



Special Operating Agency

1990 - 2000



*Milestones reached...
and miles to go*

The Road Taken

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Message from the CEO

The theme of this year's annual report, *The Road Taken*, evokes the journey we are on, suggests the direction we want to take and defines the way we want to conduct business. It outlines how we fulfil and enhance our ongoing mission to provide Canadians with secure travel documents. The report reveals that we are adapting to an ever-changing economic and social environment. Highlighted in this year's report is our status as a special operating agency. Over the past decade, this status has served, perhaps more than anything, to guide us on our journey along *The Road Taken*.

In 1990, as one of five special operating agencies, we were granted specific administrative, operational and fiscal responsibilities. We began to operate like a private business. In return for this increased autonomy, the Passport Office was now accountable for meeting demanding performance standards including better service to the public.

In 1999-2000, a review was conducted of the Passport Office's special operating agency status. Results confirmed that while the agency performed well as a public institution, changes were required to clarify and improve its accountability framework. This process is already well under way. Across the country, the implementation of IRIS, the Passport Office's automated passport issuance and production system, is also under way. The IRIS system combines fast and reliable access to records, sophisticated photo-scanning capabilities, enhancement of our security and integrity processes and convenience and flexibility for users.

As fate would have it, in the first months of the year 2000 the implementation of IRIS coincided with a dramatic increase in demand for travel documents. Well beyond that of a normal peak season, this demand, along with the relocation and refitting of several offices to support the new technology, placed unprecedented pressure on our employees. It also impacted, on occasion, the quality of service we provide to our clients. *The Road Taken* has not been smooth but IRIS has nonetheless paved the way for major service improvement initiatives scheduled for implementation in fiscal year 2000-2001.

I salute the dedication of our employees. Individually and as a team, they responded to extraordinary challenges in an exemplary fashion. Despite the immense effort and constant commitment demanded of them as we continued to recruit and train new employees in response to the needs of new technology, the quality of their output was never compromised.

In the 1999 Public Service Employees Survey, the majority of Passport Office employees said they liked their work and are proud of the agency. I am proud of our employees and am dedicated to enhancing the environment in which they work.



Michael J. Hutton
Chief Executive Officer



Passports and Related Services

The 24-page passport is currently issued to over six million Canadian citizens for leisure and business travel. It accounts for 98 per cent of all travel documents issued. The passport is valid for five years. Children under 16 may be added to a parent's passport or they may have their own. The 48-page passport resembles the 24-page passport, but is more convenient for frequent travellers such as business people.

How To Obtain a Passport

Canadians can apply for a passport in person at any of 29 service centres located across the country. They can pick up their passport after five business days or have it mailed back to them from certain offices. Canadians can also apply for a passport by mail. Normally the passport is returned to the applicant in 10 working days.

The Passport Office also offers a pilot project service for urgent (1 working day) and express (2 working days) delivery in participating offices, for an additional fee. Canadians stranded abroad may be issued replacement or emergency passports by Canadian consular missions on behalf of the Passport Office.

Other Travel Documents

Diplomatic passports are issued to Canadian diplomats, senior government officials, diplomatic couriers and private citizens nominated as official delegates to diplomatic or international conferences.

Special Passports are issued to people representing the Canadian government on official business. These include members of the Privy Council, Members of Parliament, provincial Cabinet members, public servants and private citizens nominated to conferences that are not diplomatic in nature.

Refugee Travel Documents are issued to persons who have been determined by Citizenship and Immigration Canada to be legally landed refugees under the 1951 United Nations Convention on the Status of Refugees. Refugee travel documents are endorsed for travel to all countries, except the holder's country of origin. They are valid for two years but may be extended up to a maximum of five years.

Certificates of Identity are issued to legally-landed immigrants who have resided in Canada for less than three years and who are stateless or unable to obtain a travel document from their country of origin. The certificate of identity is endorsed for travel to countries specified in the document and is valid for not less than one year but not more than two years. One year extensions are granted up to a maximum of three years.





The Road Taken



The Road To Self-Management

Keeping pace with the globalization of the market economy the stature of the passport as a symbol of cross-border travel continues to grow. Canadians are aware from their own travel experiences that countries everywhere respect the Canadian passport. The story of this modest booklet reveals not only the trail of borders crossed and the places visited, but reflects well on the Agency that has vigilantly guarded and guided its use and development.

