THE NATIONAL BATTLEFIELDS COMMISSION

FINANCIAL STATEMENTS

March 31, 2009

Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2009 and all information contained in these statements rests with Commission's management. These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfil its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Commission's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in the Commission's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the Financial Administration Act, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the Commission. The financial statements of the Commission have been audited by the *Auditor General of Canada*.

The original version was signed by

ANDRÉ BEAUDET, Secretary

ANDRÉ JUNEAU, Chairman

Quebec, Canada
July 10, 2009

AUDITOR'S REPORT

To the Minister of Canadian Heritage and Official Languages

I have audited the statement of financial position of the National Battlefields Commission as at March 31, 2009 and the statements of operations and Equity of Canada and cash flows for the year then ended. These financial statements are the responsibility of the Commission'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 Commission as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The original version was signed by
René Béliveau, CA auditor
Principal
for the Auditor General of Canada

Montreal, Canada
10 July, 2009

THE NATIONAL BATTLEFIELDS COMMISSION
Statement of Financial Position
as at March 31

ASSETS	**2009**	**2008**
Financial Assets		
Cash	$ 743,235	$ 1,648,314
Accounts receivable and advances (Note 4)	13,579	52,788
Total financial assets	**756,814**	**1,701,102**
Non-financial assets		
Tangible capital assets (Note 5)	14,460,363	14,798,768
Deferred charges	113,656	126,144
Total non-financial assets	**14,574,019**	**14,924,912**
TOTAL	$ **15,330,833**	$ **16,626,014**

Liabilities		
Accounts payable and accrued liabilities	$ 577,109	$ 1,577,678
Salary and vacation payable	148,553	138,258
Accounts payable and accrued liabilities to other Government departments	108,177	55,278
Employee severance benefits (Note 8)	480,631	495,537
Contingent liabilities	-	489,019
	1,314,470	**2,755,770**
Equity of Canada	**14,016,363**	**13,870,244**
TOTAL	$ **15,330,833**	$ **16,626,014**

Contingent liabilities (Note 9)

The accompanying notes are an integral part of the financial statements.

Approved by Management

The original version was signed by
Secretary

ANDRÉ BEAUDET

Approved by the Commission

Chairman

ANDRÉ JUNEAU

THE NATIONAL BATTLEFIELDS COMMISSION
Statement of Operations and Equity of Canada
For the year ended March 31

	2009	2008
Expenses (Note 7)		
Conservation and Development of the Plains	$ 6,983,436	$ 6,812,596
Public Education and Services	4,127,732	4,466,504
Total expenses	**11,111,168**	**11,279,100**
Revenues		
Parking	1,113,226	1,019,760
Educational activities and welcoming of visitors	485,933	415,118
Rent	180,664	198,338
Other revenues	627,152	153,690
Total Revenues	**2,406,975**	**1,786,906**
Cost of operations	**8,704,193**	**9,492,194**
Total income from the trust fund (Note 6)	(51,791)	(106,195)
Net Cost of operations	$ **8,652,402**	$ **9,385,999**

Equity of Canada, beginning of year	**13,870,244**	**11,879,343**
Net cost of operations	(8,652,402)	(9,385,999)
Net cash provided by Government of Canada	9,450,131	10,359,728
Change in net position in the Consolidated Revenue Fund	(905,079)	756,865
Services received without charge from other government departments (Note 10)	253,469	260,307
Equity of Canada, end of year	$ **14,016,363**	$ **13,870,244**

The accompanying notes are an integral part of the financial statements.

THE NATIONAL BATTLEFIELDS COMMISSION
Statement of Cash Flows
For the year ended March 31

	2009	2008
Operating Activities		
Net cost of operations	$ 8,652,402	$ 9,385,999
Non-Cash items:		
Amortization of tangible capital assets	(888,069)	(770,814)
Services provided without charge	(253,469)	(260,307)
Amortization of deferred charges	(12,488)	(12,488)
Variations in Statement of Financial Position:		
Net change in non-cash working capital balances	905,079	(756,865)
Change in liability for employee severance benefits, vacation and overtime	7,993	(61,193)
Variation of the contingencies liabilities	489,019	(489,019)
Cash used by operating activities	**8,900,467**	**7,035,313**
Capital investment activities		
Acquisition of tangible capital assets	549,664	3,324,415
Cash used by capital investment activities	**549,664**	**3,324,415**
Net cash provided by Government of Canada	$ **9,450,131**	$ **10,359,728**

The accompanying notes are an integral part of the financial statements.

1. Authority and Objectives

The Commission was established in 1908 under an *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, natural and scientific 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.

