

THE NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended June 30, 2019

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

Introduction

This quarterly financial report 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. This financial report should be read in conjunction with the [2019-20 Main Estimates](#). This financial report has not been subject to an external audit or review.

Raison d'être

The National Battlefields Commission (the Commission), as manager of Battlefields Park, makes it possible for Canadians to enjoy Canada's first national historic park and one of the most prestigious urban parks in the world. The Commission is responsible for the administration, management, conservation and development of National Battlefields Park (located in the city of Quebec) and manages the funding allocated for this purpose. The Commission takes its mandate from the National Battlefields at Quebec Act, passed on March 17, 1908, and its amendments. The Commission is a departmental corporation listed in Schedule II of the Financial Administration Act. The Minister of Canadian Heritage and Multiculturalism is responsible for this organization.

The Commission has two core responsibilities: Conservation and Promotion of Heritage, in addition to internal services. Additional information on the mandate, roles, responsibilities and programs of the Commission can be found in the Commission's [2019-20 Departmental Plan](#).

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 those used by the Commission consistent with the Main Estimates for the 2019-20 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.

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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.

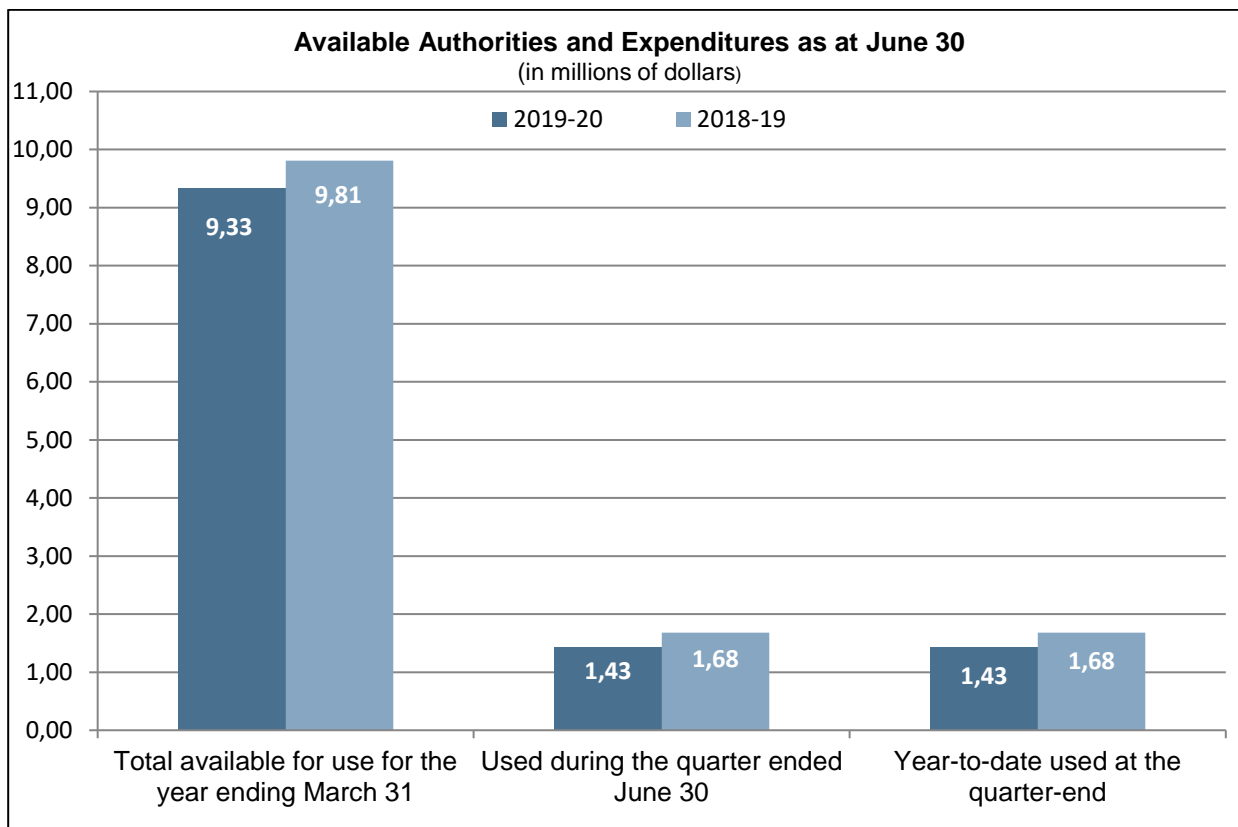
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Highlights of fiscal quarter and fiscal year-to-date results

This section highlights the significant items that contributed to the variations in resources available for the year and in expenditures used during the quarter ended June 30, 2019 and year-to-date at the quarter-end. The graph below outlines the budgetary authorities and the expenditures variations. More details on these variations can be found in the following sections.



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Authorities' variations

As at June 30, 2019, total usable budgetary authorities for the year 2019-20 decreased by \$ 0.48 million compared to the same quarter last year, from \$ 9.81 million to \$ 9.33 million. This decrease is due to:

- a decrease of \$ 0.488 million in spending on health and safety investment projects;
- a decrease of less than \$ 0.005 million to reflect the Commission's contribution to the Financial Management Transformation program of the Office of the Comptroller General of Canada;
- and increases of \$ 0.006 million in personal authorities and of \$ 0.003 million in employee benefit plan (EBP).

