



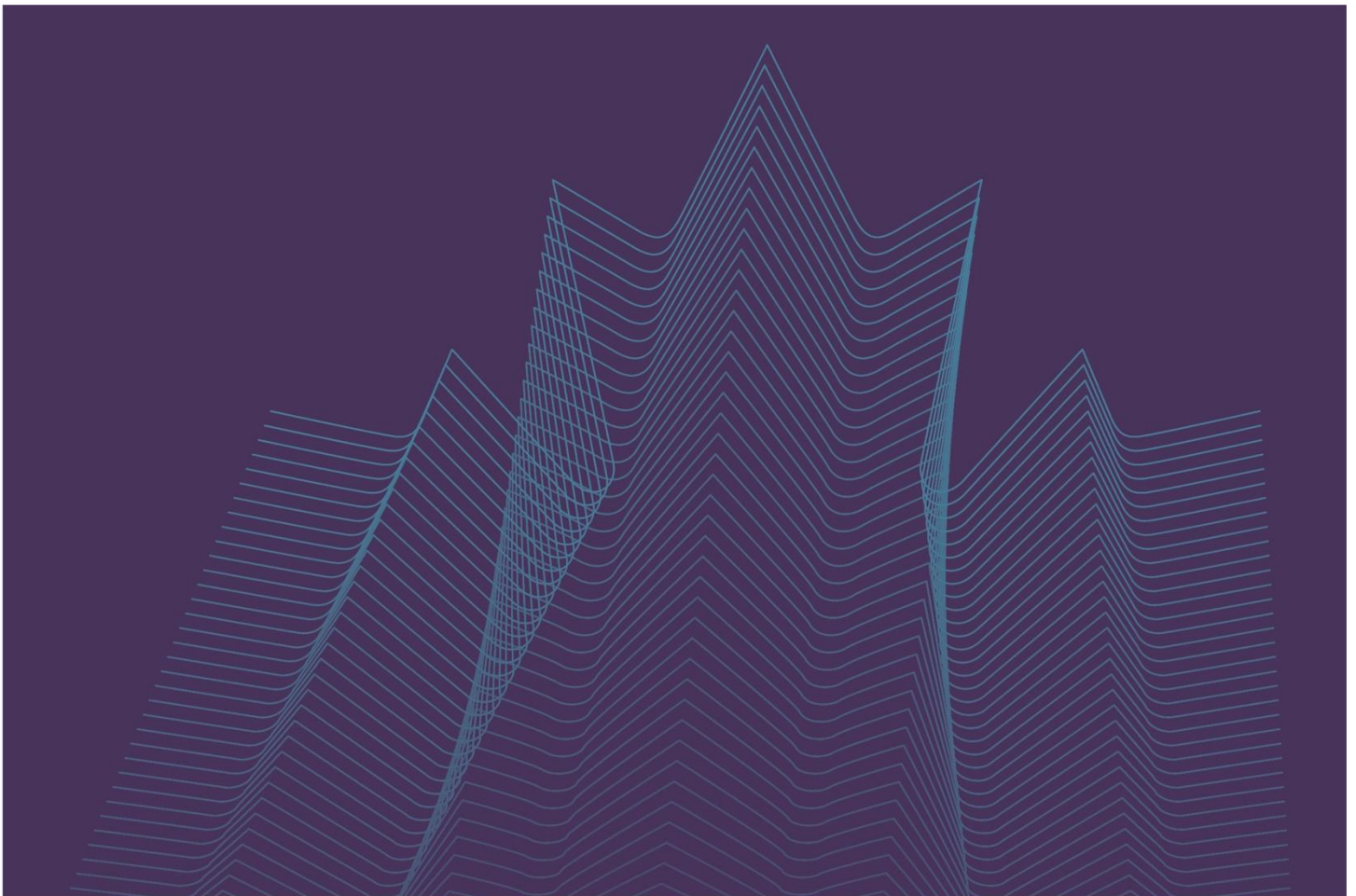
Canada School
of Public Service

École de la fonction
publique du Canada



Financial Statements (Unaudited)

For the year ended March 31, 2020



Statement of Management Responsibility Including Internal Control Over Financial Reporting

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2020, and all information contained in these statements rests with the management of the Canada School of Public Service (the School). These financial statements have been prepared by management using the Government's accounting policies, which are based on Canadian public sector accounting standards.

