

THE NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended December 31, 2018

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 [2018-2019 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 [2018-19 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 2018-2019 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.

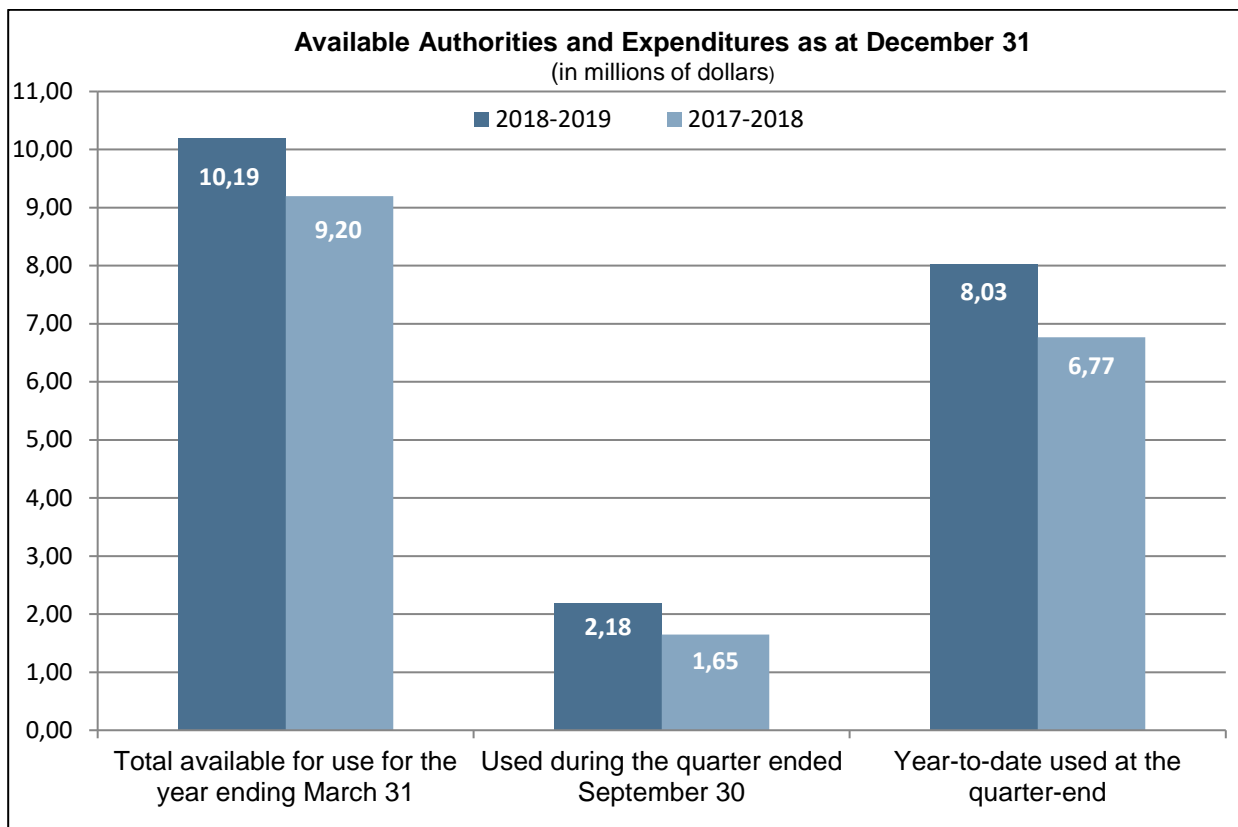
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Highlights of fiscal quarter and fiscal year to date results

This section highlights the significant items that contributed to the slight increase in resources available for the year and the increase in actual expenditures for the quarter ended December 31, 2018. 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 December 31, 2018, total usable budgetary authorities for the year 18-19 increased by \$ 0.99 million compared to the same quarter last year, from \$ 9.20 million to \$ 10.19 million. This increase is due to :

- An increase of \$ 0.82 million in spending on health and safety investment projects, from a carry forward of \$ 0.93 million in appropriations from the previous fiscal year and a downward adjustment of appropriations available for current year of \$ 0.11 million;
- an increase of \$ 0.15 million in Statutory Authorities, the expenses to be covered by the Commission revenues;
- an increase of \$ 0.04 million in operating budget carry forward;
- combined with a decrease of \$ 0.02 million in employee benefit plan (EBP).

Statement of authorities as at December 31 * (in thousand of dollars)	2018-2019			2017-2018			Variance		
	Total available for use for the year ending March 31, 2019	Used during the quarter ended December.31, 2018	Year-to-date used at quarter end	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	Used during the quarter	Year-to-date used
Program expenditures	7 849	1 409	5 798	7 008	1 049	4 949	841	360	849
Contributions to employee benefit plans	342	85	256	343	86	257	-1	-1	-1
Expenditures pursuant to subsection 29.1(1) of the Financial Administration Act	2 000	686	1 977	1 850	511	1 567	150	175	410
Total authorisations	10 191	2 180	8 031	9 201	1 646	6 773	990	534	1 258

* 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 December 31 increased by \$1.26 million, from \$6.77 million to \$8.03 million, an increase of 19 %. The cumulative expenditures in the third quarter represent 79% of the authorizations compared to 74% as of December 31, 2017. This variance of year-to-date expenditures can be explained by the following elements.

