position	1,315,253	1,203,486

Contractual obligations (note 14)

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

The original version was signed by Steve MacLean,
January 21, 2013.

The original version was signed by Marie-Claude Guérard,
January 21, 2013.

Steve MacLean Date
President
Longueuil, Canada

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

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

CANADIAN SPACE AGENCY

	Planned	Estimated
For the Year Ending March 31	2014	2013
(in thousands of dollars)	\$	\$
Expenses		
Space Exploration	170,945	168,928
Space Data, Information and Services	100,479	97,998
Future Canadian Space Capacity	61,114	55,442
Internal Services	49,444	50,787
Expenses incurred on behalf of Government	-	(3)
Total Expenses	381,982	373,152
Revenues		
Sale of goods and services	2,750	3,000
Sale of rights and privileges	824	785
Location and use of public property	337	306
Revenues earned on behalf of Government	(3,087)	(3,306)
Total Revenues	824	785
Net cost of operations before government funding	381,158	372,367
Government funding		
Net cash provided by Government	438,686	357,479
Change in due from Consolidated Revenue Fund	47,942	(8,052)
Services provided without charge by other government departments (note 15(a))	6,297	6,596
Total Government funding	492,925	356,023
Net cost of operations after government funding	(111,767)	16,344
Agency's net financial position - Beginning of year	1,203,486	1,219,830
Agency's net financial position - End of year	1,315,253	1,203,486

Segmented information (note 16)

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

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

CANADIAN SPACE AGENCY

For the Year Ending March 31 (in thousands of dollars)	Planned 2014 \$	Estimated 2013 \$
Net cost of operations after government funding	(111,767)	16,344
Change due to tangible capital assets		
Acquisition of tangible capital assets (note 12)	284,891	140,715
Amortization of tangible capital assets (note 12)	(103,137)	(102,473)
Loss on disposal and write-offs of tangible capital assets	(1,940)	(1,499)
Total change due to tangible capital assets	179,814	36,743
Change due to prepaid expenses	(57,750)	(60,713)
Net increase (decrease) in the Agency's net debt	10,297	(7,626)
Agency's net debt - Beginning of year	28,236	35,862
Agency's net debt - End of year	38,533	28,236

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

Future-oriented Statement of Cash Flows (Unaudited)

CANADIAN SPACE AGENCY

	Planned	Estimated
For the Year Ending March 31	2014	2013
(in thousands of dollars)	\$	\$
Operating activities		
Net cost of operations before government funding	381,158	372,367
Non-cash items:		
Amortization of tangible capital assets (note 12)	(103,137)	(102,473)
Loss on disposal and write-offs of tangible capital assets	(1,940)	(1,499)
Services provided without charge by other government departments (note 15(a))	(6,297)	(6,596)
Variations in Future-oriented Statement of Financial Position:		
Increase in accounts receivable and advances	308	166
Decrease in prepaid expenses	(57,750)	(60,713)
Decrease (increase) in accounts payable and accrued liabilities	(55,708)	8,842
Decrease in deferred revenue	67	-
Decrease in vacation pay and compensatory leave	219	117
Decrease in severance benefits	1,865	5,961
Decrease (increase) in other liabilities	(4,990)	592
Cash used in operating activities	153,795	216,764
Capital investing activities		
Acquisition of tangible capital assets (note 12)	284,891	140,715
Cash used in capital investing activities	284,891	140,715
Net cash provided by Government of Canada	438,686	357,479

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 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 future-oriented 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.

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.

Internal Services

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

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 information in the estimated results for fiscal year 2012-2013 is based on actual results as at October 31, 2012 and forecasts for the remainder of the fiscal year. Estimated year end information for 2012-2013 is used as the opening position for the 2013-2014 planned results, and forecasts have been made for the planned results for the 2013-2014 fiscal year.

