THE NATIONAL BATTLEFIELDS COMMISSION

FINANCIAL STATEMENTS

March 31, 2017

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, 2017, 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://ccbn-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.

The original version was signed by:
Michèle Gagné, Secretary

The original version was signed by:
Margaret F. Delisle, Chairwoman

Quebec, Canada
June 22, 2017

Independent auditors' report

To the Minister of Canadian Heritage

We have audited the accompanying financial statements of **The National Battlefields Commission** which comprise the statement of financial position as at March 31, 2017, 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, 2017 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.

Ernst & Young LLP[1]

Québec, Canada
June 22, 2017

[1] CPA auditor, CA, public accountancy permit nº A109180

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

		2017		2016
Liabilities				
Accounts payable and accrued liabilities (note 4)	$	1,170,551	$	615,061
Vacation pay and compensatory leave		113,718		108,611
Government departments		129,673		140,821
Employee future benefits (note 9)		173,043		181,605
Total net liabilities		**1,586,985**		**1,046,098**
Financial assets				
Due from Consolidated Revenue Fund		1,212,279		707,768
Accounts receivable (note 5)		87,945		48,114
Total net financial assets		**1,300,224**		**755,882**
Departmental net debt		**286,761**		**290,216**
Non-financial assets				
Tangible capital assets (note 6)		18,257,634		18,524,998
Total non-financial assets		**18,257,634**		**18,524,998**
Departmental net financial position	**$**	**17,970,873**	**$**	**18,234,782**

Contractual obligations (note 10)

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

Approved by the Board :

The original version was signed by:
Michèle Gagné, Secretary

The original version was signed by:
Margaret F. Delisle, Chairwoman

Quebec, Canada
June 22, 2017

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

	2017 Planned Results	2017	2016
Expenses (note 8)			
Conservation and Development	$ 2,457,293	$ 2,358,137	$ 2,267,139
Public Education and Services	1,033,227	1,056,015	1,018,014
Internal Services	5,903,787	6,505,251	6,724,597
Total expenses	**9,394,307**	**9,919,403**	**10,009,750**
Revenues			
Parking	1,250,000	1,249,178	1,268,636
Educational activities and welcoming of visitors	378,000	572,276	490,265
Rent	180,000	207,263	192,311
Other revenues	102,000	232,706	302,007
Total revenues	**1,910,000**	**2,261,423**	**2,253,219**
Cost of operations	**7,484,307**	**7,657,980**	**7,756,531**
(Excess of income on costs)			
Excess of costs on income (note 7)	21,210	(38,727)	8,798
Net cost of operations before government funding and transfer	**7,505,517**	**7,619,253**	**7,765,329**
Government funding and transfer			
Net cash provided by Government		6,578,830	11,446,063
Change in due from Consolidated Revenue Fund		504,511	(132,995)
Services provided without charge by other government departments (note 11)		272,003	254,632
Cost (excess) of operations after government funding and transfer		**263,909**	**(3,802,371)**
Departmental net financial position - Beginning of year		**18,234,782**	**14,432,411**
Departmental net financial position - End of year		**$ 17,970,873**	**$ 18,234,782**

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)

	2017	2016
Cost (excess) of operations after government funding and transfer	**$ 263,909**	**$ (3,802,371)**
Change due to tangible capital assets		
Acquisition of tangible capital assets	1,103,653	4,827,354
Amortization of tangible capital assets	(1,151,209)	(1,046,381)
Loss on disposal of tangible capital assets	(219,808)	0
Amortization of deferred charges (note 13)	0	(1,041)
Loss on disposal of deferred charges	0	(5,439)
Total change due to tangible capital assets	**(267,364)**	**3,774,493**
Net decrease in departmental net debt	**(3,455)**	**(27,878)**
Departmental net debt - Beginning of year	**290,216**	**318,094**
Departmental net debt - End of year	**$ 286,761**	**$ 290,216**

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)

	2017	2016
Operating activities		
Net cost of operations before government funding and transfer	$ 7,619,253	$ 7,765,329
Non-cash items:		
Amortization of tangible capital assets	(1,151,209)	(1,046,381)
Loss on disposal of tangible capital assets	(219,808)	0
Services provided without charge		)
by other government departments (note 11)	(272,003)	(254,632)
Amortization of deferred charges	0	(1,041)
Loss on disposal of deferred charges	0	(5,439)
Variations in Statement of Financial Position:		
Increase (decrease) in accounts receivable	39,831	(41,777)
Decrease (increase) in accounts payable and accrued liabilities	(555,490)	156,554
Decrease in government departments	11,148	18,218
Decrease (increase) in vacation pay and compensatory leave	(5,107)	13,202
Decrease in future employee benefits	8,562	14,676
Cash used in operating activities	**5,475,177**	**6,618,709**
Capital investing activities		
Acquisition of tangible capital assets	1,103,653	4,827,354
Cash used in capital investing activities	**1,103,653**	**4,827,354**
Net cash provided by Government of Canada	**$ 6,578,830**	**$ 11,446,063**

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 Commission includes:

The Plains of Abraham, site of the Battle of 1759 between Wolfe and Montcalm;
Des Braves Park, marking the Battle of Sainte-Foy in 1760;
The Pierre-Dugua-de-Mons Terrace, east of the Quebec Citadel, overlooking Cap-aux-Diamants;
The Plains of Abraham Museum 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 "Expenses" and "Revenues" sections of the Statement of Operations and Departmental Net Financial Position are the amounts reported in the future-oriented Statement of Operations included in the 2016-17 Report on Plans and Priorities. Planned results are not presented in the "Government funding and transfer" section of the Statement of Operations and Departmental Net Financial Position and in the Statement of Change in Departmental Net Debt because these amounts were not included in the 2016-17 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 (1) 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 29th 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:

Asset Class	**Amortization Period**
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. In 2015-2016, following the decree 2015-0480 dated April 30, 2015 (exchange of land between departments as described in note 13), a portion of these assets was transferred to the Commission and the balance that was not transferred was removed from its books.

(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 authorities used

	2017	2016
	(in dollars)	
Net cost of operations before government funding and transfer	$ 7,619,253	$ 7,765,329
Adjustments for items affecting net cost of operations but not affecting authorities:		
Amortization of tangible capital assets	(1,151,209)	(1,046,381)
Loss on disposal of tangible capital assets	(219,808)	0
Amortization of deferred charges	0	(1,041)
Loss on disposal of deferred charges	0	(5,439)
Services provided without charge by other government departments	(272,003)	(254,632)
Decrease (Increase) in vacation pay and compensatory leave	(5,107)	13,202
Decrease in employee future benefits	8,562	14,676
Cost related to the Commission Trust Fund	(420)	(20,269)
Non-tax income	2,201,507	2,196,075
Income from the Commission Trust Fund	39,147	11,471
Total items affecting net cost of operations but not affecting authorities	600 669	907 662
Adjustments for items not affecting net cost of operations but affecting authorities:		
Acquisition of tangible capital assets	1,103,653	4,827,354
Total items not affecting net cost of operations but affecting authorities	1 103 653	4 827 354
Current year authorities used	**$ 9,323,575**	**$ 13,500,345**

(b) Authorities provided and used

	2017	2016
	(in dollars)	
Authorities provided:		
Canadian Heritage:		
Operating and capital expenditures	$ 6,958,736	$ 11,356,527
Unused appropriations	(323,089)	(537,975)
	6,635,647	10,818,552
Statutory-Contribution to employee benefit plans	486 422	485719
Expenditures corresponding to sub-section 29.1(1) of the FAA	2 201 506	2 196 074
Current year authorities used	**$ 9,323,575**	**$ 13,500,345**

4. Accounts Payable and Accrued Liabilities

The following table presents details of the Commission's accounts payable and accrued liabilities:

	2017	2016
	(in dollars)	
Current accounts payable	$ 830,301	$ 384,384
Accrued compensatory time	2,250	16,748
Accrued salaries	330,257	206,512
GST collected	7,743	7,417
Total accounts payable and accrued liabilities	**$ 1,170,551**	**$ 615,061**

5. Accounts Receivable

The following table presents details of the Commission's accounts receivable:

	2017	2016
	(in dollars)	
Receivables - Other government departments and agencies	$ 18,395	$ 11,395
Receivables - External parties (Québec sales tax)	69,550	36,719
Accounts receivable	**$ 87,945**	**$ 48,114**

(in dollars)

6. Tangible capital assets

	Cost				Accumulated amortization				Net book value	
Capital Asset Class	**Opening balance**	**Acquisitions**	**Disposals and write-offs**	**Closing balance**	**Opening balance**	**Amortization**	**Disposals and write-offs**	**Closing balance**	**2017**	**2016**
Land	$ 724,710	$ 0	$ 0	$ 724,710	$ 0	$ 0	$ 0	$ 0	$ 724,710	$ 724,710
Buildings	10,957,831	665,479	616,228	11,007,082	6,061,443	376,642	396,420	6,041,665	4,965,417	4,896,388
Works and infrastructure	17,479,568	147,292	0	17,626,860	5,272,435	586,346	0	5,858,781	11,768,079	12,207,133
Machinery and equipment	1,325,529	72,842	57,956	1,340,415	984,718	65,397	57,956	992,159	348,256	340,811
Vehicles	1,202,337	156,951	0	1,359,288	938,402	60,940	0	999,342	359,946	263,935
Computer material	286,450	56,440	0	342,890	259,899	17,115	0	277,014	65,876	26,551
Computer software	240,488	4,649	0	245,137	175,018	44,769	0	219,787	25,350	65,470
Total	**$ 32,216,913**	**$ 1,103,653**	**$ 674,184**	**$ 32,646,382**	**$ 13,691,915**	**$ 1,151,209**	**$ 454,376**	**$ 14,388,748**	**$ 18,257,634**	**$ 18,524,998**

Amortization expense for the year ended March 31, 2017 is $1,151,209 ($1,046,381 in 2016).

The net book value of tangible capital assets that are not subject to amortization because they are currently under construction is $451,182 for the year ended March 31, 2017 ($33,942 in 2016).

