



ANNUAL REPORT 2006–07

MESSAGE FROM THE SECRETARY TO THE GOVERNOR GENERAL AND HERALD CHANCELLOR

It is a pleasure for me to invite Canadians to review the fourth annual report by the Office of the Secretary to the Governor General (OSGG).

The OSGG exists to support the governor general and commander-in-chief of Canada in carrying out his or her constitutional and State duties together with an active program aimed at highlighting the evolving nature of Canadian society and the contributions and achievements of our fellow citizens.

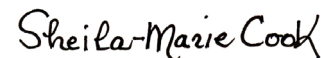
The fiscal year under review, 2006-2007, marked the first full year of Her Excellency the Right Honourable Michaëlle Jean's mandate. In addition to carrying out her constitutional and State duties that are highlighted in this annual report, the importance of the governor general's role in promoting and celebrating Canadian excellence was demonstrated by honouring Canadian excellence through the honours program, which recognizes ordinary Canadians for extraordinary service, bravery and academic achievement; showcasing talented Canadian performers through the free summer concerts at Rideau Hall; and promoting the excellence of Canadian food and wine through the events offered at the two official residences.

The governor general's role as Commander-in-Chief of Canada was highlighted through support for the Canadian Forces and the importance of the work they are doing on behalf of Canada. The governor general visited deployed troops in Afghanistan and deployed sailors aboard HMCS Iroquois; participated in several repatriation ceremonies at CFB Trenton for fallen soldiers and participated in pre-deployment activities at CFB Petawawa. During the year, the inaugural presentation of Military Valour Decorations to recognize acts of valour, self-sacrifice or devotion to duty in the presence of the enemy took place.

The OSGG's annual report outlines how the governor general serves Canadians every day. It describes key activities and their cost, as well as their value to Canadians. It also details the governor general's salary and the administrative costs of the Office.

The OSGG is grateful to those government departments and agencies that support the governor general through their legislated mandates, including the Royal Canadian Mounted Police, which provides protective services to Their Excellencies; the National Capital Commission, which maintains the residence and grounds of Rideau Hall; Foreign Affairs and International Trade Canada, which supports the governor general's international activities; and the Department of National Defence, which supports the governor general in the role of commander-in-chief.

I would like to take this opportunity to thank the Office's staff for their professionalism, dedication, and commitment to excellence.



Sheila-Marie Cook

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OVERVIEW OF THE ROLES AND RESPONSIBILITIES OF THE GOVERNOR GENERAL

The role of the governor general dates back nearly 400 years to 1608 when Samuel de Champlain acted as the governor of New France. He established what has become the oldest continuing public office in Canada.

The office has evolved over time to become what we know today—a Canadian governor general, which together with Parliament and the judiciary forms the foundation of our democratic system in Canada. The governor general is the guarantor of responsible government in Canada. Since 1935 all governors general of Canada have been named by the Sovereign exclusively on the recommendation of the Prime Minister.

On September 8, 1947, George VI issued new *Letters Patent* to the Governor General under the Great Seal of Canada. This instrument empowered the governor general to exercise, on the advice of Canadian ministers, all the powers of the Sovereign in relation to Canada, with the exception of the appointment of the governor general. In other words, the *Letters Patent* transferred the exercise of powers, authorities and functions of the Sovereign to the governor general.

Since 1952 every governor general of Canada has been a Canadian citizen. The 27th Governor General of Canada is Her Excellency the Right Honourable Michaëlle Jean. She carries out her mandate with the support of her spouse, His Excellency Jean-Daniel Lafond. They have one daughter, Marie-Éden Lafond.

The governor general ensures the continuity and functioning of the government. The governor general may consult with the prime minister, other ministers of the Crown and senior officials, elected and unelected. The governor general has the right to be consulted, to encourage and to warn.

The governor general is also [*Commander-in-Chief*](#) of Canada and in this position, encourages excellence and dedication in military personnel, visits Canadian Forces bases in all regions of the country and on missions abroad, often welcomes troops on their return from overseas missions, and performs other ceremonial duties. The governor general also chairs the Armed Forces Council once a year and meets regularly with the Chief of the Defence Staff.

The governor general has always had a central role in [*promoting national identity*](#) by supporting Canadian values, culture, heritage, inclusion and diversity. The governor general also promotes national unity by fostering a sense of belonging by participating in events such as Canada Day, Remembrance Day, official commemorative services, provincial, regional and urban visits, national citizenship ceremonies, and civic events.

By listening and speaking to Canadians where they live and work, the governor general is able to bring Canadians together in a non-partisan way, reminding us of the common values that unite us while celebrating our regional diversity and [*Canadian identity*](#).

[*Honouring Canadians*](#) and recognizing excellence is another important role of the governor general. Individuals are recognized and rewarded for outstanding achievements in many fields of endeavour through such national honours as the Order of Canada, Bravery Decorations, and academic medals, and through awards conferred in the governor general's name, such as the Governor General's Literary Awards, the Governor General's Performing Arts Awards, the Governor General's Awards in Visual and Media Arts, and the Governor General's Awards for Excellence in Teaching Canadian History.

Role of the Spouse of the Governor General

Since 1848 the spouse of the governor general has shared in the ceremonial, domestic and representational aspects of the vice-regal role. In addition, spouses have traditionally carried out their own programs in support of the governor general's broad themes. His Excellency Mr. Jean-Daniel Lafond has continued this tradition by spear-heading events related to the arts and culture as well as Canadian food and wine.

Overview of the Office of the Secretary to the Governor General

The Office of the Secretary to the Governor General (OSGG) supports the governor general in delivering her mandate and in fulfilling her constitutional, State, ceremonial and other responsibilities.

The OSGG is also responsible for planning and implementing the governor general's program and the many activities that she undertakes with, and on behalf of, Canadians across the country and abroad, and with the Canadian Forces as their [commander-in-chief](#).

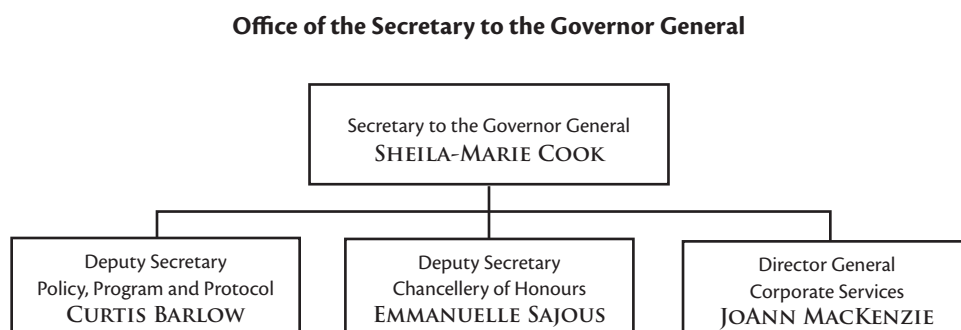
To help Canadians understand the [roles and responsibilities](#) of the governor general and how she fulfills them, the OSGG offers a public information program and extensive visitor and interpretation programs at the governor general's historic official residences: Rideau Hall in Ottawa and the Citadelle in the city of Québec.

The OSGG is also responsible for administration of the [Canadian honours system](#).

The secretary to the governor general is the senior official in the OSGG. In addition to having overall responsibility for all aspects of the management and operations of the OSGG, the secretary acts as the senior advisor to the governor general. The secretary is also responsible for all aspects of the vice-regal program, from planning to implementation.

