

Notes to Financial Statements

CANADIAN INSTITUTE FOR INTERNATIONAL PEACE AND SECURITY

Notes to Financial Statements March 31, 1988

1. Authority and operations

The Institute was established in June 1984 under the Canadian Institute for International Peace and Security Act (the Act) which was amended by Bill C-69. The Institute is exempt from Divisions I to IV of Part XII of the Financial Administration Act by s. 96(1) of that 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) Furniture, equipment and leasehold improvements

Furniture, equipment and leasehold improvements are recorded at cost. 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 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:

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

(e) Grants, awards and scholarships

Grants, awards and scholarships are charged to operations when the conditions of the agreement are met by the recipient.

3. Furniture, equipment and leasehold improvements

| | 1988 | | 1987 | |
|------------------------|----------------|---|----------------|----------------|
| | Cost | Accumulated depreciation and amortization | Net | Net |
| | \$ | \$ | \$ | \$ |
| Furniture | 152,843 | 84,160 | 68,683 | 93,747 |
| Equipment | 110,890 | 40,680 | 70,210 | 36,058 |
| Leasehold improvements | 45,872 | 41,456 | 4,416 | 30,913 |
| | <u>309,605</u> | <u>166,296</u> | <u>143,309</u> | <u>160,718</u> |

4. Commitments

(a) Office lease agreements

The Institute is in the process of finalizing an additional lease agreement for its new office premises effective June 1, 1988. Total commitments for lease payments are estimated at \$224,000 for the fiscal year 1988-89 and \$365,000 for each of the nine subsequent fiscal years.

(b) Programmes

The Institute is committed to make payments totalling approximately \$1,155,700 in subsequent years (\$1,069,500 in 1988-89) subject to compliance by the recipients with the terms of the agreements.

| | |
|--|------------------|
| | \$ |
| Responsive grants, awards and scholarships | 644,300 |
| Research | 360,000 |
| Public programmes | 149,000 |
| Information services | 2,400 |
| | <u>1,155,700</u> |