The main assumptions are as follows:

- ✓ The Agency's activities will be substantially the same as for the previous year but are adjusted to reflect the funding level;
- ✓ 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;
- ✓ The acquisitions, adjustments, disposals and write-offs of tangible capital assets are based on the planned capital expenditures, assets under construction expected completion date and planned disposals and write-off dates.

These assumptions are those known as at December 14, 2012.

3. Variations and Changes to Forecast Financial Information

While every attempt has been made to forecast final results for the remainder of 2012-2013 and for 2013-2014, 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 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. 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 Financial Position and the future-oriented Statement of Operations and Agency Net 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 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.
- ✓ 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 7).
- ✓ Revenues that are non-responsible 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-responsible revenues. As a result, non-responsible 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 presented on an accrual basis:

- ✓ Transfer payments are recorded as expenses when authorization for the payment exists and the recipient has met the eligibility criteria or the entitlements for the transfer payment program.
- ✓ 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 accommodation, employer's contribution to the health and dental insurance plans and legal services are reported as operating expenses at their estimated cost.

(f) Employee future benefits (note 8)

- 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. 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.

Notes to the Future-oriented Financial Statements (Unaudited)

CANADIAN SPACE AGENCY

4. Summary of Significant Accounting Policies (Continued)

(g) Accounts receivable 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.

(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.

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	15-40 years
Material and equipment	9-20 years
Computer material	5-10 years
Computer software	3 years
Other equipment including furniture	3-30 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 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 Financial Position and the future-oriented 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 forecast authorities

	Planned 2014	Estimated 2013
(in thousands of dollars)	\$	\$
Net cost of operations before government funding	381,158	372,367
<i>Adjustments for items affecting net cost of operations but not affecting authorities</i>		
<i>Add (Less):</i>		
Amortization of tangible capital assets (note 12)	(103,137)	(102,473)
Revenue not available for spending	824	785
Services provided without charge by other government departments (note 15(a))	(6,297)	(6,596)
Increase in accrued liabilities not charged to authorities	503	190
Decrease in severance benefits	1,865	5,961
Decrease in vacation pay and compensatory leave	219	117
Loss on disposal and write-offs of tangible capital assets	(1,940)	(1,499)
	273,195	268,852
<i>Adjustments for items not affecting net cost of operations but affecting authorities</i>		
<i>Add (Less):</i>		
Acquisition of tangible capital assets (note 12)	284,891	140,715
Decrease in prepaid expenses	(57,750)	(60,713)
	227,141	80,002
Forecast authorities	500,336	348,854

(b) Forecast Authorities

	Planned 2014	Estimated 2013
(in thousands of dollars)	\$	\$
Forecast Authorities		
<i>Vote 25</i> - Operating expenditures	175,307	170,765
<i>Vote 30</i> - Capital expenditures	280,651	136,265
<i>Vote 35</i> - Grants and contributions	33,630	30,791
Statutory amounts	10,748	11,033
Forecast Authorities	500,336	348,854

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 Payable and Accrued Liabilities

	Planned 2014	Estimated 2013
(in thousands of dollars)	\$	\$
Accrued liabilities	80,546	49,038
Accounts payable	41,819	25,460
Contractor's holdback	17,765	10,816
Accrued salaries and wages	653	517
Accounts payable – Other Departments	3,103	2,347
	143,886	88,178

7. 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 will be recognized in the period that these expenditures will be incurred or the service performed. Details of the transactions related to this account are as follows:

	Planned 2014	Estimated 2013
(in thousands of dollars)	\$	\$
Deferred revenue as at April 1st	76	76
Plus: Amounts received	1,488	1,650
Less: Services rendered	(1,555)	(1,650)
Deferred revenue as at March 31	9	76

Notes to the Future-oriented Financial Statements (Unaudited)

CANADIAN SPACE AGENCY

8. 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 \$9.3 million in 2013-2014 and \$9.7 million in 2012-2013, representing approximately 1.8 times the contributions of employees.