- The most significant increase is in the personal standard object, which increased by \$ 0.42 million, due to:
 - retroactivity payments of \$ 0.13 million following the signing of the current collective agreement;
 - severance pay, parental leaves and payable upon termination of employment of \$ 0.29 million.
- In the standard object of repair and maintenance, the Commission spent \$ 0.23 million more than the previous year on that date. The variance is caused by:
 - roof replacement of two Martello towers amounted to \$ 0.18 million;
 - masonry work at Maison Louis S. St-Laurent valued at \$ 0.07 million;
 - the cleanings of a part of the cliff and a retaining wall that cost \$ 0.07 million;
 - \$ 0.01 million disbursed for tree interventions related to emerald ash borer and Dutch elm disease;
 - last year, one-time repair and maintenance work totaled \$ 0.10 million, including the replacement of the roof of one Martello tower and the micro milling of the Gilmour Hill.
- In the standard object of acquisition of land, buildings and works, the Commission spent \$ 0.21 million more than the previous year on that date, while \$ 0.02 million had been disbursed for the bypass staircase and \$ 0.06 million for paving work. During the first three quarters of the current year, investments are dedicated to health and safety projects:
 - new administration offices for an amount of \$ 0.21 million;
 - and the construction of a greenhouse for the conservation program's needs for \$ 0.08 million.
- The increase in acquisition of machinery and equipment of \$ 0.19 million is attributable to the following projects:
 - surveillance cameras acquisition for \$ 0.07 million, a security measure implemented under the G7 summit;
 - and furniture for the new administration offices for an amount of \$ 0.11 million;
 - and changes in purchases of other equipment for \$ 0.01 million.
- Professional and special services are \$ 0.16 million higher than last year. The rise is explained by:
 - a non-recurring expense of \$ 0.07 million dedicated to the organization of the governance of the Commission;
 - by the inclusion of artist fees of \$ 0.07 million under this article, previously under public services;
 - and \$ 0.02 million in other variations of professional services related to projects on the park.

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- An increase of \$ 0.06 million affected the item 'Other subsidies and payments', the payments made in lieu of taxes for federal properties. It is offset by a \$ 0.01 million decrease, which represents the residual difference that is not significant from the other budget items.

Expenditures by standard object	2018-2019			2017-2018			Variance		
	Planned for the year ending March 31, 2019	Expended during the quarter ended December 31, 2018	Year-to-date used at quarter-end	Planned for the year ending March 31, 2018	Expended during the quarter ended December 31, 2017	Year-to-date used at quarter-end	Planned for the year	Expended during the quarter	Year-to-date used
Personnel	4 102	1 090	3 470	2 621	895	3 049	1 481	195	421
Transportation and communications	119	41	92	182	31	76	-63	10	16
Information	233	55	174	365	40	157	-132	15	17
Professional and special services	855	365	698	782	184	534	73	181	164
Rentals	80	19	44	175	28	60	-95	-9	-16
Purchased repair and maintenance	794	375	667	962	269	439	-168	106	228
Utilities, materials and supplies	695	135	382	928	130	412	-233	5	-30
Acquisition of land, buildings and works	440	76	287	298	62	81	142	14	206
Acquisition of machinery and equipment	250	24	232	272	13	39	-22	11	193
Transfer payments	0	0	0	0	0	0	0	0	0
Other subsidies and payments	2 623	0	1 985	2 616	-6	1 926	7	6	59
Total expenditures	10 191	2 180	8 031	9 201	1 646	6 773	990	534	1 258

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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 December 31, 2018, since the summer season is over, the Commission is able to confirm that it will exceed its target of \$ 2 M as statutory funding for the current fiscal. It should be noted that revenues are spent annually to cover 90% of the Promotion of Heritage program spending, 10% of the Conservation program expenditures, and 10% of internal services projects.

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
 - Monitoring of services expenses in order to revise budgets and priorities in a timely manner.

- 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 NBC 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 the 2018–2019 year, a \$0.99 million has been allocated for health and safety investment projects on the territory of the Commission, to renovate Martello Towers, Louis S. St-Laurent House, administration offices and a portion of the road network. These projects have been completed as planned. There are no significant changes to operations, personnel and programs in the first three quarters of 2018-2019.

Approval by Senior Officials

Approved by:

The original version was signed by
Julie Carignan, January 28, 2019

The original version was signed by
Bernard Laquerre, January 28, 2019

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January 28, 2019