

NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended September 30, 2020

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 [2020-21 Main Estimates](#). This financial report has not been subject to an external audit or review.

Raison d'être

The National Battlefields Commission (the Commission), as manager of Battlefields Park, makes it possible for Canadians to enjoy Canada's first national historic park and one of the most prestigious urban parks in the world. The Commission is responsible for the administration, management, conservation and development of the National Battlefields Park (located in the city of Quebec) and manages the funding allocated for this purpose. The Commission takes its mandate from the *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 [2020-21 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 2020-21 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.

NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended September 30, 2020

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.

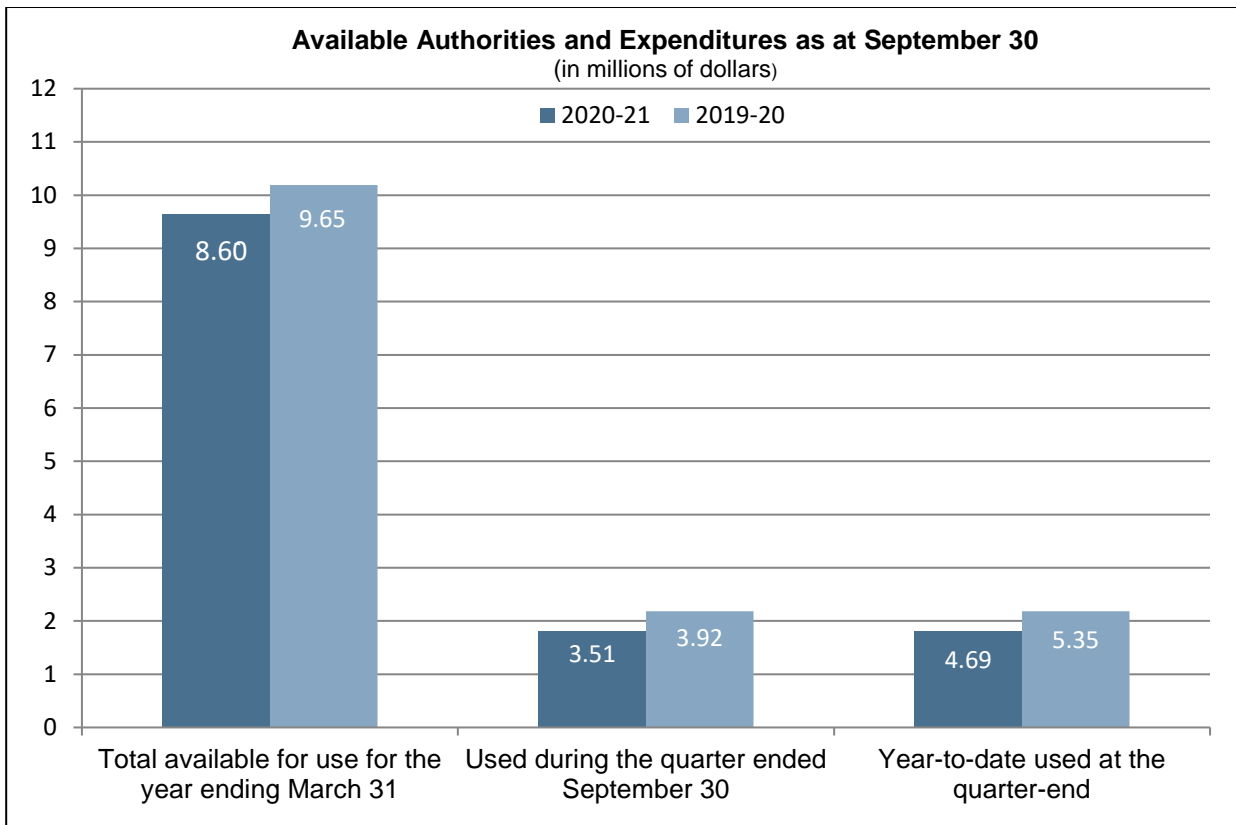
NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended September 30, 2020

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, 2020 and year-to-date at the quarter-end. The graph below outlines the budgetary authorities and the expenditures variations. More details on these variations can be found in the following sections.



NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended September 30, 2020

Authorities' variations

As at September 30, 2020, total usable budgetary authorities for the year 2020-21 decreased by \$1.05 million compared to the same quarter last year, from \$9.65 million to \$8.60 million. This decrease is mainly due to:

- a decrease of \$1.64 million in the authorities available for use is due to the reduced supply of the Main Estimates; due to the COVID-19 pandemic and limited sessions in the spring for Parliament to study supply, the Standing Orders of the House of Commons were amended to extend the study period into the Fall and the Commission is expected to receive full supply 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*;
- a decrease of \$0.42 million in spending on health and safety investment projects;
- a downward variation of carry forward of the previous year of \$0.09 million;
- and a decreased of \$0.01 million for contributions to employee benefit plans.