The OSGG is structured into three branches that report to the secretary in her capacity as the deputy head. The prime minister is the minister responsible to Parliament. Figure 1 presents an organizational chart.

Figure 1. Organization Chart as of March 31, 2007



The OSGG receives funding through parliamentary appropriations for expenses incurred during the fiscal year. For 2006–07, expenses incurred totaled \$19 149 541 (see Appendix A), comprising:

- \$9 416 749 for the constitutional, State, ceremonial and public programs;
- \$3 080 441 for the Canadian honours program;
- \$4 192 635 for corporate management; and
- \$2 459 716 for statutory expenditures.

B. Support from Other Government Departments

In addition to the support provided by the OSGG, six other federal government departments and agencies are also mandated to support the activities of the governor general, as follows:

- The **Department of National Defence (DND)** provides support to the governor general through logistical support and transportation for the Head of State (similar to the support provided to the prime minister);
- The **Royal Canadian Mounted Police (RCMP)** provides support in matters related to security and personal protection services to the governor general and family, domestically and abroad (similar to the support provided to the prime minister);
- The **National Capital Commission (NCC)** is responsible for the preservation, maintenance and capital construction projects for all the official residences located in the National Capital Region;
- **Foreign Affairs and International Trade Canada (DFAIT)** advises the governor general on all matters related to foreign policy and funds incoming State visits, the governor general's international program and activities undertaken at the request of the prime minister;
- **Public Works and Government Services Canada (PWGSC)** provides the OSGG with support for the residence of the governor general at the Citadelle of Québec, accommodation for the Chancellery of Canadian Honours and services such as those of the Receiver General;
- **Canadian Heritage (CH)** is the lead department for related activities such as Royal visits, State funerals, national memorial services and special anniversary celebrations.

These departments and agencies provide this support to the governor general as part of their statutory responsibility, and seek funds to fulfill these responsibilities as part of their own Appropriations. In 2006–07, support provided by these six departments and agencies totaled \$22 million (see Figure 2). These funds are sought and spent directly by these government departments and agencies concerned and are not transferred to the budget of the OSGG.

Figure 2. Support from other government departments (in millions of dollars), 2006–07

DND	RCMP ¹	NCC ²	DFAIT	PWGSC	CH ³
\$4.9	\$4.7	\$9.3	\$1.7	\$1.6	\$0

1. The increase in the cost of support provided to the OSGG by the RCMP (\$3.6M in 2005–06 versus \$4.7M in 2006–07) is partly attributable to the inclusion of costs for protective policing services for domestic visits (\$600 000) which was not reported previously.
2. The increase in the cost of support provided to the OSGG by the NCC (\$4.4M in 2005–06 versus \$9.3M in 2006–07) is mainly attributable to the rehabilitation project costs related to the Main Building at Rideau Hall where \$4.2M was spent during the fiscal year. Additional costs (\$630 000) are also reflected for Payments in Lieu of Taxes, which reflect the value of property taxes for Rideau Hall and which was not reported previously.
3. There were no state functions or special initiatives in 2006–07 where support from Canadian Heritage was required.

The OSGG's 2006–07 financial statements (Appendix B) also reflect services provided without charge by other government departments typical to most departments (e.g., accommodation, legal services, employer's contribution to health and dental insurance plans).

Report on Performance

- Constitutional Responsibilities
- Responsibilities as Head of State
- Commander-in-Chief
- Bringing Canadians Together
- Honouring Canadians and Recognizing Excellence

The governor general has various duties that include fulfilling constitutional and State responsibilities, bringing Canadians together, honouring Canadians and recognizing excellence. The following provides a summary of activities undertaken by Her Excellency the Governor General of Canada Michaëlle Jean over the past year and the results achieved in these areas.

Constitutional Responsibilities

The governor general's constitutional responsibilities, and her fulfillment of these responsibilities in 2006–07 is as follows:

- **Summon, prorogue and dissolve Parliament and deliver the Speech from the Throne.** Following the swearing in of a new Cabinet Ministry on February 6, 2006, the Governor General delivered the Speech from the Throne on April 3, 2006, to open the first session of the Thirty-ninth Parliament (<http://www2.parl.gc.ca/Parlinfo/Documents/ThroneSpeech/39-1-e.html>).
- **Ensure that Canada always has a prime minister.**
- **Swear in Cabinet members and privy councillors.** On November 27, 2006, Peter Van Loan was sworn in as a privy councillor and as a member of Cabinet. On January 4, 2007, the Governor General presided over a swearing-in ceremony following several changes to the Cabinet Ministry, including the appointment of six new secretaries of state. Her Excellency also swore in Daniel Philip Hays as a privy councillor on January 22, 2007.
- **Grant Royal Assent to government legislation.** In 2006–07, the Governor General granted Royal Assent to 21 government bills and one private member's bill, including:
 - *Federal Accountability Act* (Bill C-2)
 - *Public Health Agency Act* (Bill C-5)
 - *An Act to amend the Criminal Code (street racing)* (Bill C-19)
 - *Softwood Lumber Products Export Charge Act* (Bill C-24)
 - *An Act to amend the Proceeds of Crime Act (Money Laundering and Terrorist Financing Act)* (Bill C-25)
 - *First Nations Jurisdiction over Education in British Columbia Act* (Bill C-34)
 - *An Act to amend the law governing financial institutions* (Bill C-37)
 - *An Act to amend the National Defence Act, the Criminal Code, the Sex Offender Information Registration Act and the Criminal Records Act* (Bill S-3)
- **Issue Orders in Council.** In 2006–07, the Governor General approved 1,956 Orders in Council.

Responsibilities as Head of State

The governor general also has responsibilities as head of State, and her fulfillment of these responsibilities in 2006–07 is as follows:

- **Welcome and host world leaders.** A State visit to Canada takes place at the invitation of the governor general on the advice and request of the prime minister. Canada usually hosts four or five State visits a year, depending on domestic considerations. While a State visit may last for a week or more, the official visit to Ottawa usually lasts about two days. The governor general typically hosts a visiting head of State and his or her accompanying party at Rideau Hall. This includes an official welcoming ceremony with a military guard of honour and 21-gun salute, the landau and RCMP mounted escort, the exchange of official gifts, meetings between the heads of State, and State functions. In 2006–07, Their Excellencies received Her Excellency Dr. Vaira Vīķe-Freiberga, President of the Republic of Latvia, and Their Majesties King Carl XVI Gustav and Queen Silvia of the Kingdom of Sweden on State visits to Canada.
- **Courtesy calls.** In addition to State visits, the governor general is also called on by the government to receive and meet with other world leaders for courtesy calls, round-table discussions, expanded meetings and working sessions. In 2006–07, the Governor General met with a delegation of senators from the French Republic; René Préval, when he was the President-elect of the Republic of Haiti; His Royal Highness Haakon Magnus and His Royal Highness Mette-Marit Tjessem Høiby, Crown Prince and Princess of the Kingdom of Norway; His Excellency Hamid Karzai, President of the Islamic Republic of Afghanistan; Her Excellency María Consuelo Araújo Castro, Minister of Foreign Affairs of the Republic of Colombia; His Excellency António Guterres, United Nations High Commissioner for Refugees; and Her Excellency Ellen Johnson-Sirleaf, President of the Republic of Liberia.
- **Receive letters of credence or commission from foreign heads of mission.** Letters of credence or commission are the formal documents by which a head of State introduces a new head of a diplomatic mission to the head of State of the receiving country. More than 120 foreign heads of mission are accredited to Canada, and in 2006–07 the Governor General received the letters of credence or commission of 35 of these individuals in ceremonies held either at Rideau Hall in Ottawa or at the Citadelle of Québec.
- **Confirm the appointment of Canadian heads of mission to be posted abroad.** In 2006–07, the Governor General approved the appointment of 71 Canadian heads of mission and 32 honorary consuls.
- **Represent Canada abroad.** It is customary for State visits to be made at the invitation of the host country. State visits by the governor general are important instruments of Canadian foreign policy, and are carried out at the request of the prime minister on the advice of the Department of Foreign Affairs and International Trade (DFAIT). Since the 1967–74 mandate of His Excellency the Right Honourable Roland Michener, State visits have been a significant component of the governor general's program. With the assistance of DFAIT, the Department of National Defence, the Canadian International Development Agency and Canadian embassies, in 2006–07 Governor General Michaëlle Jean represented Canada abroad to:
 - make State and official visits to the African nations of Algeria, Mali, Ghana, South Africa and Morocco;
 - attend the installation of Haitian president René Préval;
 - visit Canadian troops in Afghanistan as Commander-in-Chief of Canada; and
 - deliver a keynote speech in Italy at the University for Foreigners Perugia.

