

NATIONAL ROUND TABLE ON THE ENVIRONMENT AND THE ECONOMY



Annual Report 2004–2005



National Round Table
on the Environment
and the Economy

Table ronde nationale
sur l'environnement
et l'économie

Canada

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As of March 31, 2005

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Winnipeg, Manitoba

Vice-Chair

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Executive Director

Pollution Probe Foundation

Toronto, Ontario

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President & CEO

GE Canada

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Executive Assistant to the Corporate Secretary

Hélène Sutton

Senior Policy Advisors

Carolyn Cahill

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Lisa Woodward

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Alex Long

Erik Sparling

Manager of Communications

Moira Forrest

Communications Advisor

Kelly Bagg

Internet Development Officer

Edwin Smith

Desktop Publisher

Kindi Chana

Information Holdings Coordinator

Phyllis Leonardi

Information Specialist

Tyler Palamar

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Manager, Finance & Administration

Michael Hammond

Finance & Administration Assistant

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Finance & Administration Clerk

Marie-France Brassard

Administrative Assistants

Lise Bélanger

Denise Johnston

Tania Tremblay

Denise Wilson

Réceptionniste / Secrétaire

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NATIONAL ROUND TABLE ON THE ENVIRONMENT AND THE ECONOMY
TABLE RONDE NATIONALE SUR L'ENVIRONNEMENT ET L'ÉCONOMIE

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Letter from the Chair and Chief Executive Officer

July 2005

Dear Prime Minister:

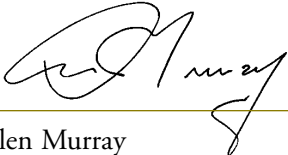
We are pleased to submit to you the 2004–2005 Annual Report of the National Round Table on the Environment and the Economy (NRTEE).

Our efforts this past year have focused on facilitating discussion of the environmental and economic elements of a number of key national and international issues. Stakeholders from a wide range of sectors have contributed to important debates on ecological fiscal reform and energy, conserving Canada's natural capital in the boreal forest, capital markets and sustainability, energy and climate change, and recommendations on measures for inclusion in the federal budget.

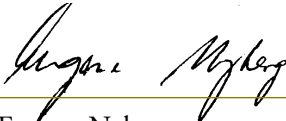
During the next fiscal year, the NRTEE will continue to lead discussion and debate in these program areas, with particular emphasis on energy and climate change in the lead-up to the United Nations Framework Convention on Climate Change Conference of the Parties (CoP11) conference in Montreal in the fall. We will also closely examine options for a "feebate" for vehicles.

We look forward to continuing to provide your office with current information and advice throughout 2005–2006.

Yours sincerely,



Glen Murray
Chair



Eugene Nyberg
Acting President and
Chief Executive Officer



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National Round Table
on the Environment
and the Economy

Table ronde nationale
sur l’environnement
et l’économie

The NRTEE: An Overview

Who We Are

The National Round Table on the Environment and the Economy (NRTEE) is dedicated to exploring new opportunities to integrate environmental conservation and economic development, in order to sustain Canada's prosperity and secure its future.

Drawing on the wealth of insight and experience represented by our diverse membership, our mission is to generate and promote innovative ways to advance Canada's environmental and economic interests in combination, rather than in isolation. In this capacity, the NRTEE examines the environmental and economic implications of priority issues and offers advice on how best to reconcile the sometimes competing interests of economic prosperity and environmental conservation.

The NRTEE was established in 1994 as an independent advisory body reporting to governments and the Canadian public. Appointed by the Prime Minister, our members are distinguished leaders in business and labour, universities, environmental organizations, Aboriginal communities and municipalities.

How We Work

The NRTEE is structured as a round table in order to facilitate the unfettered exchange of ideas. By offering our members a safe haven for discussion, the NRTEE helps reconcile positions that have traditionally been at odds.

The NRTEE is also a coalition builder, reaching out to organizations that share our vision for sustainable development. We believe that affiliation with like-minded partners will spark creativity and generate the momentum needed for success.

And finally, the NRTEE acts as an advocate for positive change, raising awareness among Canadians and their governments about the challenges of sustainable development and promoting viable solutions.

We also maintain a secretariat, which commissions and analyses the research required by our members in their work. The secretariat also furnishes administrative, promotional and communications support to the NRTEE.