The land of the Battlefields Park administered by the National Battlefields Commission includes:

The Plains of Abraham, site of the Battle of 1759 between Wolfe and Montcalm;
Des Braves Park, marking the Battle of St-Foy in 1760;
The Pierre-Dugua-de-Mons Terrace, east of the Quebec Citadel, overlooking Cap-aux-Diamants;
The Plains of Abraham Discovery Pavillon on Wilfrid Laurier Avenue;
The Maison St-Laurent located at 201,203 Grande-Allée Est in Québec;
The adjoining thoroughfares, two Martello Towers on the site and a tower in Quebec City.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector. The most significant accounting policies are as follows:

a) Parliamentary appropriations

The Commission is financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to the department do not parallel financial reporting according to Canadian generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and Equity of Canada and the Statement of Cash Flows are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the bases of reporting.

b) Due from the Consolidated Revenue Fund

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

c) Net Cash Provided by Government

The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

2. Summary of Significant Accounting Policies (continued)

d) Revenues

Revenues are recognized in the accounts based on the services provided in the year.

e) Expenses

Expenses are recorded on the accrual basis:

- Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.

- Services provided without charge by other government departments for the employer's contribution to the health and dental insurance plans and legal services are recorded as operating expenses at their estimated cost.

f) Employee future benefits

a) Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer administered by the Government of Canada. The Commission's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. Current legislation does not require the Commission to make contributions for any actuarial deficiencies of the Plan.

b) Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

g) Contingent liabilities

Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

2. *Summary of Significant Accounting Policies (continued)*

h) Tangible capital assets

All tangible capital assets having an initial cost of $2,500 or more are recorded at their acquisition cost. The Commission does not capitalize intangibles and historical treasures that have cultural, aesthetic or historical value.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset Class	**Amortization period**
Buildings	15 to 35 years
Works and infrastructure	5 to 40 years
Material and tools	3 to 15 years
Motor vehicles and others	5 to 15 years
Software	3 to 5 years

i) Deferred charges

Restoration charges related to assets that are not the property of the Commission are recorded at cost and amortized on a straight-line basis over the term of the contract.

j) Measurement uncertainty

The preparation of these financial statements in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported 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 liability for employee severance benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

3. Parliamentary Appropriations

The Commission receives most of its funding through annual Parliamentary appropriations. Items recognized in the statement of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the Commission has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

a) Reconciliation of net cost of operations to current year appropriations used:

	2009	2008
Net cost of operations	$ 8,652,402	$ 9,385,999
Adjustments for items net cost of operations but not affecting appropriations		
Less :		
Amortization of tangible capital assets	888,069	770,814
Amortization of deferred charges	12,488	12,488
Services provided without charge by a Government department	253,469	260,307
Allowance for contingencies liabilities	-	489,019
Changed in liability for employee severance benefits, vacation and overtime	(7,993)	61,193
Cost related to The National Battlefields Commission Trust Fund	9,369	7,535
Add:		
Non-tax income	2,344,202	1,703,696
Income from The National Battlefields Commission Trust Fund	61.160	113,730
	9,902,362	9,602,069
Adjustments for items not affecting cost of operations but affecting appropriations		
Add:		
Acquisitions of tangible capital assets	549,664	3,324,415
Current year appropriations used	**$ 10,452,026**	**$ 12,926,484**

3. Parliamentary Appropriations (continued)

b) Appropriations provided and used:

	2009	2008
Parliamentary appropriation voted		
Canadian Heritage:		
Operating and capital expenditures	$ 8,045,659	$ 11,130,360
Lapsed appropriation	(400,450)	(351 543)
	7,645,209	10,778,817
Statutory-Contributions to employee benefit plans	462,615	443,971
Expenditures corresponding to perceived revenues pursuant to sub-section 29.1(1) of the FAA	2,344,202	1,703,696
Current year appropriations authorized	**$ 10,452,026**	**$ 12,926,484**

c) Reconciliation of net cash provided by Government to current year appropriations used:

	2009	2008
Net cash provided by Government	$ 9,450,131	$ 10,359,728
Change in net position in the Consolidated Revenue Fund		
Net change in non-cash working capital balances	(905,079)	756,865
Non-tax income	2,344,202	1,703,696
Income from the trust fund	51,791	106,195
Interim cost recovery regime – Department of Justice Canada	(489,019)	-
Current year appropriations used	**$ 10,452,026**	**$ 12,926,484**

4. Accounts Receivable and Advances

	2009	2008
Receivables from other Federal Government departments and agencies	$ 13,579	$ 52,788
Total	$ 13,579	$ 52,788

5. Tangible Capital Assets

The balance of the tangible capital assets under the responsibility of the Commission is as follows:

	Cost				Accumulated amortization					
Capital asset class	**Opening balance**	**Acquisitions**	**Disposals and Write-offs**	**Closing balance**	**Opening balance**	**Amortiza-tion**	**Disposals and write-offs**	**Closing balance**	**2009 Net book value**	**2008 Net book value**
Land	$ 724,710	$ -	$ -	$ 724,710	$ -	$ -	$ -	$ -	$ 724,710	$ 724,710
Buildings	11,677,253	465,611	-	12,142,864	4,230,492	446,282	-	4,676,774	7,466,090	7,446,761
Works and infrastructure	8,766,687	4,475	-	8,771,162	2,527,178	325,541	-	2,852,719	5,918,443	6,239,509
Material and tools	1,105,722	10,767	-	1,116,489	1,018,170	39,536	-	1,057,706	58,783	87,552
Motor vehicles and other	1,066,023	68,811	89,975	1,044,859	772,367	73,419	89,975	755,811	289,048	293,656
Software	13,500	-	-	13,500	6,920	3,291	-	10,211	3,289	6,580
Total	**$ 23,353,895**	**$ 549,664**	**$ 89,975**	**$ 23,813,584**	**$ 8,555,127**	**$ 888,069**	**$ 89,975**	**$ 9,353,221**	**$ 14,460,363**	**$ 14,798,768**