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 fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the School's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada and included in the School'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, the Canada School of Public Service 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 School; 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.

The School is subject to periodic Core Control Audits performed by the Office of the Comptroller General (OCG) and uses the results of such audits to comply with the Treasury Board Policy on Financial Management.

A Core Control Audit was performed in 2014–2015 by the OCG. The [Audit Report](#) and related [Management Action Plan](#) are posted on the School's Web site.

The financial statements of the School have not been audited.

Original signed by:

Taki Sarantakis
President

Tom Roberts
Chief Financial Officer

October 7, 2020
Ottawa, Canada

Statement of Financial Position (Unaudited)

As at March 31

<i>(in thousands of dollars)</i>	2020	2019
Liabilities		
Accounts payable and accrued liabilities (note 4)	9,570	9,424
Vacation pay and compensatory leave	4,451	3,503
Employee future benefits (note 5)	2,919	2,599
Other liabilities	86	87
Total liabilities	17,026	15,613
Financial assets		
Due from Consolidated Revenue Fund	5,898	9,054
Accounts receivable and advances (note 6)	6,035	2,826
Total gross financial assets	11,933	11,880
Financial assets held on behalf of Government		
Accounts receivable and advances (note 6)	(2,052)	(1,902)
Total financial assets held on behalf of Government	(2,052)	(1,902)
Total net financial assets	9,881	9,978
Departmental net debt	7,145	5,635
Non-financial assets		
Prepaid expenses	526	461
Tangible capital assets (note 7)	7,042	8,255
Total non-financial assets	7,568	8,716
Departmental net financial position	423	3,081

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

Original signed by

Taki Sarantakis
President

Tom Roberts
Chief Financial Officer

October 7, 2020
Ottawa, Canada

Statement of Operations and Departmental Net Financial Position (Unaudited)

For the year ended March 31

<i>(in thousands of dollars)</i>	Planned results 2020	2020	2019
Expenses			
Learning services	74,772	73,701	72,080
Internal services	24,924	23,859	23,069
Total expenses	99,696	97,560	95,149
Revenues			
Sales of goods and services	15,461	6,911	6,424
Other revenues	-	1	2
Total revenues	15,461	6,912	6,426
Net cost of operations before government funding and transfers	84,235	90,648	88,723
Government funding and transfers	-		
Net cash provided by Government of Canada	-	77,212	75,398
Change in due from Consolidated Revenue Fund	-	(3,156)	2,710
Services provided without charge by other government departments (note 8)	-	14,107	13,624
Transfer of assets to other government departments (note 9)	-	(173)	(16)
Net cost of operations after government funding and transfers	-	2,658	(2,993)
Departmental net financial position - Beginning of year	-	3,081	88
Departmental net financial position - End of year	-	423	3,081

Segmented information (note 10)

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

Statement of Change in Departmental Net Debt (Unaudited)

For the year ended March 31

<i>(in thousands of dollars)</i>	2020	2019
Net cost of operations after government funding and transfers	2,658	(2,993)
Change due to tangible capital assets		
Acquisition of tangible capital assets (note 7)	1,225	4,344
Amortization of tangible capital assets (note 7)	(2,432)	(1,525)
Net gain (loss) on disposal of tangible capital assets	(3)	-
Transfer to other government departments	(3)	-
Total change due to tangible capital assets	(1,213)	2,819
Change due to prepaid expenses	65	357
Net increase in departmental net debt	1,510	183
Departmental net debt - Beginning of year	5,635	5,452
Departmental net debt - End of year	7,145	5,635

