

Notes to Financial Statements

CANADIAN INSTITUTE FOR INTERNATIONAL PEACE AND SECURITY

Notes to Financial Statements March 31, 1987

1. Authority and operations

The Institute was established in June 1984 under the Canadian Institute for International Peace and Security Act which was amended by Bill C-69. It is an exempted Crown corporation as defined in the Financial Administration Act.

The purpose of the Institute is to increase knowledge and understanding of the issues relating to international peace and security from a Canadian perspective with particular emphasis on arms control, disarmament, defence and conflict resolution, and to:

- (a) foster, fund and conduct research on matters relating to international peace and security;
- (b) promote scholarship in matters relating to international peace and security;
- (c) study and propose ideas and policies for the enhancement of international peace and security; and
- (d) collect and disseminate information on, and encourage public discussion of, issues of international peace and security.

2. Significant accounting policies

These financial statements have been prepared in accordance with generally accepted accounting principles. The significant accounting policies followed are:

- (a) Fixed assets

Fixed assets are recorded at cost. Office furniture and equipment are depreciated on the straight-line basis at an annual rate of 20%. Leasehold improvements are amortized, using the straight-line method, based on the duration of the lease.

- (b) Pension plan

Employees participate in the Public Service Superannuation Plan administered by the Government of Canada. The Institute's contributions are equal to the contributions paid by its employees in respect of current services. These contributions represent the total liability of the Institute in respect of the pension plan and are recorded as expenses in the same period as the employees' services are rendered.

- (c) Income taxes

The Institute is exempt from any liability for income taxes.

- (d) Parliamentary appropriation

Parliamentary appropriation is recorded in the accounts on an accrual basis. Furthermore, the Act states that the Institute shall be paid from the Consolidated Revenue Fund the following sums:

1987-88	\$4 million
1988-89	5 million
thereafter	5 million or such greater amount as may be appropriated by Parliament.

- (e) Grants and transfer payments

The Institute recognizes its liability for a grant or transfer payment upon the conditions of the agreement being met by the recipient of the grant or transfer payment.

3. Fixed assets

	1987		1986	
	Cost	Accumulated depreciation and amortization	Net book value	Net book value
Office furniture	\$147,339	\$53,592	\$93,747	\$94,754
Equipment	54,560	18,502	36,058	27,619
Leasehold improvements	45,872	14,959	30,913	18,621
	<u>247,771</u>	<u>87,053</u>	<u>160,718</u>	<u>140,994</u>

4. Commitments

Leases

The Institute has entered into lease agreements for the rental of office premises. The Institute can renew in 1990 the main lease agreement for an additional five-year period. The minimum annual rent for the next three years is \$133,000.

Grants and transfer payments

The Institute is committed to make payments totalling approximately \$569,200 in subsequent years subject to compliance by the recipients with the terms of the agreements. Payments totalling approximately \$551,000 are to be made during the next fiscal year.

	Total
Research	\$274,625
Public programmes	172,175
Awards and scholarships	112,400
Information services	10,000
	<u>569,200</u>