

THE NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended December 31, 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 the 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 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.

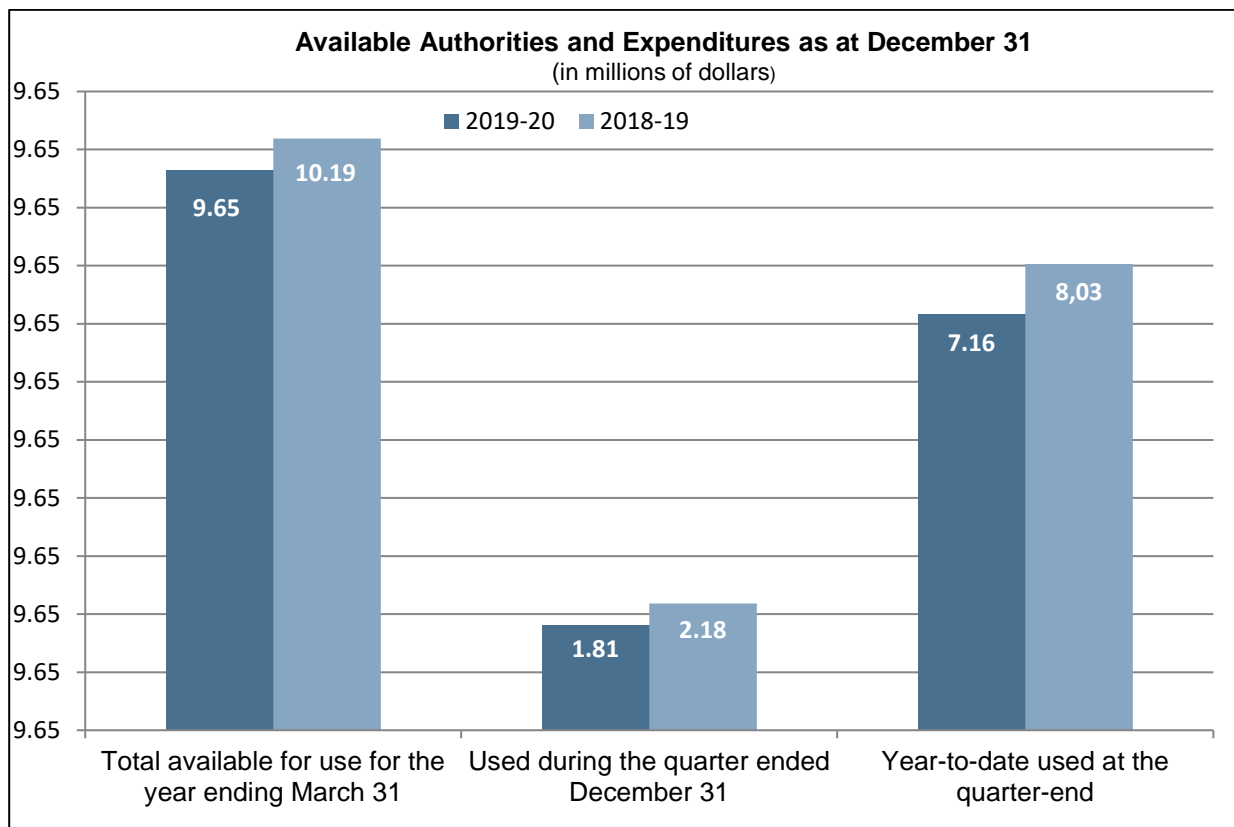
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Highlights of fiscal quarter and fiscal year-to-date results

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 December 31, 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 December 31, 2019, total usable budgetary authorities for the year 2019-20 decreased by \$0.54 million compared to the same quarter last year, from \$10.19 million to \$9.65 million. This decrease is mainly due to:

- a decrease of \$0.49 million in spending on health and safety investment projects and \$0.01 million in spending on salary;
- a downward variation of carry forward of \$0.29 million: \$0.37 million in the previous year vs. \$0.08 million in the current year;
- and an increase of \$0.25 million due to the reimbursement of severance and parental leave benefits, and termination benefits, paid in the previous year.

Statement of authorities as at December 31* (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 December 31, 2019	Year-to-date used at quarter end	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	Used during the quarter	Year-to-date used
Program expenditures	7 305	1 044	5 173	7 849	1 409	5 798	-544	-365	-625
Contributions to employee benefit plans	345	86	258	342	85	256	3	1	2
Expenditures pursuant to subsection 29.1(1) of the Financial Administration Act	2 000	681	1 734	2 000	686	1 977	0	-5	-243
Total authorisations	9 650	1 811	7 165	10 191	2 180	8 031	-541	-369	-866

* 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 decreased by \$0.87 million, from \$8.03 million to \$7.16 million, a decrease of 11%. The cumulative expenditures in the third quarter represent 74% of the authorizations compared to 79% as of December 31, 2018. This variance can be explained by the following elements:

- The most significant decrease is in the personal standard object, which decreased by \$0.39 million, due to retroactivity payments in 2018, and by the strike of unionized employees in 2019;
- For acquisition of land, buildings and works, the Commission spent \$0.29 million less than the previous year on that date, while it had incurred costs for new administration offices;
- For the acquisition of machinery and equipment, the Commission committed \$0.17 million less than in the third 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;
- The remaining non-significant change in other combined objects is \$0.02 million.

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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 December 31, 2019	Year-to-date used at quarter-end	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	Expended during the quarter	Year-to-date used
Personnel	4 303	1 006	3 084	4 102	1 090	3 470	201	-84	-386
Transportation and communications	120	33	85	119	41	92	1	-8	-7
Information	235	51	178	233	55	174	2	-4	4
Professional and special services	862	157	658	855	365	698	7	-208	-40
Rentals	80	21	53	80	19	44	0	2	9
Purchased repair and maintenance	577	402	611	794	375	667	-217	27	-56
Utilities, materials and supplies	697	124	370	695	135	382	2	-11	-12
Acquisition of land, buildings and works	0	0	0	440	76	287	-440	-76	-287
Acquisition of machinery and equipment	95	17	65	250	24	232	-155	-7	-167
Transfer payments	0	0	0	0	0	0	0	0	0
Other subsidies and payments	2 681	0	2 061	2 623	0	1 985	58	0	76
Total expenditures	9 650	1 811	7 165	10 191	2 180	8 031	-541	-369	-866

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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, 2019, since the summer season is over, the Commission is able to confirm that it will exceed its target of \$2M 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 the Commission's 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 to ensure users can enjoy the Plains with few obstacles or activities by external organizers;
 - Favour activities organized by the Commission that are linked to its mandate;
 - 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 \$0.5 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 an acting 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. 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 third quarter of 2019-20.

Approval by Senior Officials

Approved by:

The original version was signed by
Julie Carignan, January 20, 2020

The original version was signed by
Bernard Laquerre, January 20, 2020

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Director of Administration and acting Secretary-
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Quebec City, Quebec
January 20, 2020