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

Statement of Cash Flows (Unaudited)

For the year ended March 31

<i>(in thousands of dollars)</i>	2020	2019
Operating activities		
Net cost of operations after government funding and transfers	90,648	88,723
Non-cash items		
Amortization of tangible capital assets (note 7)	(2,432)	(1,525)
Services provided without charge by other government departments (note 8)	(14,107)	(13,624)
Net gain (loss) on disposal of tangible capital assets	(3)	-
Variations in Statement of Financial Position		
Increase (decrease) in accounts receivable and accountable advances	3,059	(1,798)
Increase in prepaid expenses	65	357
Increase in accounts payable and accrued liabilities	(146)	(1,054)
Increase in vacation pay and compensatory leave	(948)	(326)
Decrease (increase) in employee future benefits	(320)	373
Decrease (increase) in other liabilities	1	(86)
Transfer of financial assets to other government departments (note 9)	170	16
Cash used in operating activities	75,987	71,056
Capital investing activities		
Acquisitions of tangible capital assets (note 7)	1,225	4,344
Proceeds from disposal of assets	-	(2)
Cash used in capital investing activities	1,225	4,342
Net cash provided by Government of Canada	77,212	75,398

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

Notes to the Financial Statements (Unaudited)

For the year ended March 31

1. Authority and objectives

On April 1, 2004, amendments to the *Canadian Centre for Management Development Act* were proclaimed and the organization was renamed the Canada School of Public Service (the School). The amended legislation, now entitled the *Canada School of Public Service Act*, continues and expands the mandate of the former organization as a departmental corporation. The School reports to the President of the Treasury Board and Minister of Digital Government.

The School has a single core responsibility: “Common Public Service Learning.”

The School was created to ensure that all employees of the Public Service of Canada have the required competencies and common knowledge to serve Canadians in the most efficient and effective way possible. To achieve this goal, the School continues to offer a strong, consistent curriculum that focuses on the key skills and knowledge required by a dynamic public service that must constantly adapt to the needs of its stakeholders and Canadians.

2. Summary of significant accounting policies

These financial statements have been prepared using the School'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 School is financed primarily by the Government of Canada through parliamentary authorities. Financial reporting of authorities provided to the School 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 Operations and Departmental Net Financial Position and in the Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a reconciliation between the basis of reporting. The planned results amounts in the “Expenses” and “Revenues” sections of the Statement of Operations and Departmental Net Financial Positions are the amounts reported in the Future-oriented Statement of Operations included in the 2019-20 Departmental Plan. Planned results are not presented in the “Government funding and transfers” section of the Statement of Operations and Departmental Net Financial Position and in the Statement of Change in Departmental Net Debt because these amounts were not included in the 2019-20 Departmental Plan.

Notes to the Financial Statements (Unaudited)

For the year ended March 31

2. Summary of significant accounting policies (continued)

(b) Net cash provided by Government

The School operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the School is deposited to the CRF, and all cash disbursements made by the School 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 or to the CRF

Amounts due from or to 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 School 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 occurred that gave rise to the revenues.

(e) Expenses

Expenses are recorded on the accrual basis:

- 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 and employer contributions to the health and dental insurance plans are recorded as operating expenses at their estimated cost.

(f) Employee future benefits

- **Pension benefits:** Eligible employees participate in the Public Service Pension Plan, a multiemployer pension plan administered by the Government of Canada. The School's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. The School'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.
- **Severance benefits:** The accumulation of severance benefits for voluntary departures ceased for applicable employees 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.

