

THE NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended December 31, 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.

THE NATIONAL BATTLEFIELDS COMMISSION

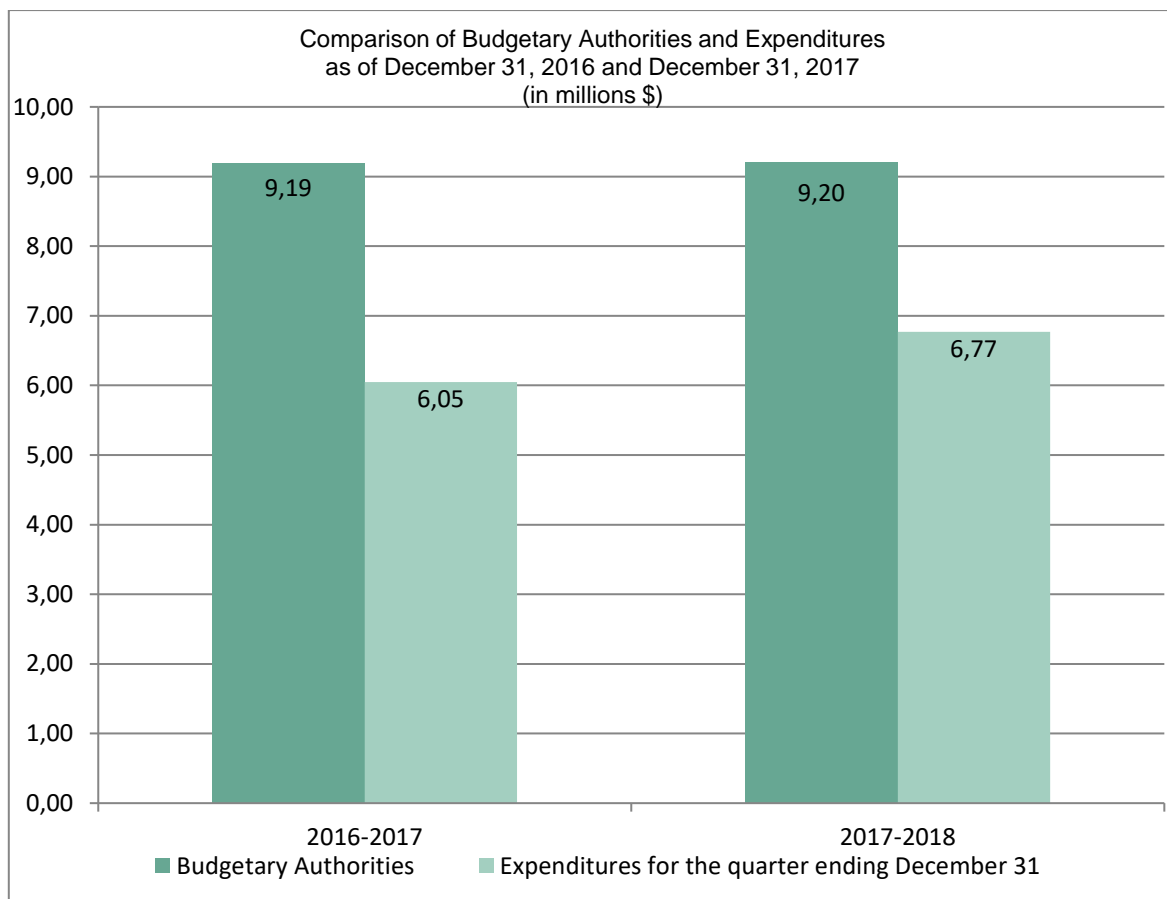
Quarterly Financial Report

For the quarter ended December 31, 2017

Highlights of fiscal quarter and fiscal year to date (YTD) results

This section highlights the significant items that contributed to the slight increase in resources available for the year and the increase in actual expenditures for the quarter ended December 31, 2017.

Graph 1 :



Graph 1 outlines the budgetary authorities known as of December 31, 2017, which are resources available for use for the year ending March 31, 2018, and the expenditures of the first three trimesters.