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:

	Planned 2014	Estimated 2013
(in thousands of dollars)	\$	\$
Accrued benefit obligation, beginning of year	6,000	11,961
Plus: Expense (adjustment) for the year	157	(833)
Less: Expected benefits paid during the year	(2,022)	(5,128)
Accrued benefit obligation, end of year	4,135	6,000

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.

9. Other Liabilities

	Planned 2014	Estimated 2013
(in thousands of dollars)	\$	\$
Contractor's holdbacks	12,755	7,765
Participation of provinces – RADARSAT-1	97	97
	12,852	7,862

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.

Notes to the Future-oriented Financial Statements (Unaudited)

CANADIAN SPACE AGENCY

10. Accounts Receivable and Advances

	Planned 2014	Estimated 2013
(in thousands of dollars)	\$	\$
Receivables from other federal departments and organizations	1,498	960
Receivables from external entities	1,001	1,093
Employee advances	17	17
Less: Allowance for doubtful accounts on receivables from external entities	(30)	(33)
Gross accounts receivable	2,486	2,037
Accounts receivable held on behalf of Government	(782)	(641)
Net accounts receivable	1,704	1,396

11. Prepaid Expenses

	Planned 2014	Estimated 2013
(in thousands of dollars)	\$	\$
RADARSAT-2 prepaid services	196,300	254,050
Other prepaid expenses	525	525
	196,825	254,575

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. During fiscal years 2010 to 2014, federal departments and organizations plan on receiving imagery valued at \$249.6 million. As at March 31, 2014, the prepaid services is planned to be \$196.3 million.

Notes to the Future-oriented Financial Statements (Unaudited)

CANADIAN SPACE AGENCY

12. Tangible Capital Assets

Cost	Estimated Opening Balance as at April 1st, 2013	Acquisitions	Adjustments (1)	Disposals and Write-Offs	Planned Closing Balance as at March 31, 2014
(in thousands of dollars)	\$	\$	\$	\$	\$
Land	85	-	-	-	85
Buildings, works and infrastructure	129,515	-	1,557	-	131,072
Material and equipment	43,416	1,115	-	(1,161)	43,370
Computer material	15,245	735	-	-	15,980
Computer software	8,617	62	689	-	9,368
Other equipment	1,878,809	754	16,995	(7,301)	1,889,257
Motor vehicles	53	-	-	-	53
Other vehicles	444	-	-	-	444
Assets under construction	487,873	282,225	(19,241)	(1,940)	748,917
	2,564,057	284,891	-	(10,402)	2,838,546

Accumulated amortization	Estimated Opening Balance as at April 1st, 2013	Amortization	Adjustments (1)	Disposals and Write-Offs	Planned Closing Balance as at March 31, 2014
(in thousands of dollars)	\$	\$	\$	\$	\$
Buildings, works and infrastructure	78,249	4,959	-	-	83,208
Material and equipment	31,034	2,186	-	(1,161)	32,059
Computer material	12,726	1,500	-	-	14,226
Computer software	7,296	1,029	-	-	8,325
Other equipment	1,465,523	93,425	-	(7,301)	1,551,647
Motor vehicles	42	6	-	-	48
Other vehicles	264	32	-	-	296
	1,595,134	103,137	-	(8,462)	1,689,809

Net book value	Estimated Opening Balance as at April 1st, 2013	Planned Closing Balance as at March 31, 2014
(in thousands of dollars)	\$	\$
Land	85	85
Buildings, works and infrastructure	51,266	47,864
Material and equipment	12,382	11,311
Computer material	2,519	1,754
Computer software	1,321	1,043
Other equipment	413,286	337,610
Motor vehicles	11	5
Other vehicles	180	148
Assets under construction	487,873	748,917
Net Book Value	968,923	1,148,737

(1) Adjustments include assets under construction of \$19,241,528 that were transferred to the other categories upon completion of the assets.