(g) Accounts receivable and advances

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

Notes to the Financial Statements (Unaudited)

For the year ended March 31

2. Summary of significant accounting policies (continued)

(h) Measurement uncertainty

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements and accompanying notes at March 31. 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 allowance for doubtful accounts, the liability for employee future 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 authorities

The School receives most of its funding through annual Parliamentary authorities. Items recognized in the Statement of Operations and Departmental Net Financial Position and the Statement of Financial Position in one year may be funded through Parliamentary authorities in prior, current or future years. Accordingly, the School 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 authorities used

<i>(in thousands of dollars)</i>	2020	2019
Net cost of operations after government funding and transfers	90,648	88,723
Adjustments for items affecting net cost of operations but not affecting authorities:		
Services provided without charge by other government departments	(14,107)	(13,624)
Revenues	6,912	6,426
Amortization of tangible capital assets	(2,432)	(1,525)
Net loss on disposal of tangible capital assets	(3)	-
Decrease (increase) employee future benefits	(320)	373
Increase in vacation pay and compensatory leave	(948)	(326)
Prior year adjustments	55	80
Other	35	(63)
Total items affecting net cost of operations but not affecting authorities	(10,808)	(8,659)
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisition of tangible capital assets (note 7)	1,225	4,344
Transition payments for implementing salary payments in arrears (note 9)	9	-
Increase in prepaid expenses	65	357
Salary overpayments to recover	241	470
Total items not affecting net cost of operations but affecting authorities	1,540	5,171
Current year authorities used	81,380	85,235

Notes to the Financial Statements (Unaudited)

For the year ended March 31

3. Parliamentary authorities (continued)

(b) Authorities provided and used

<i>(in thousands of dollars)</i>	2020	2019
Authorities provided:		
Vote 1 – Operating expenditures	65,791	68,286
Statutory amounts	22,088	24,201
Less:		
Authorities available for future years	(4,912)	(6,424)
Lapsed: Operating	(1,587)	(828)
Current year authorities used	81,380	85,235

4. Accounts payable and accrued liabilities

The following table presents details of the School's accounts payable and accrued liabilities:

<i>(in thousands of dollars)</i>	2020	2019
Accounts payable - Other government departments and agencies	2,489	1,377
Accounts payable - External parties	1,681	2,295
Total accounts payable	4,170	3,672
Accrued liabilities	5,400	5,752
Total accounts payable and accrued liabilities	9,570	9,424

Notes to the Financial Statements (Unaudited)

For the year ended March 31

5. Employee future benefits

(a) Pension benefits

The School'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 the Canada/Québec Pension Plan benefits, and they are indexed to inflation.

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

The 2019-20 expense amounts to \$6,063 thousand (\$5,601 thousand in 2018-19). For Group 1 members, the expense represents approximately 1.01 times (1.01 times in 2018-19) the employee contributions and, for Group 2 members, approximately 1.00 times (1.00 times in 2018-19) the employee contributions.

The School'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

Severance benefits provided to the School'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, 2018, substantially all settlements for immediate cash out were completed. Severance benefits are unfunded and, consequently, the outstanding obligation will be paid from future authorities.

Changes in obligations during the year were as follows:

<i>(in thousands of dollars)</i>	2020	2019
Accrued benefit obligation, beginning of year	2,599	2,972
Expense for the year	359	208
Benefits paid during the year	(39)	(581)
Accrued benefit obligation - end of year	2,919	2,599

Notes to the Financial Statements (Unaudited)

For the year ended March 31

6. Accounts receivable and advances

The following table presents details of the School's accounts receivable and advances balances.

<i>(in thousands of dollars)</i>	2020	2019
Receivables - Other government departments and agencies	3,870	916
Receivables - External parties	2,173	1,912
Advances	-	5
Subtotal	6,043	2,833
Allowance for doubtful accounts on receivables from external parties	(8)	(7)
Gross accounts receivable and advances	6,035	2,826
Accounts receivable held on behalf of Government	(2,052)	(1,902)
Net accounts receivable and advances	3,983	924

7. 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 School does not capitalize intangible assets.

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

Asset class	Amortization period
Machinery and equipment	5-10 years
Other equipment (including furniture)	5-12 years
Informatics hardware	3-5 years
Software (including developed software)	3-5 years
Leasehold improvements	Over the useful life of the improvement or the lease term, whichever is shorter

Assets under construction are recorded in the applicable capital asset class and amortized when they become available for use.