The Year in Review

Corporate Activities

Meetings

The members of the NRTEE meet as a round table four times a year to review and discuss the ongoing work of the agency, set priorities and initiate new activities. This year, the members met at Meech Lake (Quebec) in May, Regina in August and Ottawa in November. (The fourth meeting, scheduled for Victoria in February, was cancelled due to important imminent announcements by the Prime Minister that directly affected the future work and direction of the Round Table.)

The Round Table's Executive Committee held three meetings over the year, convening as a group by conference call and in person in April, October and December 2004.

Performance Measurement and Evaluation

During 2004–2005, the NRTEE continued to implement and refine its Performance Measurement Framework. This framework, which

is being implemented at a strategic level and within each of the NRTEE's programs, ensures a clear focus on outcomes. The framework also ensures a performance measurement plan is developed. By objectively and systematically measuring performance, the agency is able to provide parliamentarians and Canadians with sounder, more objective results-based information.

As well, the Round Table has continued to implement an evaluation process to complement the Performance Measurement Framework. Evaluations of two NRTEE programs—Conservation of Natural Heritage and the National Brownfield Redevelopment Strategy—were completed in the spring of 2005.

Modern Comptrollership and Management

In 2004–2005, the NRTEE continued its successful work strengthening management practices in four priority areas: integrated performance information, appropriate systems of control, integrated risk management, and values and ethics. The integrated risk management plan and the values and ethics plan have been finalized.



Program Areas

The NRTEE focused on five key program areas during the year. Most programs are led by a member of the Round Table, who chairs the program's task force or committee. This body is a multistakeholder group that assists in guiding and shaping the program's recommendations and highlighting areas where more work is needed. The five program areas are described briefly below.

Greening of the Budget



Goal: *To investigate and recommend the use of economic instruments in improving the environment.*

At the heart of this program is the annual **Greening of the Budget** submission, which contains recommendations for consideration by the Minister of Finance in preparing the ensuing year's budget. In developing its advice, the Round Table strives to achieve a consensus among stakeholders around sustainable development initiatives.

This year's submission focused on ecological fiscal reform and energy, and more specifically on fiscal policy for long-term carbon emission reductions. By incorporating a number of significant environmental initiatives, the federal government can start to develop a balanced, integrated and sustainable legacy of economic, community and ecological well-being.

In the 2005 federal budget, the government announced it will actively consider opportunities to use the tax system to advance environmental goals. To help identify these opportunities, the NRTEE was asked to outline options for a "feebate," which would provide a consumer rebate for fuel-efficient vehicles and impose a fee on fuel-inefficient ones. Over time, a feebate could contribute to the improvement of the fuel efficiency of vehicles purchased in Canada, reduce greenhouse gas emissions and improve air quality.



Ecological Fiscal Reform and Energy

Goal: *To demonstrate how governments can use fiscal policy as a strategic tool to simultaneously achieve environmental and economic objectives.*

Governments have traditionally used fiscal policy (taxation and expenditure policies) to generate revenues and stimulate economic growth. The NRTEE's **Ecological Fiscal Reform and Energy** program is looking at a broader role for fiscal policy, one that includes the achievement of broad social and environmental objectives.

As part of this program, the Round Table is exploring approaches to reducing the carbon intensity of Canadian energy systems. It will seek to demonstrate, through a series of case studies and multistakeholder consultations, how taxation policy can broaden the array of available Canadian energy options by enabling competitive production and consumption of less carbon-intensive fuels, processes and technologies. The case studies prepared as part of this program examine the role of fiscal policy in promoting the commercialization of hydrogen-based energy systems, promoting energy efficiency and promoting renewable power. Building on the findings and recommendations stemming from the case studies and consultations, the NRTEE will release a *State of the Debate* report in August 2005.



Capital Markets and Sustainability

Goal: *To explore the relationship between capital markets, financial performance and sustainability in Canada.*

Through the **Capital Markets and Sustainability** program, the Round Table hopes to facilitate a strong, neutral and independent multistakeholder debate on responsible investment and corporate responsibility by exploring the links between sustainability (both environmental and social) and financial performance in Canada.