Amortization expense for the year ended March 31, 2009 is $888,069 ($770,814 in 2008)

6. *The National Battlefields Commission Trust Fund*

When the National Battlefields Commission was created, a Trust fund was established for the receipt of moneys from individuals, municipal corporations, provincial governments and others, for the purpose of acquiring and preserving the great historic battlefields in Quebec. Since September 1984, the Trust fund has been governed by subsection 9.1 of the *Act respecting the National Battlefields in Quebec*, which authorizes such amounts to be spent for the purpose for which they were given to the Commission. The income and cost are included in the Statement of Operations of the Commission and are detailed as follows:

		2009		2008
Cost				
Professional services	$	9,369	$	7,535
		9,369		7,535
Revenues				
Interest		12,660		22,193
Agreement – Ground repair		25,000		75,000
Miscellaneous		23,500		16,537
		61,160		113,730
Excess of income on costs	$	**(51,791)**	$	**(106,195)**
Balance at beginning of the year		684,804		578,609
Balance at end of year, deposited with the Receiver General for Canada	$	**736,595**	$	**684,804**

7. *Information on Expenses*

The activities of the Commission are organized into three activities related to its mandate.

The **Conservation and Development of the Plains** includes the following services:

- The service of maintenance, which maintains the site, its furnishings, buildings and infrastructure, provides for a safe and stable environment, minimizes the effects of wear and tear and deterioration and slows down or prevents damage;

- The service of landscaping which is responsible for the scenery, horticultural and arboriculture activities;

- The service of surveillance and security, which ensures to it that regulations regarding peace and public order are respected; enforces traffic and parking and regulations; ensures the safety of site users; and provides for surveillance of the Commission's premises and properties.

The **Public Education and Services** includes the following services:

- Client Services, which includes welcoming visitors and users to the Park, the dissemination of information to the public and reservations for educational interpretation activities for school and the general public;

- Cultural and Technical Service.

7. Information on Expenses (continued)

The **Internal Services** includes the provision of management, administration, financial services, parking services and communication services. The Internal Services is sharing out every month between the Conservation and Development of the Plains (60%) and the Public Education and Services (40%).

SUMMARY OF EXPENSES BY MAJOR TYPE

		2009		2008
Salaries and employee benefits	$	3,919,173	$	3,659,454
Grants in lieu of taxes		2,816,473		2,750,115
Professional services		915,881		1,227,591
Amortization of tangible capital assets		888,069		770,814
Utilities, materials and supplies		859,275		1,208,394
Publicity		610,002		459,019
Maintenance		462,052		422,720
Rental		451,770		133,029
Transportation and communication		175,985		146,457
Amortization of deferred charges		12,488		12,488
Other expenses		-		489,019
	$	**11,111,168**	$	**11,279,100**

8. Employee Benefits

a) Pension benefits: The Commission's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.

Both the employees and the Commission contribute to the cost of the Plan. The 2008-09 expense amounts to $334,008 ($323,655 in 2007-2008), which represents approximately 2 times the contributions by employees.

The Commission's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

b) Severance benefits: The Commission provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

		2009		2008
Accrued benefit obligation, beginning of year	$	495,537	$	453,284
Expense for the year		52,100		42,253
Benefits paid during the year		(67,006)		-
Accrued benefit obligation, end of year	$	**480,631**	$	**495,537**

THE NATIONAL BATTLEFIELDS COMMISSION
Notes to the Financial Statements
For the year ended March 31, 2009

9. Contingent liabilities

Claim has been made against the National Battlefields Commission, the Attorney General of Canada and two other Federal Government agencies totalling $ 703,468 for alleged damaged mainly regarding an invidual fell off the wall of Parks Canada. The final outcome of this claim is not determinable and, accordingly, this item is not recorded in the accounts. In the opinion of management, the position of the Commission is defensible. Settlements, if any resulting from the resolution of this claim will be accounted for in the year in which a reasonable estimate of loss could be made.

10. Related party transactions

The Commission is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. The Commission enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, the Commission received services which were obtained without charge from other Government departments. The detail is as follows:

	2009	**2008**
Employer's contribution to the health and dental insurance plans	$ 210,740	$ 199,292
Audit services	36,500	35,000
Legal services	4,229	24,015
Payroll services	2,000	2,000
Total	$ 253,469	$ 260,307

11. Non-monetary transactions

The Commission has granted exclusive rights and public exposure to certain sponsors in exchange primarily for advertising. These non-monetary transactions with unrelated parties were recorded equally in revenues and expenses. They were estimated to total $62,774 in 2008-2009 ($83,210 in 2007-2008), which represents the fair value of the assets and services received.