

The National Battlefields Commission
Quarterly Financial Report
For the quarter ended September 30, 2016

Statement outlining results, risks and significant changes in operations, personnel and programs

Introduction

The National Battlefields Commission Mandate (the Commission)

The Commission was established in 1908 under the *Act respecting the National Battlefields in Quebec*. The Commission is a departmental corporation named in Schedule II of the *Financial Administration Act*.

The Commission's mandate is to ensure that all the cultural, recreational and natural resources of the Battlefields Park are developed in the best interest of Canadians and that the image of the Government of Canada is strengthened without compromising the historic character of the site. To achieve that goal, the Commission will acquire, preserve and develop the great historic battlefields in Quebec. In addition to Internal Services, the Commission has two program activities: « Conservation and Development » and « Public Education and Services ».

Further information on the mandate, roles, responsibilities and programs of the Commission can be found in the National Battlefields Commission's *2016-2017 Main Estimates*, available on the following website: <https://www.tbs-sct.gc.ca/hgw-cgf/finances/pgs-pdg/gepme-pdgbpd/20162017/me-bpdtb-eng.asp> page 185 of the PDF version.

This quarterly financial report:

- should be read in conjunction with the *2016-2017 Main Estimates*;
- has been prepared by management of the Commission as required by section 65.1 of the *Financial Administration Act* and in the form and manner prescribed by the Treasury Board;
- has not been subject to an external audit or review.

Basis of Presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the Commission's spending authorities granted by Parliament and used by the Commission consistent with the Main Estimates for the 2016-2017 fiscal year. This quarterly report has been prepared using a special purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities.

The authority of Parliament is required before moneys can be spent by the Government. Approvals are given in the form of annually approved limits through appropriation acts or through legislation in the form of statutory spending authority for specific purposes.

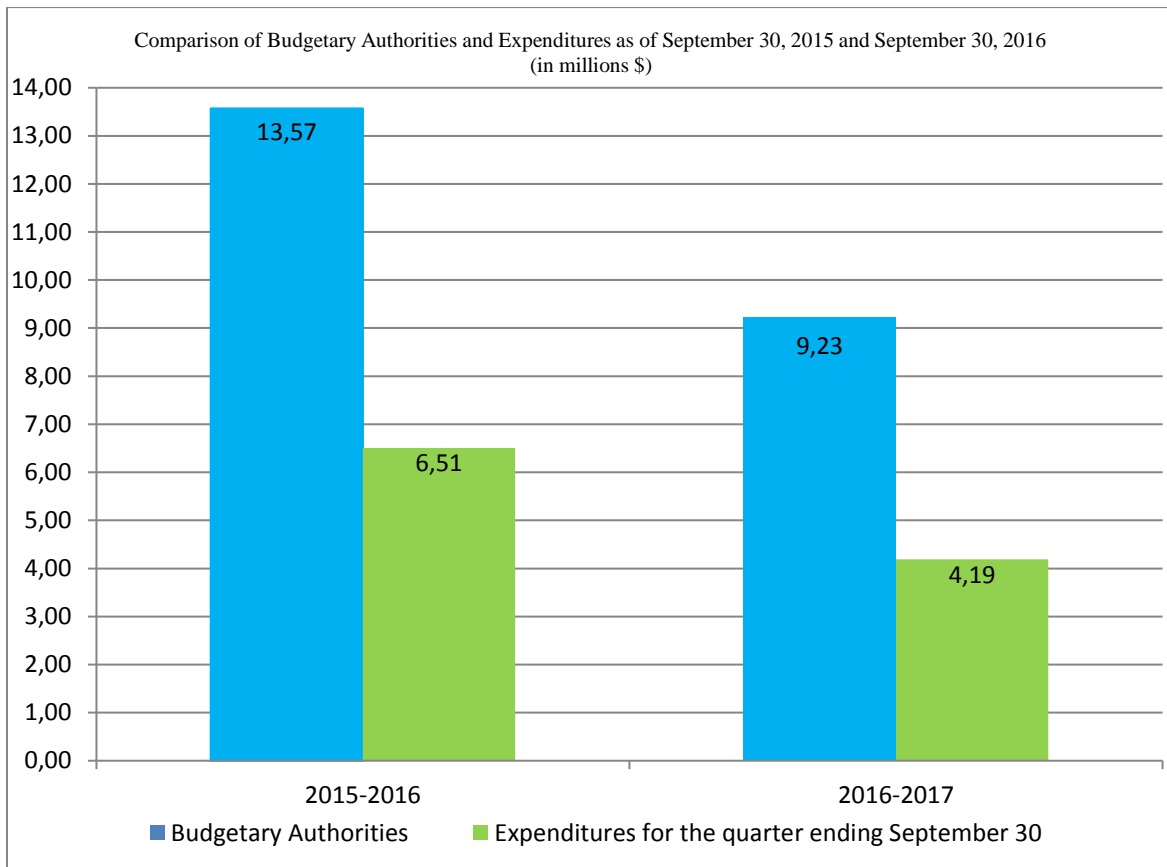
When Parliament is dissolved for the purposes of a general election, section 30 of the Financial Administration Act authorizes the Governor General, under certain conditions, to issue a special warrant authorizing the Government to withdraw funds from the Consolidated Revenue Fund. A special warrant is deemed to be an appropriation for the fiscal year in which it is issued.

The Commission uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

Highlights of fiscal quarter and fiscal year to date (YTD) results

This section highlights the significant items that contributed to the net decrease in resources available for the year and the net decrease in actual expenditures for the quarter ended September 30, 2016.

