

# Statement of Management Responsibility Including Internal Control over Financial Reporting

CANADIAN SPACE AGENCY

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2022, and all information contained in these financial statements rests with the management of the Canadian Space Agency. These financial statements have been prepared by management using the Government of Canada's accounting policies, which are based on the Canadian public sector accounting standards.

Some of the information in the financial statements is based on management's best estimates and judgment, and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Agency's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in the Agency's *Departmental Results Report*, is consistent with these financial statements.

Management is also responsible for maintaining an effective system of Internal Control over Financial Reporting (ICFR) designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Financial Administration Act* and other applicable legislation, regulations, authorities and policies.

Management seeks to ensure the objectivity and integrity of data in its financial statements through careful selection, training and development of qualified staff; through organizational arrangements that provide appropriate divisions of responsibility; through communication programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout the Agency, and, through conducting an annual risk-based assessment of the effectiveness of the system of ICFR.

The system of ICFR is designed to mitigate risks to a reasonable level based on an ongoing process to identify key risks, to assess effectiveness of associated key controls, and to make any necessary adjustments.

A risk-based assessment of the system of ICFR for the year ended March 31, 2022 was completed in accordance with the Treasury Board Policy on Financial Management and the results and action plans are summarized in the annex.

The effectiveness and adequacy of the Agency's system of internal control is reviewed by the work of internal audit staff, who conduct periodic audits of different areas of the Agency's operations, and by the Audit Committee, which oversees management's responsibilities for maintaining adequate control systems and the quality of financial reporting, and which recommends the financial statements to the Deputy Head of the Agency.

The financial statements of the Canadian Space Agency have not been subject to an external audit.

Signed by Lisa Campbell

August 23, 2022

Signed by Jean-Claude Piedboeuf

August 15, 2022

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**Lisa Campbell**  
President  
Longueuil, Canada

Date

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**Jean-Claude Piedboeuf, B. Ing., Ph. D.**  
Chief Financial Officer and Director General,  
Corporate Services  
Longueuil, Canada

Date

# Statement of Financial Position (Unaudited)

## CANADIAN SPACE AGENCY

As at March 31  
(in thousands of dollars)

2022  
\$

2021  
\$

### Liabilities

Accounts payable and accrued liabilities (note 4)	100,684	77,244
Vacation pay and compensatory leave	7,318	7,554
Deferred revenue (note 5)	44	44
Severance benefits (note 6(b))	2,235	2,468
Contingent liabilities	-	140
Other liabilities (note 7)	3,250	1,773
<b>Total net liabilities</b>	<b>113,531</b>	<b>89,223</b>

### Assets

<b>Financial assets</b>		
Due from the Consolidated Revenue Fund	94,112	71,288
Accounts receivable and advances (note 8)	9,516	9,271
<b>Total gross financial assets</b>	<b>103,628</b>	<b>80,559</b>
<b>Financial assets held on behalf of Government</b>		
Accounts receivable and advances (note 8)	(553)	(393)
<b>Total financial assets held on behalf of Government</b>	<b>(553)</b>	<b>(393)</b>
<b>Total net financial assets</b>	<b>103,075</b>	<b>80,166</b>
<b>Agency's net debt</b>	<b>10,456</b>	<b>9,057</b>
<b>Non-financial assets</b>		
Prepaid expenses (note 9)	1,070	7,256
Tangible capital assets (note 10)	1,363,039	1,535,031
<b>Total non-financial assets</b>	<b>1,364,109</b>	<b>1,542,287</b>
<b>Agency's net financial position</b>	<b>1,353,653</b>	<b>1,533,230</b>

Contractual obligations (note 11)

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

Signed by Lisa Campbell  
*Lisa Campbell*  
President  
Longueuil, Canada

August 23, 2022

Date

Signed by Jean-Claude Piedboeuf  
**Jean-Claude Piedboeuf, B. Ing., Ph. D.**  
Chief Financial Officer and Director General,  
Corporate Services  
Longueuil, Canada

