

The National Battlefields Commission
Quarterly Financial Report
For the quarter ended June 30, 2017

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 *2017-2018 Main Estimates*, available on the following website: <https://www.canada.ca/en/treasury-board-secretariat/services/planned-government-spending/government-expenditure-plan-main-estimates/2017-18-estimates.html> page 285 of the PDF version.

This quarterly financial report:

- should be read in conjunction with the *2017-2018 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 2017-2018 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.

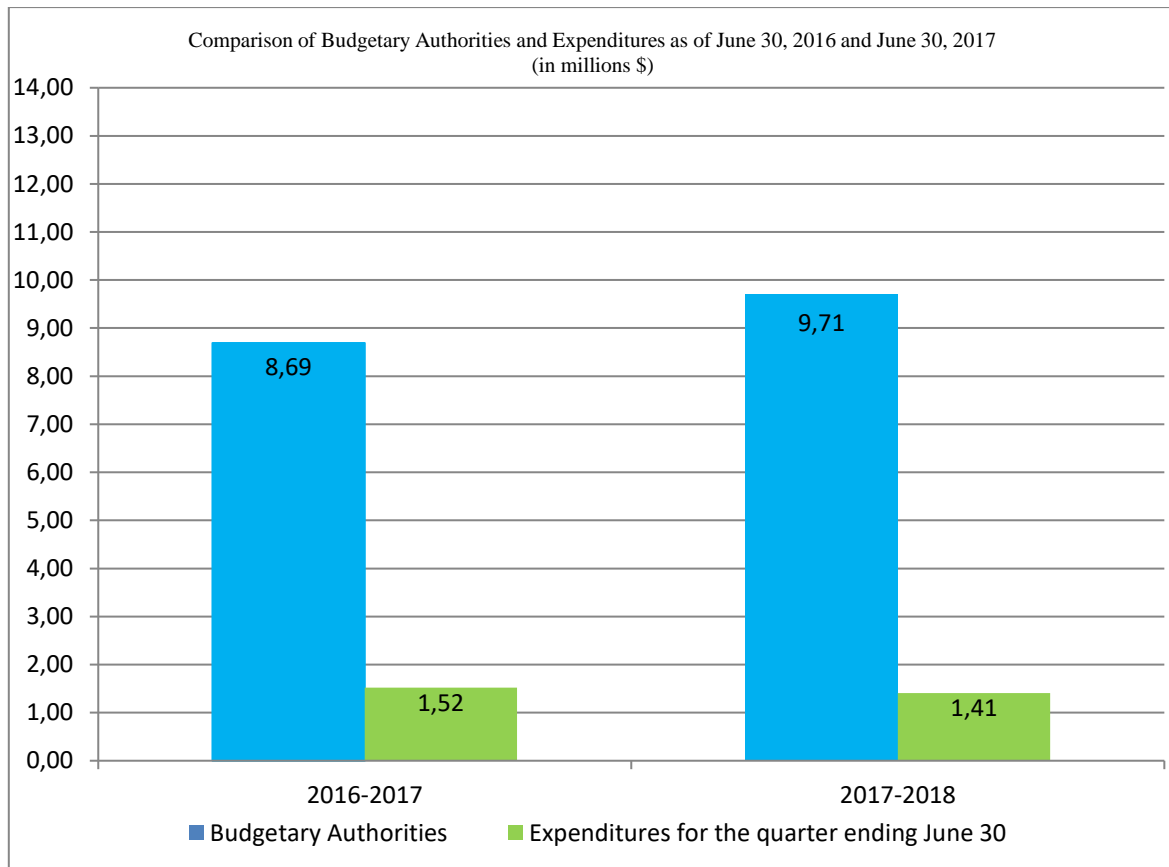
When Parliament is dissolved for the purposes of a general election, section 30 of the *Financial Administration Act* authorizes the Governor General, under certain conditions, to issue a special warrant authorizing the Government to withdraw funds from the Consolidated Revenue Fund. A special warrant 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 increase in resources available for the year and the net decrease in actual expenditures for the quarter ended June 30, 2017.

