

CANADIAN INSTITUTE FOR INTERNATIONAL PEACE AND SECURITY

Notes to Financial Statements March 31, 1986

1. Authority and operations

The Institute was established in June 1984 under the Canadian Institute for International Peace and Security Act and commenced operations on October 1, 1984.

During the year, the Constitutional Act of the Institute was amended by Bill C-69. It is now an exempted Crown corporation and has been removed from Schedule C of the Financial Administration Act. Furthermore, this Bill modified the French version of the Institute from "Institut canadien pour la paix et la sécurité mondiales" to "Institut canadien pour la paix et la sécurité internationales".

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 main principles 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:

1986-87	\$ 3 million
1987-88	4 million
1988-89	5 million
thereafter	5 million or such greater amount as may be appropriated by Parliament.

(e) Grants

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