

NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended September 30, 2021

Statement outlining results, risks and significant changes in operations, personnel and programs

Introduction

This quarterly financial report has been prepared by management 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 [2021-22 Main Estimates](#). This financial report has not been subject to an external audit or review.

Mandate and program activities

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 Quebec City) and manages the funding allocated for this purpose. The Commission derives its mandate from *An Act respecting the National Battlefields at Quebec*, 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 [2021-22 Departmental Plan](#).

Basis of presentation

This quarterly report has been prepared by management using expense-based 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 2021-22 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 are presented on an expenditure basis.

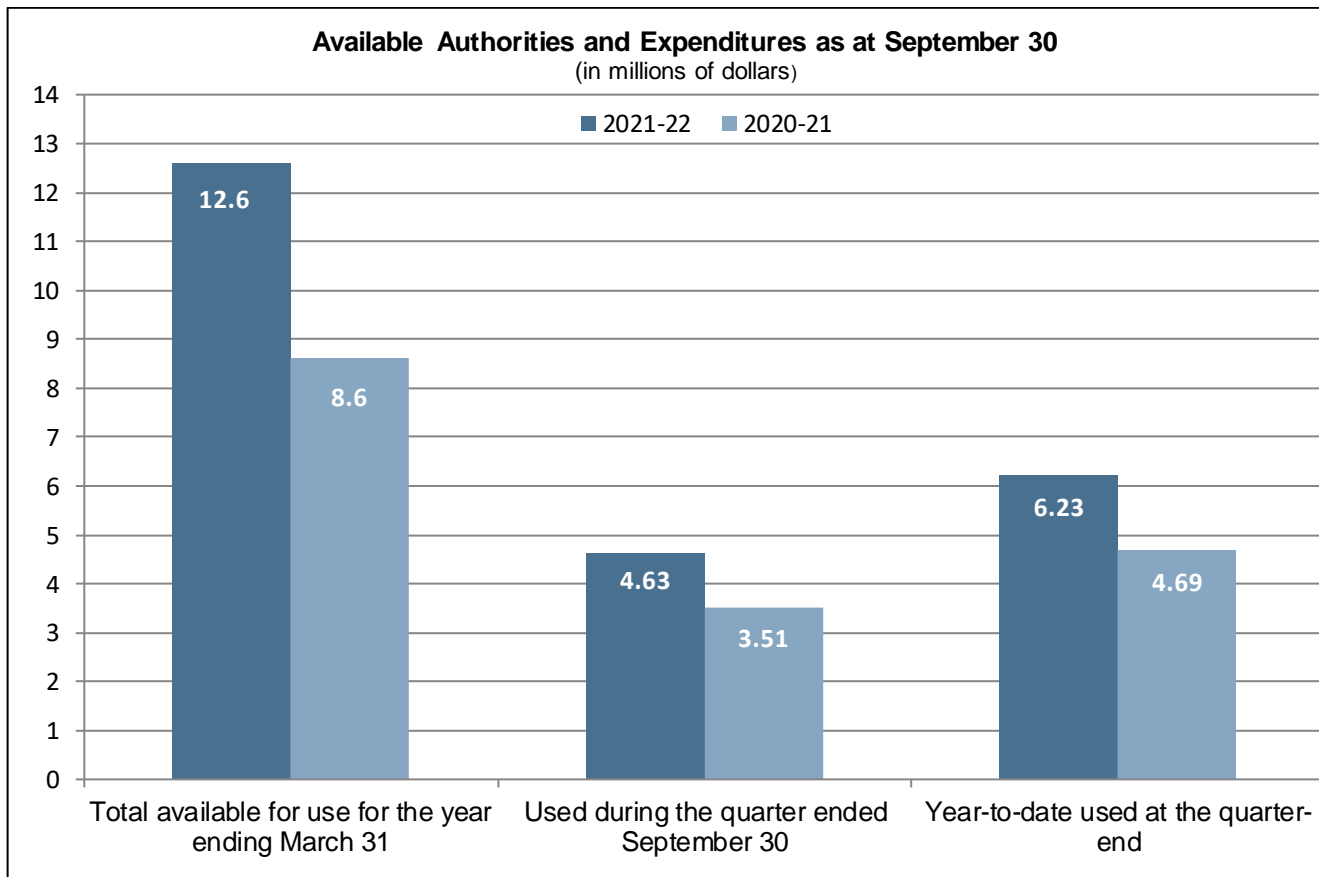
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Highlights of fiscal quarter and fiscal year-to-date results

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 September 30, 2021 and year-to-date at the quarter-end. The graph below outlines the variations in budgetary authorities and the expenditures. More details on these variations can be found in the following sections.