The Round Table hopes to address, through a series of background papers and numerous multistakeholder consultations, the following questions: Is there a financial return to business in pursuing corporate responsibility policies? And is the pursuit of such policies rewarded through the investment allocation decisions of fund managers in the capital markets?

The program's background papers explore the following issues: the current demand for and supply of sustainability or corporate responsibility information; how pension fund transparency practices with respect to social, environmental and ethical issues in the United Kingdom differ from those in Canada; the gap in awareness about the community investment sector as a sustainability driver and the operating constraints confronting the sector in today's marketplace; and current financial reporting and corporate disclosure requirements for public companies in Canada.



Conserving Canada's Natural Capital: The Boreal Forest

Goal: *To examine ways to advance conservation in balance with economic activity on lands allocated for resource development in Canada's boreal forest through both regulatory and fiscal policy reform.*

This program starts with the premise that both regulatory and fiscal policy instruments can and will have a clear impact on conservation. Regulatory policy is a key tool traditionally used in determining how resource development is allocated and managed. Fiscal policy, on the other hand, is one of the most powerful yet underutilized means that governments have to promote sustainable development in a

consistent and strategic manner in the Canadian economy. This program builds on the work of the Conservation of Natural Heritage program completed in June 2004.

Through a series of case studies, the Round Table examined the obstacles and opportunities related to securing the natural capital of this country's boreal forest. Each case study puts under the microscope a boreal forest area with significant biodiversity and a variety of multistakeholder interests where there is the potential to influence policy. The case studies examined: the Muskwa–Kechika Management Area of northeastern BC and adjacent areas of the Yukon and Northwest Territories; the ALPac Forest Management Area in northeastern Alberta; and the Abitibi Region along the Quebec–Ontario border. Three multistakeholder workshops were also held in each case study area.

Energy and Climate Change

Goal: *To develop a long-term energy and climate change strategy for Canada.*

On February 16, 2005, as the Kyoto Protocol took effect, Prime Minister Paul Martin asked the NRTEE to consider the energy and climate change issues Canada faces and to develop long-term strategies. In particular, the NRTEE was asked to define Canada's national interest and how it can best be advanced in a carbon-constrained world economy, and to examine potential environmental and economic risks and opportunities.

While some recommendations will apply to the year 2050 and beyond, other issues are more pressing and require recommendations quickly, since they relate to options to be discussed in the fall of 2005 during the Conference of the Parties (CoP11).

Communications and Publications

In 2004–2005, the NRTEE continued to ensure that decision makers, the media and the public recognize it as a leader in providing objective views and analysis relating to the “state of the debate” on the environment and the economy in Canada. The NRTEE was very active this year, organizing three multistakeholder workshops in the boreal forest region and co-hosting a day-long workshop to develop effective, practical recommendations for the federal and provincial governments to encourage redevelopment of qualifying brownfield sites through the removal of liens and tax arrears. The Round Table released the strategy stemming from the workshop, as well as 10 program-related case studies/background papers, and provided speakers on a variety of issues at numerous venues including *GLOBE 2004*, *Canada’s Sustainable Technologies and Services Summit 2004* and *AMERICANA 2005*. As well, the Round Table received extensive national media coverage throughout the year on a number of issues including ecological fiscal reform and energy, brownfield redevelopment, conserving Canada’s national capital in the boreal forest, and energy and climate change.

The NRTEE Web site remains an important tool for disseminating key information to stakeholders and members of the public. In 2004–2005, the number of “unique” or new visitors to the Web site continued to grow, increasing by approximately 20 percent over

2003–2004. The Web site was the primary source for information on the Ecological Fiscal Reform and Energy case studies, the Boreal Forest case studies, the background papers for the Capital Markets and Sustainability program, Greening of the Budget 2005 recommendations, the NRTEE e-Brief (an electronic e-mail update on current events and program information), past program evaluations and information on the Round Table, its members, current issues and upcoming events.

The Web site’s Virtual Library feature enables users to easily access over 300 NRTEE documents on sustainable development. All NRTEE publications obtained through the Virtual Library are free. The Round Table’s signature series, the *State of the Debate* reports, continues to have strong brand recognition. The most popular reports downloaded in this fiscal year included three *State of the Debate* reports released in 2004: *Environment and Sustainable Development Indicators for Canada*, *Environmental Quality in Canadian Cities: The Federal Role*, and *Securing Canada’s Natural Capital: A Vision for Nature Conservation in the 21st Century*. Demand was also high for two stand-alone reports: *Cleaning up the Past, Building the Future: A National Brownfield Redevelopment Strategy for Canada* and *Toward a Canadian Agenda for Ecological Fiscal Reform: First Steps*.