Entering the twenty-first century, we can marvel at the great distance we have covered since 1900 when the cost of a passport was \$1. There have been many milestones since, such as the release of the booklet standard in 1922, the requirement of Canadian citizenship for passport issuance in 1947, the need for proof of citizenship in 1969, the introduction of machine-readable passports in 1985 and the Passport Office's official designation as a special operating agency (SOA) in 1990. It has been a very interesting hundred years indeed and the last years as a special operating agency have been especially significant in the Passport Office's development. As the world and internet commerce evolve, so must governmental services. Service delivery must respond to growing public demands and to the shift towards a technologically-driven global community.

So we find ourselves on The Road Taken, a journey the Passport Office began more years ago than we can remember. Beyond the blind turns, we gathered speed, descending into uncharted valleys only to rise again with great expectations into the high country. It has not always been possible to see clearly ahead, nor to avoid obstacles along the way. While the rhythm has varied, the march has been steadily forward.

The 1999-2000 fiscal year marks the 10th anniversary of the Passport Office's official status as an SOA of the Department of Foreign Affairs and International Trade. As significant as this milestone is, it could be argued that the Passport Office enjoyed special status long before it became an SOA. Since 1969, the Passport Office has been empowered to offset its operating costs through the recovery of passport fees. It has decentralized its operations through a network of regional offices and taken a leadership role in embracing innovation. These were the critical first steps on the road to self-management.



A Special Operating Agency

The status of the Passport Office (PPT) as a special operating agency allows it to have greater operating flexibility as an organization. This means there are greater expectations about its performance, and for stricter accountability from its leadership. The Framework Document is the charter defining PPT's objectives as a special operating agency (SOA) under which it must operate in accordance with existing financial, administrative and labour standards.

The Passport Office has done well in meeting its core objectives, in particular in the area of innovation. For example, developments in machine readable passports and computer automation have thrust the PPT into new partnerships, ventures and strategic alliances, such as those struck with Canada Post (to act as an application form receiving agent), Revenue Canada CANPASS project and Citizenship and Immigration Canada.

These efforts have been recognized by the Citizen-Centred Service Network, a research organization that disseminates best practices from educators, the private sector, and all levels of government. The Passport Office served as a case study entitled, *Introducing Flexibility into Operations: The Passport Office, A Special Operating Agency of the Department of Foreign Affairs and International Trade*. The study helped the Network garner the Institute of Public Administration of Canada (IPAC) Gold Medal for Innovative Management.

SOA Review

After 10 years of evolution, SOA operations are under review by Treasury Board. The Passport Office was selected by the Treasury Board Secretariat (TBS) and the Department of Foreign Affairs International Trade (DFAIT) for the evaluation of the concept and of the accountability of special operating agencies. DFAIT and the PPT jointly undertook a governance study of their mutual relations. This was in response to a request by the TBS that the Agency's charter or Framework Document as a special operating agency be updated. Senior officials of both the department and the Office had been calling for an improved understanding of the roles and responsibilities of both with respect to the Passport Office's program.

The governance study concluded that, on the continuum of organizational options, the placing of the Office as an SOA was about right. There was no need for more departmental control nor for significantly more autonomy.



Our Applicants and Their Preferences

In 1999, Canadians made 4.3 million trips abroad, an increase of 0.8 per cent from 1998. This was the highest number of trips ever in one year. Canadians also made 14.1 million overnight trips to the United States in 1999 including 2.7 million business trips. Clearly, travel is a growth industry and Canadians everywhere are joining the throngs of leisure and business travellers. This trend serves to reinforce the need to protect the passport's integrity and to maintain the high level of service that Canadians have come to expect.

The success of the Passport Office has been garnered through an ongoing balance between three central themes: security (the protection of our borders and the identity of our citizens), convenience (multiple points of service and a simplified application and renewal process) and affordability.

As a guide to addressing these related priorities, the PPT has resorted to polling Canadians by way of focus group exercises and telephone surveys. Feedback from public surveys conducted in 1999 identify preferences in five related areas: value, direct service, fees, time and access. Applicants' service preferences revolve essentially around the utilitarian value of the passport — to have an internationally-accepted passport that is difficult to tamper with, to be served by knowledgeable personnel, and, to have more convenient service and a less cumbersome application process.

Passport Security

To a large extent, the relative freedom Canadians enjoy in crossing international borders is due to the high esteem in which the Canadian passport is held. The security of passports comes under threat when imposters attempt to obtain a passport by using another person's identity by tampering with the passport book or by counterfeiting the document. As a result, the integrity of the travel document and the security of the issuing process are vitally important both for the Passport Office and the bearer of the travel document.

