

**THE NATIONAL BATTLEFIELDS  
COMMISSION**

**FINANCIAL STATEMENTS**

**March 31, 2014**

## 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, 2014, 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 Performance 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.

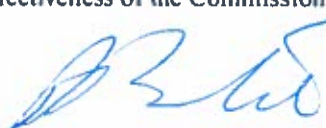
Management seeks to ensure the objectivity and integrity of data in its financial statements through careful selection, training and development of qualified staff; through organizational arrangements that provide appropriate divisions of responsibility; through communication programs aimed at ensuring 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 Internal Control*.

A Core Control Audit was performed in 2011-2012 by the Office of the Comptroller General of Canada (OCG). The Audit Report and related Management Action Plan are posted on the Commission web site at: <http://ecbn-nbc.gc.ca/en/about-us/reports-and-policies/>. These documents provide appropriate disclosure on control management.

The firm Ernst & Young LLP, independent auditors, 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.



André Beaudet, Secretary



Margaret F. Delisle, Chairwoman

Quebec, Canada  
June 18, 2014

# INDEPENDENT AUDITORS' REPORT

## To the Minister of Canadian Heritage and Official Languages

We have audited the accompanying financial statements of **The National Battlefields Commission** which comprise the statement of financial position as at March 31, 2014, and the statement of operations and departmental net financial position, statement of change in departmental net debt and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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.

### Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **The National Battlefields Commission** as at March 31, 2014 and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Other matters

The financial statements of **The National Battlefields Commission** for the year ended March 31, 2013 were audited by other auditors who expressed an unmodified opinion on those financial statements on July 23, 2013.

*Ernst & Young LLP<sup>1</sup>*

Québec City, Canada  
June 18, 2014

<sup>1</sup> CPA auditor, CA, public accountancy permit n° A109180



**THE NATIONAL BATTLEFIELDS COMMISSION**  
Statement of Financial Position  
As at March 31  
(in dollars)

	<u>2014</u>	<u>2013</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 4)	\$ 845,373	\$ 896,090
Vacation pay and compensatory leave	51,158	45,165
Government departments	309,267	148,689
Employee future benefits (note 9)	<u>236,761</u>	<u>511,049</u>
<b>Total net liabilities</b>	<b>1,442,559</b>	<b>1,600,993</b>
<b>Financial assets</b>		
Due from Consolidated Revenue Fund	1,078,134	1,032,979
Accounts receivable (note 5)	<u>76,506</u>	<u>11,800</u>
<b>Total net financial assets</b>	<b>1,154,640</b>	<b>1,044,779</b>
<b>Departmental net debt</b>	<b>287,919</b>	<b>556,214</b>
<b>Non-financial assets</b>		
Tangible capital assets (note 6)	13,105,935	13,059,177
Deferred charges	<u>51,216</u>	<u>63,704</u>
<b>Total non-financial assets</b>	<b>13,157,151</b>	<b>13,122,881</b>
<b>Departmental net financial position</b>	<b>\$ <u>12,869,232</u></b>	<b>\$ <u>12,566,667</u></b>

Contractual obligations (note 10)

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

Approved by the Board :

  
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André Beaudet, Secretary

  
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Margaret F. Delisle, Chairwoman

Quebec, Canada  
June 18, 2014

**THE NATIONAL BATTLEFIELDS COMMISSION**  
**Statement of Operations and Departmental Net Financial Position**  
**For the Year Ended March 31**  
**(in dollars)**