NRTEE publications also continued to be marketed and distributed on a partial cost-recovery basis through Renouf Publishing Company Ltd.



A Look Ahead

The coming year, 2005–2006, will be an active one for the NRTEE. Key initiatives planned for next year include:

- The **Conserving Canada's Natural Capital: The Boreal Forest** program will complete its research and consultations and will release its findings and recommendations in a *State of the Debate* report in late October 2005.
- The **Ecological Fiscal Reform and Energy** program will wrap up with the release of its *State of the Debate* report in August 2005.
- The **Greening of the Budget** program will continue to make annual pre-budget submissions to the Minister of Finance and the Department of Finance and will deliver options for a vehicle “feebate” before the next federal budget, expected to be in February 2006.
- The **Capital Markets and Sustainability** program will continue its research and consultations and work with its task force to develop recommendations for a *State of the Debate* report (expected in early 2006).
- The **Energy and Climate Change** program will provide advice and recommendations for the Conference of the Parties (CoP11) to be held in Montreal in November and December 2005. The Round Table will examine the issues of a long-term greenhouse gas reduction target; engaging the United States and key developing countries; and improving the Clean Development Mechanism.
- As well, the **Energy and Climate Change** program will continue to work on its advice and recommendations due in April 2006. These issues will include a strategy for integrating climate change into Canada's foreign policy, aid and trade objectives; a strategy for promoting the export of Canadian environmental technologies; recommendations on how to promote consistency between Canadian carbon markets and existing and emerging international markets; and advice on a long-term strategy on energy and climate change for Canada.
- The NRTEE will complete two program evaluations in the spring, with summaries from the evaluation processes posted on the Web site by mid-summer 2005.

National Round Table on the Environment and the Economy

Statement of Management Responsibility

For the Year ended March 31, 2005

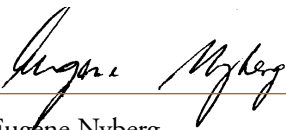
The objectivity and the integrity of the financial statements and related information presented in this annual report are the responsibility of management and have been examined by the Executive Committee of the Round Table.

These financial statements have been prepared by management in accordance with accounting standards issued by the Treasury Board of Canada Secretariat which are consistent with Canadian generally accepted accounting principles for the public sector. These statements should be read within the context of the significant accounting policies set out in the notes.

Management has developed and maintains books, records, internal controls and management practices designed to provide reasonable assurance that the Government's assets are safeguarded and controlled, that resources are managed economically and efficiently in the attainment of the Round Table's objective and that transactions are in accordance with the *Financial Administration Act* and regulations as well as department policies and statutory requirements. Management also seeks to assure the objectivity and integrity of the information in the financial statements by the careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communications programs aimed at ensuring that its regulations, policies, standards and managerial authorities are understood throughout the organization.

The transactions and financial statements of the Round Table have been audited by the Auditor General of Canada, the independent auditor for the Government of Canada.

Approved by:



Eugene Nyberg
Acting President and
Chief Executive Officer



Michael Hammond
Manager, Finance and Administration

Ottawa, Canada
June 17, 2005





Auditor General of Canada
Vérificatrice générale du Canada

Auditor's Report

To the National Round Table on the Environment and the Economy
and the Prime Minister

I have audited the statement of financial position of the National Round Table on the Environment and the Economy as at March 31, 2005 and the statements of operations, equity of Canada and cash flow for the year then ended. These financial statements are the responsibility of the Round Table's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Round Table as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink, appearing to read 'Sylvain Ricard'.