Attacks on the integrity of the passport bring to bear the urgency with which the Passport Office endeavours to complete the full implementation of IRIS, the new automated issuance and production system, and a new printing technology. The project is the culmination of five years of major infrastructure investment to significantly upgrade the security of the passport issuing process and the development of a new passport booklet. The project also responds to client requests for greater convenience and more flexible service delivery.



Agency Performance

Achieving our goals

Passport Office performance is based on its capacity to better serve the Canadian public. To respond to the needs of a rapidly changing society, the Passport Office must devise strategies to improve service and to anticipate future needs.

The Passport Office Strategic Plan (1997-2001) is a framework of current and future business. From it flows a multi-year action plan. The Business Plan, reviewed and updated annually, provides the Office with an opportunity to evaluate performance and to adjust the course of action. New actions are developed, when deemed appropriate, to support our corporate goals of increasing efficiency, cost-effectiveness, improving finances, augmenting public satisfaction and enhancing employee morale and competence.

Commitments for innovation and growth

Initiatives developed in the Business Plan were designed to attain four strategic imperatives, which are to

- I. Exploit the concept of Alternative Service Delivery to its full potential in order to reduce duplication and costs, to achieve government-wide goals and to attract new alliances that leverage our core competencies
- II. Provide management with the necessary skills, information and processes in order to strengthen the decision-making capabilities of the Office
- III. Accelerate the application of technology to our operations to ensure that employees at all levels have the tools and the knowledge to adapt to a changing workplace
- IV. Re-engineer the application process to make it less cumbersome.

The Passport Office has focussed on these imperatives as a benchmark for continuously improving service delivery performance and for meeting the expectations of Canadians.

Reaching our objectives

The performance of the Passport Office relative to each of the objectives defined by these four strategic imperatives is relatively good — our services have evolved incrementally. This is evident in our accelerated implementation of the IRIS system. As with any attempt to introduce a major automated system, the implementation of IRIS has been unsettling for the organization.

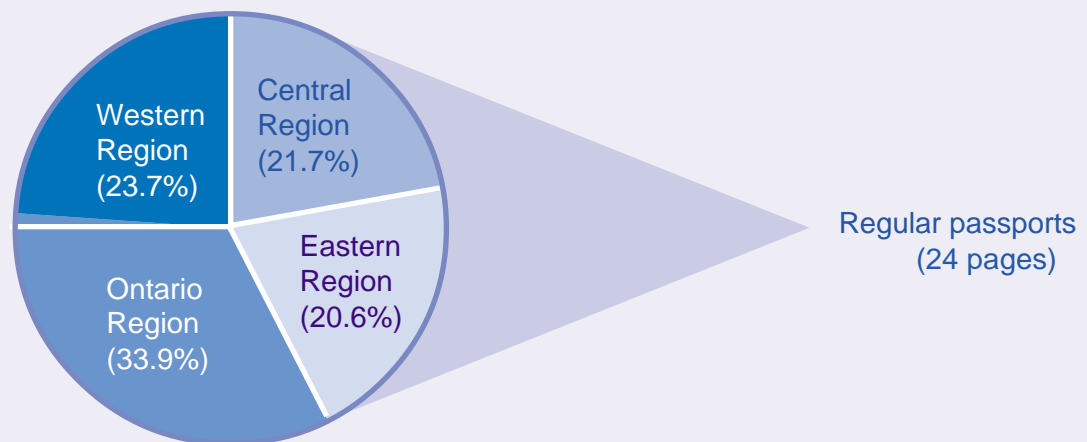


Passport Card

Our partnership with CIC provides initial financing for the card processing system, to be repaid out of revenue. The passport card team continued to develop the business case for proceeding with the project. Presentations were made to senior management of other departments and agencies including the Department of Foreign Affairs and International Trade, the Department of National Defence, Human Resources Development Canada, Treasury Board Secretariat, and the Privy Council Office. Feedback obtained was incorporated into the business scenarios. Preparation for submission of the effective project approval to TBS was postponed pending the establishment of the secure card production system. The postponement provides additional time to fully implement IRIS before undertaking a new project that will require interfacing with the software.