	<u>2014</u>	<u>2014</u>	<u>2013</u>
	Planned Results		
<b>Expenses (note 8)</b>			
Conservation and Development	\$ 2,299,830	\$ 2,370,384	\$ 2,256,298
Public Education and Services	966,600	1,054,609	1,071,905
Internal Services	<u>6,596,385</u>	<u>6,751,889</u>	<u>7,032,504</u>
<b>Total expenses</b>	<b>9,862,815</b>	<b>10,176,882</b>	<b>10,360,707</b>
<b>Revenues</b>			
Parking	1,200,000	1,239,412	1,281,273
Educational activities and welcoming of visitors	378,000	455,230	450,445
Rent	180,000	188,541	192,043
Other revenues	<u>107,000</u>	<u>356,525</u>	<u>214,966</u>
<b>Total revenues</b>	<b>1,865,000</b>	<b>2,239,708</b>	<b>2,138,727</b>
<b>Cost of operations</b>	<u>7,997,815</u>	<u>7,937,174</u>	<u>8,221,980</u>
Excess of income on costs (note 7)	0	(270,772)	(65,587)
<b>Net cost of operations before government funding</b>	<u>7,997,815</u>	<u>7,666,402</u>	<u>8,156,393</u>
<b>Government funding</b>			
Net cash provided by Government	7,306,645	7,672,437	7,139,220
Change in due from Consolidated Revenue Fund	(41,000)	45,155	334,741
Services provided without charge by other government departments (note 11)	<u>238,000</u>	<u>251,375</u>	<u>225,155</u>
<b>Net cost (excess) of operations after government funding</b>	<b>494,170</b>	<b>(302,565)</b>	<b>457,277</b>
<b>Departmental net financial position - Beginning of year</b>	<b>12,152,058</b>	<b>12,566,667</b>	<b>13,023,944</b>
<b>Departmental net financial position - End of year</b>	<b>\$ <u>11,657,887</u></b>	<b>\$ <u>12,869,232</u></b>	<b>\$ <u>12,566,667</u></b>

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

**THE NATIONAL BATTLEFIELDS COMMISSION**  
**Statement of Change in Departmental Net Debt**  
**For the Year Ended March 31**  
**(in dollars)**

	<u>2014</u>	<u>2014</u>	<u>2013</u>
	Planned Results		
<b>Net cost (excess) of operations after government funding</b>	<b>\$ 494,170</b>	<b>\$ (302,565)</b>	<b>\$ 457,277</b>
<b>Change due to tangible capital assets</b>			
Acquisition of tangible capital assets	100,000	1,092,281	525,160
Amortization of tangible capital assets	(999,274)	(1,045,523)	(1,016,464)
Amortization of deferred charges	(12,488)	(12,488)	(12,488)
<b>Total change due to tangible capital assets</b>	<b>(911,762)</b>	<b>34,270</b>	<b>(503,792)</b>
<b>Net decrease in departmental net debt</b>	<b>(417,592)</b>	<b>(268,295)</b>	<b>(46,515)</b>
<b>Departmental net debt - Beginning of year</b>	<b>542,592</b>	<b>556,214</b>	<b>602,729</b>
<b>Departmental net debt - End of year</b>	<b>\$ <u>125,000</u></b>	<b>\$ <u>287,919</u></b>	<b>\$ <u>556,214</u></b>

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

**THE NATIONAL BATTLEFIELDS COMMISSION**

## Statement of Cash Flows

For the Year Ended March 31

(in dollars)

	<u>2014</u>	<u>2013</u>
<b>Operating activities</b>		
Net cost of operations before government funding	\$ 7,666,402	\$ 8,156,393
Non-cash items:		
Amortization of tangible capital assets	(1,045,523)	(1,016,464)
Services provided without charge by other government departments (note 11)	(251,375)	(225,155)
Amortization of deferred charges	(12,488)	(12,488)
Variations in Statement of Financial Position:		
Increase (decrease) in accounts receivable	64,706	(5,455)
Decrease (increase) in accounts payable and accrued liabilities	50,717	(315,462)
Decrease (increase) in government departments	(160,578)	(13,823)
Decrease (increase) in vacation pay and compensatory leave	(5,993)	(454)
Decrease (increase) in future employee benefits	274,288	46,968
<b>Cash used in operating activities</b>	<u>6,580,156</u>	<u>6,614,060</u>
<b>Capital investing activities</b>		
Acquisition of tangible capital assets	1,092,281	525,160
<b>Cash used in capital investing activities</b>	<u>1,092,281</u>	<u>525,160</u>
<b>Net cash provided by Government of Canada</b>	<u>\$ 7,672,437</u>	<u>\$ 7,139,220</u>