August 15, 2022

Date

# Statement of Operations and the Agency's Net Financial Position (Unaudited)

## CANADIAN SPACE AGENCY

For the Year Ended March 31

(in thousands of dollars)

	2022 \$ Planned	2022 \$	2021 \$
<b>Expenses</b>			
Canada in Space	507,149	486,994	292,330
Internal Services	60,437	65,305	63,224
<b>Total Expenses</b>	<b>567,586</b>	<b>552,299</b>	<b>355,554</b>
<b>Revenues</b>			
Sale of goods and services	270	583	419
Location and use of public property	260	241	238
Sale of rights and privileges	30	27	43
Other revenues	411	651	2,772
Revenues earned on behalf of Government	(953)	(1,330)	(3,416)
<b>Total Revenues</b>	<b>18</b>	<b>172</b>	<b>56</b>
<b>Net cost of operations before government funding and transfers</b>	<b>567,568</b>	<b>552,127</b>	<b>355,498</b>
<b>Government funding and transfers</b>			
Net cash provided by Government of Canada		342,223	322,721
Change in due from Consolidated Revenue Fund		22,824	9,501
Services provided without charge by other government departments (note 12(a))		7,548	6,657
Other transfers of assets from other government departments		(45)	(35)
<b>Total Government funding and transfers</b>		<b>372,550</b>	<b>338,844</b>
<b>Net cost of operations after government funding and transfers</b>		<b>179,577</b>	<b>16,654</b>
<b>Agency's net financial position - Beginning of year</b>		<b>1,533,230</b>	<b>1,549,884</b>
<b>Agency's net financial position - End of year</b>		<b>1,353,653</b>	<b>1,533,230</b>

Other transactions with related parties (note 12(b))

Segmented information (note 13)

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

# Statement of Change in the Agency's Net Debt (Unaudited)

## CANADIAN SPACE AGENCY

For the Year Ended March 31  
(in thousands of dollars)

	2022	2021
	\$	\$
<b>Net cost of operations after government funding and transfers</b>	<b>179,577</b>	<b>16,654</b>
<b>Change due to tangible capital assets</b>		
Acquisition of tangible capital assets (note 10)	44,746	47,804
Amortization of tangible capital assets (note 10)	(216,654)	(48,014)
Proceeds from disposal of tangible capital assets	(6)	(14)
Net loss on disposal and write-offs of tangible capital assets	(78)	(26)
<b>Total change due to tangible capital assets</b>	<b>(171,992)</b>	<b>(250)</b>
<b>Change due to prepaid expenses</b>	<b>(6,186)</b>	<b>(16,631)</b>
<b>Net increase (decrease) in the Agency's net debt</b>	<b>1,399</b>	<b>(227)</b>
<b>Agency's net debt - Beginning of year</b>	<b>9,057</b>	<b>9,284</b>
<b>Agency's net debt - End of year</b>	<b>10,456</b>	<b>9,057</b>

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

# Statement of Cash Flows (Unaudited)

## CANADIAN SPACE AGENCY

For the Year Ended March 31  
(in thousands of dollars)

	2022	2021
	\$	\$
<b>Operating Activities</b>		
Net cost of operations before government funding and transfers	552,127	355,498
<b>Non-cash items:</b>		
Amortization of tangible capital assets (note 10)	(216,654)	(48,014)
Net loss on disposal and write-offs of tangible capital assets	(78)	(26)
Services provided without charge by other government departments (note 12(a))	(7,548)	(6,657)
<b>Variations in Statement of Financial Position:</b>		
Increase in accounts receivable and advances	85	1,740
Decrease in prepaid expenses	(6,186)	(16,631)
Increase in accounts payable and accrued liabilities	(23,440)	(9,893)
Decrease (increase) in vacation pay and compensatory leave	236	(1,081)
Decrease in deferred revenue	-	58
Decrease in severance benefits	233	223
Decrease (increase) in contingent liabilities	140	(140)
Increase in other liabilities	(1,477)	(181)
Other transfers of assets from other government departments	45	35
<b>Cash used in operating activities</b>	<b>297,483</b>	<b>274,931</b>
<b>Capital Investing Activities</b>		
Acquisition of tangible capital assets (note 10)	44,746	47,804
Proceeds from disposal of capital assets	(6)	(14)
<b>Cash used in capital investing activities</b>	<b>44,740</b>	<b>47,790</b>
<b>Net cash provided by Government of Canada</b>	<b>342,223</b>	<b>322,721</b>