Expedited passport service initiative

The Passport Office continues to participate with CIC and Canada Customs and Revenue Agency (CCRA) in the Expedited Passenger Processing Services initiative. The Canadian Airports Council (CAC) wishes to expand the current automated border crossing services (CANPASS-Airport) to selected international airports across the country. The DFAIT Deputy Minister supported this initiative by co-signing a letter of intent, with his CIC and CCRA counterparts, that was included with the CAC request for funding proposal. The Passport Office is currently working with CIC and CCRA in developing a Memorandum of Understanding for CAC approval. The latter has already agreed to accept the passport card as a valid instrument for the automated border crossing system.

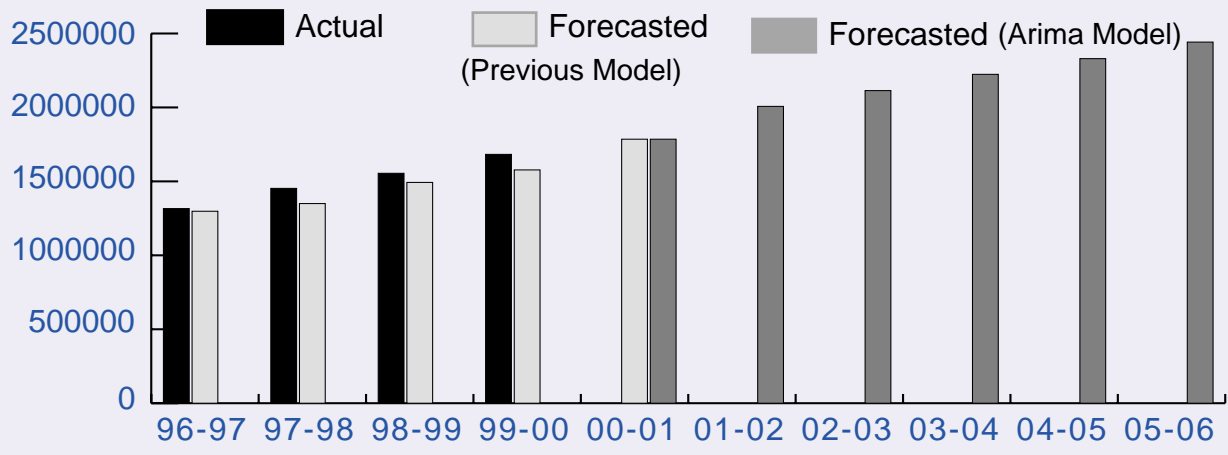


Regional distribution of passports issued in Canada

Factors that impact passport issuance

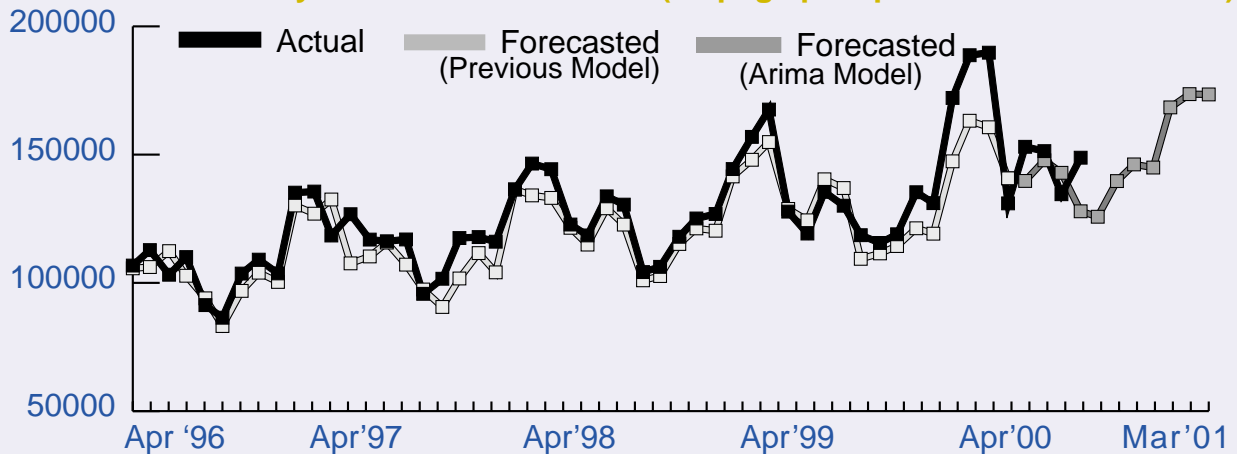
It is important that we understand the driving forces behind the demand for Canadian passports. Studies have shown that nearly 97 per cent of the variation in passport issuance can be explained by changes in economic growth (real GDP) and interest rate fluctuations. Rising interest rates and slower economic growth are expected to affect the economy over the next fiscal year. Consequently, passport volumes are expected to increase by only three per cent. Moreover, certain sectors of the population, such as “the snowbirds” tend to be seasonal travellers. There are clearly a variety of conditions that impact the travel plans of Canadians. This, in turn, affects the demand for passports and other travel documents. Just as people’s travel plans were disrupted by Y2K, they can also be affected by external political instability.

