

The National Battlefields Commission  
Quarterly Financial Report  
For the quarter ended September 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.

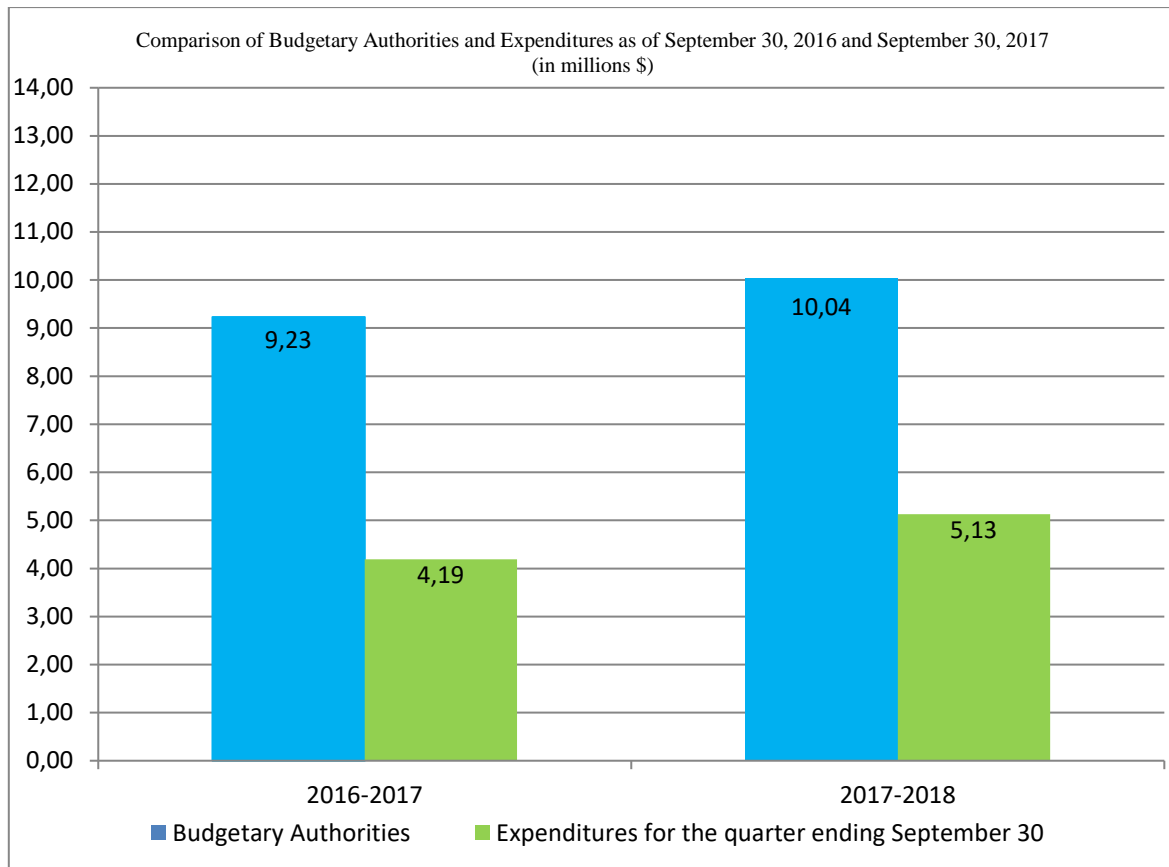
When Parliament is dissolved for the purposes of a general election, section 30 of the *Financial Administration Act* authorizes the Governor General, under certain conditions, to issue a special warrant authorizing the Government to withdraw funds from the Consolidated Revenue Fund. A special warrant 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 September 30, 2017.

Graph 1 :



Graph 1 outlines the budgetary authorities which represent the resources available for use for the quarter ending September 30.

#### Authorities' variations

As at September 30, 2017, total authorities available for the year were up by \$0.81 million from the same quarter of the prior year, from \$9.23 million to \$10.04 million. This increase was due to a rise in the operating budget of \$0.84 million and a decrease of the employee benefit plan (EBP) of \$0.03 million. The variation in the operating budget of \$0.84 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, a reduction of \$0.04 million for expenses in advertising and a reduction of \$0.22 million of the amount of carry forward.

### Budgetary expenditures variations

Compared to the previous year, total budgetary expenditures recorded at the end of the quarter, ending September 30, 2017 increased from \$4.19 million to \$5.13 million as per the Table of departmental budgetary expenditures by Standard Object. This \$0.94 million increase represents a rise of 22% and is the result of some favourable variances of the last quarter.

The most significant increase was in *Other subsidies and payments* (\$0.94 million), the payment in lieu of tax (PILT); in 2016, this expense had dropped significantly as a result of the harmonization by Public Services and Procurement Canada (PSPC). The expenditures in *Personnel* also went up due to the return of employees following unpaid leaves in 2016.

Furthermore, there was a decrease in the standard object of *Acquisition of land, buildings and works* (-\$0.14 million), which includes higher elements in 2016, such as payments for exhibition renewal and greenhouses repairs. There was also a decrease in the standard object *Purchased repair and maintenance* (-\$0.06 million) caused by higher cash outflows at the second quarter of 2016.

### **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 used 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  
November 28, 2017

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Statement of Authorities (unaudited)

<i>(In thousands of dollars)</i>	<b>Fiscal year 2017-2018</b>			<b>Fiscal year 2016-2017</b>		
	Total available for use for the year ending March 31, 2018 *	Used during the quarter ended September 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 September 30, 2016	Year to date used at quarter end
Program expenditures	7 844	3 066	3 900	7 000	2 180	3 106
Contributions to employee benefit plans	343	85	171	376	94	188
Expenditures pursuant to subsection 29.1(1) of the Financial Administration Act	1 850	560	1 056	1 850	398	896
<b>Total authorities</b>	<b>10 037</b>	<b>3 711</b>	<b>5 127</b>	<b>9 226</b>	<b>2 672</b>	<b>4 190</b>

\* 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>	<b>Fiscal year 2017-2018</b>			<b>Fiscal year 2016-2017</b>		
	Planned expenditures for the year ending March 31, 2018	Expended during the quarter ended September 30, 2017	Year to date used at quarter end	Planned expenditures for the year ending March 31, 2017	Expended during the quarter ended September 30, 2016	Year to date used at quarter end
Expenditures:						
Personnel	2 529	1 116	2 154	2 562	972	1 963
Transportation and communications	182	34	45	205	23	40
Information	365	67	117	415	79	123
Professional and special services	782	244	350	805	216	341
Rentals	175	21	32	215	21	34
Purchased repair and maintenance	962	110	170	976	160	235
Utilities, materials and supplies	928	151	282	948	103	271
Acquisition of land, buildings and works	1 226	13	19	1 225	78	158
Acquisition of machinery and equipment	272	23	26	420	31	36
Transfer payments	-	-	-	-	-	-
Public debt charges	-	-	-	-	-	-
Other subsidies and payments	2 616	1 932	1 932	1 455	989	989
<b>Total Expenditures</b>	<b>10 037</b>	<b>3 711</b>	<b>5 127</b>	<b>9 226</b>	<b>2 672</b>	<b>4 190</b>