Commander-in-Chief

As commander-in-chief of Canada, the governor general maintains an active interest in the activities of the Forces by visiting units and bases and by participating in military ceremonies. The governor general is often invited to attend ceremonies marking milestones in the history of military units and formations in all branches of the service. These events can include the presentation of colours, the opening of new facilities, and participation in commemorative ceremonies for special anniversaries. Visits to military units are often combined with regional visits. The governor general also visits members of the Canadian Forces serving on missions abroad. In her role as commander-in-chief, the Governor General took part in the following activities in 2006–07:

- Hosted the inaugural Commander-in-Chief Ball;
- Inspected the troops on Parliament Hill for the opening of the summer Changing the Guard season;
- Participated in Family Day pre-deployment activities in CFB Petawawa;
- Inspected the troops at the national Remembrance Day ceremony
- Co-hosted the Silver Cross Luncheon with the Chief of the Defence Staff at Rideau Hall;
- Presided over the installation of the new colours for the 3rd Battalion of the Royal 22^e Régiment;
- Visited the deployed sailors aboard HMCS *Iroquois*, which was serving as the flagship for the STANAVFORLANT fleet in Morocco;
- Offered messages of condolences to the families of fallen soldiers on behalf of all Canadians;
- Participated in repatriation ceremonies for the return of fallen soldiers from Afghanistan and met with the families of the fallen soldiers; and
- Visited the troops deployed to Afghanistan during International Women's Day in March 2007.

Each of these activities served to raise Canadians' awareness of the Canadian Forces and the important role they play promoting Canada's interests at home and abroad. The Governor General's presence in Afghanistan bolstered the troops' morale and demonstrated Canadians' support for the work they are doing there.

Bringing Canadians Together

The governor general has an important traditional role in promoting national identity and unity. This is accomplished by visiting Canadian communities, hosting events at the governor general's official residences, and continuing the visitors' program at both official residences.

Visits to Canadian communities

Visits to Canadian communities are based on various themes consistent with Their Excellencies' interests, and create opportunities for the governor general to meet Canadians in communities across the country—at times in communities never visited by previous governors general. A full and varied program of events is developed for these visits, often in response to the more than 2 000 invitations received annually from municipalities, schools, non-profit organizations and individuals.

In 2006–07, Their Excellencies participated in a wide range of activities, including international conferences, citizenship ceremonies, school visits, tours of innovative community projects and round-table discussions on youth engagement, women's issues, Aboriginal concerns and other social issues critical to the communities visited.

In 2006–07, the Right Honourable Michaëlle Jean continued her official provincial and territorial visits by travelling to Nunavut in April, Alberta and Saskatchewan in May, Northwest Territories in June, Newfoundland and Labrador in July, and Nova Scotia in February 2007. These visits incorporated varied program elements, including presenting Caring Canadian Awards, and participating in discussions with Aboriginal leaders, Inuit elders, women at risk, immigrants and new Canadians, community leaders, social workers, and youth.

The Governor General opened the Third International Conference on Children Exposed to Domestic Violence in London, Ontario, the XVI International AIDS Conference in Toronto, and Winterlude festivities in Ottawa, as well as hosted a forum at Rideau Hall commemorating the 200th anniversary of the abolition of the slave trade in the British Empire.

Events held at the official residences

The governor general's program includes hosting a wide range of events at the official residences: Rideau Hall in Ottawa and the Citadelle of Québec in the City of Québec. These events relate to the traditional, constitutional, State and ceremonial roles and responsibilities of the governor general, and also to the Canadian honours program.

In 2006–07, the Governor General received or met with representatives from a number of organizations, including the Foster Parents Association Canada, Speed Skating Canada, TOHU—la cité des arts du cirque, the Laurentian Chapter of IODE, Children's Miracle Network Champions and National Aboriginal Role Model Program. The Governor General also launched the annual poppy and daffodil campaigns again this year.

In 2006–07, more than 6 300 people attended 62 such events at Rideau Hall, and more than 360 people attended 7 events at the Citadelle.

Whether it is lunch for a group of new citizens, a reception for award-winning athletes, tea for veterans and the families of fallen soldiers, dinner for national awards recipients or a formal State event, the hospitality offered at the official residences reflects the excellent quality of Canadian products from coast to coast to coast. Culinary creations at the official residences are based on distinctively Canadian ingredients that are fresh, seasonal and organic, and are accompanied exclusively by Canadian wines from Canada's two primary wine-producing regions—the Niagara Region in Ontario and the Okanagan Region in British Columbia. The Office of the Secretary to the Governor General (OSGG) is committed to showcasing the excellence of the Nations Table, Canadian food and wine in all events held at Rideau Hall, at the Citadelle, across the country and around the world.

The following are some highlights for 2006–07:

- **State functions for visiting heads of State.** These functions serve as an opportunity to strengthen bilateral relations, to promote Canada's foreign policy objectives and to showcase the best of Canada to our visitors from abroad. In September 2006, the Governor General hosted a State luncheon for Her Excellency Dr. Vaira Vike-Freiberga, President of Latvia, at the Citadelle in Québec. A total of 81 people representing diverse fields and Canada's regions attended the welcoming ceremony and luncheon. Just two days later, the Governor General hosted His Excellency Harmid Karzai for a working dinner at Rideau Hall. In October 2006, the Governor General hosted a State Dinner for Their Majesties King Carl XVI Gustaf and Queen Silvia of Sweden, which was attended by 102 people. In early November 2006, a luncheon was held at Rideau Hall in honour of His Royal Highness Prince Philippe of Belgium. All of these functions provided opportunities to advance diplomatic relations between Canadians and their counterparts from the visiting countries, to establish business, academic and cultural relationships, and to promote the important work Canada is doing on the international stage. These functions bring together leading Canadians from a wide variety of disciplines (business, culture, civil society, academia, youth) and from all parts of the country, giving the visiting Heads of State and their delegations greater opportunities to make contacts and develop partnerships.
- **Courtesy calls.** Canada's governor general also receives leaders, former leaders and other elected and non-elected foreign officials for courtesy calls. In 2006–07, the Governor General welcomed a delegation of senators from France; His Excellency René Préval, who at that time was President-elect of Haiti; the Crown Prince and Princess of Norway; His Excellency António Guterres, United Nations High Commissioner for Refugees; and Her Excellency Ellen Johnson-Sirleaf, President of Liberia.
- **Receptions for incoming and outgoing heads of mission.** These receptions enable incoming heads of mission to present their letters of credence or commission to the governor general individually, and enable the governor general to meet personally with outgoing Canadian heads of mission. In 2006–07, eight receptions were held for 35 incoming heads of mission, and one reception was held for an outgoing Canadian head of mission. The Governor General also hosted a levee for the members of the Diplomatic Corps in December 2006.
- **Parliamentary reception.** On April 4, 2006, more than 500 people attended a parliamentary reception at Rideau Hall following the Speech from the Throne.