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Variations in authorities

As at September 30, 2021, total usable budgetary authorities for the year 2021-22 increased by \$4 million compared to the same quarter last year, from \$8.6 million to \$12.6 million.

Authorities increased in the second quarter of 2021-2022, as the Commission was authorized to draw up to \$3.3 million from Treasury Board Vote 5 - Government contingencies for the period of July 1, 2021 until the royal assent of the next appropriation act so that the Commission could meet certain expenses required during the summer period, around \$2.4 million, and obligations relating to salaries, around \$0.9 million. This authorization enabled the Commission to redistribute its expenses under subsection 29.1(1) of the *Financial Administration Act*, i.e. expenses possible through its revenues, towards program expenses for the Conservation and Promotion of Heritage, and Internal Services.

Authorities increased also due to a combination of the following changes:

- In the second quarter of the previous fiscal year, exceptionally, the pandemic affected authorities downward by \$0.53 million with:
 - a decrease of \$1.64 million in available authority for use due to reduced appropriations in the Main Estimates; due to the COVID-19 pandemic and limited spring sessions for the legislature to study supply, the Standing Orders of the House of Commons were amended to extend the study period into the fall and the Commission received full appropriations for the 2020-21 Main Estimates in December 2020;
 - a statutory appropriation of \$1.11 million as one-time pandemic assistance under the *Public Health Events of National Concern Payments Act*.
- Other minor variances affect available authorities by \$0.17 million, including a decrease in authorities for health and safety capital projects, an increase in authorities for Treasury Board Secretariat compensatory adjustments following the signing of collective agreements and the increase in the employee benefit plan, as well as an increase in the operating budget carry forward from the previous year.

The Commission notes that the \$3.3 million authority from Vote 5, temporarily obtained in June 2021, will be repaid upon approval of the appropriations act associated with the estimates. At that time, \$6.1 million will be provided to the Commission, including \$2 million to mitigate pandemic pressures (COVID-19) and \$4.1 million to address salary and program integrity issues. This will increase authorities by \$2.8 million by March 31, 2022. This will also increase authorities for contributions to employee benefit plans, which in the second quarter are insufficient.

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Statement of authorities as at September 30 (in thousands of dollars)	2021-22			2020-21			Variance		
	Total available for use for the year ending March 31, 2022	Used during the quarter ended September 30, 2021	Year-to-date used at quarter end	Total available for use for the year ended March 31, 2021	Used during the quarter ended September 30, 2020	Year-to-date used at quarter end	Total available for use	Used during the quarter	Year-to-date used
Program expenditures	10,250	4,694	5,728	5,149	1,799	2,606	5,101	2,895	3,122
Contributions to employee benefit plans	354	324	413	333	83	166	21	241	247
Expenditures pursuant to subsection 29.1(1) of the <i>Financial Administration Act</i>	2,000	(392)	84	2,000	517	805	-	(909)	(721)
Expenditures pursuant to the <i>Public Health Events of National Concern Payments Act</i>	-	-	-	1,112	1,112	1,112	(1,112)	(1,112)	(1,112)
Total authorizations	12,604	4,626	6,225	8,594	3,511	4,689	4,010	1,115	1,536

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Variations in expenditures

Compared to the previous year, total expenditures recorded at the end of the quarter ending September 30 increased by \$1.54 million, from \$4.69 million to \$6.23 million, an increase of 33%. The cumulative expenditures in the first two quarters represent 49% of the available authorizations, compared to 55% as at September 30, 2020.

The variation in expenses is mainly due to events related to the pandemic. In 2020-21, there was an impact on the return to work of seasonal employees, which caused the closure of the Plains of Abraham Museum and the cessation of interpretive activities. In 2021-22, these disruptions to the Commission's operations have been partially resolved. The percentage of available authorizations also varied according to the changes explained above.

The most significant variance is in the personnel standard object, which increased by \$1.60 million, mainly due to retroactive salary expenses, salary increases applied as a result of collective agreement negotiations and position reclassifications, the resumption of activities of the interpretive team, and a general management position that was filled.

Other changes combined total a decrease of \$0.6 million, which will be resolved by March 31, 2022, as the Commission entered into contractual commitments in the amount of \$2.1 million during the second quarter that are not reflected in the accumulated appropriations used, as the spending authorities voted by Parliament are presented on an expenditure basis of accounting. These include commitments for cliff stabilization and subsidence correction, surveying and expertise for building and monument maintenance and infrastructure upgrades. Expenditures have also been planned to improve the winter and museum activities offered. Finally, commitments for professional fees will allow the establishment of a strategic plan and the improvement of the work climate.