Yearly actual and forecasted (24-page passports issued in Canada)



Passport issuance in Canada is growing. Growth next year is expected to reach 3%.

Monthly actual and forecasted (24-page passports issued in Canada)



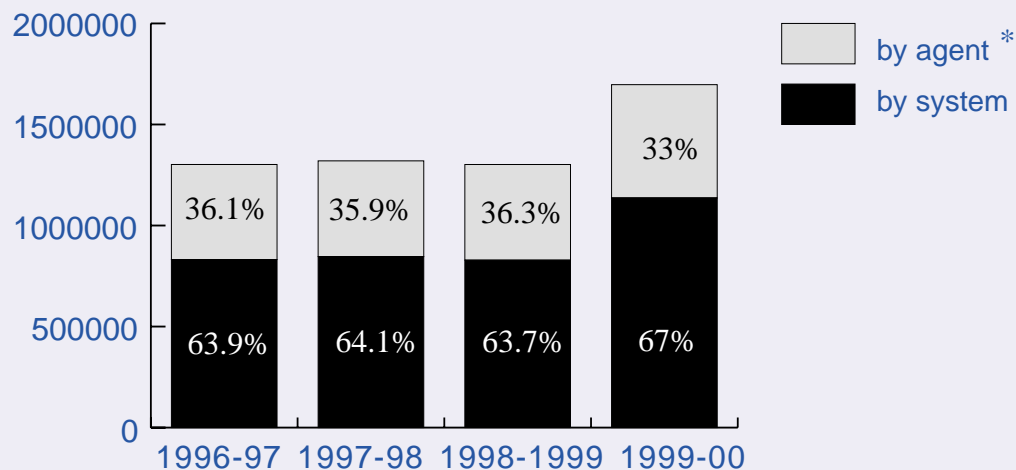
Passport demand is seasonal and peaks in the winter. Actual growth tends to be higher than forecasted growth.



Call service indicators

The Passport Office has surveyed its applicants to help it set targets and come up with performance indicators — a benchmark that the Passport Office and other departments can use to measure its results with industry standards.

Volume of calls handled (four call centres)



*The total volume of calls received includes the calls handled by the system plus those answered by agents. As incoming calls are no longer manually registered, the increase in call volume in 1999-2000 may be explained by the fact that the CTI system keeps a more accurate record. However, the volume of passports issued has also increased. The ratio of calls for each passport issued is now 1.09.

Internal audit

This year, our internal audit focussed on revenue. We also began to formulate a program review process. We updated our audit plan to reflect PPT's rapidly changing environment. We also explored the feasibility of creating an internal full-time audit and review position. The incumbent would liaise directly with both the Inspector General's office and Consulting and Audit Canada to ensure compliance with best practices and to ensure that we continue to receive an independent audit.

Auditor General's Report

The report praised the security processes of the Passport Office. It noted that, since 1996, PPT has made significant improvements to its service delivery and turnaround times, notably by setting delivery targets that reflect client priorities and by developing means for delivering those targets. The report also called for similar measures in areas such as Human Resources Development Canada's social insurance card and its eventual 'citizen' card.



Our People



25 years

Gael Allen
Lise Bédard
Sharon Bertrand
Vicky Belair
Kerry Byrne
Jo-Anne Curren
Brenda Davies
Diane Davis
Guy Dufort
Mary-Anne Fontaine
Mary Gagné
Robert Gauthier
Denise Jackson
Michel Lavergure
Marjolaine Legault

Linda Lefebvre
Colette Leroux
Leslie Logan
Robbie Mizrahi
Walter Morello
Lise Morin
Patrick Murphy
Monik Parent
Jacques Perron
Sylvette Pilon
Annette Pinto
Mireille Royer
Linda Lee Ruckstuhl
Marsha Ann Ryan
Pauline St-Louis
Mireille Tailleur

30 years

Jacques Côté
Joyce Gottdank
Carmelle Gelinas
Constance Gallinger
Michel Leduc
Michel Lespérance
Linda Poirier
France Paul Saumure
Jacqueline Trucios

35 years

Jane Verner

Our people and what they say

Our employees are the fundamental reason for our excellent performance. Their skill and expertise is due, in part, to the commitment the Office has made to training and development. We recognize that without our employees, the Passport Office could not function. We strongly encourage our employees to suggest ways to improve service delivery and the administration of the organization. To this end, we invited them to participate in the 1999 federal government public service employee survey. The results were similar to the employee survey conducted by the Passport Office in 1998.