- **Receptions related to the governor general's role as Commander-in-Chief of Canada.** The Governor General hosted over 400 military personnel and their families at two Order of Military Merit investitures in 2006–07, and in April 2006 hosted 14 members of the Canadian Forces and their families at the presentation of the Meritorious Service Decorations. On Remembrance Day, Her Excellency and the Chief of the Defence Staff hosted a luncheon in honour of the Silver Cross Mother, which was attended by 80 people: veterans, youths and members of the Royal Canadian Legion and their guests. In June 2006 the Governor General hosted the inaugural Commander-in-Chief's Ball for 85 guests, and in September 2006 Her Excellency hosted representatives of the Medium Bombers Association at Rideau Hall. The inaugural presentation of Military Valour Decorations was held in February 2007 in combination with a presentation of Meritorious Service Decorations, in which 39 recipients were honoured before 265 military personnel and their families. In one of her most solemn duties as Commander-in-Chief of Canada, the Governor General attended numerous repatriation ceremonies for fallen members of the Canadian Forces on the tarmac at CFB Trenton to support their families and fellow members of the Forces during their most difficult moments.
- **Honours investiture ceremonies** In 2006–07, the Governor General hosted 12 honours investiture ceremonies and receptions for honours, including the Order of Canada, Decorations for Bravery, Meritorious Service Decorations, Order of Military Merit and Order of Merit of the Police Forces. These ceremonies were attended by 412 national award recipients and 1 511 guests from across Canada. The inaugural presentation of the Peace Officer Exemplary Service Medal was held in May 2006. The Governor General also presided over four Caring Canadian Award presentations, which recognize the enduring commitment of volunteers to their communities. These ceremonies, held in communities across the country and attended by over 335 guests, provided occasions for these outstanding volunteers to mentor youth about the importance of civic engagement.

The governor general receives considerable feedback from the recipients of various Canadian honours, all expressing tremendous gratitude and pride, not only for being recognized for their remarkable achievements, but also for the dignified and meaningful manner in which these ceremonies and receptions are carried out.

- **Ceremonies and receptions related to awards associated with the governor general.** These awards enable the governor general, on behalf of Canada, to recognize and honour Canadian excellence and to increase awareness of Canada's rich talent and traditions. These awards include the Governor General's Performing Arts Awards, the Governor General's Literary Awards, the Governor General's Awards in Commemoration of the Persons Case, the Governor General's Awards in Visual and Media Arts, the Michener Awards for journalism and the Governor General's Awards for Excellence in Teaching Canadian History. In 2006–07, the Governor General hosted seven awards ceremonies that were attended by over 1 140 award recipients and their guests from across the country.

Although these awards are presented by the governor general, usually in a ceremony at Rideau Hall, they are administered by other organizations such as independent foundations, private organizations and government organizations with relevant mandates, such as the Canada Council for the Arts or Status of Women Canada.

Public events held at the official residences

Rideau Hall and the Citadelle are in many ways the nation's homes. Both residences have a long tradition as gathering places and, over the years, have become increasingly open and accessible to Canadians.

In this spirit, the governor general hosts many public events annually at the official residences to welcome Canadians and to provide occasions to celebrate and reinforce Canadian values. These events also provide opportunities for informal exchanges between the governor general and Canadians who attend.

The following summarizes the key public events held at the official residences in 2006–07:

- **Governor General's summer concert series.** Free outdoor concerts were offered on the grounds of Rideau Hall throughout the summer to welcome Canadians to their national home. In 2006–07 over 9 000 music lovers attended five free outdoor concerts that showcased Canadian talent and excellence: the National Youth Orchestra of Canada, where many of Canada's professional orchestral

musicians start their careers; the National Arts Centre Orchestra, under the direction of guest conductor Alexander Mielke, performing popular works by Mendelssohn, Mozart, Haydn and Beethoven; the superb ensemble Quartango, offering a varied repertoire including both classical and contemporary tangos; the Gryphon Trio, performing inspired selections from both classical and contemporary Canadian repertoires; and the Band of the Ceremonial Guard with its rousing military music.

- **Open House at La Citadelle.** Over 1 000 people attended this outdoor celebration in September 2006. This open house gave visitors an opportunity to meet Their Excellencies, tour the residence and enjoy the spectacular views of the St. Lawrence River and the historic city of Québec. Guests viewed exhibits and presentations about the work done by the governor general and her office, including a photo exhibit illustrating a year in the life of the governor general, a display of heraldic documents including coats of arms, a culinary demonstration celebrating the best of Canada's bounty and displays by the Canadian Forces that enabled guests to send messages to the troops overseas. Guests enjoyed an afternoon of light refreshments, music and activities for all ages. The event helps increase awareness of the work of the governor general and reinforces the OSGG's ongoing commitment to make the Citadelle more accessible to Canadians.
- **Winter Celebration at Rideau Hall.** Approximately 2 000 people attended the sixth annual Winter Celebration, which was held in February 2007 at Rideau Hall. The first Winter Celebration was held in 2002, as part of the celebrations of the 50th anniversary of Canadian governors general. This event is an opportunity to celebrate Canadian winter traditions at Canada's national house. In addition, the event is another way of increasing awareness of the governor general and reinforces the OSGG's ongoing commitment to making the Rideau Hall residence and grounds more accessible to Canadians. Activities typically include skating, sleigh rides, snowshoeing, dogsledding, traditional Inuit games and children's outdoor games, all made possible through the participation of many citizens' groups and volunteers, such as the Nunavut Sivuniksavut training program and the Embassy of Norway. This year's Winter Celebration featured the opportunity for Canadians to see the Stanley Cup, collaboration with the Hockey Hall of Fame, and a portrait of the cup's creator, Lord Stanley of Preston, who in 1888 was appointed Governor General of Canada by Queen Victoria. In addition, all guests were invited to tour Rideau Hall and to view exhibits and presentations about the work of the governor general. The presentations included a photo exhibit illustrating a year in the life of the Governor General, information about Canada's system of national honours, a recipe exchange with the Executive Chef, and coats of arms created by the Chief Herald of Canada. The National Film Board also showed several short winter films.

Visitors' program

The OSGG has had a long-established year-round visitors' program at Rideau Hall and since 2004 has also operated a tour program at the Citadelle. Programs at both residences are designed to promote awareness and understanding of the roles and responsibilities of the governor general and the history of Canada's democracy.

Because the official residences are great showcases of Canadian culture and history, all visitors are invited to discover the residences through a variety of guided and self-guided tours, special exhibitions and other interpretive programs that are provided at no charge throughout the year.

The overall interpretation program focuses on themes linked to Canadian identity, history, culture, art and values. The tours of the residences' public rooms provide a window on Canadian art and history, and are by far the most popular element of the visitor program. Families visiting during the summer can also enjoy a diversified program of hands-on activities to complement the experience at the Visitor Centre. Also very popular are picnics and interpretive walks on the grounds and along the paths.