Graph 1 :



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

Authorities' variations

As at June 30, 2017, total authorities available for the year were up by \$1.02 million from the same quarter of the prior year, from \$8.69 million to \$9.71 million. This increase was due to a rise in the operating budget of \$1.06 million and a decrease of the employee benefit plan (EBP) of \$0.04 million. The variation in the operating budget of \$1.06 million comes from a \$1.10 million budget allowance for the stairway project in the Plains of Abraham Trail, the renovation of the in-line skating track area and the installation of refreshment stands on the Commission's territory and a reduction of \$41,000 for expenses in advertising.

Budgetary expenditures variations

Compared to the previous year, total budgetary expenditures recorded at the end of the quarter, ending June 30, 2017 decreased from \$1.52 million to \$1.41 million as per the Table of departmental budgetary expenditures by Standard Object. This \$0.11 million decrease represents a drop of 7% and is the result of some unfavourable variances of the last quarter.

The most significant decrease was in *Acquisition of land, buildings and works* (\$73,220) due to higher expenses in the first quarter of 2016-2017 for the exhibition project Identities.

Furthermore, there was a decrease in the standard object of *Utilities, materials and supplies* (\$36,841), which includes higher elements in 2016-2017, such as payments for car registration, tree planting on the great events site and services from Public Services and Procurement Canada (PSPC) required in the context of a redevelopment on the site.

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, 2017.

The National Battlefields Commission may not achieve its objective of \$1.85 million as statutory funding if for example, there is a drop in tourist traffic in 2017-2018 in comparison with 2016-2017 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

For the 2017–2018 year, a \$1.10 million has been allocated for health and safety projects in the territory of the Commission. The balance of the operating budget will serve for regular park operations; no other funds will be available for investments projects given that the Commission will have to pay an additional amount of the payment in lieu of tax (PILT) of approximately \$0.30 million. This implies that the Commission should use all available flexibility to cover this expenditure, leaving very little budget for unforeseen expenses.

The Commission's financial capacity for investment projects has been considerably affected following the \$0.59 million permanent reduction in the 2013-2014 operating budget, as a result of the government's initiatives to reduce the deficit, and new financial issues, notably an increase in payments in lieu of taxes in 2017-2018. According to an analysis of the various budgetary items for operations in this context of austerity, there is very little flexibility. The Commission will have to limit its investment projects or carry them out over a longer period of time than initially planned. The Commission may be obligated to examine other funding channels for its wide-ranging projects, such as the repair of certain streets and its road network. For the 2017-2018 fiscal year and beyond, sound planning of operational requirements will need to be carried out, as the Commission does not intend to reduce the quality or quantity of services that it delivers to the public.

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Approval by Senior Officials

Approved by:

The original version was signed by:
Michèle Gagné
Secretary-Director General

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

Québec, Canada
July 26, 2017

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Statement of Authorities (unaudited)

<i>(In thousands of dollars)</i>	Fiscal year 2017-2018			Fiscal year 2016-2017		
	Total available for use for the year ending March 31, 2018 *	Used during the quarter ended June 30, 2017	Year to date used at quarter end	Total available for use for the year ending March 31, 2017 *	Used during the quarter ended June 30, 2016	Year to date used at quarter end
Program expenditures	7 521	834	834	6 462	926	926
Contributions to employee benefit plans	343	86	86	376	94	94
Expenditures pursuant to subsection 29.1(1) of the Financial Administration Act	1 850	496	496	1 850	498	498
Total authorities	9 714	1 416	1 416	8 688	1 518	1 518

* 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 2017-2018			Fiscal year 2016-2017		
	Planned expenditures for the year ending March 31, 2018	Expended during the quarter ended June 30, 2017	Year to date used at quarter end	Planned expenditures for the year ending March 31, 2017	Expended during the quarter ended June 30, 2016	Year to date used at quarter end
Expenditures:						
Personnel	2 529	1 038	1 038	2 562	991	991
Transportation and communications	140	11	11	140	17	17
Information	317	50	50	300	44	44
Professional and special services	740	106	106	740	125	125
Rentals	100	11	11	100	13	13
Purchased repair and maintenance	936	60	60	936	75	75
Utilities, materials and supplies	890	131	131	890	168	168
Acquisition of land, buildings and works	1 200	6	6	1 185	80	80
Acquisition of machinery and equipment	246	3	3	380	5	5
Transfer payments	-	-	-	-	-	-
Public debt charges	-	-	-	-	-	-
Other subsidies and payments	2 616	-	-	1 455	-	-
Total Expenditures	9 714	1 416	1 416	8 688	1 518	1 518