

The National Battlefields Commission

**Financial Statements
March 31, 2023**

Statement of management responsibility including internal control over financial reporting

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2023, and all information contained in these statements rests with the management of the **National Battlefields Commission (the Commission)**. These financial statements have been prepared by management using the Government's accounting policies, which are based on Canadian public sector accounting standards.

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 fulfill 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 in the preparation of the Public Accounts of Canada, and included in the Commission's Departmental Results Report, is consistent with these financial statements.

Management is also responsible for maintaining an effective system of internal control over financial reporting (ICFR) designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the *Financial Administration Act* and other applicable legislation, regulations, authorities and policies.

Management seeks to ensure the objectivity and integrity of data in its financial statements through careful selection, training and development of qualified staff; through organizational arrangements that provide appropriate divisions of responsibility; through communication programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout the Commission.

The system of ICFR is designed to mitigate risks to a reasonable level based on an on-going process to identify key risks, to assess effectiveness of associated key controls, and to make any necessary adjustments.

The Commission is subject to periodic Core Control Audits performed by the Office of the Comptroller General and uses the results of such audits to comply with the Treasury Board Policy on Financial Management.

Ernst & Young LLP, the independent auditor, has expressed an opinion on the fair presentation of the financial statements of the Commission which does not include an audit opinion on the annual assessment of the effectiveness of the Commission's internal controls over financial reporting.

Original signed by:
Annie Talbot
Secretary and General Manager

Original signed by:
James Haberlin
Chief Financial Officer

Québec City, Canada
June 16, 2023

Independent auditor's report

To the Minister of Canadian Heritage

Opinion

We have audited the accompanying financial statements of **The National Battlefields Commission** (the "Commission"), which comprise the statement of financial position as at March 31, 2023, and the statement of operations and departmental net financial position, the statement of change in departmental net debt for the year then ended, and the notes thereto, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Ernst & Young LLP*¹

Québec City, Canada
June 16, 2023

¹ CPA auditor, CA, public accountancy permit No. A133737

The National Battlefields Commission

Statement of Financial Position

As at March 31

(in dollars)

	<u>2023</u>	<u>2022</u>
Liabilities		
Accounts payable and accrued liabilities (note 4)	\$720,419	\$833,120
Vacation pay and compensatory leave	361,792	323,161
Accounts payable and accrued liabilities to other government departments	11,867	522,696
Employee future benefits (note 9)	31,182	41,910
Contingent liability	-	15,000
Total net liabilities	<u>1 125 260</u>	<u>1,735,887</u>
Financial assets		
Due from Consolidated Revenue Fund	210,530	907,796
Accounts receivable (note 5)	521,756	448,020
Total net financial assets	<u>732,286</u>	<u>1,355,816</u>
Departmental net debt	<u>392,974</u>	<u>380,071</u>
Non-financial assets		
Deposit on acquisitions of tangible capital assets	-	183,922
Tangible capital assets (note 6)	13,142,276	14,340,167
Total non-financial assets	<u>13,142,276</u>	<u>14,524,089</u>
Departmental net financial position	<u>\$12,749,302</u>	<u>\$14,144,018</u>

Contractual obligations (note 10)

The accompanying notes form an integral part of these financial statements.

Approved by the Board:

Original signed by:
Annie Talbot, Secretary-General Manager

Original signed by:
Jean Robert, Chair

Québec City, Canada
June 16, 2023

The National Battlefields Commission

Statement of Operations and Departmental Net Financial Position

Year ended March 31

(in dollars)