Sylvain Ricard, CA
Principal
for the Auditor General of Canada

Ottawa, Canada
June 17, 2005

National Round Table on the Environment and the Economy

Statement of Financial Position

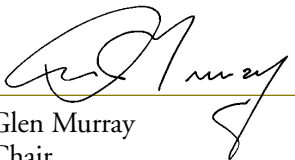
As at March 31

	2005	2004
	\$	\$
ASSETS		
Financial Assets		
Due from Consolidated Revenue Fund	340,630	361,606
Receivables (Note 4)	42,682	3,414
Publication inventory for resale	14,743	17,007
	398,055	382,027
Non-Financial Assets		
Prepayments	38,445	42,085
Capital assets (Note 5)	253,864	330,759
	292,309	372,844
TOTAL ASSETS	690,364	754,871
LIABILITIES AND EQUITY OF CANADA		
Current Liabilities		
Accounts payable and accrued liabilities (Note 6)	463,481	466,528
Employee future benefits (Note 7)	16,495	—
	479,976	466,528
Long Term Liabilities		
Employee future benefits (Note 7)	138,287	118,545
EQUITY OF CANADA	72,101	169,798
TOTAL LIABILITIES AND EQUITY OF CANADA	690,364	754,871

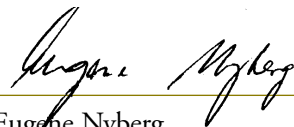
Commitments (Note 8)

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

Approved by:



 Glen Murray
 Chair



 Eugene Nyberg
 Acting President and
 Chief Executive Officer

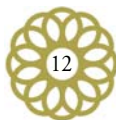
National Round Table on the Environment and the Economy

Statement of Operations

For the Year ended March 31

	2005	2004
	\$	\$
REVENUES		
Proceeds from insurance	10,793	—
Gain on cancellation of a liability	4,622	—
Sale of publications	3,771	7,476
Sale of surplus Crown assets	40	50
TOTAL REVENUES	19,226	7,526
EXPENSES		
Operating		
Salaries and employee benefits	2,141,357	2,415,745
Professional and special services	1,474,459	1,085,915
Rentals	435,419	461,127
Transportation and communication	292,045	298,319
Publications	265,001	573,804
Amortization	107,157	112,690
Furniture and equipment	41,048	86,160
Utilities, materials and supplies	35,866	42,886
Repairs and maintenance	26,519	23,966
Loss resulting from theft of equipment	10,791	—
	4,829,662	5,100,612
Executive Committee		
Honoraria	12,780	6,114
Travel and living expenses	10,628	7,586
	23,408	13,700
Other Committees		
Honoraria	218,163	141,566
Travel and living expenses	173,449	157,237
	391,612	298,803
TOTAL EXPENSES	5,244,682	5,413,115
NET COST OF OPERATIONS	5,225,456	5,405,589

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



National Round Table on the Environment and the Economy

Statement of Equity of Canada For the Year ended March 31

	2005	2004
	\$	\$
Equity of Canada, beginning of year	169,798	357,711
Net cost of operations	(5,225,456)	(5,405,589)
Services provided without charge (Note 3)	408,450	342,584
Net change in due from Consolidated Revenue Fund	(20,976)	121,775
Net cash provided by Government	4,740,285	4,753,317
EQUITY OF CANADA, END OF YEAR	72,101	169,798

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

National Round Table on the Environment and the Economy

Statement of Cash Flow

For the Year ended March 31

	2005	2004
	\$	\$
Operating Activities		
Net cost of operations	5,225,456	5,405,589
Non-cash items included in cost of operations:		
Less: Amortization of capital assets	(107,157)	(112,690)
Services provided without charge	(408,450)	(342,584)
Add: Net gain on disposal of surplus Crown assets	40	50
Net loss resulting from theft of equipment	(10,791)	—
Statement of Financial Position adjustments:		
Increase in receivables	39,268	2,745
Decrease in publication inventory for resale	(2,264)	(33,011)
Increase (decrease) in prepayments	(3,640)	23,547
Decrease (increase) in accounts payable and accrued liabilities	3,047	(112,079)
Increase in employee future benefits	(36,237)	(118,545)
Cash used in operating activities	4,699,272	4,713,022
Investing Activities		
Acquisitions of capital assets	41,053	40,345
Proceeds from the disposal of surplus Crown assets	(40)	(50)
Cash used in investing activities	41,013	40,295
NET CASH PROVIDED BY GOVERNMENT	4,740,285	4,753,317