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

# Notes to the Financial Statements (Unaudited)

## CANADIAN SPACE AGENCY

For the Year Ended March 31

### 1. Authority and Objectives

The Canadian Space Agency “Agency” was decreed a “Department” on March 1st, 1989. The Agency is a division of the public service named in Schedule I.1 of the Financial Administration Act. The Agency is part of the Ministerial Portfolio of Innovation, Science and Economic Development, which represents the Agency in Parliament and in Cabinet.

The *Canadian Space Agency Act* that received Royal Assent in 1990 attributes four main functions to the Agency:

- Assist the Minister to coordinate the space policies and programs of the Government of Canada;
- Plan, direct, manage and implement programs and projects relating to scientific or industrial space research and development and the application of space technology;
- Promote the transfer and diffusion of space technology to and throughout Canadian industry; and
- Encourage commercial exploitation of space capabilities, technology, facilities and systems.

The mandate of the Canadian Space Agency is “To promote the peaceful use and development of space, to advance the knowledge of space through science and to ensure that space science and technology provide social and economic benefits for Canadians”.

The Agency fulfills its mandate through the following core responsibilities:

#### *Canada in space*

The Canadian Space Agency coordinates the space policies and programs of the government of Canada; ensures that other government departments and agencies have access to space data, information, and services to deliver on their mandate; plans, directs and manages projects relating to scientific or industrial space research and the development of space science and technology; promotes the transfer and diffusion of space technology to and throughout the Canadian industry; and encourages the commercial exploitation of the space capabilities, technology, facilities and systems. The Canadian Space Agency also aims to build Canada's capacity and engage the next generation of space scientists and engineers and provide opportunities to inspire young people to develop the required skills and to pursue studies and careers in science, technology, engineering and math.

#### *Internal services*

Internal Services are groups of related activities and resources that the Federal Government considers to be services in support of programs and/or required to meet corporate obligations of an organization. Internal Services refer to the activities and resources of ten distinct services that support program delivery in the organization, regardless of the Internal Services delivery model in a department. These services are: Acquisition Management Services, Communications Services, Financial Management Services, Human Resources Management Services, Information Management Services, Information Technology Services, Legal Services, Materiel Management Services, Management and Oversight Services, Real Property Management Services.

# Notes to the Financial Statements (Unaudited)

CANADIAN SPACE AGENCY

For the Year Ended March 31

## 2. Summary of Significant Accounting Policies

These financial statements have been prepared using the Government's accounting policies stated below, which are based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Significant accounting policies are as follows:

### *(a) Parliamentary authorities*

The Agency is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to the Agency do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Financial Position and the Statement of Operations and Agency Net Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a reconciliation between the two bases of reporting. The planned results amounts in the "Expenses" and "Revenues" sections of the Statement of Operations and Agency Net Financial Position are the amounts reported in the Future-Oriented Statement of Operations included in the 2021-2022 Departmental Plan. Planned results are not presented in the "Government funding and transfers" section of the Statement of Operations and Agency Net Financial Position and in the Statement of Change in the Agency's Net Debt because these amounts were not included in the 2021-2022 Departmental Plan.

### *(b) Net cash provided by Government*

The Agency operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the Agency is deposited to the CRF and all cash disbursements made by the Agency are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements, including transactions between departments of the Government.

### *(c) Due from the Consolidated Revenue Fund (CRF)*

Amounts due from the CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that the Agency is entitled to draw from the CRF without further authorities to discharge its liabilities.