	<u>2023</u>	<u>2023</u>	<u>2022</u>
	Planned results (unaudited)		
Expenses (note 8)			
Conservation	\$2,958,940	\$2,979,469	\$2,671,222
Promotion of Heritage	1,944,470	1,885,534	1,565,576
Internal Services	9,081,106	10,778,358	9,258,922
Total expenses	<u>13,984,516</u>	<u>15,643,361</u>	13,495,720
Revenues			
Parking	1,011,660	1,357,175	1,065,605
Educational, cultural and heritage activities	642,340	692,606	406,198
Rent	60,210	68,876	111,001
Other revenues	335,790	316,866	153,067
Total revenues	<u>2,050,000</u>	<u>2,435,523</u>	1,735,871
Cost of operations	<u>11,934,516</u>	<u>13,207,838</u>	11,759,849
Excess of revenues over expenses (note 7)	<u>(159,000)</u>	<u>(28,758)</u>	(19,610)
Net cost of operations before government funding and transfer	<u>11,775,516</u>	<u>13,179,080</u>	11,740,239
Government funding and transfer			
Net cash provided by Government		12,133,283	11,497,075
Decrease in due from Consolidated Revenue Fund		(697,266)	(114,776)
Services provided without charge by other government departments (note 11)		348,347	354,285
Net cost of operations after government funding and transfer		<u>1,394,716</u>	3,655
Departmental net financial position - beginning of year		<u>14,144,018</u>	14,147,673
Departmental net financial position - end of year		<u>\$12,749,302</u>	<u>\$14,144,018</u>

The accompanying notes form an integral part of these financial statements.

The National Battlefields Commission

Statement of Change in Departmental Net Debt

Year ended March 31

(in dollars)

	<u>2023</u>	<u>2022</u>
Net cost of operations after government funding and transfer	<u>\$1,394,716</u>	<u>\$3,655</u>
Change due to tangible capital assets		
Acquisitions of tangible capital assets	1,054,090	930,345
Amortization of tangible capital assets	<u>(2,251,981)</u>	<u>(1,092,196)</u>
Total change due to tangible capital assets	<u>(1,197,891)</u>	<u>(161,851)</u>
Change due to deposits on tangible capital assets	<u>(183,922)</u>	<u>183,922</u>
Net increase in departmental net debt	12,903	25,726
Departmental net debt - beginning of year	<u>380,071</u>	<u>354,345</u>
Departmental net debt - end of year	<u><u>\$392,974</u></u>	<u><u>\$380,071</u></u>

The accompanying notes form an integral part of these financial statements.

The National Battlefields Commission

Statement of Cash Flows

Year ended March 31

(in dollars)

	<u>2023</u>	<u>2022</u>
Operating transactions		
Net cost of operations before government funding and transfer	\$13,179,080	\$11,740,239
Non-cash items:		
Amortization of tangible capital assets	(2,251,981)	(1,092,196)
Services provided without charge by other government departments (note 12)	(348,347)	(354,285)
Changes in Statement of Financial Position:		
Increase in accounts receivable	73,736	335,227
Decrease in accounts payable and accrued liabilities	324,487	76,035
Decrease (increase) in accounts payable and accrued liabilities to other government departments	510,829	(296,486)
Increase in vacation pay and compensatory leave	(38,631)	(21,454)
Decrease in future employee benefits	10,728	10,728
Decrease (increase) in contingent liability	15,000	(15,000)
Cash used in operating activities	<u>11,474,901</u>	<u>10,382,808</u>
Capital investing activities		
Acquisitions of tangible capital assets	842,304	930,345
(Decrease) increase in deposits on tangible capital assets	(183,922)	183,922
Cash used in capital investing activities	<u>658,382</u>	<u>1,114,267</u>
Net cash provided by Government of Canada	<u>\$12,133,283</u>	<u>\$11,497,075</u>

Additional information:

	<u>2023</u>	<u>2022</u>
Acquisitions of tangible capital assets included in accounts payable and accrued liabilities	211,786	-

The accompanying notes form an integral part of these financial statements.

The National Battlefields Commission

Notes to the financial statements

Year ended March 31, 2023

1. Authority and objectives

The Commission was established in 1908 under an *Act respecting the National Battlefields at Quebec*.

The Commission is a departmental corporation named in Schedule II of the *Financial Administration Act* (FAA).

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 Québec.