Ninety per cent of employees said they like their work, 93 per cent said they are proud of their accomplishments, and 97 per cent said they feel their work is important. In terms of pleasant working conditions, 84 per cent of Passport Office employees ranked our workplace higher than employees elsewhere in the public service ranked theirs. Seventy-five per cent also said they understand the purpose of their contribution to the organization. Many employees, however, feel that the Passport Office could do a better job of communicating to them the course the organization chooses to take and the effect that direction may have on their work. The management team has indicated it will adopt measures to respond to those concerns.

360 degree feedback

To facilitate more open communication with employees, the Passport Office management team has adopted the 360 degree feedback exercise. That is, the performance of each member of a committee or team is assessed by the individual's peers to identify his or her strengths and weaknesses. The training needed to augment the quality of the individual's performance, and to render that performance more effective, is determined.

The Passport Office intends to incorporate the use of the 360 degree exchange approach into the culture of the organization. This initiative was undertaken during the current fiscal year with the aim of developing quality people. The Executive Committee formed the pilot group for the exercise. The response rate was 96 per cent. Strengths and weaknesses have been identified and learning plans are being developed.

Training

To ensure that all employees were ready to meet the challenge posed by the introduction of new technology, the staff was invited to participate in change and stress management training. Interest was also expressed in courses related to communications, assertiveness training, and conflict resolution.

The Passport Examiner Recruitment and Apprenticeship Program was redesigned to incorporate the specifics of the IRIS technology into program policies and procedures. Recruitment strategies were reviewed with the objective of enhancing our ability to attract and retain quality employees.



Major Infrastructure Investment

Over the past five years, the Passport Office has invested heavily in infrastructure to upgrade the security of the passport booklet and to respond to client requests for improved service. These investments were financed through accumulated surpluses collected in the Passport Office Revolving Fund. Public consultation and feedback from applicants have confirmed that the security features of the Canadian passport are highly valued and that service improvements are welcome.

The IRIS system, scheduled to be fully implemented by July 2001, will provide greater security as the manual entitlement process is gradually replaced. Citizenship documents presented at an IRIS service counter are inspected, scanned and immediately returned to the client.

Expedited services will soon be deployed in all offices across Canada. Applicants who must obtain a passport in a shorter turnaround time than the five-day standard or outside of regular business hours will be able to take advantage of the expedited service for an additional fee. In cases of illness or death in the immediate family, the fee can be refunded.

Other enhanced services — a more secure passport booklet and a convenient renewal process coupled with courier delivery — will be added in the latter part of 2001. Simplified application forms will also be introduced very shortly.

New Business Ventures

In November 1999, the New Business Ventures Directorate was created to assume responsibility for the implementation of new initiatives such as:

- cooperation between PPT and CIC on secure card design and production
- the passport card project
- the Expedited Passenger Processing System, a joint Canadian Airports Council, Canada Customs and Revenue Agency, CIC and PPT project.

Over the past few years, PPT and CIC have worked closely to produce a common card format and technology for CIC's permanent resident card and the passport card. PPT is preparing to set up an in-house secure card production centre, initially to produce the permanent resident card and, eventually, the passport card and secure cards for other government departments. PPT and CIC are now working on a Request for Proposal for the supply and integration of a card production system.

This initiative builds on PPT's long-established expertise in secure document entitlement and issuance. It potentially provides long-term revenue through the issuance of secure cards for other government departments as well as economies of scale achieved by sharing supplies and facilities. Through in-house card production, the Government of Canada also benefits from reduced security risks and cost containment in the future.



Passport Office Revolving Fund

As a special operating agency with a revolving fund, the Passport Office finances its operations entirely from revenues generated by fees received for the provision of travel documents.

The financial statements of the Passport Office Revolving Fund have been prepared in accordance with the Treasury Board policy on revolving funds and the reporting standards and requirements of the Receiver General for Canada. The primary responsibility for the integrity and objectivity of data in these statements rests with the managers of the Fund.