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

National Round Table on the Environment and the Economy

Notes to the Financial Statements For the Year ended March 31, 2005

1. Authority and Purpose

The National Round Table on the Environment and the Economy (Round Table) was established in 1994 under the *National Round Table on the Environment and the Economy Act* and is a departmental corporation named in Schedule II of the *Financial Administration Act*. The Round Table fulfils its objective of promoting sustainable development, and the integration of the environment and economy in decision making in all sectors, by conducting studies, organizing stakeholder “dialogues” on specific issues and economic sectors, providing advice, carrying out educational and communication activities, and by acting as a catalyst for change. Its operating expenditures are funded mainly by a budgetary lapsing authority and, to a lesser extent, from cost recovery and cost sharing for specific activities. Employee benefits are in accordance with the related statutory authorities. The Round Table is not subject to the provisions of the *Income Tax Act*.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with accounting standards issued by the Treasury Board of Canada Secretariat which are consistent with Canadian generally accepted accounting principles for the public sector. Significant accounting policies are as follows:

a) Parliamentary Appropriations

The Round Table is financed mainly by the Government of Canada through Parliamentary appropriations. Parliamentary appropriations are disclosed in the Statement of Equity of Canada. Appropriations provided to the Round Table do not parallel financial reporting according to Canadian generally accepted accounting principles, as they are based in a large part on cash flow requirements. Consequently, items recognized in the Statement of Equity of Canada are not necessarily the same as those provided through appropriations from Parliament.

b) Due from Consolidated Revenue Fund

The Round Table operates within the Consolidated Revenue Fund (CRF). The CRF is administered by the Receiver General for Canada. All cash received by the Round Table is deposited to the CRF and all cash disbursements made by the Round Table are paid from the CRF. Due from the CRF represents the amount of cash that the Round Table is entitled to draw from the Consolidated Revenue Fund, without further Parliamentary appropriations, in order to discharge its liabilities.

c) Employees Future Benefits

i) Pension Plan

Employees participate in the Public Service Pension Plan administered by the Government of Canada. The Round Table’s contribution to the Plan reflects the full cost of the employer contributions. This amount is currently based on a multiple of the employee’s required contributions, and may change over time depending on the experience of the Plan. These contributions represent the total pension obligations of the Round Table and are charged to operations on a current basis.



ii) Severance Benefit

Employees of the Round Table are entitled to severance benefits in the form of notice periods as provided for in the Notice Period Guidelines within the Employment Status Policy of the Round Table. The cost of these severance benefits is accrued as the employees render the services necessary to earn them. Management determined the accrued severance benefit to obligations using a method based upon assumptions and its best estimates. These severance benefits represent the only obligation of the Round Table that entails settlement by future payment.

d) Receivables

These are stated at amounts ultimately expected to be realized. An allowance is made for receivables where recovery is considered uncertain.

e) Publication Inventory for Resale

An independent distributor sells the Round Table's publication inventory for resale. The distributor is entitled to a 50% commission fee on the sale price of each publication sold. Inventory for resale is valued at net realizable value, which is always less than cost.

f) Capital Assets

Capital assets with an acquisition cost of \$2,000 or more are capitalized at cost and amortized over their estimated useful lives on a straight-line basis. The estimated useful life of each capital asset class is as follows:

Asset Class	Useful Life
Informatics Equipment and Purchased Software	3 years
Furniture and Equipment	10 years
Leasehold Improvements	lower of lease term and 10 years

g) Services Provided Without Charge by Other Government Departments

Services provided without charge by other government departments are recorded as expenditures at their estimated cost. A corresponding amount is credited directly to the Equity of Canada.

h) Measurement Uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect amounts of assets, liabilities, revenues and expenses reported in the financial statements. 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 useful life of capital assets, write-down and write-offs of inventory of publications for resale, and severance benefits. Actual results could differ from management's best estimates as additional information becomes available in the future.

3. Related Party Transactions

The Round Table is related in terms of common ownership to all Government of Canada departments and Crown corporations. The Round Table enters into transactions with these entities in the normal course of business and on normal trade terms, with the exception of services they provide without charge.

During the year, the Round Table incurred expenses with related parties of \$1,056,293 (2004 - \$1,092,133), including \$408,450 (2004 - \$342,584) for services provided without charge. Services provided without charge include \$368,450 (2004 - \$302,584) for the rental of space, and \$40,000 (2004 - \$40,000) for other services.