Statement of authorities as at September 30* (in thousand of dollars)	2020-21			2019-20			Variance		
	Total available for use for the year ending March 31, 2020	Used during the quarter ended September 30, 2020	Year-to-date used at quarter end	Total available for use for the year ending March 31, 2019	Used during the quarter ended September 30, 2019	Year-to-date used at quarter end	Total available for use	Used during the quarter	Year-to-date used
Program expenditures	5 149	1 799	2 606	7 305	3 268	4 129	-2 156	-1 469	-1 523
Contributions to employee benefit plans	333	83	166	345	86	172	-12	-3	-6
Expenditures pursuant to subsection 29.1(1) of the <i>Financial Administration Act</i>	2 000	517	805	2 000	570	1 053	0	-53	-248
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 authorisations	8 594	3 511	4 689	9 650	3 924	5 354	-1 056	-413	-665

NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended September 30, 2020

Expenditures variations

Compared to the previous year, total expenditures recorded at the end of the quarter ending September 30 decreased by \$0.66 million, from \$5.35 million to \$4.69 million, a decrease of 12 %. The cumulative expenditures in the second quarter represent 55 % of the available authorizations, the same percentage as on September 30, 2019.

This variation is mainly explained by the closure of the Plains of Abraham Museum, the cessation of animation activities during most of the first two quarters due to the global pandemic linked to COVID-19, as well as the cancellation of musical programming at the Edwin-Bélanger Kiosk.

The most significant variations are in the following standard objects:

- personnel expenses, which decreased by \$0.30 million, in particular through the reduction of the animation team and non-replaced management team positions;
- professional services, which experienced a decrease of \$0.12 million, in particular since there were no fees granted to artists or infrastructure renovation;
- postponement of advertising campaigns, which is illustrated by a decrease of \$0.07 million in information;
- and an additional municipal tax payment of \$0.07 million from the previous year in other subsidies.

Variations in other items offset each other and are due to the following:

- cancellation of the Great Celebration of Nature and Historic Day;
- cancellation of trips to participate in meetings and congresses;
- and a decrease in rental and repair and maintenance expenses.

NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended September 30, 2020

Expenditures by standard object	2020-21			2019-20			Variance		
	Planned for the year ending March 31, 2020	Expended during the quarter ended September 30, 2020	Year-to-date used at quarter-end	Planned for the year ending March 31, 2019	Expended during the quarter ended September 30, 2019	Year-to-date used at quarter-end	Planned for the year	Expended during the quarter	Year-to-date used
Personnel	3 722	869	1 782	4 303	1 022	2 078	-581	-153	-296
Transportation and communications	120	37	50	120	31	52	0	6	-2
Information	275	54	56	235	92	127	40	-38	-71
Professional and special services	675	305	382	862	308	501	-187	-3	-119
Rentals	80	7	8	80	21	32	0	-14	-24
Purchased repair and maintenance	553	113	182	577	189	209	-24	-76	-27
Utilities, materials and supplies	484	165	212	697	162	246	-213	3	-34
Acquisition of land, buildings and works	0	0	0	0	0	0	0	0	0
Acquisition of machinery and equipment	0	24	26	95	44	48	-95	-20	-22
Transfer payments	0	0	0	0	0	0	0	0	0
Other subsidies and payments	2 685	1 937	1 991	2 681	2 055	2 061	4	-118	-70
Total expenditures	8 594	3 511	4 689	9 650	3 924	5 354	-1 056	-413	-665

NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended September 30, 2020

Risks and Uncertainties

The main financial risk for the Commission is to meet its revenue forecasts coming from parking lots, activities and admission to the Plains of Abraham Museum.

On March 11, 2020, the World Health Organization declared a pandemic following the emergence of a new and highly contagious form of coronavirus. This situation is constantly evolving and the measures in place have numerous economic impacts worldwide.

The Commission anticipates that this situation will affect the number of visitors and its revenue for the fiscal year ended March 31, 2021. For most of the first quarter of the fiscal year, the closure of the Museum of the Plains of Abraham, the interruption of activities offered to the public, the cancellation of events and the reduction in the use of parking lots greatly affected revenues. To compensate for this decrease in revenues which finance the operations of the Commission, ad hoc assistance was granted on June 19, 2020 by the granting of legislative credits in the order of \$1.1 million from the budget measure « Supporting Canada's National Museums During COVID-19 », from the *Public Health Events of National Concern Payments Act*.

As at September 30, 2020, a second closure of the Plains of Abraham Museum has been announced for 28 days, and the Commission is able to confirm that it will not meet its funding forecast for the fiscal year. It should be noted that for the 2020-21 fiscal year, revenues must assume 100% of the expenses of the Promotion of Heritage program and 20% of the expenses of internal services.

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

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

- Budget reduction measures and new financial pressures:
 - Rigorous budget control;
 - Revision of the financing structure;
 - Strengthening relationships with stakeholders in the budget process.

NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended September 30, 2020

- Accidents in the park and damage to the Commission's 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 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 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 the park and reduce nuisances for users.

Significant changes in relation to operations, personnel and programs

Impacts of the global coronavirus pandemic (COVID-19)

As of the announcement of the pandemic, the Commission has taken 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 canceled, including festivals and cultural and sporting events held on Commission sites. It also adopted digital alternatives for teleworking employees and for virtual educational activities, and postponed its advertising campaigns, while providing essential services to keep the park safe. Additionally, the Commission installed signage on the park 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 that began at the end of May 2020 and reopening of the Plains of Abraham Museum on June 26, new

NATIONAL BATTLEFIELDS COMMISSION

Quarterly Financial Report

For the quarter ended September 30, 2020

instructions were issued on September 29, which forced a second closure of the museum, in accordance with government guidelines.

As the situation continues to evolve, the Commission continues to follow directions 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
Julie Carignan, October 23, 2020

The original version was signed by
Bernard Laquerre, October 23, 2020

Julie Carignan
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Quebec City, Quebec
October 23, 2020