

THE NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended September 30, 2018

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

Introduction

This quarterly financial report has been prepared by management of the Commission as required by section 65.1 of the Financial Administration Act and in the form and manner prescribed by the Treasury Board. This financial report should be read in conjunction with the [2018-2019 Main Estimates](#). This financial report has not been subject to an external audit or review.

Raison d'être

The National Battlefields Commission (the Commission), as manager of Battlefields Park, makes it possible for Canadians to enjoy Canada's first national historic park and one of the most prestigious urban parks in the world. The Commission is responsible for the administration, management, conservation and development of National Battlefields Park (located in the city of Quebec) and manages the funding allocated for this purpose. The Commission takes its mandate from the National Battlefields at Quebec Act, passed on March 17, 1908, and its amendments. The Commission is a departmental corporation listed in Schedule II of the Financial Administration Act. The Minister of Canadian Heritage and Multiculturalism is responsible for this organization.

The Commission has two core responsibilities: Conservation and Promotion of Heritage, in addition to internal services. Additional information on the mandate, roles, responsibilities and programs of the Commission can be found in the Commission's [2018-19 Departmental Plan](#).

Basis of Presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the Commission's spending authorities granted by Parliament, and those used by the Commission consistent with the Main Estimates for the 2018-2019 fiscal year. This quarterly report has been prepared using a special purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities.

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The authority of Parliament is required before moneys can be spent by the Government. Approvals are given in the form of annually approved limits through appropriation acts or through legislation in the form of statutory spending authority for specific purposes.

When Parliament is dissolved for the purposes of a general election, section 30 of the Financial Administration Act authorizes the Governor General, under certain conditions, to issue a special warrant authorizing the Government to withdraw funds from the Consolidated Revenue Fund. A special warrant is deemed to be an appropriation for the fiscal year in which it is issued.

The Commission uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

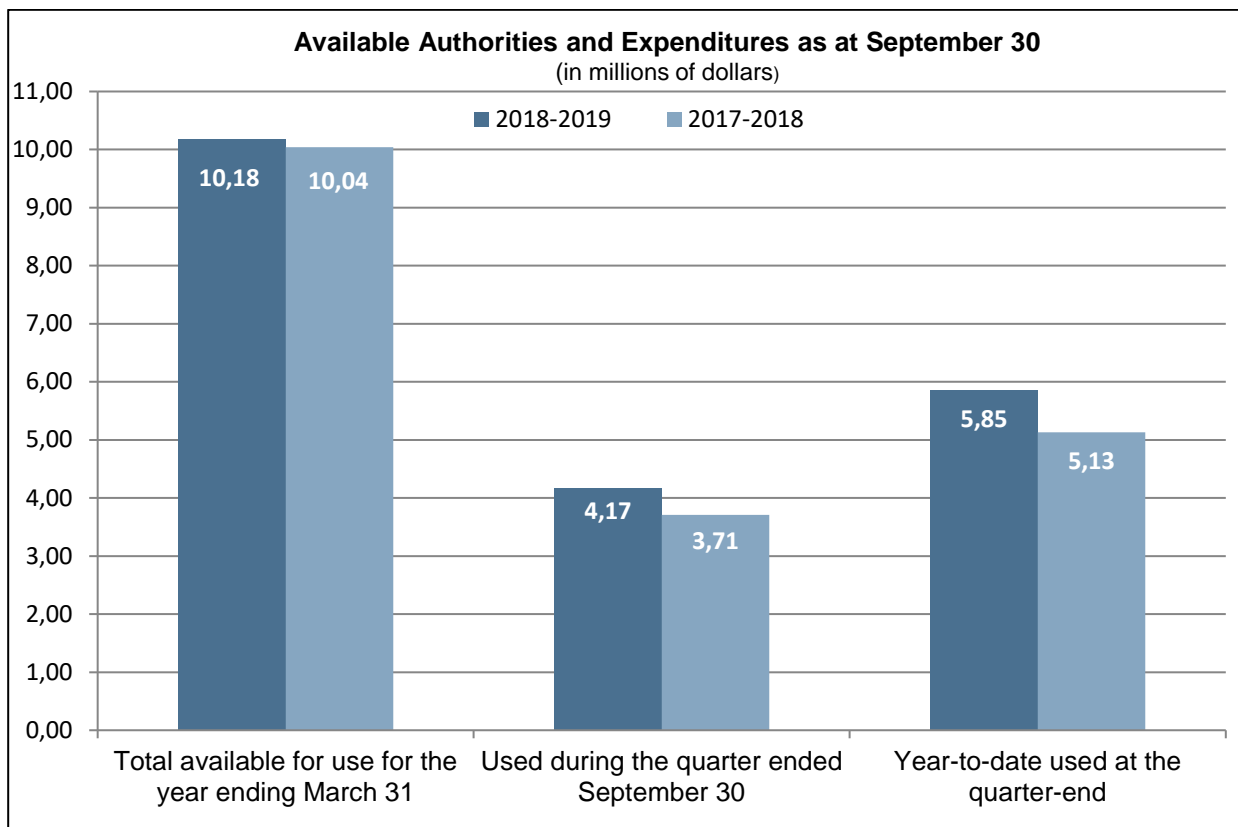
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Highlights of fiscal quarter and fiscal year to date results