### *(d) Revenues*

- ✓ Revenues are accounted for in the period in which the underlying transaction or event that gave rise to the revenue takes place.
- ✓ Funds received from external parties for specified purposes are recorded as deferred revenue, provided the Agency has an obligation for the provision of goods, services or the use of assets in the future (note 5).
- ✓ Revenues that are non-respendable are not available to discharge the Agency's liabilities. While the deputy head is expected to maintain accounting control, he has no authority regarding the disposition of non-respendable revenues. As a result, non-respendable revenues are considered to be earned on behalf of the Government of Canada and are therefore presented in reduction of the entity's gross revenues.

### *(e) Expenses*

Expenses are recorded on the accrual basis:

- ✓ Transfer payments are recorded as expenses in the year the transfer is authorized and all eligibility criteria have been met by the recipient.
- ✓ Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.
- ✓ Services provided without charge by other government departments for accommodation, legal services and employer contributions to the health and dental insurance plans are recorded as operating expenses at their estimated cost.

### *(f) Employee future benefits (note 6)*

- i Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer pension plan administered by the Government of Canada. The Agency's contributions to the Plan are charged to expenses in the year incurred and represent the Agency's total obligation to the Plan. The Agency's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficits are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.
- ii Severance benefits: The accumulation of severance benefits for voluntary departures ceased for applicable employee groups. The remaining obligation for employees who did not withdraw benefits is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

# Notes to the Financial Statements (Unaudited)

CANADIAN SPACE AGENCY

For the Year Ended March 31

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

### *(g) Accounts receivables and advances*

Accounts receivables and advances are stated at the lower of cost and net recoverable value. A provision is recorded for receivables where recovery is considered uncertain.

### *(h) Non-financial assets*

The costs of acquiring land, buildings, equipment and other capital property are capitalized as tangible capital assets and, except for land, are amortized to expense over the estimated useful lives of the assets, as described in note 10. All tangible capital assets and leasehold improvements having an initial cost of \$10,000 or more are recorded at their acquisition cost. Tangible capital assets do not include immovable assets located on reserves as defined in the *Indian Act*, works of art, museum collection and Crown land to which no acquisition cost is attributable; and intangible assets.

### *(i) Contingent liabilities*

Contingent liabilities are potential liabilities that may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, a provision is accrued and an expense recorded. If the likelihood is not determinable or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

### *(j) Foreign currency transactions*

Transactions involving foreign currencies are translated into Canadian dollar equivalents using rates of exchange in effect at the time of those transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using the rate of exchange in effect at March 31<sup>st</sup>. Gains and losses resulting from foreign currency transactions are included in the item "others" in the Statement of Operations and the Agency's Net Financial Position.

### *(k) Measurement uncertainty*

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported and disclosed amounts of assets, liabilities, revenues and expenses reported in the financial statements and accompanying notes at March 31. The estimates are based on facts and circumstances, historical experience, general economic conditions and reflect the Government's best estimate of the related amount at the end of the reporting period. 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.

### *(l) Related party transactions*

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions, other than restructuring transactions, are recorded on a gross basis and are measured at the carrying amount, except for the following:

- i Services provided on a recovery basis are recognized as revenues and expenses on a gross basis and measured at the exchange amount.
- ii Certain services received on a without charge basis are recorded for the Agency's financial statement purposes at the carrying amount.



# Notes to the Financial Statements (Unaudited)

## CANADIAN SPACE AGENCY

For the Year Ended March 31

### 3. Parliamentary Authorities

The Agency receives most of its funding through annual parliamentary authorities. Items recognized in the Statement of Financial Position, and the Statement of Operations and the Agency's Net Financial Position in one fiscal year may be funded through parliamentary authorities in prior, current or future years. Accordingly, the Agency has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