Notes to the Future-oriented Financial Statements (Unaudited)

CANADIAN SPACE AGENCY

13. Other Receivables

(in thousands of dollars)	Planned 2014	Estimated 2013
	\$	\$
Non-monetary exchange CSA/NASA	8,177	8,177
Other non-monetary exchange	47	47
	8,224	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 agrees 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 the fiscal years 2002 to 2014, 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, 2014, the Agency recorded a net value of \$8.2 million CDN as other receivable. 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.

14. 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 for the acquisition of goods and services. Significant contractual obligations that can be reasonably estimated are summarized as follows:

(in thousands of dollars)	2015	2016	2017	2018	2019 and Thereafter	Total
	\$	\$	\$	\$	\$	\$
Acquisitions of goods and services	111,447	5,866	-	-	-	117,313
Transfer payments	23,980	23,715	21,331	18,770	41,497	129,293
Total	135,427	29,581	21,331	18,770	41,497	246,606

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

Notes to the Future-oriented Financial Statements (Unaudited)

CANADIAN SPACE AGENCY

15. 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 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 recorded in the Agency's future-oriented Statement of Operations and the Agency's Net Financial Position as follows:

	Planned	Estimated
	2014	2013
(in thousands of dollars)	\$	\$
Employer's contribution to the health and dental insurance plans	5,801	6,112
Legal services	280	270
Accommodation	216	214
	6,297	6,596

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 not included as operating expenses in the Agency's future-oriented Statement of Operations and the Agency's Net Financial Position.

(b) Other transactions with related parties

	Planned	Estimated
	2014	2013
(in thousands of dollars)	\$	\$
Expenses - other government departments and organizations	35,000	35,000
Revenues - other government departments and organizations	70	70

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

Notes to the Future-oriented Financial Statements (Unaudited)

CANADIAN SPACE AGENCY

For the Year Ended March 31

16. Segmented Information

Presentation by segment is based on the Agency's Program Alignment Architecture (PAA). The presentation by segment 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 expense and by major type of revenue. 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 2014 \$	Estimated 2013 \$
Operating expenses						
Amortization of tangible capital assets (note 12)	2,453	94,951	960	4,773	103,137	102,473
Professional and special services	20,217	48,894	13,096	6,861	89,068	81,311
Salaries and employee benefits	12,692	22,181	13,725	26,957	75,555	75,752
Acquisition of machinery and material	58,098	790	568	559	60,015	58,634
Travel and communications	770	2,534	964	1,373	5,641	4,622
Utilities, materials and supplies	367	284	350	1,969	2,970	3,485
Information	42	18	596	2,020	2,676	1,833
Purchased repair and maintenance	164	188	333	1,576	2,261	1,710
Loss on disposal and write-offs of tangible capital assets	1,940	-	-	-	1,940	1,499
Rentals	136	268	623	588	1,615	4,510
Other	105	13	648	2,768	3,534	3,634
Expenses incurred on behalf of Government	-	-	-	-	-	(3)
Total operating expenses	96,984	170,121	31,863	49,444	348,412	339,460
Transfer payments						
International organizations	-	-	24,985	-	24,985	25,736
Other Levels of Government	3,495	824	3,566	-	7,885	7,577
Industry	-	-	700	-	700	267
Individuals	-	-	-	-	-	59
Non-Profit Organizations	-	-	-	-	-	53
Total transfer payments	3,495	824	29,251	-	33,570	33,692
Total expenses	100,479	170,945	61,114	49,444	381,982	373,152
Revenues						
Sale of goods and services	-	-	2,750	-	2,750	3,000
Sale of rights and privileges	824	-	-	-	824	785
Lease and use of public property	31	-	-	306	337	306
Revenues earned on behalf of Government	(31)	-	(2,750)	(306)	(3,087)	(3,306)
Total Revenues	824	-	-	-	824	785
Net cost of operations before government funding	99,655	170,945	61,114	49,444	381,158	372,367