Some of the information included in these statements is based on best estimates and gives due consideration to materiality. To meet this reporting responsibility, the Fund maintains a centralized record of financial transactions that is consistent with information submitted in ministerial statements and to Public Accounts of Canada.

The Directorate responsible for the Passport Office Revolving Fund, Financial and Administrative Services, complies with departmental financial management and accounting policies. By adhering to financial management and internal accounting controls, the Fund provides reasonable assurance that transactions are recorded and executed in accordance with its authority and that its assets are safeguarded.

Management Report

As illustrated in the Statement of Operations (Table 1), at the end of the 1999-2000 fiscal year, the Passport Office had a loss of \$2.9 million compared with a profit of \$2.9 million for the 1998-1999 fiscal year. This loss can be explained by a variance in revenues and expenditures.

In fiscal year 1999-2000, revenues are nine per cent higher compared to the previous year due to:

- a) growth of eight per cent in the number of documents issued,
- b) revenues collected for urgent service (\$957,500),
- c) revenues collected for express service (\$561,300), and
- d) revenues collected for mail-back service (\$336,200).



Table 1**Statement of Operations for the year ended March 31, 2000**

(in thousands of dollars)

	2000	1999
Revenues		
Fees earned	64,308	57,922
Miscellaneous revenues	238	583
	64,546	58,505
Operating expenses		
Salaries and employee benefits	35,213	29,985
Provision for employee termination benefits	1,039	456
Passport materials and application forms	5,556	5,375
Professional and special services	4,902	3,093
Passport operations at missions abroad	4,447	4,447
Accommodation	3,920	3,670
Amortization	3,471	1,814
Freight, express and cartage	2,323	2,104
Repair and maintenance	1,561	388
Telecommunications	1,547	1,242
Printing, stationery and supplies	1,420	1,364
Travel and relocation	976	766
Information	490	447
Postal services and postage	336	156
Rentals	181	197
Miscellaneous expenses	85	29
Loss on disposal of capital assets	17	31
	67,484	55,564
	(2,938)	2,941

Statement of Accumulated Surplus for the year ended March 31, 2000

(in thousands of dollars)

	2000	1999
Balance, beginning of year as previously reported	47,448	44,507
Net profit (loss) for the year	(2,938)	2,941
Balance, end of year	44,510	47,448

Table 3**Balance Sheet for the year ended March 31, 2000**

	(in thousands of dollars)	
ASSETS	2000	1999
Current		
Accounts receivable		
Government of Canada	971	931
Outside parties	185	67
Inventories, at cost and average cost (Note 3)	2,224	2,253
Prepaid expenses	71	156
	<u>3,451</u>	<u>3,407</u>
Long-term		
Capital Assets (Note 4)		
At cost	13,971	13,396
Less: accumulated amortization	10,981	10,256
	2,990	3,140
Other Capital Assets (Note 4)		
Technology Enhancement Plan	30,879	25,218
Other Capital Projects	11,185	6,891
	42,064	32,109
Less: accumulated amortization	3,410	860
	<u>38,654</u>	<u>31,249</u>
	<u>45,095</u>	<u>37,796</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities		
Government of Canada	4,071	3,181
Outside parties		
Accounts payable	3,350	3,541
Vacation pay	931	894
Retroactive Salaries	797	
Contractors' holdbacks	204	50
Current portion of the provision for employee termination benefits	625	227
Deferred revenues	1,044	753
	<u>11,022</u>	<u>8,646</u>
Long-term		
Provision for employee termination benefits	5,239	4,769
Equity of Canada		
Accumulated net charge against the Fund's authority	(15,676)	(23,067)
Accumulated surplus	44,510	47,448
	<u>28,834</u>	<u>24,381</u>
	<u>45,095</u>	<u>37,796</u>

NOTES TO FINANCIAL STATEMENTS

1. Authority and purpose

The Passport Office Revolving Fund was established in 1969 to provide for the issuance of appropriate travel documents to Canadian citizens and to certain permanent residents of Canada who are unable to obtain valid passports from their country of origin. The *Revolving Fund Act* authorized the operation of the Fund.

The Fund has a continuing non-lapsing authority from Parliament to make payments out of the Consolidated Revenue Fund for working capital, capital acquisitions and temporary financing of accumulated operating deficits, the total of which is not to exceed \$4,000,000 at any time. An amount of \$745,893 representing net assets assumed by the Fund and assets contributed to the Fund was charged to this authority when the Fund became budgetary in 1981.