Graph 1 :



Graph 1 outlines the budgetary authorities which represent the resources available for use for the year as of September 30.

Authorities' analysis

As at September 30, 2016, total authorities available for the year were down by \$4.34 million from the same quarter of the prior year, from \$13.57 million to \$9.23 million. This decrease was due to a decrease in the operating budget of \$4.35 million and an increase of the employee benefit plan (EBP) of \$0.01 million. The variation in the operating budget of \$4.35 million comes from the completion of the multi-purpose interpretive trail parallel to Gilmour hill and a decrease in the operating budget carry forward of \$59,057 (\$537,975 - \$597,032).

Budgetary expenditures analysis

Compared to the previous year, total budgetary expenditures recorded at the end of the quarter, ending September 30, 2016 decreased from \$6.51 million to \$4.19 million as per the Table of departmental budgetary expenditures by Standard Object. This \$2.32 million decrease represents a drop of 36% and is the result of some unfavourable variances of the last two quarters.

The most significant decrease was in *Acquisition of land, buildings and works* (\$1,458,810) due to higher expenses in the first two quarters of 2015-2016 for the redevelopment of Gilmour Hill and the creation of the multi-purpose interpretive trail.

Furthermore, there was a decrease in *Other subsidies and payments* (\$756,992) since Public Services and Procurement Canada (PSPC) proceeded with a reconciliation of the Payment in Lieu of Taxes (PILT) between the calendar and the fiscal year.

Finally there was a decrease in the standard object *Personnel* (\$102,066) due to a decrease in employee payroll expenditures in internal services as a result of 3circumstances beyond the control of the NBC.

Risks and Uncertainties

This Departmental Quarterly Financial Report reflects the results of the current fiscal period in relation to the Main Estimates for which full supply was released on June 23, 2016.

The Commission may not achieve its objective of \$1.85 million as statutory funding if for example, there is a drop in tourist traffic in 2016-2017 in comparison with 2015-2016 and thus put at risk some projects. Most of the revenues come from parking lot fees and activities on the park.

In order to manage this risk, the Commission will perform an ongoing assessment of its expenses with relation to collected revenue and take appropriate measures in a timely manner when reviewing all budget items.

Significant changes in relation to operations, personnel and programs

In the 2016–2017 fiscal year, a number of infrastructure repair projects are being carried out, given that approximately \$1,200,000 was freed up partly due to the reconciliation of the PILT. It is therefore very important to closely track the actual expenditures of all these projects to ensure that they do not exceed their allocated budgets. The Commission will continue to proactively manage all the sectors' operating budgets by making decisions as the year progresses to ensure that it keeps within the overall budget. This flexibility, during the 2016–2017 fiscal year, is very helpful in improving the Commission's infrastructure.

In January 2016, the City of Québec conducted a new property assessment of land and buildings, which should correspond to an increase of around 20% of the property value, resulting in an increment in the amount payable in 2017-2018 of PILT of approximately \$300,000 representing a 15% augmentation. This increase could affect the amounts the Commission can allocate to infrastructure repairs and other investment projects in 2017–2018 and subsequent years. The Commission will need to draw from its own operating budget to realize some investment projects starting in 2017-2018, for example, the renewal of the car fleet, leaving no room for any unexpected expenses that may arise during the fiscal year, and thus putting at risk the financial stability of the Commission. The Commission will raise the issue with the Department of Canadian Heritage and work on finding solutions.

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Approval by Senior Officials

Approved by:

The original version was signed by:
Margaret F. Delisle, Chairwoman

The original version was signed by:
Paule Veilleux, Director of administration

Québec, Canada
November 22, 2016

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Statement of Authorities (unaudited)

<i>(In thousands of dollars)</i>	Fiscal year 2016-2017			Fiscal year 2015-2016		
	Total available for use for the year ending	Used during the quarter ended	Year to date used at quarter end	Total available for use for the year ending	Used during the quarter ended	Year to date used at quarter end
	March 31, 2017 *	September 30, 2016		March 31, 2016 *	September 30, 2015	
Program expenditures	7 000	2 180	3 106	11 357	4 186	5 355
Contributions to employee benefit plans	376	94	188	367	92	184
Expenditures pursuant to subsection 29.1(1) of the Financial Administration Act	1 850	398	896	1 850	457	974
Total authorities	9 226	2 672	4 190	13 574	4 735	6 513

* Includes only Authorities available for use and granted by Parliament at quarter end.

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Departmental Budgetary Expenditures by Standard Object (unaudited)

<i>(In thousands of dollars)</i>	Fiscal year 2016-2017			Fiscal year 2015-2016		
	Planned expenditures for the year ending March 31, 2017	Expended during the quarter ended September 30, 2016	Year to date used at quarter end	Planned expenditures for the year ending March 31, 2016	Expended during the quarter ended September 30, 2015	Year to date used at quarter end
Expenditures:						
Personnel	2 562	972	1 963	2 553	1 060	2 066
Transportation and communications	205	23	40	165	22	38
Information	415	79	123	375	75	124
Professional and special services	805	216	341	765	218	311
Rentals	215	21	34	245	18	25
Purchased repair and maintenance	976	160	235	925	216	257
Utilities, materials and supplies	948	103	271	948	133	281
Acquisition of land, buildings and works	1 225	78	158	4 823	1 220	1 617
Acquisition of machinery and equipment	420	31	36	175	27	48
Transfer payments	-	-	-	-	-	-
Public debt charges	-	-	-	-	-	-
Other subsidies and payments	1 455	989	989	2 600	1 746	1 746
Total Expenditures	9 226	2 672	4 190	13 574	4 735	6 513