#### (a) Reconciliation of net cost of operations to current year parliamentary authorities used

<i>(in thousands of dollars)</i>	2022 \$	2021 \$
Net cost of operations before government funding and transfers	552,127	355,498
<i>Adjustments for items affecting net cost of operations but not affecting authorities</i>		
Amortization of tangible capital assets (note 10)	(216,654)	(48,014)
Services provided without charge by other government departments (note 12(a))	(7,548)	(6,657)
Refund of previous years' expenditures	977	1,485
Decrease in severance benefits	233	223
Decrease (increase) in vacation pay and compensatory leave	236	(1,081)
Decrease (increase) in contingent liabilities	140	(140)
Net loss on disposal and write-offs of tangible capital assets	(78)	(26)
Other	121	(2,037)
	<u>329,554</u>	<u>299,251</u>
<i>Adjustments for items not affecting net cost of operations but affecting authorities</i>		
Acquisition of tangible capital assets (note 10)	44,746	47,804
Proceeds from disposal of tangible capital assets	(6)	(14)
Decrease in prepaid expenses	(6,186)	(16,631)
	<u>38,554</u>	<u>31,159</u>
<b>Current year authorities used</b>	<b>368,108</b>	<b>330,410</b>

#### (b) Authorities provided and used

<i>(in thousands of dollars)</i>	2022 \$	2021 \$
<b>Authorities provided</b>		
<i>Vote 1</i> - Operating expenditures	240,107	204,688
<i>Vote 5</i> - Capital expenditures	153,481	155,522
<i>Vote 10</i> - Grants and contributions	86,889	80,294
Statutory amounts	11,073	10,947
	<u>491,550</u>	<u>451,451</u>
<b>Less:</b>		
Authorities available for use in future years	172	49
Lapsed : Operating	14,432	13,220
Lapsed : Capital	108,735	107,718
Lapsed : Grants and contributions	55	54
Lapsed: Proceeds from the disposal of surplus Crown assets	48	-
	<u>123,442</u>	<u>121,041</u>
<b>Current year authorities used</b>	<b>368,108</b>	<b>330,410</b>

Lapsed funds are unspent funds at year-end, which can be eligible for a carryforward to the subsequent year.

# Notes to the Financial Statements (Unaudited)

## CANADIAN SPACE AGENCY

For the Year Ended March 31

### 4. Accounts Payable and Accrued Liabilities

(in thousands of dollars)	2022 \$	2021 \$
Accounts payable - External parties	35,402	26,714
Contractor's holdbacks	5,433	5,415
Accounts payable – Other government departments and agencies	1,020	1,216
Other accounts payable	31	31
<b>Total accounts payable</b>	<b>41,886</b>	<b>33,376</b>
Accrued liabilities	58,798	43,868
<b>Total accounts payable and accrued liabilities</b>	<b>100,684</b>	<b>77,244</b>

### 5. Deferred Revenue

Deferred revenue represents the balance at year-end of unearned revenues stemming from amounts received prior to services being performed as part of the activities of RADARSAT-2 to cover expenses related to the reception, archiving, cataloguing and satellite acquisition services and for the preparation of accommodations of MacDonald Dettwiler and Associates Ltd. (MDA) employees. Revenues are recognized in the period that the expenditures are incurred or the service is performed. Details of the transactions related to this account are as follows:

(in thousands of dollars)	2022 \$	2021 \$
Deferred revenue as at April 1st	44	102
Amounts received	1,071	985
Services rendered	(1,071)	(1,043)
<b>Deferred revenue as at March 31</b>	<b>44</b>	<b>44</b>

# Notes to the Financial Statements (Unaudited)

## CANADIAN SPACE AGENCY

For the Year Ended March 31

### 6. Employee Future Benefits

#### *(a) Pension benefits*

The Agency's employees participate in the Public Service Pension Plan (the "Plan"), which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plan benefits and they are indexed to inflation.

Both the employees and the Agency contribute to the cost of the Plan. Due to the amendment of the Public Service Superannuation Act following the implementation of provisions related to the Economic Action Plan 2012, employee contributors have been divided into two groups - Group 1 relates to existing plan members as of December 31, 2012 and Group 2 relates to members joining the Plan as of January 1, 2013. Each group has a distinct contribution rate.