2. Significant accounting policies

(a) Inventories

The inventory of materials and supplies is carried at cost and the inventory of passports-in-process is valued at average cost for the year.

(b) Capital

Leasehold improvements are amortized on a straight-line basis over the term of the appropriate lease. Other capital is amortized from the year of acquisition on a straight-line basis over their estimated useful lives as follows:

Furniture	16 years
Electronic data processing equipment	5 years
Other equipment	10 years

(c) Other capital

Effective April 1, 1994, all expenditures associated with the Technology Enhancement Plan (TEP) are capitalized. The project costs have been divided into four categories which are amortized on a straight-line basis over the useful life of each category.

Machine and equipment	10 years
System	10 years
Furniture	16 years
Electronic data processing equipment	4 years

Furthermore, since the IRIS system was not implemented in all offices in 1999-2000, the depreciation was calculated based on the useful life and prorated by the number of passports issued with IRIS over the total number of passports issued in 1999-2000.

All project costs for other capital projects are amortized on a straight-line basis over the useful life of the project.

(d) Employee termination benefits

Termination benefits accrue to employees over their years of service with the Government of Canada, as provided for under collective agreements. The cost of these benefits is recorded in the accounts as the benefits accrue to the employees.

(e) Revenues from passport fees are prepaid on application and accounted for on an accrual basis. Deferred revenues represent fees received for which the services have not yet been provided as of March 31, 2000.

3. Inventories

(in thousands of dollars)

	2000	1999
Materials and supplies	1,978	2,072
Work in process	246	181
	2,224	2,253

4. Capital and accumulated amortization (in thousands of dollars)

Capital	Balance at beginning of year	Acquisitions	Disposal	Balance at end of year
Leasehold improvements	3,298	0	0	3,298
Furniture	2,373	3	57	2,319
EDP equipment	5,276	692	142	5,826
Other machine and equipment	2,449	93	14	2,528
	13,396	788	213	13,971

Accumulated amortization	Balance at beginning of year	Amortization	Decrease	Balance at end of year
Leasehold improvements	3,286	12	0	3,298
Furniture	988	135	44	1,079
EDP equipment	4,114	622	142	4,594
Other machine and equipment	1,868	152	10	2,010
	10,256	921	196	10,981

Other Capital Assets (in thousands of dollars)	Balance at beginning of year	Acquisitions	Disposal	Balance at end of year
Technology enhancement plan project	25,218	5,661		30,879
Other capital projects	6,891	4,294		11,185
	32,109	9,955	0	42,064

Accumulated amortization	Balance at beginning of year	Amortizations	Decrease	Balance at end of year
Technology enhancement plan project	0	533		533
Other capital projects	860	2,017		2,877
	860	2,550	0	3,410

5. Long-term leases

The Passport Office occupies space at 29 locations under long-term leases which expire between March 31, 2000 and March 31, 2007.

Accommodation expense and tenant services consisted of

	2000	1999
	(in thousands of dollars)	
Rentals	3,920	3,665
Tenant services	197	273
	4,117	3,938

Points of Service

Mailed-in Applications

The Passport Office
Department of Foreign Affairs and
International Trade
Ottawa, Canada K1A 0G3

or by courier

The Passport Office
Commercial Level 2,
Place du Centre
200 Promenade du Portage
Hull, Québec J8X 4B7

British Columbia

Suite 135
8011 Saba Road
Richmond, B.C.

Suite 900
13401-108th Avenue
Surrey, British Columbia

Suite 200
Sinclair Centre
757 Hastings Street West
Vancouver, British Columbia

5th Floor
Scotiabank Building
747 Fort Street
Victoria, British Columbia

Alberta

Suite 254
Harry Hays Building
220-4th Avenue South East
Calgary, Alberta

Suite 160
Canada Place Building
9700 Jasper Avenue N.W.
Edmonton, Alberta

Saskatchewan

Suite 350
CIBC Tower
1800 Hamilton Street
Regina, Saskatchewan

Suite 405
Federal Building
101-22nd Street East
Saskatoon, Saskatchewan

Manitoba

Suite 400
433 Main Street
Winnipeg, Manitoba

Ontario

Suite 305
Brampton Civic Centre
150 Central Park Drive
Brampton, Ontario

Suite 330
Standard Life Building
120 King Street West
Hamilton, Ontario

Suite 630, The Galleria
101 Frederick Street
Kitchener, Ontario

Landmark Building
43 Church Street
St. Catharines, Ontario