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4. Receivables

	2005	2004
Other Government Departments	26,305	185
External Parties	16,377	3,229
Total Receivables	42,682	3,414

5. Capital Assets

	Cost as at March 31, 2004	Acquisitions	Dispositions	Cost as at March 31, 2005
Leasehold Improvements	247,532	—	—	247,532
Informatics and Purchased Software	208,850	32,808	(3,924)	237,734
Furniture and Equipment	185,601	8,245	(13,655)	180,191
	641,983	41,053	(17,579)	665,457

	Accumulated Amortization	Net Book Value at March 31, 2005	Net Book Value at March 31, 2004
Leasehold Improvement	132,607	114,925	159,087
Informatics and Purchased Software	183,619	54,115	66,935
Furniture and Equipment	95,367	84,824	104,737
	411,593	253,864	330,759

Amortization expense for the year ended March 31, 2005 is \$107,157 (2004 - \$112,690).

6. Accounts Payable and Accrued Liabilities

	2005	2004
Trade	459,225	445,038
Other Government Departments	4,256	21,490
Total Accounts Payable and Accrued Liabilities	463,481	466,528

7. Employee Future Benefits

i) Pension Plan

The Round Table and all eligible employees contribute to the Public Service Pension Plan. This pension plan provides benefits based on years of service and average earnings at retirement. The Round Table's and employees' contributions to the Public Service Pension Plan for the year were as follows:

	2005	2004
Round Table contributions	251,195	250,389
Employee contributions	77,015	82,596
	328,210	332,985

ii) Severance Benefit

On termination, the Round Table provides a severance benefit to its employees in the form of a notice period. This severance benefit is not prefunded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. Information about the plan is as follows:

	2005	2004
Accrued severance benefit, beginning of year	118,545	—
Cost for the year	47,345	147,802
Severance benefit paid during the year	(11,108)	(29,257)
Accrued severance benefit, end of year	154,782	118,545
Short-term portion	16,495	—
Long-term portion	138,287	118,545
	154,782	118,545

8. Commitments

The Round Table entered into a long-term lease for an office photocopier during fiscal year 2001/02 and modified the lease agreement during 2003/04 to include an additional component for the remainder of the lease term. The remaining value of the lease is \$28,160. The future minimum payments are as follows:

2005/06	\$14,690
2006/07	\$13,470

9. Parliamentary Appropriations

The Round Table receives the majority of its funding through Parliamentary appropriations, which are based primarily on cash flow requirements. Items recognized in the Statement of Operations and Statement of Equity of Canada in one year may be funded through Parliamentary appropriations in prior and future years. These differences are reconciled below.

a) Reconciliation of net cost of operations to total Parliamentary appropriations used:

	2005	2004
Net cost of operations	5,225,456	5,405,589
Adjustments for items not affecting appropriations:		
Less: Amortization	(107,157)	(112,690)
Services provided without charge	(408,450)	(342,584)
Vacation pay and compensatory time	7,388	17,962
Employee future benefits	(36,237)	(118,545)
Inventory used	(2,264)	(33,011)
Net loss result resulting from theft of equipment	(10,791)	—
Add: Publication revenue in accordance with section 29.1 (1) of the <i>Financial Administration Act</i>	3,771	7,476
Net gain on disposal of surplus Crown Assets	40	50
Gain on cancellation of a liability	4,622	—
	4,676,378	4,824,247
Adjustments for items affecting appropriations:		
Add: Capital acquisitions	41,053	40,345
(Decrease) increase in prepayments	(3,640)	23,547
	37,413	63,892
Total Parliamentary Appropriations Used	4,713,791	4,888,139

b) Reconciliation of Parliamentary appropriations voted to Parliamentary appropriations used:

	2005	2004
Parliamentary appropriation – voted:		
Vote 35 and 35(b) – Operating expenditures	4,701,000	4,854,915
Statutory appropriation:		
Contributions to employee benefit plans	342,695	351,670
Expenses incurred for publications for resale	3,771	7,476
Spending of proceeds from disposal of surplus Crown assets	40	50
	5,047,506	5,214,111
Less: Lapsed appropriations – operations	(333,715)	(325,972)
Total Parliamentary appropriations used	4,713,791	4,888,139