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Expenditures by standard object	2021-22			2020-21			Variance		
	Planned for the year ending March 31, 2022	Expended during the quarter ended September 30, 2021	Year-to-date used at quarter-end	Planned for the year ended March 31, 2021	Expended during the quarter ended September 30, 2020	Year-to-date used at quarter-end	Planned for the year	Expended during the quarter	Year-to-date used
Personnel	5,150	2,167	3,378	3,722	869	1,782	1,428	1,298	1,596
Transportation and communications	120	33	48	120	37	50	-	(4)	(2)
Information	275	68	82	275	54	56	-	14	26
Professional and special services	1,624	198	324	675	305	382	949	(107)	(58)
Rentals	80	7	10	80	7	8	-	-	2
Repair and maintenance services	2,178	102	174	553	113	182	1,625	(11)	(8)
Utilities, materials and supplies	484	118	221	484	165	212	-	(47)	9
Acquisition of land, buildings and works	-	-	-	-	-	-	-	-	-
Acquisition of machinery and equipment	-	3	5	-	24	26	-	(21)	(21)
Transfer payments	-	-	-	-	-	-	-	-	-
Other subsidies and payments	2,693	1,930	1,983	2,685	1,937	1,991	8	(7)	(8)
Total expenditures	12,604	4,626	6,225	8,594	3,511	4,689	4,010	1,115	1,536

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Risks and uncertainties

The main financial risk for the Commission is not meeting its forecasted revenue generated from parking lots, interpretation activities and admissions to the Plains of Abraham Museum. Since the announcement by the World Health Organization on March 11, 2020 that declared a pandemic following the appearance of a new and highly contagious form of coronavirus, health measures have varied and have had many economic impacts globally. While some economic recovery is underway, the Commission is able to report that it will not meet its pre-pandemic revenue level, which historically exceeded \$ 2 million each fiscal year.

The Commission recognizes that this situation has an impact on visitor attendance and income. As in 2020-21, during most of the first quarter of the fiscal year, the closure of the Plains of Abraham Museum, the interruption in activities offered to the public, the reduction in the use of parking lots and the cancellation of events held at its sites affected revenues. In 2020-21, to compensate for this decrease in revenue that funds Commission operations, ad hoc assistance was granted on June 19, 2020 by means of legislative appropriations in the order of \$1.1 million from the budget measure "Supporting Canada's National Museums During COVID-19" under the *Public Health Events of National Interest Payments Act*. In 2021-22, the Commission is also benefiting from one-off support, as announced in the government's 2021 budget, *A Recovery Focused on Jobs, Growth and Resilience*; it was decided to provide \$2 million in emergency funding in order to alleviate the financial pressures caused by COVID-19.

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.

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- Accidents in the park and damage to Commission property:
 - High-quality general park maintenance;
 - Regular repair work;
 - Prevention on the ground and patrols by the security service.

- Imbalance between the park's historical and urban missions:
 - Thoroughly analyze each land use request based on the *Land Use Policy* to ensure users can enjoy the park 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 inconveniences 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 the park and reduce inconveniences for users.

Significant changes in relation to operations, personnel and programs

Impacts of the global coronavirus pandemic (COVID-19)

As soon as the pandemic was announced, the Commission took steps to limit the spread of COVID-19 and reduce the risks for park users and employees, according to the advice of public health experts. In particular, it closed the Plains of Abraham Museum and public events were cancelled, including festivals and cultural and sporting events held on the Commission's sites. It also adopted digital alternatives for teleworking employees and for virtual educational activities, and postponed its advertising and promotional campaigns, while providing essential services to keep the park safe. Additionally, the Commission installed signage in the park and made adjustments to offices and public space to remind employees and users of physical distancing guidelines.

The impact of these changes on the Commission's operations remains unclear since after the gradual resumption of activities, certain sanitary measures are still in force, in accordance with government guidelines. On September 30, 2021, this situation had still not been resolved.

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As the situation continues to evolve, the Commission continues to follow guidelines from government and public health authorities, prioritizing the health and safety of users and employees.

Approval by senior officials

Approved by:

The original version was signed by
Annie Talbot on November 5, 2021

The original version was signed by
Bernard Laquerre on November 5, 2021

Annie Talbot
Secretary-General Manager

Bernard Laquerre
Chief Financial Officer

Quebec City, Quebec
November 5, 2021