Authorities' variations

As at December 31, 2017, total usable budgetary authorities for the year increased by \$ 0.01 million compared to the same quarter last year, from \$ 9.19 million to \$ 9.20 million. This increase is due to an increase in the operating budget of \$ 0.04 million and a decrease in the employee benefit plan (EBP) of \$ 0.03 million. The change in the operating budget of \$ 0.04 million is attributable to compensation obtained as a result of collective agreement negotiations of \$ 0.09 million, combined with \$ 0.17 million allocated for the renovation of the surface of the skating rink and the installation of drinking fountains on the Commission's territory and a reduction of \$ 0.22 million in the carryover from 2016-2017 to the current year.

THE NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended December 31, 2017

Budgetary expenditures variations

Compared to the previous year, total budgetary expenditures recorded at the end of the quarter, ending December 31 increased by \$0.72 million, from \$6.05 million to \$6.77 million, an increase of 12 %, according to the Table of departmental budgetary expenditures by Standard Object.

The most significant increase \$0.94 million, is in the standard object of Other subsidies and payments, the payment in lieu of tax (PILT). In 2016, this expense was significantly reduced as a result of harmonization by Public Services and Procurement Canada (PSPC). The standard object Personnel also increased by \$ 0.21 million due to the return of employees who had taken unpaid leave the previous year.

These increases are mainly offset by lower expenses for the acquisition of land, buildings and works. In the first quarters of 2016-2017, the Commission disbursed \$ 0.48 million, for the renewal of exhibitions and the repair of greenhouses among others, while in 2017-2018, it committed only 0.08 \$ M, mostly for the bypass stairway. Other budget items were downgraded for a total of \$ 0.03 million.

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.

Annually, the main risk for the Commission is not to meet its revenue forecasts. With the main revenues coming from parking lots, activities and museum admissions, if the tourist season is less busy than anticipated, the Commission should review the projects funded by these funds. As at December 31, 2017, the Commission is able to confirm that it will exceed its target of \$ 1.85 M as statutory funding for the current fiscal.

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 on the territory of the Commission. Thus, the inline skate track has been renovated and refreshments fountains have been installed on the Park. An amount of \$ 0.93 million has been carried forward to 2018-19 for other capital projects. 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 and in wages. 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, for financial contingencies and for its capital plan. 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. The Commission will raise this issue with the Department of Canadian Heritage and will also continue to proactively manage the operating budgets of all sectors by making decisions as and when required to meet the overall budget.

THE NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended December 31, 2017

Approval by Senior Officials

The original version was signed by:

Michèle Gagné
Secretary-Director General

Ville de Québec, Québec
February 26, 2018

The original version was signed by:

Bernard Laquerre
Director of administration

THE NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended December 31, 2017

Statement of Authorities (unaudited)

	Fiscal year 2017-2018			Fiscal year 2016-2017		
	Total available for use for the year ending March 31, 2018 *	Used during the quarter ended December 31, 2017	Year to date used at quarter end	Total available for use for the year ending March 31, 2017 *	Used during the quarter ended December 31, 2016	Year to date used at quarter end
(In thousands of dollars)						
Programs expenditures	7 008	1 049	4 949	6 959	1 352	4 458
Contributions to employee benefit plans	343	86	257	376	94	282
Expenditures pursuant to subsection 29.1(1) of the Financial Administration Act	1 850	511	1 567	1 850	417	1 313
Total authorities	9 201	1 646	6 773	9 185	1 863	6 053

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

THE NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended December 31, 2017

Departmental Budgetary Expenditures by Standard Object (unaudited)

(In thousands of dollars)	Fiscal year 2017-2018			Fiscal year 2016-2017		
	Planned expenditure for the year ending March 31, 2018	Expended during the quarter ended December 31, 2017	Year to date used at quarter end	Planned expenditures for the year ending March 31, 2017	Expended during the quarter ended December 31, 2016	Year to date used at quarter end
Expenditures:						
Personnel	2 621	895	3 049	2 562	872	2 835
Transportation and communications	182	31	76	205	28	68
Information	365	40	157	374	38	161
Professional and special services	782	184	534	805	189	530
Rentals	175	28	60	215	24	58
Purchased repair and maintenance	962	269	439	976	180	415
Utilities, materials and supplies	928	130	412	948	151	422
Acquisition of land, buildings and works	298	62	81	1 225	318	476
Acquisition of machinery and equipment	272	13	39	420	61	97
Transfer payments	-	-	-	-	-	-
Public debt charges	-	-	-	-	-	-
Other subsidies and payments	2 616	- 6	1 926	1 455	2	991
Total Expenditures	9 201	1 646	6 773	9 185	1 863	6 053