Statement of authorities as at June 30 * (in thousand of dollars)	2019-20			2018-19			Variance		
	Total available for use for the year ending March 31, 2020	Used during the quarter ended June 30, 2019	Year-to-date used at quarter end	Total available for use for the year ending March 31, 2019	Used during the quarter ended June 30, 2018	Year-to-date used at quarter end	Total available for use	Used during the quarter	Year-to-date used
Program expenditures	6 982	861	861	7 470	841	841	-488	20	20
Contributions to employee benefit plans	345	86	86	342	97	97	3	-11	-11
Expenditures pursuant to subsection 29.1(1) of the Financial Administration Act	2 000	483	483	2 000	747	747	0	-264	-264
Total authorisations	9 327	1 430	1 430	9 812	1 685	1 685	-485	-255	-255

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

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Expenditures variations

Compared to the previous year, total expenditures recorded at the end of the quarter ending June 30 decreased by \$0.26 million, from \$1.69 million to \$1.43 million, a decrease of 18 %. The cumulative expenditures in the first quarter represent 15% of the authorizations compared to 17% as of June 30, 2018. This variance can be explained by the following elements.

- The most significant decrease is in the personal standard object, which decreased by \$ 0.15 million, due to retroactivity payments in 2018, following the signing of the collective agreement currently expired, and by the strike of unionized employees in 2019;
- For acquisition of land, buildings and works, the Commission spent \$ 0.14 million less than the previous year on that date, while it had incurred costs for new administration offices;
- In the standard object 'Utilities, materials and supplies', \$ 0.06 million less has been spent. This decrease is due to the inclusion of artists' fees in this item last year, whereas this year they are recorded under the item 'Professional and special services';
- For the acquisition of machinery and equipment, the Commission committed \$ 0.04 million less than in the first quarter of last year, when it purchased surveillance cameras, a security measure put in place as part of the G7 summit held in Quebec City in June 2018;
- Professional and special services are \$ 0.10 million higher than in the first quarter of the previous year. The increase is explained by the presentation of artists' fees under this item this year, an additional payment for park protection services and fees paid for mediation services;
- The remaining non-significant change in other combined items amounts to \$ 0.03 million and is mainly due to the processing of invoices in this quarter rather than the second quarter last year, causing a delay that will be reduced in the next quarter.

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Expenditures by standard object	2019-20			2018-19			Variance		
	Planned for the year ending March 31, 2020	Expended during the quarter ended June 30, 2019	Year-to-date used at quarter-end	Planned for the year ending March 31, 2019	Expended during the quarter ended June 30, 2018	Year-to-date used at quarter-end	Planned for the year	Expended during the quarter	Year-to-date used
Personnel	4 057	1 056	1 056	4 090	1 207	1 207	-33	-151	-151
Transportation and communications	120	21	21	119	18	18	1	3	3
Information	235	35	35	233	13	13	2	22	22
Professional and special services	862	193	193	855	97	97	7	96	96
Rentals	80	11	11	80	6	6	0	5	5
Purchased repair and maintenance	500	20	20	672	16	16	-172	4	4
Utilities, materials and supplies	697	84	84	695	146	146	2	-62	-62
Acquisition of land, buildings and works	0	0	0	318	136	136	-318	-136	-136
Acquisition of machinery and equipment	95	4	4	127	44	44	-32	-40	-40
Transfer payments	0	0	0	0	0	0	0	0	0
Other subsidies and payments	2 681	6	6	2 623	2	2	58	4	4
Total expenditures	9 327	1 430	1 430	9 812	1 685	1 685	-485	-255	-255

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Risks and Uncertainties

The main financial risk for the Commission is to meet its revenue forecasts coming from parking lots, activities and museum admissions. As at June 30, 2019, since the summer season is not over, the Commission is not able to confirm that it will exceed its target of \$ 2 M as statutory funding for the current fiscal. It should be noted that for the 2019-20 fiscal year, revenues will cover 100% of the expenses of the Heritage promotion program and 20% of the expenses of internal services.

The following are additional risks and uncertainties assumed by the Commission and the management strategies adopted to address them:

- Bad weather, poor economic and social conditions :
 - Promotional efforts to increase and diversify clientele;
 - Development of new partnerships.

- Budget reduction measures and new financial pressures:
 - Rigorous budget control;
 - Revision of the financing structure;
 - Strengthening relationships with stakeholders in the budget process.

- Accidents in Park and damage to NBC property:
 - High-quality general Park maintenance;
 - Regular repair work;
 - Prevention and patrols of grounds by Security Service.

- Imbalance between Park's historical and urban missions:
 - Thoroughly analyze each land use request, based on Land Use Policy;
 - Favour activities organized by the Commission that are linked to its mandate.;
 - Ensure users can enjoy the Plains with few obstacles or activities by external organizers;
 - Rigorous monitoring of grounds to ensure greater respect for the site.

- Environmental impacts and nuisances to users during construction work in the Park and its surroundings;
 - Constant monitoring during construction;
 - Regular meetings with involved parties;
 - Implementation of mitigation measures to protect Park and reduce nuisances for users.

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Significant changes in relation to operations, personnel and programs

For 2019-20, a budget of \$.50 million from the Health and Safety Program will be used to prepare a report assessing the state of the Commission's assets

During the first quarter, the Commission's Board of Directors designated a replacement Secretary-Director General

In addition, as part of the renewal of the collective labour agreement, job action was organized by the employees who are members of the Public Service Alliance of Canada, causing among other things the closure of the Plains of Abraham Museum and the cancellation of certain activities for ten days in the first quarter of the fiscal year. The impacts were resolved when the union members returned to work on July 18, 2019, after twenty-seven days of strike.

There were no other significant operational, personnel and program changes during the first quarter of 2019-20.

Approval by Senior Officials

Approved by:

The original version was signed by
Julie Carignan, July 24, 2019

The original version was signed by
Bernard Laquerre, July 24, 2019

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July 24, 2019