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



## **THE NATIONAL BATTLEFIELDS COMMISSION**

Notes to the Financial Statements  
For the Year Ended March 31

### **1. Authority and Objectives**

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

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

The Plains of Abraham, site of the Battle of 1759 between Wolfe and Montcalm;  
Des Braves Park, marking the Battle of St-Foy in 1760;  
The Pierre-Dugua-de-Mons Terrace, east of the Quebec Citadel, overlooking Cap-aux-Diamants;  
The Plains of Abraham Discovery Pavillon on Wilfrid Laurier Avenue;  
The Maison St-Laurent located at 201,203 Grande-Allée Est in Québec;  
The adjoining thoroughfares, two Martello Towers on the site and a tower in Quebec 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 Statement of Operations and Departmental Net Financial Position are the amounts reported in the future-oriented financial statements included in the 2013-14 *Report on Plans and Priorities*.

Liquidity risk is the risk that the Commission will encounter difficulty in meeting its obligations associated with financial liabilities. The entity'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.

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 of the Financial Administration Act, 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 entity'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.

(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.

(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.

(f) Employee future benefits

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

(ii) Severance benefits: Employees entitled to severance benefits under labour contracts or conditions of employment earn these benefits as services necessary to earn them are rendered. The cost of these benefits is accrued as the employees render the service necessary to earn them. The directorate uses assumptions and its best estimates to calculate the value of the liability as part of the severance pay, such as seniority and employee status. As of October 29<sup>th</sup> 2012, the accumulation of severance benefits under the employee severance pay program has ceased.

(iii) Workers' compensation benefits: The Commission recognizes, in present value, the cost of compensation benefits to be paid when the act at the origin of the obligation occurs. The liability that accounts for these benefits is recorded according to management's most probable assumptions regarding future salary, age of employees, years of service and the probability of departure. 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) **Tangible capital assets** – All tangible capital assets and leasehold improvements having an initial cost of \$2,500 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 done on a straight-line basis over the estimated useful life of the asset as follows:

<b>Asset Class</b>	<b>Amortization Period</b>
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 material	3 to 5 years
Computer software	3 to 5 years

Assets under construction are not amortized until they are put to use.

(h) **Deferred charges** – Restoration charges related to assets that are not the property of the Commission are recorded at cost and amortized on a straight-line basis over the term of the contract.

(i) **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 employee future benefits 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.

## THE NATIONAL BATTLEFIELDS COMMISSION

Notes to the Financial Statements

For the Year Ended March 31

### 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 one 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 on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

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

	2014	2013
	(in dollars)	
Net cost of operations before government funding	\$ 7,666,402	\$ 8,156,393
Adjustments for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(1,045,523)	(1,016,464)
Amortization of deferred charges	(12,488)	(12,488)
Services provided without charge by other government departments	(251,375)	(225,155)
Decrease (increase) in vacation pay and compensatory leave	(5,993)	(454)
Decrease (increase) in employee future benefits	274,288	46,968
Cost related to The National Battlefields Commission Trust Fund	(2,105)	(1,067)
Non-tax income	2,166,480	2,083,594
Income from National Battlefields Commission Trust Fund	272,877	66,654
Total items affecting net cost of operations but not affecting authorities	1,396,161	941,588
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisitions of tangible capital assets	1,092,281	525,160
Total items not affecting net cost of operations but affecting authorities	1,092,281	525,160
<b>Current year authorities used</b>	<b>\$ 10,154,844</b>	<b>\$ 9,623,141</b>

**(b) Authorities provided and used**

	2014	2013
	(in dollars)	
Authorities provided:		
Canadian Heritage:		
Operating and capital expenditures	\$ 7,755,968	\$ 7,373,774
Unused appropriations	(320,882)	(357,326)
	<u>7,435,086</u>	<u>7,016,448</u>
Statutory-Contribution to employee benefit plans	553,281	523,101
Expenditures corresponding to sub-section 29.1(1) of the FAA	2,166,477	2,083,592
	<u>10,154,844</u>	<u>9,623,141</u>
<b>Current year authorities used</b>	<b>\$ 10,154,844</b>	<b>\$ 9,623,141</b>

**4. Accounts Payable and Accrued Liabilities**

The following table presents details of accounts payable and accrued liabilities:

	2014	2013
	(in dollars)	
Current accounts payable	\$ 764,759	\$ 825,702
Accrued compensatory time	44,311	45,729
Accrued salaries	35,256	23,612
Collected fines	1,047	1,047
	<u>845,373</u>	<u>896,090</u>
<b>Accounts payable</b>	<b>\$ 845,373</b>	<b>\$ 896,090</b>

**5. Accounts Receivable**

The following table presents details of accounts receivable:

	2014	2013
	(in dollars)	
Receivables - Other government departments and agencies	\$ 20 190	\$ 11 800
Receivables - External parties (Québec sales tax)	56 316	0
	<u>76 506</u>	<u>11 800</u>
<b>Accounts receivables</b>	<b>\$ 76 506</b>	<b>\$ 11 800</b>

**THE NATIONAL BATTLEFIELDS COMMISSION**

Notes to the Financial Statements  
For the Year Ended March 31  
(in dollars)

**6. Tangible capital assets**

Capital 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	2014	2013
Land	\$ 724,710	\$	\$	\$ 724,710	\$	\$	\$	\$	\$ 724,710	\$ 724,710
Buildings	12,686,891	305,443	10,972	12,981,362	6,545,322	473,267	10,972	7,007,617	5,973,745	6,141,569
Works and infrastructure	9,633,188	513,258		10,146,446	4,156,090	342,677		4,498,767	5,647,679	5,477,098
Machinery and equipment	1,309,937	72,498		1,382,435	931,161	53,771		984,932	397,503	378,776
Vehicles	1,138,569	36,535	74,499	1,100,605	962,094	71,670	74,499	959,265	141,340	176,475
Computer material	237,411	16,441		253,852	123,460	79,153		202,613	51,239	113,951
Computer software	90,112	148,106		238,218	43,514	24,985		68,499	169,719	46,598
<b>Total</b>	<b>\$ 25,820,818</b>	<b>\$ 1,092,281</b>	<b>\$ 85,471</b>	<b>\$ 26,827,628</b>	<b>\$ 12,761,641</b>	<b>\$ 1,045,523</b>	<b>\$ 85,471</b>	<b>\$ 13,721,693</b>	<b>\$ 13,105,935</b>	<b>\$ 13,059,177</b>

Amortization expense for the year ended March 31, 2014 is \$1,045,523 (\$1,016,464 in 2013).

The net book value of tangible capital assets that are not subject to amortization because they are currently under construction is \$422,667 (\$0 in 2012).

## THE NATIONAL BATTLEFIELDS COMMISSION

Notes to the Financial Statements  
For the Year Ended March 31

### 7. The National Battlefields Commission Trust Fund

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

	2014	2013
	(in dollars)	
Cost		
Professional services	\$ 2,105	\$ 1,067
<b>Total of cost</b>	<b>2,105</b>	<b>1,067</b>
Revenues		
Interest	6,377	5,998
Miscellaneous	266,500	60,656
<b>Total of revenues</b>	<b>272,877</b>	<b>66,654</b>
<b>Excess of income on costs</b>	<b>(270,772)</b>	<b>(65,587)</b>
Balance at beginning of the year	717,083	651,496
<b>Balance at end of year, deposited with the Receiver General for     Canada</b>	<b>\$ 987,855</b>	<b>\$ 717,083</b>

### 8. Information on Expenses

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

The **Conservation and Development** includes the following services:

- The service of maintenance, 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 horticultural which is responsible for the landscaping, horticultural, arboriculture activities and sustainable development;
- The service of surveillance and security, which ensures to it 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.

The **Public Education and Services** includes the following services:

- The heritage sector includes welcoming visitors and users to the Park, the dissemination of information to the public and reservations for educational interpretation activities for school and the general public;
- Cultural and Technical Service.

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

## SUMMARY OF EXPENSES BY MAJOR TYPE

	2014	2013
	(in dollars)	
Salaries and employee benefits	\$ 4,418,481	\$ 4,318,988
Payment in lieu of taxes	2,257,641	2,234,436
Amortization of tangible capital assets	1,045,523	1,016,464
Utilities, materials and supplies	768,063	877,845
Professional services	546,377	725,343
Maintenance	480,130	590,062
Publicity	421,900	383,507
Transportation and communication	133,243	126,477
Rental	93,036	75,097
Amortization of deferred charges	12,488	12,488
<b>Total of charges</b>	<b>\$ 10,176,882</b>	<b>\$ 10,360,707</b>

### 9. Employee futures benefits

#### a) Pension benefits

The Commission's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.