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

The Plains of Abraham, site of the Battle of 1759 between Wolfe and Montcalm;

Des Braves Park, marking the Battle of Sainte-Foy in 1760;

The Pierre-Dugua-de-Mons Terrace, east of the Québec Citadel, overlooking Cap-aux-Diamants;

The Plains of Abraham Museum on Wilfrid Laurier Avenue;

The Maison St-Laurent located at 201,203 Grande-Allée Est in Québec City;

The adjoining thoroughfares, two Martello Towers on the site and a tower in Québec City.

2. Summary of significant accounting policies

These financial statements have been prepared using the Government's accounting policies stated below, which are based on Canadian public sector accounting standards. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian public sector accounting standards.

Significant accounting policies are as follows:

- (a) Parliamentary authorities – The Commission is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to the Commission do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and Departmental Net Financial Position and in the Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 3 provides a reconciliation between the bases of reporting. The planned results amounts in the "Expenses" and "Revenues" sections of the Statement of Operations and Departmental Net Financial Position are the amounts reported in the future-oriented Statement of Operations included in the 2022-2023 Department Plan. The planned results amounts are not included in the "Government funding and transfer" section of the Statement of Operations and Departmental Net Financial Position or the Statement of Change in Departmental Net Debt as these amounts have not been included in the 2022-2023 Department Plan.

Liquidity risk is the risk that the Commission will encounter difficulty in meeting its obligations associated with financial liabilities. The Commission's objective for managing liquidity risk is to manage operations and cash expenditures within the appropriation authorized by Parliament or allotment limits approved by the Treasury Board.

The National Battlefields Commission

Notes to the financial statements

Year ended March 31, 2023

Each year, the Commission presents information on planned expenditures to Parliament through the tabling of Estimates publications. These estimates result in the introduction of supply bills (which, once passed into legislation, become appropriation acts) in accordance with the reporting cycle for government expenditures. The Commission exercises expenditure initiation processes such that unencumbered balances of budget allotments and appropriations are monitored and reported on a regular basis to help ensure sufficient authority remains for the entire period and appropriations are not exceeded.

Consistent with Section 32 (1) of the FAA, the Commission's policy to manage liquidity risk is that no contract or other arrangement providing for a payment shall be entered into with respect to any program for which there is an appropriation by Parliament or an item included in estimates then before the House of Commons to which the payment will be charged unless there is a sufficient unencumbered balance available out of the appropriation or item to discharge any debt that, under the contract or other arrangement, will be incurred during the fiscal year in which the contract or other arrangement is entered into.

The Commission's risk exposure and its objectives, policies and processes to manage and measure this risk did not change significantly from the prior year.

(b) Net cash provided by Government – The Commission operates within the Consolidated Revenue Fund (CRF) which 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. The net cash provided by Government is the difference between all cash receipts and all cash disbursements, including transactions between departments of the Government of Canada.

(c) Amounts due from the CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that the Commission is entitled to draw from the CRF without further authorities to discharge its liabilities. This amount is not considered to be a financial instrument.

(d) Revenues – Revenues are recognized in the accounts based on the services provided in the year, in accordance with the accrual basis of accounting.

(e) Expenses – Expenses are recorded on the accrual basis.

Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.

Services provided without charge by another government department for employer contributions to the health and dental insurance plans are recorded as operating expenses at their estimated cost in the period during which the services are rendered.

(f) Employee future benefits

(i) Pension benefits: Eligible employees participate in the Public Service Pension Plan (the Plan), a multiemployer pension plan 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. 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.

The National Battlefields Commission

Notes to the financial statements

Year ended March 31, 2023

(ii) Workers' compensation benefits: The Commission recognizes, in present value, the cost of compensation benefits to be paid when the event obligating it occurs. The liability for these benefits is recorded based on management's best assumptions regarding future salary escalation, age of employees, years of service and the probability of absence. These assumptions are reviewed annually. These benefits represent the Commission's sole obligation of this nature whose resolution results in payments in the coming years.

(g) Contingent liabilities – Contingent liabilities are potential obligations which may become actual liabilities when one or more future events occur or fail to occur. To the extent that it is likely that a future event will confirm that a liability has been incurred as at the date of the financial statements and a reasonable estimate of the loss can be made, an estimated liability and an expense are 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.