The 2021-2022 expense amounts to \$7.3 million (\$7.4 million in 2020-2021). For Group 1 members, the expense represents approximately 1.01 times (1.01 times in 2020-2021) the employee contributions and, for Group 2 members, approximately 1 time (1 time in 2020-2021) the employee contributions.

The Agency's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficits are recognized in the Consolidated Financial Statements of the Government of Canada, as the Plan's sponsor.

#### *(b) Severance benefits*

Severance benefits provided to the Agency's employees were previously based on an employee's eligibility, years of service and salary at termination of employment. However, since 2011, the accumulation of severance benefits for voluntary departures progressively ceased for substantially all employees. Employees subject to these changes were given the option to be paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits upon departure from the public service. By March 31, 2022, substantially all settlements for immediate cash out were completed. Severance benefits are unfunded and, consequently, the outstanding obligation will be paid from future authorities.

The changes in the obligations during the year were as follows:

	2022	2021
(in thousands of dollars)	\$	\$
Accrued benefit obligation, beginning of year	2,468	2,691
Expense for the year	38	79
Benefits paid during the year	(271)	(302)
Accrued benefit obligation, end of year	2,235	2,468

# Notes to the Financial Statements (Unaudited)

## CANADIAN SPACE AGENCY

For the Year Ended March 31

### 7. Other Liabilities

	2022	2021
(in thousands of dollars)	\$	\$
Contractor's holdbacks	3,250	1,773
	<b>3,250</b>	<b>1,773</b>

### 8. Accounts Receivable and Advances

	2022	2021
(in thousands of dollars)	\$	\$
Receivables from other government departments and agencies	9,153	8,822
Receivables from external entities	302	339
Other receivables and advances	70	120
Allowance for doubtful accounts on receivables from external entities	(9)	(10)
<b>Gross accounts receivable</b>	<b>9,516</b>	<b>9,271</b>
Accounts receivable held on behalf of Government	(553)	(393)
<b>Net accounts receivable</b>	<b>8,963</b>	<b>8,878</b>

# Notes to the Financial Statements (Unaudited)

## CANADIAN SPACE AGENCY

For the Year Ended March 31

### 9. Prepaid Expenses

(in thousands of dollars)	2022	2021
	\$	\$
Other prepaid expenses	1,070	973
Non-monetary exchange CSA/NASA	-	6,283
	1,070	7,256

### 10. Tangible Capital Assets

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

Asset category	Amortization period
Buildings, works and infrastructure	9-40 years
Material and equipment	4-20 years
Computer material	3-10 years
Computer software	3-15 years
Other equipment	2-30 years
Motor vehicles	5 years
Other vehicles	10 years
Leasehold improvements	Lesser of the remaining term of lease or useful life of the improvement

Assets under construction are accounted for in the applicable capital asset category in the fiscal year in which they become available for use for the production of goods or the provision of services (commissioning) and are only amortized as of that date.

The space assets are not considered operational until they have attained orbit or their expected trajectory or the landing date on the International Space Station.