Both the employees and the Commission contribute to the cost of the Plan. Due to the amendment of the Public Service Superannuation Act following the implementation of provisions related to Canada's Economic Action Plan 2012, employee contributors have been divided into two groups – Group 1 relates to existing plan members as of 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 2013-2014 expense amounts to \$389,012 (\$373,494 in 2012-2013). For Group 1 members, the expense represents approximately 1.6 times (1.7 times in 2012-2013) the employee contributions and, for Group 2 members, approximately 1.5 times (1.6 times in 2012-2013) the employee contributions.

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.



## Severance benefits and workers' compensation benefits

The Commission provides severance benefits to its employees based on eligibility, years of service and salary at termination of employment. These severance benefits are not pre-funded.

As part of collective agreement negotiations with certain employee groups, and changes to conditions of employment for executives and certain non-represented employees, the accumulation of severance benefits under the employee severance pay program ceased for these employees commencing on October 29, 2012. Employees subject to these changes have been given the option to be immediately paid the full or partial value of benefits earned to date or collect the full or remaining value of benefits on termination from the public service. Employees had until April 29, 2013 to make their intentions known, 90% of employees have expressed their choice by an immediate or short-term payment representing 79% of the total severance. These changes have been reflected in the calculation of the outstanding severance benefit obligation.

Benefits will be paid from future authorities.

To calculate the severance benefit obligation the Commission uses a 2.00% rate of compensation increase, a 2.96% discount rate, a 0% probability of employee departure before the age of 55 (30 years of service and 55 years of age) or before the age of 60 which is the assumed retirement age for most employees.

For workers' compensation benefits, the Commission has recognized an obligation totaling \$126,286. To calculate this liability, the Commission uses a rate of compensation increase of 2.00% and a discount rate of 2.96% as a hypothesis for the final payments of the compensation.

	2014	2013
	(in dollars)	
<b>Accrued benefit obligation - Beginning of year</b>	<b>\$ 511,049</b>	<b>\$ 558,017</b>
Expense for the year	6,512	197,941
Benefits paid during the year	(280,800)	(244,909)
<b>Accrued benefit obligation - End of year</b>	<b>\$ 236,761</b>	<b>\$ 511,049</b>

## 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. In 2015 and 2016, these obligations include, among other things, the Specific Service Agreement for the project of the redevelopment of Gilmour Hill. In subsequent years, these contracts are related to the repair and maintenance of equipment. Significant contractual obligations that can be reasonably estimated are summarized as follows:

	2015	2016	2017	2018	2019 and thereafter	Total
Contractual Obligations	\$ 5,532,699	\$ 2,367,396	\$ 182,660	\$ 184,724	\$ 179,062	\$ 8,446,541
<b>Total</b>	<b>\$ 5,532,699</b>	<b>\$ 2,367,396</b>	<b>\$ 182,660</b>	<b>\$ 184,724</b>	<b>\$ 179,062</b>	<b>\$ 8,446,541</b>

## THE NATIONAL BATTLEFIELDS COMMISSION

Notes to the Financial Statements

For the Year Ended March 31

(in dollars)

### 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 the employer's contribution to the health and dental insurance plans. This service provided without charge has been recorded in the Department's Statement of Operations and Departmental Net Financial Position as follows:

	2014	2013
	(in dollars)	
Employer's contribution to the health and dental insurance plans	\$ 251,375	\$ 225,155
<b>Total</b>	<b>\$ 251,375</b>	<b>\$ 225,155</b>

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 Works and Government Services 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 rights and public exposure to certain sponsors in exchange primarily for advertising. These non-monetary transactions with unrelated parties were recorded equally in revenues and expenses. They were estimated to total \$73,228 in 2013-2014 (\$55,133 in 2012-2013), which represents the fair value of the assets and services received.