The loss on disposal of tangible capital assets for the year ended March 31, 2017 is $219,808 ($0 in 2016) and is due to the replacement of an exhibition at the Plaines of Abraham Museum by two new exhibitions ($145,808) and the dismantling of the exhibition at the Louis S.-St.Laurent Heritage House ($74,000).

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 at 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 and Departmental Net Financial Position of the Commission and are detailed as follows:

	2017	2016
	(in dollars)	
Cost		
Amortization of tangible capital assets	$ 33,170	$ 30,122
Professional services	420	20,269
Total of cost	**33,590**	**50,391**
Revenues		
Interest	3,548	2,971
Miscellaneous	35,599	8,500
Total of revenues	**39,147**	**11,471**
Adjustments for items not affecting authorities:		
Amortization of tangible capital assets	33,170	30,122
(Excess of income on costs)	**(38,727)**	**8,798**
Excess of cost on income		
Balance at beginning of the year	775,696	784,494
Balance at end of year, deposited with the Receiver General for Canada	**814,423**	**$ 775,696**

The tangible capital assets are amortized on a straight-line basis over estimated useful lives of 5 to 20 years and their accumulated amortization is $74,795 as at March 31, 2017 ($41,625 as at March 31, 2016).

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 infrastructures and projects, 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 green spaces which is responsible for the landscaping, horticultural, arboriculture activities and sustainable development;

• The security service, which ensures 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 schools 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

	2017	2016
	(in dollars)	
Salaries and employee benefits	$ 4,245,112	$ 4,156,111
Payment in lieu of taxes	1,357,681	2,453,881
Amortization of tangible capital assets	1,151,209	1,046,381
Professional services	810,578	638,478
Maintenance	798,403	512,878
Utilities, materials and supplies	786,753	642,937
Publicity	339,442	374,084
Loss on disposal of tangible capital assets	219,808	0
Transportation and communication	117,584	105,533
Rental	91,933	70,987
Other subsidies and payment	900	2,000
Loss on disposal of deferred charges	0	5,439
Amortization of deferred charges	0	1,041
Total expenses	**$ 9,919,403**	**$ 10,009,750**

9. Employee future benefits

a) Pension benefits

The Commission's employees participate in the public service pension plan (the "Plan"), which is sponsored and administered by the Government of Canada. 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 Plan 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 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 2016-2017 expense amounts to $338,890 ($334,807 in 2015-2016). For Group 1 members, the expense represents approximately 1.12 times (1.25 times in 2015-2016) the employee contributions and, for Group 2 members, approximately 1.08 times (1.24 times in 2015-2016) 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.

b) 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 which totals $97,045 on March 31, 2017 ($97,605 on March 31, 2016), the Commission uses a 2.00% rate of compensation increase, a 2.31% 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 $75,998 on March 31, 2017 ($84,000 on March 31,2016). To calculate this liability, the Commission uses a rate of compensation increase of 2.00% and a discount rate of 2.31% as a hypothesis for the final payments of the compensation.

	2017	2016
	(in dollars)	
Accrued benefit obligation - Beginning of year	**$ 181,605**	**$ 196,281**
Expense for the year	(542)	11,287
Benefits paid during the year	(8,020)	(25,963)
Accrued benefit obligation - End of year	**$ 173,043**	**$ 181,605**

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 2018, this obligation includes, among other things, the service contract for grass cutting and advertising campaigns for summer activities, the Battles exhibition and Halloween. 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:

	2018	2019	2020	2021	2022 and thereafter	Total
Contractual Obligations	$ 283,900	$ 196,489	$ 22,964	$ 18,923	$ 18,923	$ 541,199
Total	**$ 283,900**	**$ 196,489**	**$ 22,964**	**$ 18,923**	**$ 18,923**	**$ 541,199**

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 Commission's Statement of Operations and Departmental Net Financial Position as follows:

		2017		2016
		(in dollars)		
Employer's contribution to the health and dental insurance plans	$	272 003	$	254 632
Total	**$**	**272,003**	**$**	**254,632**

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 Services and Procurement 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 $59,916 in 2016-2017 ($57,144 in 2015-2016), which represents the fair value of the assets and services received.

13. Transfer from other departments

On April 30, 2015, pursuant to Decree 2015-0480, a land transfer occurred between the Commission, National Defence and Public Services and Procurement Canada for the Voltigeurs Armoury. This involved a parcel of land on Wilfrid Laurier in exchange for a larger adjacent plot. According to Article 8.2 of the Treasury Board Guide to the Management of Real Property, custody transfers are done without an appraisal or estimate of real property since they are conducted at a nominal sum given that all associated resources, including assets, are transferred from one department to another.

Before this land exchange, the restoration charges related to these assets not held by the Commission were recorded as deferred charges in the Commission's financial statements. Therefore, on April 30, 2015, the Commission transferred the net book value of a portion of the deferred charges to its tangible capital assets. In addition, there was a loss on disposal of deferred charges amounting to $5,439 at March 31, 2016 for the portion of the Voltigeurs Armoury parking lot that was not transferred to the Commission.