(h) Accounts receivable – Accounts receivable are presented at cost or net realizable value. A provision is made for receivables where recovery is considered uncertain. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Commission is not exposed to significant credit risk. The Commission's maximum exposure to credit risk is equal to the carrying amount of its receivables.

(i) Tangible capital assets – All tangible capital assets and leasehold improvements having an initial cost of \$10,000 or more are recorded at their acquisition cost. The Commission does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value.

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

Tangible capital asset class	Amortization period
Buildings	15 to 35 years
Works and infrastructure	5 to 40 years
Machinery and equipment	3 to 15 years
Vehicles	5 to 15 years
Computer equipment	3 to 5 years
Computer software	3 to 5 years

Tangible assets under construction are not amortized until they are commissioned.

(j) Measurement uncertainty – The preparation of these financial statements 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 severance benefits and workers' compensation, 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.

(k) Related party transactions - Related party transactions, other than related entity transactions, are recognized at the exchange amount. Inter-entity transactions are transactions performed between entities under common control. Inter-entity transactions, other than restructuring transactions, are recognized on a gross basis and measured at the carrying amount, except for those that follow:

(i) Cost recovery services are recognized as revenue and expenditures on a gross basis and measured at the carrying amount.

The National Battlefields Commission

Notes to the financial statements

Year ended March 31, 2023

(ii) Certain services received without charge are recognized at the carrying amount for the purposes of departmental financial statements. Other related party transactions, other than related entity transactions, are recognized at the exchange amount.

3. Parliamentary authorities

The Commission receives most of its funding through annual parliamentary authorities. Items recognized in the Statement of Operations and Departmental Net Financial Position and the Statement of Financial Position in a given year may be funded through parliamentary authorities in prior, current or future years. Accordingly, the Commission has different net results of operations for the year depending on whether they are presented on a government funding basis or on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to current year authorities used

	<u>2023</u>	<u>2022</u>
	(in dollars)	
Net cost of operations before government funding and transfer	<u>\$13,179,080</u>	<u>\$11,740,239</u>
Adjustments for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(2,251,981)	(1,092,196)
Services provided without charge by other government departments	(348,347)	(354,285)
Increase in vacation pay and compensatory leave	(38,631)	(21,454)
Decrease in future employee benefits	10,728	10,728
Decrease (increase) in contingent liability	15,000	(15,000)
Increase in overpayments to be recovered included in accounts receivable	-	76,551
Cost related to the Commission Trust Fund	(860)	(1,144)
Non-tax income	2,395,340	1,723,071
Income from the Commission Trust Fund	<u>29,618</u>	<u>20,754</u>
Total items affecting net cost of operations but not affecting authorities	<u>(189,133)</u>	<u>347,025</u>
Adjustments for items not affecting net cost of operations but affecting authorities:		
(Decrease) increase in deposits on tangible capital assets	(183,922)	183,922
Acquisitions of tangible capital assets	<u>1,054,090</u>	<u>930,345</u>
Total items not affecting net cost of operations but affecting authorities	<u>870,168</u>	<u>1,114,267</u>
Current year authorities used	<u><u>\$13,860,115</u></u>	<u><u>\$13,201,531</u></u>

The National Battlefields Commission

Notes to the financial statements

Year ended March 31, 2023

(b) Authorities provided and used

	<u>2023</u>	<u>2022</u>
	(in dollars)	
Authorities provided:		
Canadian Heritage:		
Operating and capital expenditures	\$13,405,437	\$12,177,974
Unused parliamentary authorities	(2,565,186)	(1,325,763)
	10,840,251	10,852,211
Statutory-Contribution to employee benefit plans	624,524	626,249
Expenditures corresponding to revenues received under sub-section 29.1(1) of the FAA	2,395,340	1,723,071
Current year authorities used	<u>\$13,860,115</u>	<u>\$13,201,531</u>

4. Accounts payable and accrued liabilities

The following table presents details of the Commission's accounts payable and accrued liabilities:

	<u>2023</u>	<u>2022</u>
	(in dollars)	
Current accounts payable	\$299,226	\$605,581
Accrued salaries	386,665	196,759
Québec sales taxes collected	34,528	30,780
Total accounts payable and accrued liabilities	<u>\$720,419</u>	<u>\$833,120</u>

5. Accounts receivable

The following table presents details of the Commission's accounts receivable:

	<u>2023</u>	<u>2022</u>
	(in dollars)	
Receivables - external parties (non-tax income)	\$92,018	\$72,455
Receivables - additional recoverable payments	76,551	76,551
Receivables - external parties (Québec sales tax)	65,192	96,913
Receivables - other government departments and agencies	287,995	202,101
Total receivables	<u>\$521,756</u>	<u>\$448,020</u>

The Commission has no provision for doubtful receivables from all sources.

The National Battlefields Commission

Notes to the financial statements

Year ended March 31, 2023

6. Tangible capital assets

Asset class	Cost				Accumulated amortization				Net book value	
	Opening balance	Acquisitions	Disposals and write-offs	Closing balance	Opening balance	Amortization	Disposals and write-offs	Closing balance	2023	2022
Land	\$724,710	\$—	\$—	\$724,710	\$—	\$—	\$—	\$—	\$724,710	\$724,710
Buildings	11,338,212	—	1,172,897	10,165,315	7,973,913	813,213	1,172,897	7,614,229	2,551,086	3,364,299
Works and infrastructure	17,691,796	—	3,132,083	14,559,713	8,702,919	1,067,352	3,132,083	6,638,188	7,921,525	8,988,877
Machinery and equipment	1,912,003	—	714,529	1,197,474	1,201,894	148,814	714,529	636,179	561,295	710,109
Vehicles	1,259,488	984,983	352,252	1,892,219	1,175,773	37,536	352,252	861,057	1,031,162	83,715
Computer equipment	797,584	69,107	74,830	791,861	329,127	185,066	74,830	439,363	352,498	468,457
Computer software	238,923	—	110,927	127,996	238,923	—	110,927	127,996	—	—
Total	\$33,962,716	\$1,054,090	\$5,557,518	\$29,459,288	\$19,622,549	\$2,251,981	\$5,557,518	\$16,317,012	\$13,142,276	\$14,340,167

Asset class	Cost				Accumulated amortization				Net book value	
	Opening balance	Acquisitions	Disposals and write-offs	Closing balance	Opening balance	Amortization	Disposals and write-offs	Closing balance	2022	2021
Land	\$724,710	\$—	\$—	\$724,710	\$—	\$—	\$—	\$—	\$724,710	\$724,710
Buildings	11,338,212	—	—	11,338,212	7,616,716	357,197	—	7,973,913	3,364,299	3,721,496
Works and infrastructure	17,691,796	—	—	17,691,796	8,148,832	554,083	—	8,702,919	8,988,877	9,542,960
Machinery and equipment	1,430,320	481,683	—	1,912,003	1,119,267	82,627	—	1,201,894	710,109	311,053
Vehicles	1,259,488	—	—	1,259,488	1,116,072	59,701	—	1,175,773	83,715	143,416
Computer hardware	348,922	448,662	—	797,584	290,539	38,588	—	329,127	468,457	58,383
Computer software	238,923	—	—	238,923	238,923	—	—	238,923	—	—
Total	\$33,032,371	\$930,345	\$—	\$33,962,716	\$18,530,349	\$1,092,196	\$—	\$19,622,549	\$14,340,167	\$14,502,018

Amortization expense for the year ended March 31, 2023 was \$2,251,981 (\$1,092,196 in 2022).

The net book value of tangible capital assets that are not subject to amortization because they are currently under construction was nil as at March 31, 2023 and 2022.

The National Battlefields Commission

Notes to the financial statements

Year ended March 31, 2023

Collections and archaeological sites

Managing the collections and archaeological sites is an important part of the National Battlefields Commission's mandate, which consists of preserving and conserving the National Battlefields Park for future generations and to develop it so that the public fully benefits from these riches. Even if they are not capitalized as other goods, the collections and archaeological sites have incredible heritage and cultural value.