The two residences hosted approximately 165 000 visitors in 2006–07. Rideau Hall is consistently among the top 10 visitor attractions in the National Capital Region and is among the top 5 attractions for school groups. In fact, teachers consider Rideau Hall to be one of the must-see sites, especially as it relates to their curriculum. An educational kit is available for teachers to help prepare their students for their visit.

The public response to the visitor program at the Citadelle continues to grow—visitor attendance increased 47 percent from the previous year.

Visitors to Rideau Hall (see Figure 3) gave feedback that indicates that they found their visits very informative and highly enjoyable. Visitor research studies also indicate that 93 percent of visitors leave with a good or an increased understanding of the role of the governor general.

Figure 3. Visits to Rideau Hall by program category, 2006–07

Guided Tours	Interpretation Program	Special Events	Visitor Centre
71 000	8 000	23 000	47 000

Anniversaries, special messages and correspondence

The OSGG prepares and sends congratulatory messages from the governor general to Canadians celebrating their 50th wedding anniversaries and 90th birthdays, and from Her Majesty the Queen for 60th wedding anniversaries and 100th birthdays. In 2006–07, the OSGG sent 21 921 anniversary messages on behalf of the governor general and another 4 573 on behalf of Her Majesty the Queen (see figure 4). Worthy of mention is that among them were 183 Canadian couples who celebrated wedding anniversaries of at least 70 years, and 4 Canadians who celebrated a 110th birthday or more.

Many Canadian individuals and organizations, including registered charities, municipalities, and religious and social organizations, also request special messages from the governor general to recognize milestones, to greet members at conferences or for fundraising events. This past year, the OSGG prepared 866 such messages on behalf of the Governor General.

Furthermore, the governor general receives significant volumes of correspondence from Canadians on a vast range of issues. Many simply offer their good wishes, encouragement or advice. Others send photographs, news clippings or other mementos, or gifts such as books and CDs. Still others exercise their democratic right to express their disagreement with the governor general over a view she has expressed or course of action she has undertaken. Others write to the governor general seeking a personal intervention, often as a last resort, in various situations of distress such as immigration, financial or legal difficulties. These individuals are referred to the appropriate federal and provincial departments, as the governor general cannot intervene in matters that are the responsibility of elected officials or of government. In 2006–07 the Correspondence section of the OSGG researched and replied to 1,646 such letters on behalf of the Governor General, a minimal decrease from the previous year.

The info@gg.ca section processed 10 397 electronic information enquiries and comments in 2006–07 and responded to 2 405 e-mails. Overall, 31 411 correspondents received responses to their enquiries. Figure 4 summarizes the OSGG's activities in these areas this year.

Figure 4. Anniversaries, special messages and correspondence, 2006–07

Birthday and Wedding Anniversary Messages	Targeted Messages	General Correspondence	E-mails (INFO)	Total
26 494	866	1 646	2 405	31 411

Honouring Canadians and Recognizing Excellence

The Chancellery of Honours

Through the administration of the Canadian honours system, the Chancellery of Honours of the OSGG has celebrated the achievements of Canadians, their acts of bravery and their distinguished service to fellow citizens and humanity since 1967. This role was broadened to include the recognition of individual identity and the contribution of communities and institutions to the building of the nation through the establishment of the Canadian Heraldic Authority in 1988.

The governor general presents honours and awards on behalf of all Canadians to recognize those who have demonstrated excellence, courage or exceptional dedication to service in ways that bring special credit to Canada. The Canadian honours system recognizes these individuals and their accomplishments as a means of defining and encouraging national values, identity, unity and citizenship.

The mandate

The Chancellery of Honours is mandated to support the governor general's role in administering the Canadian honours system and the Canadian Heraldic Authority. To this end, the Chancellery of Honours:

- administers the various honours programs (orders, decorations, medals and awards) and the heraldry program (armorial bearings/coats of arms, flags, badges and other heraldic devices) that serve to recognize and honour Canadians, their communities and institutions;
- promotes the Canadian honours system and the celebration of our role models to ensure that all Canadians have a sound understanding of the system's objectives, principles, programs and policies and are inspired by those individuals who have been honoured by the country;
- supports the policy-making and decision-making processes that govern the Canadian honours system, protect its integrity and ensure its relevance to the needs of the government, the governor general and Canadians.

The mission

To honour people, communities and institutions for their accomplishments and contributions to the nation and to safeguard the Canadian honours system by selecting recipients on the basis of:

- **Merit**—bestowing honours based solely on the merits of the achievement and the individual;
- **Non-partisanship**—ensuring that the Canadian honours system remains free from political interference or affiliation;
- **Accessibility**—providing access to all Canadians regardless of social status or geographic location;
- **Representation**—representing Canadians from all walks of life and showcasing the diversity of the nation.

Highlights of 2006–07

During the last year, the Governor General presented honours to hundreds of Canadians, from volunteers to performers, athletes to scholars. These honours ranged from investitures into the Order of Canada to the bestowal of the Caring Canadian Award. In addition, more than 8 000 other individuals were recognized through such honours as the Exemplary Service Medal, which celebrates the contributions of Canada's protective services to the nation, and the Governor General's Academic Medal, which is awarded annually to exceptional students in high school, college and university.

For the first time since the creation of the award in 1993, Military Valour Decorations were also awarded to members of the Canadian Forces to recognize acts of valour, self-sacrifice or devotion to duty in the presence of the enemy.

The Canadian Heraldic Authority celebrated Canadian identity by granting new armorial bearings and registering existing armorial bearings. It continued to make the Public Register of Arms, Flags and Badges of Canada accessible online. The site has recorded over 50 000 visits per month since its creation in July 2005.

In 2006–07, the Chancellery continued to strengthen and modernize some of the existing programs and policies.

Canadian Orders

The [Order of Canada](#) is the country's highest honour for lifetime achievement by its citizens. Since its establishment in 1967, more than 5 000 Canadians have been appointed for their contributions toward making Canada a better country. There are three levels of membership: Member, Officer and Companion. A complete listing of all persons appointed to the Order since 1967 can be found [online](#).

The governor general, as chancellor of the Order of Canada, makes appointments to the Order based on the recommendations of the non-partisan advisory council that reviews the nominations received. The advisory council is chaired by the chief justice of Canada, and its members include the clerk of the Privy Council, the deputy minister of the Department of Canadian Heritage, the chair of the Canada Council for the Arts, the president of the Royal Society of Canada, the chair of the Association of Universities and Colleges of Canada, and five members of the Order, for regional representation. Order of Canada investiture ceremonies are generally held four times a year.

The chart in Figure 5 provides a summary of the Order of Canada appointments made in 2006–07.

Figure 5. Order of Canada Awards, 2006–07

No. of Nominations Considered	Total Awarded	Percent Awarded	Award Levels		
			Companion	Officer	Member
578	166	28	3	54	109

The governor general also honours Canadians each year through the following honours programs:

- [Order of Military Merit](#)—This order, established in 1972, recognizes the men and women of both the Regular and Reserve Forces for careers of exceptional service or distinctive merit. In 2006–07, 103 members of Canada's military were honoured with this award.
- [Order of Merit of the Police Forces](#)—This order, established in 2000, honours the men and women of Canadian police forces for careers of exceptional service or distinctive merit. In 2006–07, 56 members of Canada's police forces were honoured with this award.