Notes to the Financial Statements (Unaudited)

For the year ended March 31

7. Tangible capital assets (continued)

(in thousands of dollars)

Capital asset class	Cost					Accumulated amortization					Net book value	
	Opening balance	Acquisitions	Adjustments	Disposals and write-offs	Closing balance	Opening balance	Amortization	Adjustments	Disposals and write-offs	Closing balance	2020	2019
Machinery and equipment	3,614	208	-	-	3,822	2,088	658	-	-	2,746	1,076	1,526
Other equipment (including furniture)	1,117	60	-	-	1,177	185	99	-	-	284	893	932
Informatics hardware	3,021	666	(4)	(4)	3,679	585	914	(1)	(1)	1,497	2,182	2,436
Software (including developed software)	11,017	52	-	-	11,069	10,106	436	-	-	10,542	527	911
Leasehold improvements	3,938	239	-	-	4,177	1,488	325	-	-	1,813	2,364	2,450
Total	22,707	1,225	(4)	(4)	23,924	14,452	2,432	(1)	(1)	16,882	7,042	8,255

Notes to the Financial Statements (Unaudited)

For the year ended March 31

8. Related party transactions

The School is related, as a result of common ownership, to all government departments, agencies, and Crown corporations. The School 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 School received services without charge from certain common service organizations related to accommodation and the employer's contribution to the health and dental insurance plans. These services provided without charge have been recorded in the School's Statement of Operations and Departmental Net Financial Position as follows:

<i>(in thousands of dollars)</i>	2020	2019
Accommodation	8,537	8,733
Employer's contribution to the health and dental insurance plans	5,570	4,891
Total common services provided without charge from other government departments	14,107	13,624

The Government has centralized some of its administrative activities for efficiency, cost-effectiveness 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 other 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 services provided by Shared Services Canada are not included in the School's Statement of Operations and Departmental Net Financial Position.

(b) Other transactions with related parties

<i>(in thousands of dollars)</i>	2020	2019
Expenses - Other Government departments and agencies	19,743	21,885
Revenues - Other Government departments and agencies	6,819	6,333

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

Notes to the Financial Statements (Unaudited)

For the year ended March 31

9. Transfers from/to other government departments

The School transferred assets to other departments:

- accounts receivable relating to salary overpayments as a result of the transfer of these employees to other government departments; and
- a tangible capital asset to Veterans Affairs Canada.

<i>(in thousands of dollars)</i>	2020	2019
Accounts receivable and advances (note 6)	170	16
Tangible capital asset (net book value) (note 7)	3	-
Total assets transferred	173	16

10. Segmented information

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

<i>(in thousands of dollars)</i>	Learning Services	Internal Services	2020	2019 (restated note 11)
Operating expenses				
Salaries and employee benefits	56,915	19,191	76,106	70,099
Professional and special services	8,457	3,028	11,485	13,071
Accommodation	6,403	2,134	8,537	8,733
Transportation and telecommunications	2,181	250	2,431	2,366
Amortization of tangible capital assets	2,139	293	2,432	1,525
Rentals	919	127	1,046	705
Printing and publishing	657	211	868	1,201
Small equipment and parts	62	116	178	661
Utilities, materials and supplies	185	132	317	337
Repair and maintenance	8	36	44	272
Other operating expenses	(4,225)	(1,659)	(5,884)	(3,821)
Total expenses	73,701	23,859	97,560	95,149
Revenues				
Sales of Goods and Services	6,911	-	6,911	6,424
Other Revenues	-	1	1	2
Total revenues	6,911	1	6,912	6,426
Net cost from continuing operations before government funding and transfers	66,790	23,858	90,648	88,723

Notes to the Financial Statements (Unaudited)

For the year ended March 31

11. Comparative information

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