(a) Collections - The Commission manages collections of historical and archaeological objects. The collection of archaeological objects consists of a range of artefacts that evidence the varied lifestyles of the people that lived on the Battlefields Park land between the 17th and 20th centuries. These artefacts teach us about their customs and habits, as well as their domestic and industrial activities. The collection of historical objects mostly consists of objects from the 19th and 20th centuries, including watercolour sketches and clothing. Moreover, the Commission has a collection of reproductions, including period costumes, tools and furniture that have been created based on original artefacts or historical data.

(b) Archaeological sites - An archaeological site consists of surface and below-ground ruins. Four main archaeological sites were excavated in the Battlefields Park, including the Des Braves Park, the advanced blockhouse of the temporary citadel, Martello Tower 2 and Cove Fields. These sites were occupied during various periods of time by people from many different backgrounds.

The National Battlefields Commission

Notes to the financial statements

Year ended March 31, 2023

7. The National Battlefields Commission Trust Fund

When the 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 Québec. Since September 1984, the Trust fund has been governed by subsection 9.1 of the *Act respecting the National Battlefields at Quebec*, which authorizes such amounts to be spent for the purpose for which they were given to the Commission. Revenues and expenses are included in the Statement of Operations and Departmental Net Financial Position of the Commission and are detailed as follows:

	<u>2023</u>	<u>2022</u>
	(in dollars)	
Expenses		
Amortization of tangible capital assets	\$3,048	\$3,048
Professional services	860	1,144
Total expenses	<u>3,908</u>	<u>4,192</u>
Revenues		
Interest	11,618	3,754
Donations and other revenues	18,000	17,000
Total revenues	<u>29,618</u>	<u>20,754</u>
Adjustments for items not affecting authorities:		
Amortization of tangible capital assets	3,048	3,048
Excess of income on costs	<u>(28,758)</u>	<u>(19,610)</u>
Balance – beginning of year	1,464,597	1,444,987
Balance – end of year, deposited with the Receiver General of Canada	<u>\$1,493,355</u>	<u>\$1,464,597</u>

The tangible capital assets were recorded at a cost of \$211,570 as at March 31, 2023 and 2022 and were amortized on a straight-line basis over estimated useful lives of 5 to 20 years. Their accumulated amortization was \$171,946 as at March 31, 2023 (\$168,898 as at March 31, 2022) with a net carrying amount of \$39,624 as at March 31, 2023 (\$42,672 as at March 31, 2022).

The National Battlefields Commission

Notes to the financial statements

Year ended March 31, 2023

8. Information on expenses

The Program Activities of the Commission are organized into three responsibilities related to its mandate.

Conservation includes the following services:

The service of infrastructures, 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 green spaces which is responsible for the landscaping, horticultural, arboriculture activities and sustainable development;

The security and prevention service, which ensures 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.

Promotion of Heritage includes the following services:

Through the Plains of Abraham Museum, the museum affairs sector welcomes visitors and users to the Park, the dissemination of information and educational, cultural and heritage interpretation activities for for schools, tourists and the general public;

Cultural and Technical Sector.

The **Internal Services** includes the provision of management, administration, financial services, parking services and communication services.

Detailed expenses

	<u>2023</u>	<u>2022</u>
	(in dollars)	
Salaries and benefits	\$5,850,781	\$5,715,477
Payment in lieu of property taxes	2,832,398	2,559,024
Professional services	2,278,077	1,840,814
Amortization of tangible capital assets	2,251,981	1,092,196
Utilities, materials and supplies	828,473	901,642
Maintenance and repairs	692,161	544,955
Advertising	456,428	399,396
Transportation and communication	156,649	124,760
Rental	154,800	74,787
Machinery and equipment	133,910	173,646
Other taxes and payments	7,703	69,023
Total expenses	<u>\$15,643,361</u>	<u>\$13,495,720</u>

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Notes to the financial statements

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9. Employee future benefits

(a) Pension benefits

Employees of the Commission participate in the plan which is sponsored and administered by the government. Pension benefits are accumulated over a period of 35 years maximum at a rate of 2% multiplied by each pensionable year, multiplied by the average of the best five consecutive years of benefits. Pension benefits are integrated in the Canadian Pension Plan and Québec Pension Plan and are indexed based on inflation.