Decorations and Medals

Military Valour Decorations

Military Valour Decorations are awarded to recognize acts of valour, self-sacrifice or devotion to duty in the presence of the enemy. The decorations were approved by Her Majesty Queen Elizabeth II in 1993. They consist of the Victoria Cross, the Star of Military Valour and the Medal of Military Valour.

Figure 6 presents the Military Valour Decorations awarded this year.

Figure 6. Military Valour Decorations, 2006–07

Total Awarded	Award Levels		
	Medal of Military Valour	Star of Military Valour	Victoria Cross
17	15	2	0

Decorations for Bravery

Decorations for Bravery recognize people who have risked their lives to save or protect others. Three levels—the Cross of Valour, the Star of Courage and the Medal of Bravery—reflect varying degrees of risk involved. Since the [Decorations for Bravery](#) were created in 1972, more than 2 500 people have received them. The governor general personally presents the decorations in ceremonies held at Rideau Hall or at the Citadelle.

If the advisory committee does not feel that a Medal of Bravery is warranted but wants to recognize the act of bravery, a Certificate of Commendation for Bravery is awarded. Figure 7 provides a summary of the Decorations for Bravery, including Certificates of Commendation, awarded over the last fiscal year. Medal of Bravery investiture ceremonies are held twice a year.

Figure 7. Decorations for Bravery, 2006–07

Total Awarded	Award Levels			
	Cross of Valour	Star of Courage	Medals of Bravery	Certificate of Commendation
63	1	2	60	134

Meritorious Service Decorations

While the Order of Canada recognizes Canadian citizens for lifetime contribution, the [Meritorious Service Decorations](#) are awarded to both Canadians and non-Canadians for a single achievement or an activity over a specific period. Meritorious Service Decorations are awarded in both military and civilian divisions, with two awards in each: a cross and a medal. An advisory committee for each division reviews nominations and submits recommendations for candidates to the governor general for approval. The Military Division recognizes individuals for outstanding professionalism and for bringing honour to the Canadian Forces. The Civilian Division recognizes contributions in any field, such as athletics, diplomatic relations or humanitarian activities. This division is currently under review to ensure the program's objectives meet the needs of Canadians and the standards of the Canadian honours system. As such, no civilian decorations were awarded this year.

The chart in Figure 8 provides a summary of the Meritorious Service Decorations awarded this fiscal year.

Figure 8. Meritorious Service Decorations, 2006–07

Decorations Awarded	Divisions	
	Military	Civilian
49	49	0

Governor General's Caring Canadian Award

The Governor General's Caring Canadian Award recognizes selfless voluntarism.

In April 1996, the Right Honourable Roméo LeBlanc created the [Caring Canadian Award](#) to recognize the unsung heroes of our country. This award honours Canadians for unpaid, voluntary contributions, most often made behind the scenes in their communities. The recipients have provided extraordinary help or care to individuals, families or groups, or have supported community service or humanitarian causes. Recipients have usually been involved in these activities for several years and have not previously received a national or provincial honour.

The Governor General's Caring Canadian Award consists of a certificate and a lapel pin, which are presented by the governor general during her or his travels, or by a designate, such as a lieutenant governor or a territorial commissioner.

An advisory committee reviews nominations and supporting documentation and then recommends candidates for approval. Of the

121 nominations received in 2006–07, 65 Caring Canadian Awards were granted.

Governor General's Academic Medal

For over 125 years, the [Academic Medals](#) have recognized the outstanding scholastic achievements of students in Canada. A medal is awarded to the graduating student with the highest average at each institution. Lord Dufferin, Canada's third governor general after Confederation, created the Academic Medal in 1873 to encourage academic excellence across the nation. Over the years, it has become the most prestigious award for students in Canadian high schools, colleges and universities.

Today, the Governor General's Academic Medals are awarded at four levels: Bronze medals are awarded at the secondary school level; Collegiate Bronze at post-secondary diploma level; Silver at the undergraduate level; and Gold at the graduate level.

Each medal is accompanied by a personalized certificate signed by the governor general, and is presented on behalf of the governor general by the educational institution. There is no monetary award associated with the medal. A total of 3 308 Governor General's Academic Medals were awarded across Canada in 2006–07.

Other honours programs

The honours program includes other medals, which are outlined in Figure 9.

Figure 9. Other awards, 2006–07

Award	No. of Individuals Receiving this Award
Exemplary Service Medals: Police; Corrections; Fire Services; Canadian Coast Guard; Emergency Medical Services; Peace Officer	6 050
Canadian Volunteer Service Medal for Korea	51
Mention in Dispatch	32
Foreign Awards to Canadians	223
Governor General's Marksmanship Medal	23
Vice-Regal Commendation	4
Queen's Medal for Champion Shot	1

The Canadian Heraldic Authority

Heraldic emblems (coats of arms, flags, and civil and military badges) give colour and shape to the identity of an individual or institution. They honour the past, present and future aspirations of Canadians. Their symbolism celebrates the diversity of the Canadian experience and contributes to the sense of belonging in Canada.

The governor general heads the Canadian Heraldic Authority and exercises all of the prerogatives of the Queen to create heraldic symbols. The governor general's heraldic responsibilities are administered by Canadian officers of arms appointed by commission under the governor general's privy seal (see www.gg.ca/heraldry/cha/03/cha-officers_e.asp).

The chief herald of Canada is the only officer in the country with the authority to formalize new coats of arms, flags and badges on behalf of the State. In accordance with the mandate of the Authority, in 2006–07 grants of new heraldic emblems were awarded to Canadian individuals and organizations of all types, including commercial and non-profit organizations such as family associations, learned societies, foundations, church groups, educational institutions, government services, and to cities, amalgamated municipalities and their community services (police, fire and ambulance services).

The Heraldic Authority and its specialized officers continued to make Canadians aware of heraldry, its vocabulary, and its long history in celebrating and expressing identity. This year, the heralds answered a wide range of questions from the public about coats of arms and Canadian emblems. As both historians and emblem designers, they also write the descriptions of each emblem formalized by the Authority, including their significance. Over the year, many of them gave seminars and published texts in both public and specialized journals.

Fraser Herald, principal artist for the Authority and Rideau Hall, designed and created the drawings required to create the privy seal of Her Excellency the Right Honourable Michaëlle Jean.

In 2006–07, 136 descriptions of the symbolism of emblems and the first 100 pages of volume III (1995–96) were added to the online Public Register of Arms, Flags and Badges of Canada. This virtual registry allows the public to discover the Authority's recent creations. It contains detailed illustrations, descriptions, specialized indices and various search functions that are easy to consult and use. The online Register will ultimately contain the basic description and illustrations of every emblem recorded in the Public Register.