# Notes to the Financial Statements (Unaudited)

## CANADIAN SPACE AGENCY

For the Year Ended March 31

### 10. Tangible Capital Assets (Continued)

Cost (in thousands of dollars)	Opening Balance	Acquisitions	Adjustments <sup>(1)</sup>	Disposals and Write- Offs	Closing Balance
	April 1st, 2021				March 31, 2022
	\$	\$	\$	\$	\$
Land	85	-	-	-	85
Buildings, works and infrastructure	170,335	-	11,796	-	182,131
Material and equipment	45,190	429	674	(507)	45,786
Computer material	15,739	57	296	-	16,092
Computer software	44,518	-	100	(1,082)	43,536
Other equipment	2,379,859	-	91,331	(78)	2,471,112
Motor vehicles	138	40	-	-	178
Other vehicles	571	-	-	-	571
Leasehold improvements	742	-	-	-	742
Assets under construction	324,105	44,220	(104,264)	(82)	263,979
	<b>2,981,282</b>	<b>44,746</b>	<b>(67)</b>	<b>(1,749)</b>	<b>3,024,212</b>
<b>Accumulated amortization</b> (in thousands of dollars)	<b>Opening Balance</b>	<b>Amortization</b>	<b>Adjustments</b>	<b>Disposals and Write- Offs</b>	<b>Closing Balance</b>
	April 1st, 2021				March 31, 2022
	\$	\$	\$	\$	\$
Buildings, works and infrastructure	115,447	5,068	-	-	120,515
Material and equipment	37,364	1,621	(67)	(508)	38,410
Computer material	13,516	620	-	-	14,136
Computer software	12,948	8,002	-	(1,082)	19,868
Other equipment	1,266,191	201,202	-	(75)	1,467,318
Motor vehicles	75	26	-	-	101
Other vehicles	431	23	-	-	454
Leasehold improvements	279	92	-	-	371
	<b>1,446,251</b>	<b>216,654</b>	<b>(67)</b>	<b>(1,665)</b>	<b>1,661,173</b>
<b>Net book value</b> (in thousands of dollars)	<b>Opening Balance</b>				<b>Closing Balance</b>
	April 1st, 2021				March 31, 2022
	\$				\$
Land	85				85
Buildings, works and infrastructure	54,888				61,616
Material and equipment	7,826				7,376
Computer material	2,223				1,956
Computer software	31,570				23,668
Other equipment	1,113,668				1,003,794
Motor vehicles	63				77
Other vehicles	140				117
Leasehold Improvements	463				371
Assets under construction	324,105				263,979
<b>Net Book Value</b>	<b>1,535,031</b>				<b>1,363,039</b>

(1) Adjustments include assets under construction of \$104.2 million that were transferred to the other asset categories upon completion of the following assets: Buildings, works and infrastructure \$11.8 million; material and equipment \$0.7 million; computer material \$0.3 million; computer software \$0.1 million and other equipment \$91.3 million.

During the year, an equipment in the amount of \$67,031 was transferred to National Research Council of Canada.

# Notes to the Financial Statements (Unaudited)

## CANADIAN SPACE AGENCY

For the Year Ended March 31

### 11. Contractual Obligations

The nature of the Agency's activities may result in some large multi-year contracts and obligations whereby the Agency will be obligated to make future payments in order to carry out its transfer payment programs, for the construction of assets and for the acquisitions of goods and services. Significant contractual obligations that can be reasonably estimated are summarized as follows:

	2023	2024	2025	2026	2027 & thereafter	Total
(in thousands of dollars)	\$	\$	\$	\$	\$	\$
Construction of assets	190,451	113,616	-	-	-	304,067
Transfer payments	29,211	31,896	26,316	21,906	52,365	161,694
Acquisitions of goods and services	58,743	36,992	27,693	-	-	123,428
Total	278,405	182,504	54,009	21,906	52,365	589,189

The construction of assets is mostly related to the Canadarm3, the Gateway External Robotics Interfaces and the Quantum Encryption and Science Satellite (QEYSSat) demonstration mission while obligations for the acquisition of goods and services are mostly related to the Canadian Space Station Program. Contractual obligations for transfer payments are related to the contributions to the European Space Agency.

# Notes to the Financial Statements (Unaudited)

## CANADIAN SPACE AGENCY

For the Year Ended March 31

### 12. Related Party Transactions

The Agency is related as a result of common ownership to all government departments, organizations, and Crown Corporations. Related parties also include individuals who are members of key management personnel or close family members of those individuals, and entities controlled by, or under shared control of, a member of key management personnel or a close family member of that individual.

The Agency enters into transactions with these entities in the normal course of business and on normal trade terms.