This section highlights the significant items that contributed to the slight increase in resources available for the year and the increase in actual expenditures for the quarter ended September 30, 2018. The graph below outlines the budgetary authorities and the expenditures variations. More details on these variations can be found in the following sections.



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Authorities' variations

As at September 30, 2018, total usable budgetary authorities for the year increased by \$ 0.14 million compared to the same quarter last year, from \$ 10.04 million to \$ 10.18 million. This increase is due to :

- an increase of \$ 0.15 million in Statutory Authorities, the expenses to be covered by the Commission revenues;
- an increase of \$ 0.06 million in employee benefit plan (EBP);
- an increase of \$ 0.04 million in operating budget carry forward;
- combined with a \$ 0.11 million decrease in spending on health and safety investment projects.

Statement of authorities as at September 30 * (in thousand of dollars)	2018-2019			2017-2018			Variance		
	Total available for use for the year ending March 31, 2019	Used during the quarter ended September 30, 2018	Year-to-date used at quarter end	Total available for use for the year ending March 31, 2018	Used during the quarter ended September 30, 2017	Year-to-date used at quarter end	Total available for use	Used during the quarter	Year-to-date used
Program expenditures	7 837	3 548	4 389	7 844	3 066	3 900	-7	482	489
Contributions to employee benefit plans	342	74	171	343	85	171	-1	-11	0
Expenditures pursuant to subsection 29.1(1) of the Financial Administration Act	2 000	544	1 291	1 850	560	1 056	150	-16	235
Total authorisations	10 179	4 166	5 851	10 037	3 711	5 127	142	455	724

* 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 September 30, 2018, increased by \$0.72 million, from \$5.13 million to \$5.85 million, an increase of 14 %. The cumulative expenditures in the first quarter represent 57% of the authorizations compared to 51% as of September 30, 2017. This variance of year-to-date expenditures can be explained by the following elements:

- The most significant increase is in the personal standard object, which increased by \$ 0.23 million, mainly due to:
 - retroactivity payments of \$ 0.13 million following the signing of the current collective agreement;
 - severance pay, parental leaves and payable upon termination of employment of \$ 0.08 million;
 - and employee movements of 0,02 M\$.
- In the standard object of acquisition of land, buildings and works, the Commission spent \$ 0.19 million more than the previous year on that date, while \$ 0.02 million had been disbursed for the bypass staircase. During the first two quarters of the current year, investments are dedicated to health and safety projects:
 - new administration offices for an amount of \$ 0.20 million;
 - and the construction of a greenhouse for the conservation program's needs for \$ 0.01 million.
- The increase in acquisition of machinery and equipment of \$ 0.18 million is attributable to the following projects:
 - surveillance cameras acquisition, phase 1, for \$ 0.07 million, a security measure implemented under the G7 summit;
 - and furniture for the new administration offices for an amount of \$ 0.11 million.
- In the standard object of repair and maintenance, the Commission spent \$ 0.12 million more than the previous year on that date. The variance is caused by:
 - roof replacement of Martello Tower 2 which amounted to \$ 0.06 million;
 - the cleanings of a part of the cliff and a retaining wall that cost \$ 0.05 million;
 - and \$ 0.01 million disbursed for tree interventions related to emerald ash borer and Dutch elm disease.
- An increase of \$ 0.05 million affected the item 'Other subsidies and payments', the payments made in lieu of taxes for federal properties. It is offset by the \$ 0.05 million decrease, which represents the residual difference that is not significant from the other budget items.

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Expenditures by standard object	2018-2019			2017-2018			Variance		
	Planned for the year ending March 31, 2019	Expended during the quarter ended September 30, 2018	Year-to-date used at quarter-end	Planned for the year ending March 31, 2018	Expended during the quarter ended September 30, 2017	Year-to-date used at quarter-end	Planned for the year	Expended during the quarter	Year-to-date used
Personnel	4 090	1 173	2 380	2 529	1 116	2 154	1 561	57	226
Transportation and communications	119	33	51	182	34	45	-63	-1	6
Information	233	106	119	365	67	117	-132	39	2
Professional and special services	855	236	333	782	244	350	73	-8	-17
Rentals	80	19	25	175	21	32	-95	-2	-7
Purchased repair and maintenance	794	276	292	962	110	170	-168	166	122
Utilities, materials and supplies	695	101	247	928	151	282	-233	-50	-35
Acquisition of land, buildings and works	440	75	211	1 226	13	19	-786	62	192
Acquisition of machinery and equipment	250	164	208	272	23	26	-22	141	182
Transfer payments	0	0	0	0	0	0	0	0	0
Other subsidies and payments	2 623	1 983	1 985	2 616	1 932	1 932	7	51	53
Total expenditures	10 179	4 166	5 851	10 037	3 711	5 127	142	455	724

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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 September 30, 2018, since the summer season is over, the Commission is able to confirm that it will exceed its target of \$ 2.00 M as statutory funding for the current fiscal. It should be noted that revenues are spent annually to cover 90% of the Promotion of Heritage program spending, 10% of the Conservation program expenditures, and 10% of internal services projects.

The following are additional risks and uncertainties assumed by the Commission and the management strategies adopted to address them:

- Bad weather, poor economic and social conditions
 - Promotional efforts to increase and diversify clientele
 - Development of new partnerships

- Budget reduction measures and new financial pressures
 - Rigorous budget control
 - Monitoring of services expenses in order to revise budgets and priorities in a timely manner.

- Accidents in Park and damage to NBC property
 - High-quality general Park maintenance
 - Regular repair work
 - Prevention and patrols of grounds by Security Service

- Imbalance between Park's historical and urban missions
 - Thoroughly analyze each land use request, based on Land Use Policy
 - Favour activities organized by the NBC that are linked to its mandate.
 - Ensure users can enjoy the Plains with few obstacles or activities by external organizers.
 - Rigorous monitoring of grounds to ensure greater respect for the site

- Environmental impacts and nuisances to users during construction work in the Park and its surroundings
 - Constant monitoring during construction
 - Regular meetings with involved parties
 - Implementation of mitigation measures to protect Park and reduce nuisances for users

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Significant changes in relation to operations, personnel and programs

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

Approval by Senior Officials

Approved by:

The original version was signed by
Julie Carignan, October 29, 2018

The original version was signed by
Bernard Laquerre, October 29, 2018

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Quebec City, Quebec
October 29, 2018