APPENDIX A

2006–07 Expenditures

Program Activities by Sub-Activity

	2006–07 Actuals
Non-Statutory Budgetary Expenditures	
Constitutional, State, Ceremonial and Public Programs	
Salaries	\$6 319 662
State Ceremonial	\$51 507
Transition Activities	\$22 745
Program Planning & Implementation	\$1 537 293
Communications & Public Information	\$410 027
Visitor Services	\$555 661
Former Governors General Support	\$519 854
Sub-total:	\$9 416 749
Canadian Honours Program	
Salaries	\$2 203 061
Honours Events Programs	\$324 868
Canadian Orders, Decorations, Medals and Awards	\$440 407
Canadian Heraldic Authority Program	\$85 311
Canadian Honours Program Support	\$26 794
Sub-total:	\$3 080 441
Corporate Management	
Salaries	\$2 727 601
Corporate Planning and Financial Management	\$17 823
Human Resources Management	\$125 266
Information Technology and Information Management	\$743 653
Facilities, Materiel and Transportation Management	\$578 292
Sub-total:	\$4 192 635
Statutory Budgetary Expenditures	
Governor General's Salary	\$117 950
Annuities—Former Governors General	\$420 224
Employer Contribution—Employee Benefit Plan	\$1 918 933
Spending of Proceeds from Crown Assets Disposal	\$2 609
Sub-total:	\$2 459 716
Total expenditures against appropriation:	\$19 149 541

APPENDIX B

Financial Statements of the Office of the Secretary to the Governor General For the Year Ended March 31, 2007

Statement of Management Responsibility

Office of the Secretary to the Governor General

Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2007 and all information contained in these statements rests with the management of the Office of the Secretary to the Governor General (OSGG). These 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.

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 OSGG's financial transactions. Financial information submitted to the *Public Accounts of Canada* 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 divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the OSGG.

The financial statements of the OSGG have not been audited.

Sheila-Marie Cook
Secretary to the Governor General
and Herald Chancellor

Eileen Boyd
Director General
Corporate Services

Ottawa, Canada

Date: August 8, 2007

Office of the Secretary to the Governor General

Statement of Operations (*Unaudited*)

For the Year Ended March 31

(in dollars)

	2007	2006
Expenses (Note 4)		
Constitutional, State, Ceremonial and Public Programs	24,071,875	20,640,004
Canadian Honours Program	6,989,621	6,212,817
Total Expenses	31,061,496	26,852,821
Revenues (Note 5)		
Constitutional, State, Ceremonial and Public Programs	144,240	122,287
Canadian Honours Program	29,974	40,065
Total Revenues	174,214	162,352
Net Cost of Operations	30,887,282	26,690,469

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

Office of the Secretary to the Governor General

Statement of Financial Position (*Unaudited*)

At March 31

(in dollars)

	2007	2006
ASSETS		
Financial assets:		
Accounts receivable and advances (Note 6)	275,976	36,616
Gift shop inventory	67,691	73,311
Total financial assets	343,667	109,927
Non-financial assets:		
Medals and official gifts	509,635	542,569
Tangible capital assets (Note 7)	552,001	656,978
Total non-financial assets	1,061,636	1,199,547
TOTAL ASSETS	1,405,303	1,309,474
LIABILITIES		
Accounts payable and accrued liabilities	1,317,942	2,030,722
Vacation pay and compensatory leave	560,009	627,595
Deferred revenue (Note 8)	24,450	14,450
Employee severance benefits (Note 9)	2,298,946	2,146,651
TOTAL LIABILITIES	4,201,347	4,819,418
Equity of Canada	(2,796,044)	(3,509,944)
TOTAL	1,405,303	1,309,474

The accompanying notes form an integral part of these financial statements

Office of the Secretary to the Governor General

Statement of Cash Flow (*Unaudited*)

For the Year Ended March 31

(in dollars)

	2007	2006
Operating activities		
Net cost of operations	30,887,282	26,690,469
Non cash items:		
Services provided without charge	(11,652,437)	(6,571,000)
Amortization of tangible capital assets	(130,250)	(190,901)
Variations in Statement of Financial Position		
Decrease (increase) in liabilities	618,071	(739,577)
Increase (decrease) in accounts receivable and advances	239,360	(136,726)
Increase (decrease) in gift shop inventory	(5,620)	6,531
Decrease in medals and official gifts	(32,934)	(27,180)
Cash used by operating activities	19,923,472	19,031,616
Capital investment activities		
Acquisitions of tangible capital assets	25,273	390,285
Cash used by capital investment activities	25,273	390,285
Financing activities		
Net Cash Provided by Government of Canada	(19,948,745)	(19,421,901)

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

Office of the Secretary to the Governor General

Notes to the Financial Statements (*Unaudited*)

1. Authority and Objectives

The Office of the Secretary to the Governor General (OSGG) was constituted through Letters Patent on October 1, 1947. The OSGG forms part of the core public administration under Schedule IV of the *Financial Administration Act*.

The primary objectives of the OSGG are to enable the governor general, representing the Crown in Canada, to fulfil state and ceremonial public duties, including the recognition of excellence. The OSGG also provides for expenditures in respect of pensions and activities performed by former governors general. To reflect these objectives, the operations of the OSGG are divided into two program activities:

- (a) Constitutional, State, Ceremonial and Public Programs—Support to the governor general for program planning and implementation, communications, citizen access and visitor services, and to support activities performed by former governors general; and,
- (b) Canadian Honours Program—The Honours program includes the administration of Canadian orders, decorations, medals and awards as well as the Canadian Heraldic Authority.

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 OSGG is financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to the OSGG 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 two bases of reporting.
- (b) Net Cash Provided by Government—The OSGG operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the OSGG is deposited to the CRF and all cash disbursements made by the OSGG 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 other departments of the federal government.
- (c) Change in net position in the CRF is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non-respendable revenue recorded by the OSGG. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.
- (d) Revenues—Revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.
 - Funds received from external parties for specified purposes are recorded upon receipt as deferred revenues. These revenues are recognized in the period in which the related expenses are incurred.

(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 and Crown corporations for accommodation, the employer's contribution to the health and dental insurance plans and legal services are recorded as operating expenses at their estimated costs.

(f) Employee future benefits:

- Pension benefits: Eligible employees participate in the Public Service Superannuation Plan, administered by the Government of Canada. The OSGG'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 OSGG to make contributions for any actuarial deficiencies of the Plan.
- 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.

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

(h) Gift Shop Inventory—Gift shop inventory is valued at the lower of cost or net realizable value.

(i) Medals and Official Gifts—Medals for the Order of Canada insignia and other honours, held for distribution in the future, are recorded at original cost.

(j) Tangible capital assets—All tangible capital assets and leasehold improvements having an initial cost of \$5 000 or more are recorded at their acquisition cost. The OSGG does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value or museum collections.

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

Asset Class	Amortization period
Informatics hardware	3 years
Informatics software	7 years
Motor vehicles	5 years
Other Equipment	10 years

(k) Annuity Payments to Former Governors General—Pursuant to provisions contained within the *Governor General's Act* and the *Supplementary Retirement Benefits Act*, taxable annuities are paid to: (i) former governors general; and (ii) surviving spouses of former governors general. These annuities are indexed annually to the Consumer Price Index and are recognized as an expense in the period in which payment is due.

- (l) 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.