#### *(a) Common services provided without charge by other government departments*

During the year, the Agency received services without charge from certain common services organizations, related to accommodation, legal services and the employer's contribution to the health and dental insurance plans. These services provided without charge have been recorded at the carrying value in the Agency's Statement of Operations and the Agency's Net Financial Position as follows:

	2022	2021
(in thousands of dollars)	\$	\$
Employer's contribution to the health and dental insurance plans	7,280	6,488
Accommodation	173	169
Legal Services	95	-
	7,548	6,657

The Government has centralized some of its administrative activities for efficiency, cost-effectiveness purposes and economic delivery of programs to the public. As a result, the Government uses central agencies and common service organizations so that one department performs services for all departments and agencies without charge. The costs of these services, such as payroll and cheque issuance services provided by Public Services and Procurement Canada, information technology (IT) infrastructure services in the areas of data centre and network services provided by Shared Services Canada and audit services provided by the Office of the Auditor General, are not included in the Agency's Statement of Operations and the Agency's Net Financial Position.

#### *(b) Other transactions with other government departments and agencies*

	2022	2021
(in thousands of dollars)	\$	\$
Expenses	36,524	33,817
Revenues	373	237

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



# Notes to the Financial Statements (Unaudited)

## CANADIAN SPACE AGENCY

For the Year Ended March 31

### 13. Segmented Information

Presentation by segment is based on the Agency's core responsibility. The presentation by segment is based on the same accounting policies as described in the Summary of significant accounting policies in note 2. The following table presents the expenses incurred and revenues generated for main core responsibilities, by major object of expense and by revenue type. The results for the period are as follows:

	Canada in Space \$	Internal Services \$	2022 \$	2021 \$
<i>(in thousands of dollars)</i>				
<b>Operating expenses</b>				
Amortization of tangible capital assets	212,309	4,345	<b>216,654</b>	48,014
Professional and special services	115,186	12,039	<b>127,225</b>	104,700
Salaries and employee benefits	57,250	37,786	<b>95,036</b>	88,169
Information	6,844	1,385	<b>8,229</b>	2,614
Travel and communications	5,167	316	<b>5,483</b>	2,105
Rentals	1,842	3,072	<b>4,914</b>	3,081
Acquisition of machinery and material	1,159	1,948	<b>3,107</b>	20,831
Purchased repair and maintenance	249	978	<b>1,227</b>	1,390
Utilities, materials and supplies	144	1,078	<b>1,222</b>	1,148
Loss on disposal and write-offs of tangible capital assets	-	82	<b>82</b>	34
Other	194	2,276	<b>2,470</b>	3,275
<b>Total operating expenses</b>	<b>400,344</b>	<b>65,305</b>	<b>465,649</b>	<b>275,361</b>
<b>Transfer payments</b>				
International organizations	50,120	-	<b>50,120</b>	50,807
Industry	22,864	-	<b>22,864</b>	17,755
Non-Profit Organizations	13,666	-	<b>13,666</b>	11,629
Individuals	-	-	-	2
<b>Total transfer payments</b>	<b>86,650</b>	<b>-</b>	<b>86,650</b>	<b>80,193</b>
<b>Total expenses</b>	<b>486,994</b>	<b>65,305</b>	<b>552,299</b>	<b>355,554</b>
<b>Revenues</b>				
Sale of goods and services	583	-	<b>583</b>	419
Lease and use of public property	-	241	<b>241</b>	238
Sale of rights and privileges	27	-	<b>27</b>	43
Gain on disposal of tangible assets	-	4	<b>4</b>	8
Other revenues	312	335	<b>647</b>	2,764
Revenues earned on behalf of Government	(763)	(567)	<b>(1,330)</b>	(3,416)
<b>Total Revenues</b>	<b>159</b>	<b>13</b>	<b>172</b>	<b>56</b>
<b>Net cost of operations</b>	<b>486,835</b>	<b>65,292</b>	<b>552,127</b>	<b>355,498</b>

# Notes to the Financial Statements (Unaudited)

CANADIAN SPACE AGENCY

For the Year Ended March 31

## 14. Subsequent events

The outbreak of the Coronavirus disease [“COVID-19”] has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time. The Agency has determined the impact of COVID-19 to be non-material on its financial statements for the year ending March 31, 2022. Although we do not foresee any major impact on the Agency's activities, any possible future impacts on the Agency's financial position and financial results in future periods are still to be determined.

## 15. Comparative information

Certain comparative figures have been reclassified in order to conform to the current year's presentation.