Both the employees and the Commission contribute to the cost of the Public Service Pension Plan (the Plan). Due to the amendment of the *Public Service Superannuation Act* following the implementation of provisions related to Economic Action Plan 2012, employee contributors have been divided into two groups. Group 1 relates to existing plan members as at December 31, 2012 and Group 2 relates to members joining the Plan as of January 1, 2013. Each group has a distinct contribution rate.

The expense amounted to \$408,002 in 2023 (\$423,094 in 2022). For Group 1 members, the expense represented approximately 1.02 times (1.01 times in 2022) the employee contributions and, for Group 2 members, approximately 1.00 times (1.00 times in 2022) the employee contributions. The Commission's responsibility with regard to the Plan is limited to its paid contributions. Actuarial surpluses or deficiencies are recognized in the Financial Statements of the Government of Canada, as the Plan's sponsor.

(b) Workers' compensation benefits

For workers' compensation benefits, the Commission recognized an obligation totalling \$31,182 as at March 31, 2023 (\$41,910 as at March 31, 2022). To calculate this liability, the Commission used a discount rate based on the current yield curve structure of zero coupon Government of Canada bonds and assumes an age of 65 years for the final payments of the compensation. As at March 31, 2023, the Commission used a 2.00% future salary escalation rate and a discount rate of 3.11% as assumptions for the final payments of the compensation.

	<u>2023</u>	<u>2022</u>
	(in dollars)	
Accrued benefit obligation - beginning of year	\$41,910	\$52,638
Expense for the year	(2,302)	(2,337)
Benefits paid during the year	(8,426)	(8,391)
Accrued benefit obligation - end of year	<u>\$31,182</u>	<u>\$41,910</u>

10. Contractual obligations

The nature of the Commission's activities can result in some large multi-year contracts and obligations whereby the Commission will be obligated to make future payments when the services/goods are received. These obligations include the grass and tree maintenance contracts, advertising campaigns for summer activities and equipment maintenance service contracts. Significant contractual obligations that can be reasonably estimated are summarized as follows:

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028 and thereafter</u>	<u>Total</u>
Total contractual obligations	<u>\$397,297</u>	<u>\$31,463</u>	<u>\$31,463</u>	<u>\$—</u>	<u>\$—</u>	<u>\$460,223</u>

The National Battlefields Commission

Notes to the financial statements

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11. Related party transactions

The Commission is related as a result of common ownership to all government departments, agencies, and Crown corporations. The Commission enters into transactions with these entities in the normal course of business and on normal trade terms. During the year, the Commission received common services which were obtained without charge from another government department as disclosed below.

Common services provided without charge by a government department

During the year, the Commission received services without charge from a common service organization, related to employer contributions to the health and dental insurance plans. This service provided without charge has been recorded in the Commission's Statement of Operations and Departmental Net Financial Position as follows:

	<u>2023</u>	<u>2022</u>
	(in dollars)	
Employer contributions to the health and dental insurance plans	<u>\$348,347</u>	<u>\$354,285</u>

The Government has centralized some of its administrative activities for efficiency, cost-effectiveness purposes and economic delivery of programs to the public. As a result, the Government uses central agencies and common service organizations so that one department performs services for all other departments and agencies without charge. The costs of these services, such as the payroll and cheque issuance services provided by Public Services and Procurement Canada are not included in the Commission's Statement of Operations and Departmental Net Financial Position.

12. Non-monetary transactions

The Commission has granted exclusive and visibility rights to certain sponsors in exchange primarily for advertising. These non-monetary transactions with unrelated parties were recorded in both revenues and expenses. They were estimated to total \$40,183 in 2022-2023 (\$12,800 in 2021-2022), which represented the fair value of the assets and services received.