3. Parliamentary Appropriations

The OSGG 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 OSGG 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:

Office of the Secretary to the Governor General

Notes to the Financial Statements (*Unaudited*)

a) Reconciliation of net cost of operations to current year appropriations used	2007	2006
	(in dollars)	
Net cost of operations	30,887,282	26,690,469
Adjustments:		
Items affecting net cost of operations but not affecting appropriations		
Add (Less):		
Services provided without charge	(11,652,437)	(6,571,000)
Medals and official gifts issued	(261,911)	(155,014)
Revenue not available for spending	174,214	162,352
Employee severance benefits	(152,295)	(236,833)
Amortization of tangible capital assets	(130,250)	(190,901)
Vacation pay and compensatory leave	67,585	4,941
Inventory used	(67,865)	(70,852)
Inventory write-offs	(5,567)	-
Department of Justice legal fees	-	(18,422)
	(12,028,526)	(7,075,729)
Items not affecting net cost of operations but affecting appropriations		
Add (Less):		
Purchase of medals and official gifts	206,525	117,948
Purchase of gift shop inventory	58,988	76,717
Acquisitions of tangible capital assets	25,273	390,285
	290,786	584,950
Current year appropriations used	19,149,542	20,199,690
b) Appropriations provided and used	2007	2006
	(in dollars)	
Vote 1 - Program expenditures	17,281,498	18,080,331
Statutory amounts	2,459,716	2,519,565
Total appropriations provided	19,741,214	20,599,896
Less:		
Lapsed appropriations: Program expenditures	(591,672)	(400,206)
Current year appropriations used	19,149,542	20,199,690
c) Reconciliation of net cash provided by Government to current year appropriations used	2007	2006
	(in dollars)	
Net cash provided by Government	19,948,745	19,421,901
Revenue not available for spending	174,214	162,352
Change in net position in the Consolidated Revenue Fund		
Variation in accounts receivables and advances	(239,360)	136,726
Variation in accounts payable and accrued liabilities	(712,780)	497,685
Variation in deferred revenue	10,000	10,000
Other	(31,277)	(28,974)
	(973,417)	615,437
Current year appropriations used	19,149,542	20,199,690

Office of the Secretary to the Governor General

Notes to the Financial Statements (*Unaudited*)

4. Expenses

A summary of expenses for the year ended March 31 is as follows:

	2007	2006
	(in dollars)	
Expenses		
Salaries and employee benefits	14,642,423	14,610,665
Accommodation provided by Public Works and National Capital Commission	10,802,937	5,655,000
Materials and supplies	1,469,690	1,677,314
Travel	835,310	1,166,927
Professional services	805,124	1,015,114
Other business services	658,917	865,446
Telecommunications	475,437	415,101
Information services	461,647	614,165
Annuity payments to former Governors General	420,224	352,657
Rentals	147,900	159,806
Amortization of tangible capital assets	130,250	190,901
Repairs and Maintenance	112,639	14,317
Postage, Freight and Cartage	92,305	113,604
Miscellaneous	6,693	1,804
Total	31,061,496	26,852,821

5. Revenues

A summary of revenues for the year ended March 31 is as follows:

	2007	2006
	(in dollars)	
Gift Shop	112,490	118,822
Heraldic User Fees	27,840	32,534
Other	33,884	10,996
Total	174,214	162,352

6. Accounts Receivable and Advances

The following table presents details of accounts receivables and advances.

	2007	2006
	(in dollars)	
Employee advances	10,500	10,500
Receivables from other Federal government departments and agencies	265,476	26,116
Total	275,976	36,616

7. Tangible Capital Assets

(in dollars)

Cost (in dollars)	Opening Balance	Acquisitions	Disposals & Write-offs	Closing Balance
Informatics Hardware	847,860	25,273	-	873,133
Informatics Software	194,496	-	-	194,496
Motor Vehicles	326,628	-	-	326,628
Other Equipment	18,422	-	-	18,422
Total tangible capital assets	1,387,406	25,273	-	1,412,679

Accumulated amortization (in dollars)	Opening Balance	Current year amortization	Disposals & Write-offs	Closing Balance
Informatics Hardware	514,099	104,052	-	618,151
Informatics Software	62,292	8,389	-	70,681
Motor Vehicles	154,037	15,967	-	170,004
Other Equipment	-	1,842	-	1,842
Total accumulated amortization	730,428	130,250	-	860,678

Net book value (in dollars)	2007	2006
Informatics Hardware	254,982	333,761
Informatics Software	123,815	132,204
Motor Vehicles	156,624	172,591
Other Equipment	16,580	18,422
Total net book value	552,001	656,978

Amortization expense for the year ended March 31, 2007 is \$130,250 (\$190,901 in 2005-06)

8. Deferred Revenue

This account has been established to record gifts, donations or bequests to Rideau Hall from private organizations and individuals to fund specific initiatives.

	2007	2006
	(in dollars)	
Opening Balance	14,450	4,450
Receipts	10,000	10,000
Closing Balance	24,450	14,450

9. Employee Benefits

(a) Pension benefits: The employees of the OSGG 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 the Canada/Quebec Pension Plans benefits and they are indexed to inflation.

Both the employees and the OSGG contribute to the cost of the Plan. The 2006-07 expense amounts to \$1,414,134 (\$1,518,288 in 2005-06), which represents approximately 2.2 times (2.6 in 2005-06) the contributions by employees.

The OSGG'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 OSGG 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:

	2007	2006
	(in dollars)	
Accrued benefit obligation, beginning of year	2,146,651	1,909,818
Expense for the year	261,091	435,224
Benefits paid during the year	(108,796)	(198,391)
Accrued benefit obligation, end of year	2,298,946	2,146,651

Office of the Secretary to the Governor General

Notes to the Financial Statements (*Unaudited*)

10. Related Party Transactions

The OSGG is related as a result of common ownership to all Government of Canada departments, agencies and Crown corporations. The OSGG enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, the OSGG 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 OSGG received without charge from other departments, accommodation, legal fees and the employer's contribution to the health and dental insurance plans. These services without charge have been recognized in the OSGG's Statement of Operations as follows:

	2007	2006
	(in dollars)	
Accommodation provided by Public Works and Government Services Canada and the National Capital Commission	10,802,937	5,655,000
Employer's contribution to the health insurance plan and dental insurance plans paid by Treasury Board Secretariat	843,800	862,000
Legal services provided by Justice Canada	5,700	54,000
Total	11,652,437	6,571,000

In addition to the above, there are a number of other Government departments that support the activities of the Governor General and the OSGG as part of their mandate. The level of support and services provided to the OSGG is determined by each of the contributors and funded out of the budgets of those organizations. The various contributing departments are responsible for allocating and managing the funds they provide to support the activities of the Governor General and the OSGG and are subject to Treasury Board guidelines. The amounts spent by the departments in question do not appear in the accounts of the OSGG nor are they recorded as operating expenses by the OSGG.

The major departments providing support include: the Royal Canadian Mounted Police for protective/security services; the Department of National Defence for transportation services, ceremonial support, logistical support and photographic services; the Department of Foreign Affairs and International Trade for foreign policy advice and foreign/state visit support; the Department of Canadian Heritage for planning and conduct of state and ceremonial occasions including royal visits and state funerals.

Furthermore, the Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of others 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 OSGG's Statement of Operations.

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

	2007	2006
	(in dollars)	
Accounts payable to other government departments and agencies	91,944	236,873

11. Comparative Information

Comparative figures have been reclassified to conform to the current year's presentation.

Office of the Secretary to the Governor General

Statement of Cash Flow (*Unaudited*)

For the Year Ended March 31

(in dollars)

	2007	2006
Operating activities		
Net cost of operations	30,887,282	26,690,469
Non cash items:		
Services provided without charge	(11,652,437)	(6,571,000)
Amortization of tangible capital assets	(130,250)	(190,901)
Variations in Statement of Financial Position		
Decrease (increase) in liabilities	618,071	(739,577)
Increase (decrease) in accounts receivable and advances	239,360	(136,726)
Increase (decrease) in gift shop inventory	(5,620)	6,531
Decrease in medals and official gifts	(32,934)	(27,180)
Cash used by operating activities	19,923,472	19,031,616
Capital investment activities		
Acquisitions of tangible capital assets	25,273	390,285
Cash used by capital investment activities	25,273	390,285
Financing activities		
Net Cash Provided by Government of Canada	(19,948,745)	(19,421,901)

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

